

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held at 1820 Van Hise Hall  
1220 Linden Drive  
Madison, Wisconsin

Thursday, July 9, 2015  
9:00 a.m.

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Held at 1820 Van Hise Hall  
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Thursday, July 9, 2015  
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-President Millner presiding-

PRESENT: Regents John Behling, Mark Bradley, José Delgado, Tony Evers, Margaret Farrow, Michael Grebe, Eve Hall, Nicolas Harsy, Tim Higgins, James Langnes, Edmund Manydeeds, Regina Millner, Janice Mueller, Drew Petersen, Charles Pruitt, José Vásquez, and Gerald Whitburn

UNABLE TO ATTEND: None

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## UPDATES AND INTRODUCTIONS

President Millner announced that it was her great pleasure to welcome a new colleague to the Board, Regent James Langnes III, who had recently been confirmed as the new traditional student Regent to succeed Anicka Purath. Regent Langnes is a UW-Whitewater junior from Lake Geneva, though he spent his early years in Virginia, where he developed a keen interest in politics during weekend trips into Washington, D.C. In May, he was appointed to be the new District 2 Alderman on the Whitewater Common Council, and he has served as a senator in UW-Whitewater's student government. Regent Langnes is majoring in finance and plans to go on to law school after his anticipated graduation in 2017. Stating that Board members looked forward to working with him, President Millner invited Regent Langnes to share a few words with the Board.

Regent Langnes said that he was excited for the opportunity to serve the state of Wisconsin, noting that it was an honor to be at the table with such a group of accomplished people who have a passion for higher education. He said he looked forward to working with all of the Regents and everyone involved in forwarding the excellence of the UW System.

After thanking Regent Langnes, President Millner turned the proceedings over to President Cross.

Greeting the Regents, President Cross said that it was his pleasure to introduce a new colleague, Patrick Guilfoile, who is the new Provost and Vice Chancellor for Academic and Student Affairs at UW-Stout.

Provost Guilfoile came to the System from Bemidji State University (BSU) in Minnesota, where he had served as the Associate Vice President for Academic Affairs since 2009. He had been at BSU since 1994, rising through the ranks as a biology professor and entering academic leadership in 2000 as Chair of the Biology Department. He also served as the associate dean of two different colleges there.

President Cross noted that Provost Guilfoile has strong Wisconsin roots, having been born and raised in Fond du Lac. After earning a bachelor's degree in biology and outdoor education from Northland College, he earned a master's degree in teaching biology from UW-Eau Claire and a doctorate in bacteriology from UW-Madison. Noting that Provost Guilfoile had explained that he became familiar with UW-Stout through an acquaintance who always talked about the great things happening there, which piqued his interest, President Cross said that they were glad it did and welcomed Provost Guilfoile.

President Cross said he was also pleased to introduce John Miskowski as the new Director of Television at Wisconsin Public Television (WPT), succeeding longtime Director James Steinbach, who announced his retirement in January.

A Stevens Point native, Mr. Miskowski is a 25-year veteran fundraiser who has served as WPT's Development Director and Executive Director of Friends of Wisconsin Public Television since 2000. President Cross noted that Mr. Miskowski had been a critical part of many key projects at WPT, including the Wisconsin War Stories series, 2010's nationally recognized "LZ Lambeau: Welcoming Home Wisconsin's Vietnam Veterans" event in Green Bay, the Wisconsin Hometown Stories documentary series, and the Young Performer's Initiative. President Cross congratulated Director Miskowski, stating that they looked forward to working with him at WPT.

President Cross also took the opportunity to recognize UW-Green Bay Chancellor Gary Miller, who had recently been named to the Division I NCAA Committee on Infractions. The committee is an independent administrative body charged with deciding infractions cases involving NCAA member institutions and their employees. Among other things, the committee can set and conduct hearings on violations of NCAA legislation, prescribe penalties, and monitor institutions on probation. Noting that Chancellor Miller is the first chancellor or president to serve on the Infractions Committee, President Cross offered his congratulations.

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## **RESOLUTION OF APPRECIATION FOR REGENT EMERITUS DAVID WALSH'S SERVICE ON THE UW SYSTEM BOARD OF REGENTS**

Recalling that the Board had bid farewell to Regents Falbo and Purath in June, President Millner explained that the Board would now also extend best wishes to another colleague, Regent Emeritus David Walsh.

Noting that she had been acquainted with Regent Emeritus Walsh for more than 30 years, President Millner said that he has an unparalleled knowledge – personally, professionally, and from his childhood – of the history of the System, and that over the last few years he had amused, informed, and reassured his colleagues on the Board with his memories of things that have happened before. She then invited Regent Pruitt to present the resolution of appreciation for Regent Emeritus Walsh.

Regent Pruitt began by noting that it was appropriate that the Board was meeting in Van Hise 1820, which he described as a room rich with 44 years of tradition and with a lot of Regent Emeritus Walsh's history. He also recognized Regent Emeritus Walsh's son John, who was present in the audience, and thanked him for being there to honor his father.

Noting that Ernest Hemmingway had once written, "As you get older it is harder to have heroes, but it is more necessary," Regent Pruitt shared that Regent Emeritus Walsh was one of his heroes. Though Regent Pruitt said that had very little to do with what was on his resume or in his biography, he acknowledged that Regent Emeritus Walsh's resume was certainly impressive. A graduate of Madison West High School, Regent Emeritus Walsh received his bachelor's degree from the University of Wisconsin in 1965 and then served as an officer in the U.S. Navy from 1965 to 1967. He went on to earn a J.D. from Harvard Law in 1970, and has since been very successful working as a lawyer at the firm Foley and Lardner. However, Regent Pruitt suggested that the progress of Regent Emeritus Walsh's life and career has been less about the boxes he checked along the way and far more about the difference he has made and the lives he has touched.

Regent Pruitt stated that Regent Emeritus Walsh was one of his heroes because at his core he is someone whose values can never be questioned, and because he has lived his life with an internal compass that tells him almost unerringly what is important and what is nonsense. Regent Pruitt said that he hoped that on his best day he was as a good a husband and as supportive a father as Regent Emeritus Walsh has been every day. Regent Pruitt also praised his generosity and shared how Regent Emeritus Walsh made supporting the work of Dr. David Gamm, of the Foundation for Fighting Blindness and the McPherson Eye Research Institute at UW-Madison, one of his top philanthropic priorities after his sons began to experience the challenges of Usher Syndrome and started losing their sight.

He added that the University of Wisconsin is also important to Regent Emeritus Walsh, who he said believes passionately in the research mission of the university. He recalled how Regent Emeritus Walsh traveled the state as President of the Board to deliver the message that it was important for the state to support the university, and that it was essential that its research mission not be compromised and its life-saving stem cell research not be inhibited or restricted by political agendas.

As much as Regent Emeritus Walsh accomplished when he was President of the Board, Regent Pruitt said he was just as impressed by how he pivoted and continued to make a difference and a vital contribution in his post-presidential days. For the Board presidents who followed him, Regent Emeritus Walsh was a wise counselor and mentor who one could always go to for the straight and unvarnished truth. Regent Pruitt jokingly added that if you did not go to him, it was virtually certain he would come to you.

He also recognized Regent Emeritus Walsh's long and determined effort to merge UW Hospitals and the UW Medical Foundation, using his unique skillset and dogged determination to close the deal. Regent Pruitt said it was altogether fitting that one of his last official days as a Regent was a day that the merger became a reality.

For further evidence of just how much he cares about the university, Regent Pruitt said that all one had to do was observe Regent Emeritus Walsh over the last few months as the Board collectively debated the budget and the future of the UW System. Comparing it to Teddy Roosevelt's statement to the delegates of the Bull Moose Convention in 1912 that, "we stand at Armageddon and we battle for the Lord," Regent Pruitt said that in that battle, as in many before it, Regent Walsh was standing up for something in which he believed deeply: a high-quality university, one that is part of the solution and not part of the problem; a university devoted to cutting-edge research and the Wisconsin Idea; and a land grant university that has always been, and hopefully always will be, accessible to all the citizens of the state. Regent Pruitt said that you may not have always agreed with Regent Emeritus Walsh, but you always wanted him on your side.

As the Regents all moved forward to do their own "battles for the Lord," Regent Pruitt said it was likely that they would do them with just a little less skill, passion, persistence and determination than Regent Emeritus Walsh; however, he hoped that the remaining Regents would draw strength and inspiration from his most extraordinary and heroic example.

Regent Pruitt then read the resolution of appreciation for Regent Emeritus Walsh:

**Resolution of Appreciation for Regent Emeritus David Walsh's Service on the UW System Board of Regents**

Resolution 10534

WHEREAS, David G. Walsh has served the citizens of Wisconsin with distinguished leadership during his 12 years on the University of Wisconsin System Board of Regents, including two years as Board president (2005-2007) and two years as vice president (2003-2005); and

WHEREAS, David has shared his considerable business acumen and legal expertise through his careful scrutiny of contracts; service on numerous standing committees, including Business and Finance (serving as vice chair in 2003) and Capital Planning and Budget; service on and chairmanship of the UW Hospital and Clinics Authority Board; and service on the UW-Madison Research Park Board; and

WHEREAS, David's tenure was informed early on by his participation in Regent listening sessions, which gathered public input on issues facing the UW System, including affordability, the economic development role of the university, and the university's ability to recruit and retain quality faculty and staff; and

WHEREAS, David chaired the 2004 Special Regent Committee for the UW System President Search and also served on three chancellor search

committees – one for UW-Platteville and two for his alma mater, UW-Madison; and

WHEREAS, David – a former United States Navy officer and a Vietnam veteran – was one of three Regent veterans appointed as a liaison by then-Board President Mark Bradley to work with legislative leaders, the Governor, state agency staffs, and fellow veterans to find ways to fund veterans' tuition remission at UW schools and other institutions of higher education; and

WHEREAS, David has many ties to the UW, earning his bachelor's degree, with honors, in 1965 from UW-Madison; receiving the university's Distinguished Alumni Award in 2011; receiving the Distinguished Business Alumnus Award from the UW Business School in 1997; serving as a former chairman of the UW Business School Advisory Board; and serving as an advisor to UW-Madison chancellors; and

WHEREAS, David has long generously supported and been a passionate advocate for vision research at UW-Madison's McPherson Eye Research Institute – including serving as its first Advisory Board Chair and being the namesake for the David G. Walsh Research Fellowship, awarded to a UW student working in the area of vision science;

BE IT THEREFORE RESOLVED, that on behalf of the citizens of the state and a grateful university community, the University of Wisconsin System Board of Regents highly commends David G. Walsh for his leadership and achievements as president, as vice president, and as a member of the UW System Board of Regents.

Regent Emeritus Walsh thanked Regent Pruitt, saying he appreciated the comments about family although it was very hard for him to talk about. He then explained that the UW System had always been a part of his life: his father was a boxing coach who arrived at the university in 1932, and their dinner table conversations were always about school. He learned that the university was part of Wisconsin, and he learned about the responsibility to make life better for other people as described by the Wisconsin Idea. He stated that the importance of ensuring everyone has access to a quality institution in order to get ahead had been the guiding light of everything he and his family had done for the university.

Saying that being a Regent had been a great honor that he had truly enjoyed, Regent Emeritus Walsh said there were many people he needed to thank, including former Governor Jim Doyle; President Ray Cross and his predecessors, Katharine Lyall and Kevin Reilly; and various current and former System staff members, including Jane Radue, Judith Temby, David Miller, Michael Morgan, Doug Bradley and Jim Villa. He also recognized the important role of the chancellors in leading the institutions, noting that he had the honor of serving with 43 chancellors during his time as a Regent.



Regent Emeritus Walsh said that he was sorry to be leaving the Board because the Regents were facing some real challenges, including a very serious financial problem for this nationally-revered institution. Noting that the Regents would be discussing the budget later in the meeting, he cautioned that it had to be put into context. He compared the current biennial budget's GPR funding, which was \$663 million out of a total \$6.2 billion, or about 16 percent, to the budgeted GPR from Tommy Thompson's last year as governor, which was \$912 million (before inflation), and to the average GPR under Governor Doyle, which was \$852 million.

While acknowledging that tuition did increase, Regent Emeritus Walsh focused on the state's investment in the UW System and its most important service – teaching students. From this perspective he said that \$663 million was “a disaster,” and combined with the tuition freeze it was a crisis; when compounded by the fact that the System has been forced to spend its reserves, he said the challenge becomes unimaginable. He warned that it was going to be very bad if the university were left with 30 days cash-on-hand after spending down all of its reserves, because this means that the university's teaching work could continue for just 30 days.

Posing the question of how the System found itself in this situation, Regent Emeritus Walsh stated that as a democracy Wisconsin had elected people into the legislature who had made decisions not with the intention to harm the university, but with different priorities; he suggested that the university was currently a very low priority in certain people's minds. Those who were elected are entitled to make those choices, he continued, but with choices there are consequences.

Regent Emeritus Walsh shared that when he first heard about a possible \$300 million cut, he had suggested holding public hearings around the state to explain to the public what the impacts would be and to collect their feedback. He observed that in the past this had been a successful strategy for building grassroots support, and expressed his concern that the System and Regent leadership's chosen strategy of pursuing negotiations with individual decision-makers was not as effective.

Regent Emeritus Walsh suggested that no matter who is in the majority, or how strong their ideology is, even big, bold ideas can be voided by the public. To illustrate this point, he reminded the Board that when Governor Doyle and legislative leaders resisted the UW System's 2007-09 Growth Agenda proposal, the System reached out to its campuses, entered into partnerships with local communities and businesses, formed economic development groups, and joined the WMC and various other associations to build a grassroots movement in support of the plan. He recalled that later, after the proposal was approved, Governor Doyle had said, “Well, you went to the right people.”

His suggestion going forward was for the System to develop a strategy that “takes the message to the people.” He noted that the university does many things and will mean something different to different people, and so the System needs to let the public know what they are going to lose if the state does not continue to support the university. He said this would require traveling around the state to visit every community and help people understand what the UW System is: 26 campuses, including 13 four-year campuses and 13 two-year campuses, which at any given time are educating 180,000 students, with 35,000 graduating into the workforce every



year. He emphasized that the System has a budget of \$6.2 billion, but is also an economic driver that has been statistically proven to generate \$15 billion.

He added that the University of Wisconsin is made up of researchers like David Gamm and Yoshihiro Kowaoka, whose work brings millions of dollars into the state; campuses that bring special value to their communities through partnerships with local businesses like Snap-On Tools, Tomah Therapy, NimbleGen, and Third Wave Technologies; and students like Matthew Schneider, who struggled in high school and in the job market before attending UW-Waukesha, where he was mentored by an outstanding faculty member and achieved top grades.

Noting that these were all elements of the Wisconsin Idea, he encouraged the Board to send the message that the university is Wisconsin – it is an asset of the state, not a line item on a budget; it is the solution, not the problem. By sending the message that it is proud, Regent Emeritus Walsh said the UW System will change the minds of the decision-makers.

President Millner thanked Regent Emeritus Walsh, saying that he would be missed.

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## **INTRODUCTORY REMARKS BY THE PRESIDENT OF THE BOARD**

Noting that the Board had a full agenda for the day, President Millner said that she would not give a lengthy report, though she did want to take an opportunity to say a few words.

First, she shared that she was honored to serve as President of the Board of Regents, explaining that Wisconsin, and most particularly the University of Wisconsin, held a very special place in her heart. She noted that she was not alone in that, as her colleagues on the Board came from all parts of the state and from different walks of life, bringing diverse skills and varied interests, yet still had one thing in common: strong personal ties to one or more of the UW institutions, to the UW System as a whole, to their communities, and to the state. Stating that this had been true throughout the UW System's 42-year history, President Millner said that the role of Regent had never simply been ceremonial; to serve on the Board of Regents means a seven-year pledge of working, service, and responsibility, both to the University of Wisconsin System and to Wisconsin families. For these reasons – personal ties and civic commitment – it was vital for the Board to support, protect and enhance the people and the institutions that make up the UW System; she said this was both a charge and a privilege.

Looking forward, President Millner stated that the System has some tremendous challenges, but also has potential opportunities. As the System works to create a context for chancellors to best manage significant funding cuts, the System will also face a landscape that includes some long-sought flexibilities, as well as unexpected changes that will affect all of its universities and colleges.

Observing that over the last two years the System had engaged in open dialogue with legislators, faculty, academic staff, administrators and students, President Millner said the System expected and needed that dialogue to continue. To fully realize the potential of the presented opportunities, the System would leverage its strengths to move forward for the benefit

of all. To that end, the System would be taking renewed measure of what it does, and how and why it does it. Noting that President Cross would be sharing more about this, President Millner stated that the UW System was embarking on a strategic planning process, the first in almost a decade. There were vital questions that must be addressed, she said, and the answers would impact the UW System for a generation to come.

She observed the need to approach the strategic planning process in an open and questioning manner, acknowledging that stubbornly sticking to the status quo just because it is familiar will not work, but also cautioning that the System cannot instantly adopt significant changes to past practices without inclusive and open discussion. She suggested that, after careful reflection, it may turn out that a combination of the status quo and thoughtful change regarding the UW System's future direction would be both necessary and beneficial.

Though it was not yet time to lay out an agenda, President Millner said she would share several key issues that should be high on the list for attention: the culture of the academy, including academic freedom, tenure, and shared governance; the importance of financial responsibility; the importance of transparency and accountability; the importance of working to grow the state's economy while ensuring students are prepared for their careers; the importance of how the UW System best serves its institutions, including students, faculty and staff; and the over-arching importance of fulfilling the UW System's promises to all families who look forward to sending their students to one of its fine institutions.

Returning again to the significant changes the UW System will face, President Millner noted that the budget currently tops that list; however, as budget cuts are defined and implemented, it would be critical to also keep focus on preserving broad access to a high-quality college experience for both traditional and nontraditional students. She added that the System must also focus on safeguarding transformative research and the application of that research, and on maintaining the university's commitment to engage and serve Wisconsin communities, which is the essence of the Wisconsin Idea – the boundaries of the UW System's many institutions are truly the boundaries of the State and beyond.

President Millner said that while there is no question that "there is hurt" in this budget, she warned that the System must be careful, deliberative, and selective in what it does. While making decisions, the Regents must remember that as they deal with the present, the Board's responsibility is to look to the future. Amid all the uncertainties, President Millner stated that the University of Wisconsin System is, by any measure, worthy of great pride. Its flagship, UW-Madison, is a leader among both the undergraduate and research institutions of the nation and the world, and the individual universities, the colleges, the Extension network, and the UW System as a whole are the envy of many. Saying that the System should be rightly proud of the accomplishments of its predecessors, President Millner said that what the System does today, tomorrow, and in the years to come carries the promise of even greater accomplishments in the future.

Acknowledging that there may be differences of opinion on strategies and tactics among the individual Regents, among colleagues within the System, and among citizens of the state, President Millner said that everyone shares the conviction that the UW System's core offerings – education in sciences and the humanities; basic and applied research; innovative thinking; and

entrepreneurial spirit – need to be safeguarded and nurtured for future generations and for the continued well-being of the State of Wisconsin. She added that she was grateful and honored to have this opportunity to serve, and that she looked forward to working with everyone.

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

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

Regent Mueller said that earlier that day the Committee had heard from Vice Chancellor Darrell Bazzell of UW-Madison and had been asked to consider three contractual agreements with private firms: one with Novartis Pharmaceuticals, another with Genentech, and the third with Madison Vaccines. Noting that President Millner had commented on the importance of growing the economy and enhancing transformational research, Regent Mueller said that it was in this spirit that the Business and Finance Committee unanimously approved all three contractual agreements.

Regent Mueller then moved adoption of Resolutions 10535, 10536, and 10537. The motion was seconded by Regent Whitburn and adopted on a voice vote.

### **UW-Madison Contractual Agreement with Novartis Pharmaceuticals Corporation**

Resolution 10535      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 Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Novartis Pharmaceuticals Corporation.

### **UW-Madison Contractual Agreement with Genentech, Inc.**

Resolution 10536      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 Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Genentech, Inc.

### **UW-Madison Contractual Agreement with Madison Vaccines Incorporated**

Resolution 10537      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 Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Madison Vaccines Incorporated.

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

President Millner next called upon Regent Manydeeds to present the report of the Capital Planning and Budget Committee.

Regent Manydeeds stated that the committee had unanimously approved three resolutions:

Resolution 10538, brought forward by UW-La Crosse, requested authority to construct the Science Lab Building Project at an estimated cost of \$82 million general fund supported borrowing. Regent Manydeeds explained that this project would construct a new science lab that includes 35 new instructional and research laboratories for biology, chemistry, geography, earth science, physics, microbiology, river studies, and the radiation center. The building will be organized within a flexible laboratory module framework, and its construction will address documented space-need deficits in the physical and life sciences at UW-La Crosse.

Resolution 10539, brought forward by UW-Platteville, requested authority to either negotiate the terms of the agreement between the University of Wisconsin-Platteville Real Estate Foundation (REF) and the Wisconsin Department of Administration, or enter into a new lease agreement between the REF and the UW System Board of Regents to reduce annual lease payments. Regent Manydeeds explained that the option chosen would depend on the future leasing authority of the Board of Regents; currently the authority exists for the Foundation to refinance the facility and to reduce the lease cost to the university. Approval to renegotiate the lease will enable the Foundation and the University to respond to financing options in a timely fashion.

Resolution 10540 was the All-Agency Maintenance and Repair Projects request from the System. Regent Manydeeds said that these projects included a utility upgrade and an exterior envelope repair for University houses, and altogether were estimated to cost close to \$2.3 million.

Regent Manydeeds then moved adoption of Resolutions 10538, 10539, and 10540. The motion was seconded by Regent Petersen, and adopted on a voice vote.

### **Approval of the Design Report of the Science Labs Building Project and Authority to Construct the Project, UW-La Crosse**

Resolution 10538      That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Science Labs Building project for an estimated total cost of \$82,000,000 General Fund Supported Borrowing.

**Authority to Enter Into a Lease of Space for Bridgeway Commons Residence Hall, UW-Platteville**

Resolution 10539 That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to either (1) renegotiate the terms of lease agreement # 285-100 between the University of Wisconsin–Platteville Real Estate Foundation (REF) and the Wisconsin Department of Administration or (2) enter into a new lease agreement between the REF and the Board of Regents of the University of Wisconsin System to reduce annual lease payments. The option chosen will depend on the future leasing authority of the Board of Regents. See below for the specifics of the current lease and proposed lease terms.

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

Resolution 10540 That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct two maintenance and repair projects at an estimated total cost of \$2,267,000 Agency Cash.

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**2015-17 BIENNIAL BUDGET UPDATE**

Next President Millner asked President Cross to provide a brief update on the biennial budget.

Noting that the Board had been given a detailed summary of the Joint Finance Committee’s omnibus motion in June, President Cross informed the Regents that the budget had been submitted to the Governor earlier that morning, after being approved by the Joint Finance Committee and having both houses of the legislature add their final touches to it.

President Cross explained that since the Board’s last discussion the budget cut had been significantly reduced. Originally the UW System faced an approximately \$351 million biennial cut, or about \$194 million annually ongoing, but legislators had reduced that cut by \$50 million. The System was now looking at an annual reduction of \$126.3 million, which President Cross said was a dramatic improvement. He noted that the System was one of two entities that received a reduction in its budget cut.

He shared that the Joint Finance Committee had also restored funding for cost-to-continue, kept the UW System in the State’s Compensation Reserve, and made several other improvements and clarifications that were included in the budget:

- The Course Options Program was restored, with the ability for a higher education institution to charge tuition and fees for post-secondary credit. President Cross explained that this was a critical addition that would allow institutions to continue to provide college-level courses to high school students.

- A proposed teacher licensure provision was scaled back to change licensure requirements for technical education subjects only.
- At the System's request, the Joint Finance Committee clarified language on the Wisconsin Environmental Education Board, nonresident tuition remissions, application fees, and University personnel systems.
- The Senate and Assembly restored \$25 million in funding for the UW System. President Cross explained that because this funding was lapsed in the budget it would not positively impact the System's bottom line for this biennium, but it would increase the base for its 2017-19 biennial budget, and would put the System in a stronger position when it begins budget deliberations next year.

While acknowledging that this was still a difficult budget, President Cross stated that it was much better than where the System started. He expressed his gratitude for the efforts of the university's partners in the legislature, and especially those on the Joint Finance Committee, including Senator Sheila Harsdorf, Representative Michael Schraa, and Representative David Murphy. He added that he was especially thankful for Senator Jerry Petrowski's leadership in securing the additional \$25 million in lapsed funding in the Senate, calling this further evidence that at the end of a very contentious and quite difficult budget, the UW System's partnership with legislators put it in a position to be successful. While the System would continue to work with the Governor regarding potential vetoes, President Cross said that there would be a final budget within the next few days.

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## **UPDATE ON ADDRESSING TENURE IN REGENT POLICY DOCUMENTS AS A RESULT OF BIENNIAL BUDGET CHANGES**

Moving on to a discussion of tenure policy, President Cross recalled that at its June meeting the Board passed a temporary Board policy that would automatically take effect if legislation was passed removing tenure from statutory language. The policy would bridge the System from then until the anticipated April 2016 completion of a new policy to be created by the Tenure Policy Task Force, subject to the review and approval of the Board. While originally the hope had been for the Tenure Policy Task Force to have its first scheduled meeting in July, President Cross explained that due to the summer break not all members would have been able to attend. Since it was important for all members to be there, the group was now scheduled to meet in August. President Cross expressed his confidence that the task force would remain on a speedy timeline, and observed that a lot of good discussion and work was already underway.

He explained that the institutions had been or would be facilitating conversations with faculty members; some of those conversations may have been contentious, but they were also very helpful in starting a thoughtful and useful discussion in the process of determining what campus communities believe should be considered in the development of the forthcoming Regent tenure policy. Meanwhile, UW System staff had been researching tenure policies at comparable universities and systems and consulting with shared governance leaders from around the state. The Tenure Policy Task Force would be provided with an official charge or framework, which would include a list of the fundamental components that should be addressed



in the policy. President Cross said that this document would be shared with all interested parties shortly.

President Cross said that he looked forward to reporting back to the Board on a regular basis regarding the task force's progress along with Vice President Behling, who was serving as the task force's chair; he expressed his confidence that the group would have made considerable progress by the Board's September meeting at UW-Whitewater.

Regent Vásquez thanked President Cross for the update. Referring to President Millner's earlier comments about not maintaining the status quo but instead looking to the future for opportunities, Regent Vásquez said that he agreed that even the discussion on tenure should be viewed as an opportunity for improvement. However, he said that he hoped that the task force's approach and deliberation would not be done with the belief that tenure is a problem that has to be fixed. He explained that he had heard a lot of baseless discussion implying that tenure was a problem because it tied the hands of the chancellors or Regents, or because it was very costly to the System. Noting that tenure is extremely important to universities, Regent Vásquez said that if there is a problem it should be fixed, but if there is not the task force should not simply go trying to find a problem.

President Millner invited Vice President Behling, Chair of the Tenure Policy Task Force, to comment. Vice President Behling thanked Regent Vásquez for his comments. Noting that President Cross had mentioned the need to reschedule the task force's initial meeting to accommodate its members' summer schedules, Vice President Behling explained that as the chair he believed it was important to have as much input from as many members as possible. However, he emphasized that in the interim System staff had been working hard on research documents, and he, President Millner, and President Cross were continuing to work on the matter. Saying that he appreciated Regent Vásquez's points, Vice President Behling promised to give a full update at the Board's September meeting about the progress of the task force's first meeting in August.

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## **PRESENTATION AND DISCUSSION: UW SYSTEM 2015-16 ANNUAL OPERATING BUDGET AND TUITION**

To begin the budget discussion, President Cross referred the Regents to the materials they had been provided on the proposed 2015-2016 Annual Operating Budget and Tuition Plan, noting that many of them already had been briefed on its contents.

### ***Introduction***

President Cross recalled that when the System was outlining its annual budget one year earlier, it had just begun using new tools and processes to more clearly report and present its financial position, including the disaggregation of finances – breaking down the budget by fund and by institution. In fall 2014, the System further reported each institution's fund balances as they were broken down into detailed categories framed by the Legislative Audit Bureau, in a



report known as the “Level of Commitment Report.” President Cross emphasized that now, for the first time, the Regents had before them an annual budget that truly represented a plan for all of its finances.

He cautioned that this year’s budget could not be easily compared to the previous year’s budget, as previously the System did not include the proposed expenditures from fund balances; however, going forward this budget would serve as an invaluable baseline for future budget comparisons. He added that the inclusion of more detailed information could lead to some confusion, but he also promised that the System was working on better ways to simplify the information. President Cross said that he hoped the more complete and clearer picture of the System’s total proposed planned expenditures would help the Regents better understand the System’s financial situation.

Before beginning the budget presentation, President Cross expressed his appreciation for the hard work of the System Administration Budget and Finance staff, as well as the chief business officer from each campus. He especially thanked Senior Vice President David Miller and Associate Vice Presidents Freda Harris and Julie Gordon for their efforts to constantly analyze, correct, collect, create, and ultimately repair the budget under these difficult circumstances and new parameters.

President Cross said he wanted to emphasize two key points: (1) that the UW System was allocating roughly \$180 million from fund balances to bring this budget into balance; and (2) that there was a significant projected reduction of roughly 40 percent in the System’s overall fund balances, from a high of \$1.1 billion of unrestricted funds in FY 2013 to \$690 million at the end of the current fiscal year. He pointed out the tuition portion alone went from \$551 million to about \$204 million, which was a 63 percent reduction.

President Cross then welcomed Senior Vice President for Administration and Fiscal Affairs David Miller to present the 2015-16 Annual Operating Budget and Tuition Plan.

### ***Overview of Operating Budget***

Senior Vice President Miller explained that the FY 16 operating budget presented both high-level summaries and detailed budgets for specific operations at each UW institution. The revised resolution requested the Board to take two actions: (1) to approve a grand total operating budget of \$6.194 billion in seven major funds; and (2) to authorize the UW System President to make necessary changes to implement the final state budget or any technical corrections.

He stated that this annual budget process completed an overhaul of the management and reporting of how funds are budgeted and spent. Previously, year-end tuition to be carried forward was not budgeted for expenditure in the fiscal year unless it was expected to be permanently ongoing; however, new revenue was always shown as a budget increase. Going forward the budget would be presented more clearly, and would include the projected fiscal year-year carry-forward balance, projected revenues, projected expenses, planned expenditures from fund balances, and the projected fiscal year end; previously, only the expense budget would have been presented.

Next Senior Vice President Miller walked through the changes in general purpose revenue (GPR). The fiscal year 2015 adjusted GPR base was \$1.142 billion. Fiscal year 2016 would bring about two decreases and two increases to this figure – a \$125 million cut in base GPR, a \$13.6 million decrease in debt service adjustments, an \$18 million increase in funding for cost-to-continue for prior costs now being brought forward in the budget, and a \$7.9 million increase in fringe benefits costs for fiscal year 2016 – which together would create a net change of \$112.7 million from fiscal year 2015 to fiscal year 2016, and a total GPR budget of \$1.029 billion.

For changes in tuition, Senior Vice President Miller informed the Regents that the \$1.39 billion requested base for fiscal year 2016 included \$43 million from nonresident graduate tuition, self-supporting programs, and changes in enrollment anticipated at the institutions, which was an increase of about 32 percent. In addition, institutions would be budgeting \$134.8 million of their tuition fund balances for expenditure in fiscal year 2016. Combined, GPR and tuition create the instructional operating budget of \$2.556 billion.

Senior Vice President Miller reiterated President Cross' point that this was the first time planned expenditures from tuition fund balances would be approved in addition to the operating base revenues. He explained that expenditures from these balances are shown separately to allow comparison to the last year's budget, which did not include those balances. He remarked that while this change may seem simple, it represented a major shift in budgeting and would provide full transparency of all funds available for expenditure and management to the Regents, the university community, legislators, and taxpayers.

Noting that total changes in GPR and tuition were detailed by institution within the budget document, Senior Vice President Miller also pointed out that the budget document presented the full operating budget for each institution's operations, rather than aggregate numbers. Combined, the net GPR changes and tuition projections produced a fiscal year 2016 operating deficit of \$105.3 million; however this deficit would be offset by the infusion of the planned expenditure of \$134.8 million of carry-forward funds from fiscal year 2015. Senior Vice President Miller also addressed the state of the total program revenue balances, noting that the budget document summarized the projected fiscal year 2016 end balances and fiscal year 2016 revenue, expenses, and projected year-end carry-forward for the five unrestricted funds.

The fiscal year 2014 year-end tuition balance was \$395.4 million, and the fiscal year 2015 year-end tuition balance was projected to be \$316.4 million, a decrease of about 20 percent. For fiscal year 2016 the projected tuition balance would be \$204.6 million, for an additional decrease of 35 percent, or a combined decrease of 48 percent over the two years. Going back to fiscal year 2013, which was a high point for tuition year-end balances, at \$551.5 million, the total decrease by the end of fiscal year 2016 would be \$347 million, or 63 percent.

Senior Vice President Miller noted that the fiscal year 2016 projected year-end tuition carry-forward balance would be down to about 8.4 percent of expenses, which would be well below the Board's previous recommendation of a 10-percent minimum fund balance. He explained that this decline is due to the budget cuts of the last biennium and the ongoing tuition freeze, and warned that while the use of balances will help the UW System transition to a lower

base level, it cannot begin to permanently offset the budget reductions included in the 2015-17 biennial budget.

Other balances were going down as well, including auxiliary operations balances, which were projected to decline 15.8 percent in the fiscal year 2015-16 annual budget, as well as general operations, which were expected to decline 10.2 percent. Overall, the total unrestricted fund balances for fiscal year 2015-16 were expected to be \$880 million; compared to the \$973 million total of all unrestricted funds at the end of fiscal year 2014, this was roughly a 10-percent decrease. Senior Vice President Miller said that by the end of fiscal year 2016 the total was projected to be down to \$690 million, which was nearly a 40-percent reduction from the \$1.1 billion in fiscal year 2014.

Moving on to the five non-GPR tuition funds, including auxiliary operations, Senior Vice President Miller explained that these had also been broken down to show new revenue and the planned expenditure balances from those funds. For auxiliary operations, new revenue was expected to bring in \$709.9 million. The planned uses of balances adding to that budget were \$34.2 million, for a total expense budget of \$744.1 million. Anticipated revenue for general program operations was \$247.1 million, and the planned use of balances contributing to that budget would be \$11.1 million, for a total expense budget of \$258.2 million. Senior Vice President Miller explained that the remainder of the \$6.194 billion total operating budget was made up of federal and direct cost reimbursements; gifts, grants, and contracts; and other large revenues that flow through the budget but are not controlled by the UW System, such as federal financial aid.

In response to a request for clarification by Regent Farrow, Senior Vice President Miller explained that auxiliary operations consisted primarily of three large business operations – housing, dining, and parking. He also clarified that general program operations were the business units at each institution that operate not necessarily as part of the academic program, but that do support the academic program. He gave examples such as a copy center that has cash flow, or UW-Madison’s Babcock Dairy, and explained that there were literally thousands of business operations such as these, all of which were considered to be separate funds.

Turning to the GPR allocation to institutions, Senior Vice President Miller referred the Regents to a page in their materials which showed that with the \$125 million base cut and \$15.6 million that would have to be reallocated at the institutions, there was a combined \$140.6 million deficit that institutions would have to make up, not including some other itemized funds from other revenue sources.

He explained that the Joint Finance Committee had directed that the restored \$25 million in base GPR funding be distributed to “aid institutions that are most impacted by the GPR base reduction;” however, the meaning of “most impacted” was not defined by the legislature. He said that as System Administration considered various formulas that could be used to determine budget impacts, it became clear that a formula alone would not suffice. However, the System needed to determine allocations for inclusion in the fiscal year 2016 annual budget; recognizing that every institution would be deeply impacted by the cut, it had worked with leaders at each institution to develop a plan. In addition to the traditional GPR allocation, numerous factors

were considered and each institution's unique fiscal situation was examined to provide a foundation for making a final recommendation.

Senior Vice President Miller observed that although the \$25 million distribution was base funding, it should actually be considered a biennial adjustment only. In other words, he said, the System was not resetting every institution's base with this adjustment; it would be an allocation only for the 2015-17 biennium. During the next year System Administration planned to carefully evaluate and modify the process for distributing GPR funding, under President Cross's leadership.

Responding to a question, Senior Vice President Miller clarified that the \$25 million distribution was true base funding and would not go away at the end of the biennium; however the current distribution did not represent a permanent reset of each institution's base.

To summarize the information about segregated fees and auxiliaries, Senior Vice President Miller began by saying that the System was in the midst of an ongoing review of segregated fee-setting process and had already taken some significant steps:

- Eliminating the previous minimum threshold for reviewing and evaluating segregated fees; previously it did not review segregated fees below 3 percent.
- Reporting detailed explanations for all campuses with increases; previously only the top five institutions with increases above the 3 percent threshold were reported in detail.
- Asking institutions to provide information on any shifts to auxiliary operations from other funding sources; in fall 2015 the UW System will work with campus leadership and students to fully review, evaluate, and modify the rigor of the segregated fee-setting process.

Informing the Regents that Section D of the full budget document included details of each institution's request, Senior Vice President Miller noted that recommended segregated fee increases for the 4-year institutions averaged 3.9 percent. The only double-digit percentage increase was at UW-River Falls and involved bringing a major new student-funded facility online; excluding that increase, the average increase per segregated fees was 2.8 percent. Recommended room and board rates at the 4-year institutions would increase an average of 1.7 percent; these increases were primarily attributed to new and renovated residence halls, facility maintenance projects and rising food costs.

Senior Vice President Miller concluded his presentation by reiterating that the budget documents provided detailed information on projected fiscal year 2015 balances, and all revenue, expenses and end-balances for all unrestricted funds in fiscal year 2016. He stated that the resolution before the Board recommended a fiscal year 2016 operating budget of \$6.194 billion all-funds, of which \$180.1 million was budgeted expenditures from fund balances.

### ***Regent Discussion***

Regent Whitburn moved approval of Resolution 10541. The motion was seconded by Regent Farrow, and further discussion ensued.

Regent Whitburn asked if this was the largest operating budget the System had ever had. Senior Vice President Miller confirmed that it was.

Regent Whitburn observed that the System was changing the parameters of the interface of reserves carried forward with the budget in a more formal way. Noting that for the first time there would be quarterly reports on performance to budget, he wanted to know if going forward the Regents could expect individual chancellors to come back for prior approval if they needed to exceed this budget.

Senior Vice President Miller affirmed that this would be the process going forward, adding that the end of the second quarter was an appropriate time to look at performance reports and to determine if there are any adjustments necessary.

President Cross sought to clarify the comment that this was the System's largest-ever operating budget. He noted that in the tuition portion of the budget document it appeared that the operating portion of the budget went up by about \$29 million from the previous year, from \$2.527 billion to \$2.556 billion; however, these figures did not account for expenditures from the fund balances.

Responding to a question about whether this meant that campuses were balancing this with their savings, President Cross explained that it was through a mixture of savings and cuts. President Cross stated that it was important to make this point, as the day before he had heard a legislator comment that the \$6.194 billion budget was a 1.5-percent increase over the previous year's overall budget. President Cross explained that it only appeared that way due to the combination of an increase in gifts and grants, fund-balance expenditures, and other factors. He noted that previously the Board did not approve a budget that included expenditures from fund balances, but now it would.

Regent Mueller pointed out that similar amounts were set aside for the planned use of fund balances in both the proposed and previous operating budgets, and suggested that if this continues to happen due to a combination of an infusion of new cash and the existing fund balances, the System may be asked to somehow better align its budget rather than keep putting this off to the side.

President Cross said that he understood this point, but explained that it takes time to reduce overall expenses in the budget and that the fund balances were in some ways a cushion in the case that the expense budget goes up.

Senior Vice President Miller commented that this was why he strongly stressed that in fiscal year 2016 the fund balances would be down to 8.4 percent; this most likely would be the last year that balances would be available to cover reductions.

Chancellor Blank sought clarification of a table in the budget documents which detailed the cuts by institution, noting that it did not show the full set of cuts that schools would suffer under this budget; for example, UW-Madison received a cut in funding for its bioenergy program. She suggested that it might be useful for the Regents to see a full list of cuts.

Senior Vice President Miller explained that Chancellor Blank's example and other non-GPR, non-tuition reductions were not included in the referenced table because they were not literal budget cuts, even though institutions still would have to find ways to manage them.

Responding to a comment from President Cross, Senior Vice President Miller further clarified that these additional reductions also were not from program revenue or segregated fee balances, but rather were other state funds.

Regent Farrow interjected that Chancellor Blank's request for Regents to see a full list of the cuts also spoke to the problem the System has in making it clear for legislators, constituents, parents, and students to understand the complexity of the budget. She said that somehow these budget figures would have to be translated into language that provides laypersons with a full understanding of what the System was facing, what had been done campus-by-campus, and what would happen when the surpluses were used up, which she stated would be "unconscionable." Unless the System can find a way to express this, she said it would never win the battle of getting people to truly understand the value and cost of the university's efforts.

President Millner next recognized Regent Mueller, who said she had several questions. Regent Mueller first noted that one of the slides in Senior Vice President Miller's presentation had shown a reduction in debt service, which was presented as a cut. She clarified that the UW System was fully funded for its GPR debt service, which is decided by the Department of Administration; this figure simply showed that the System's debt load was down. Senior Vice President Miller confirmed that this was correct.

Regent Mueller then asked where the System's program revenue debt service – the debt that the System incurred and is responsible for, and which is refunded from its auxiliary operations – appeared in the budget documents.

Senior Vice President Miller acknowledged that this was one of the issues that made it difficult to project some balances. He explained that there was a holding account for program revenue debt service, which was paid from the institutions. Debt service was drawn from the System out of the holding account; through a series of timing considerations, the state informed the System when to draw from the institutions. However, this was embedded in the auxiliary operations and segregated fee budgets.

Regent Mueller commented that the documents before the Board did not include a trend line showing debt over time on the program revenue side.

Senior Vice President Miller replied that this was not included in the annual budget document, though the System had reviewed that information thoroughly when it looked at debt service trends almost two years prior.

Regent Whitburn recalled that total debt service program revenue and GPR in the last biennium was \$775 million, which Senior Vice President Miller confirmed.

Regent Whitburn suggested that it would be appropriate for the Board to be provided with an update of the figures on the GPR side. He observed that similar to a mortgage on a house, these were bills that the System has to pay first before it does anything else, and if that



number was going down the System was making a step towards progress. He suggested that it would be easy to get these numbers from the Legislative Fiscal Bureau and to share them with the Board via email.

President Cross asked if debt service dollars were included under auxiliary expenditures. Senior Vice President Miller replied that debt service dollars could be found under auxiliary expenditures or in the clearing account, depending on the timing of the payment.

After confirming that one of the flexibilities granted in the biennial budget was to convert GPR from an annual to a biennial appropriation, allowing the System to move funds between the two years of the biennium rather than losing whatever money it did not spend at the end of the year, Regent Mueller asked whether this would help the System try to manage GPR.

Senior Vice President Miller agreed that the biennial appropriation could be employed as a cashflow tool between the two years if the System were able to cut more in the second year than the first; however he did not think this budget reflected use of that new flexibility, because the System already had balances to help with cash flow.

Moving on, Regent Mueller stated that there were costs formerly borne by the institutions that now would be borne by employees; for example, faculty and staff were looking at increases to their health insurance. Associate Vice President Frieda Harris commented that the budget included some increased costs related to health insurance. She added that there were some proposed changes going forward that would reduce costs, such as employees being able to receive some funding if they opt out of health insurance.

Senior Vice President Miller suggested that Regent Mueller was referring specifically to the higher copays adopted by the state for some services; this would take effect January 1, 2016.

Regent Mueller said that she wanted to acknowledge that for faculty and staff there was no salary increase budgeted in the biennium, and there would be increased costs to them for health insurance beginning January 1, 2016.

Senior Vice President Miller pointed out that the System did achieve a helpful new management tool in the budget that would allow institutions to reallocate funds to reward merit in some circumstances, although the budget did not provide any money to the institutions.

Regent Mueller also questioned an apparent anomaly in the budget documents which showed that the heavy use of tuition balances at UW-Milwaukee would cost nothing in dollar terms.

Chancellor Mone responded that this was because UW-Milwaukee was taking its entire cut for the biennium immediately, rather than bridging it with one-time money. He explained that the base provides for enrollments to remain stable or increase, which can pose a problem if enrollments go the other direction. UW-Milwaukee's strategy was to make cuts for the long-term and do "the hard stuff" right away. He added that the institution had other strategies planned for its \$23 million in one-time monies – for example, the renovation of a 100 year-old building on campus – which was why they did not use that approach.



Following up on Regent Farrow's observation about the importance of communicating in various ways with multiple audiences, Regent Pruitt said that President Cross and the System staff had done an excellent job of managing within this situation. Regent Pruitt stated that after a great deal of thought, he had decided to vote against this budget resolution. He said that although he was usually reluctant to do symbolic gestures, this was one way for individual Regents to at least send the message that they had profound disagreements with what the UW System's partners in state government had done with the budget, both in terms of the \$250-million cut and with some of the changes on tenure and other issues, which he said were, in his opinion, ill-considered.

He suggested that one idea that had gotten lost over the past months was that the System used to have a deal with its partners in state government that if they wanted to freeze or cut tuition they had to find a way to pay for it, yet for two budgets in a row there had been a toxic blend of deep budget cuts and tuition freezes. Though he was not suggesting that other Regents should join him in opposing the resolution, Regent Pruitt said he just wanted to acknowledge in some small way that, despite the great efforts of System staff to make the best of a difficult situation, the short and long term consequences of this budget would be very profound.

Regent Vásquez asked Senior Vice President Miller to comment on the System's use of reserves and thresholds for reserves. He expressed his concern that the System was spending reserves rapidly, especially in light of the possibility of dealing with another difficult budget cycle or continued tuition freeze in the future.

Senior Vice President Miller replied that this issue mattered greatly because accreditation rests on financial viability. Senior Vice President Miller stated that the System leadership was at the point where it had deep concern about the state of UW System's ongoing funds at the end of the current fiscal year.

President Cross commented that there was no question that this was very painful. He said that the Regents would shortly learn about the System's external efforts to reach out to the public to explain the value and importance of the university, which would be critical in positioning the System appropriately for the next budget process. He suggested that the strategy moving forward would be to go on the offense rather than continue playing defense, and said that several of the Regents would be asked to participate in a number of listening sessions designed to improve public engagement.

President Cross stated that the University of Wisconsin is inextricably intertwined with the future of the state, not only by graduating students with useful skills and capabilities, but also by generating new ideas that can spawn new business or industries. He observed that legislators are often preoccupied with what will happen in the next two years, and so it was often difficult to help them understand that the University is a long-term, positive, optimistic investment because it is so focused on the future. However, this is what the System would have to do, and he said to do it well they would need the help of the Regents.

President Millner drew the discussion to a close, thanking Senior Vice President David Miller and Associate Vice Presidents Freda Harris and Julie Gordon for their help in answering the Regents' questions.

President Millner then called for a vote to adopt Resolution 10541, which was adopted on a voice vote.

**Approval of 2015-16 Operating Budget including Rates for Academic Tuition, Segregated Fees, Room and Board, and Textbook Rental; Estimated Expenditures From Tuition Fund Balances; and Annual Distribution Adjustments**

Resolution 10541 That, upon the recommendation of the President of the University of Wisconsin System, the 2015-16 operating budget be approved, including rates for academic tuition, segregated fees, room and board, and textbook rental; the estimated expenditures from tuition fund balances; and annual distribution adjustments as attached in the document, “2015-16 Operating Budget and Fee Schedules, July, 2015.” The 2015-16 operating budget amounts are:

The Fund	2015-16 Revenue Sources	2015-16 Expense Budget	Percent of Total Budget
<b>GPR/Tuition Funds</b>			
GPR	State Funds	\$1,029,650,900	16.6%
Tuition -Operating Base	Tuition Revenue	\$1,392,193,580	22.5%
<u>Tuition -Use of Balances</u>	<u>Tuition Balances</u>	<u>\$134,751,894</u>	<u>2.2%</u>
<b>Subtotal GPR/Tuition Funds</b>	<b>State and Tuition Funds</b>	<b>\$2,556,596,374</b>	<b>41.3%</b>
<b>Non GPR/Tuition Funds</b>			
Auxiliary (Aux)			
Revenues	Aux. Revenue	\$709,947,123	11.5%
<u>Fund Balances</u>	<u>Aux. Balances</u>	<u>\$34,161,146</u>	<u>0.6%</u>
Total Auxiliaries	Auxiliary	\$744,108,269	12.0%
General Program Operations (GPO)			
Revenues	GPO Revenue	\$247,104,176	4.0%
<u>Fund Balances</u>	<u>GPO Balances</u>	<u>\$11,142,699</u>	<u>0.2%</u>
Total General Program Operations	General Program Operations	\$258,246,875	4.2%
Federal Indirect Cost Reimb.	FICR	\$149,717,255	2.4%
Gift, Grants and Contracts	Gifts and Grants	\$1,213,164,006	19.6%
<u>Other</u>	<u>Other</u>	<u>\$1,272,346,595</u>	<u>20.5%</u>
<b>Subtotal Non-GPR/Tuition Funds</b>	<b>Non-GPR/Tuition Funds</b>	<b>\$3,637,583,000</b>	<b>58.7%</b>
<b>Total</b>	<b>All Funds</b>	<b>\$6,194,179,374</b>	<b>100.0%</b>

The Board also authorizes the UW System President to make adjustments as necessary to implement the final state budget.

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## OVERVIEW OF UW SYSTEM STRATEGIC PLANNING PROCESS

As the meeting was running ahead of schedule, the strategic planning discussion was moved up from the afternoon's agenda. President Millner explained that the strategic plan was not just a plan for the UW System in the future, but it was also an opportunity for the System to communicate the value of the System to the public while also gaining the public's feedback. She then invited President Cross to share some more information.

President Cross reminded the Regents that at the last Board meeting he had spoken about the importance of looking not just at where the System has been but also where it is going. Although the focus for the past six months had been on the budget, it would be critically important to refocus energies and resources on the future of the System and what the System should look like.

President Cross recounted the efforts of the Strategic Planning Steering Committee in the fall, as President Millner worked with chancellors, provosts and UW System staff to create a framework for community leaders, business executives, legislators, and other members of campus communities to contribute ideas that would help develop a vision of what the UW System should or could be in the future. He emphasized that the System wanted to hear about the needs of businesses and people's dreams for the future of the state, and to create a dialogue that would help the university understand how it can better serve Wisconsin's people, businesses, and communities.

President Cross announced that this effort would officially launch with a series of listening sessions around the state, each of which would be an opportunity for community members to dialogue with each other and collectively answer some tough questions, in order to get a better idea of where the System needs to work to build a better Wisconsin and a better university. He invited all of the Regents to join him at as many of these listening sessions as possible. There would be a total of 14 events on nine campuses across the state in September and October. Each campus was also expected to host a general community session, and the System would be hosting five topic-specific listening sessions with industry leaders and experts in the areas of health and wellness, education, global awareness, community, and the economy.

The first of the listening sessions was scheduled to take place on Tuesday, September 1, 2015, at UW-La Crosse. It would begin with a session focused on health and wellness in the afternoon, with a general listening session planned for that evening. President Cross noted that a list of all of the listening session dates were included in the Regents' folders, and promised that more information would be provided as the event dates drew closer. He added that he looked forward to enjoying their participation in these strategic planning listening sessions.

Observing that one of the focuses of strategic planning would be global education and participation, President Cross informed the Regents that the afternoon's presentation by Associate Vice President Stephen Kolison would offer an opportunity to learn more about part of the System's current efforts in international education. President Cross said that he hoped that an engaging discussion would follow about how Wisconsin's students, business, and communities can benefit from a global perspective.

President Millner, noting the importance of communicating the UW System's story to the public, also encouraged her colleagues to participate in the strategic planning process and suggested that this was an excellent opportunity for the Regents to be actively engaged and to interact with a diverse cross-section of constituents in a very important conversation. She said that she considered the strategic planning process to be one of the Board's most important responsibilities.

Regent Delgado expressed his support for the strategic planning process, but voiced his concern that a risk of the listening sessions was that attendees would include only people who already understand the System's value, or that the System might only be providing information that it wants the public to know (as opposed to sharing what the public actually wants to know). Speaking from his professional experience with marketing, Regent Delgado said that the System has to professionally survey the public about the issues it needs to address, and it has to be willing to be surprised by what the public wants to know.

As an example, he mentioned the perception among some people that the UW System's professors did not work hard enough; he argued that it was very important to address this and other mistaken negative perceptions that the public might have. Regent Delgado also spoke about the connection between the legislature and the public, noting that when legislators had a negative or incorrect opinion about the UW System and made offensive comments to that effect, it was likely that a large percentage of the public that elected those officials would also share that opinion.

Regent Higgins inquired about the logistics of the listening sessions. President Cross asked Chief of Staff Jessica Tormey, who had been coordinating the sessions, to respond. Ms. Tormey explained that the strategic planning process would be a moderated series, and the intention was to have Regents, chancellors, and other UW System leaders present solely for listening purposes. The UW-Madison Office of Quality Improvement had been contracted to host a series of questions which would be formulated with the assistance of the Strategic Planning Steering Committee, and which should provide real data for the System to use. Each of the listening sessions would have two components: the first session would be topic-specific, such as health care at the UW-La Crosse session, and then proceedings would be opened up to the general public so that anybody would be able to participate.

Regent Higgins echoed Regent Delgado's concern that the audience would be self-selected. Ms. Tormey noted that for the topic-specific sessions, such as health care, there was an effort to actively seek out the key leaders from which the System needed to hear. She added that the Strategic Planning Steering Committee and the chancellors were engaged in helping to find the right players to include, with the goal being to have 100 leaders in each one of the sessions. She explained that a moderated session would perhaps have ten tables of ten people, all of which would be given the same moderated series of questions.

Regent Delgado suggested that the university is a product like any other, and its customers are the public of Wisconsin, not just its leaders. He said that the System would need to reach out in a scientific fashion to find out what the issues are, and suggested that the results would likely be different county by county. He warned that if the System did not go about this in a very aggressive fashion, it could find itself missing the ball. He said that though he was in

favor of the proposed meeting format and would in fact like to engage those 100 leaders even further, he still wanted to know what the public wanted.

Vice President Behling shared that he had spoken with staff about making sure that when the listening sessions came to Eau Claire, he and Regent Manydeeds would be called upon to help make sure those key business leaders were in the room. He said it was incumbent on the Regents to be part of that outreach effort, and pointed out that they were appointed from different areas of the state for a reason.

Regent Whitburn observed that in the past the System had occasionally done professional survey research to gain a broader audience's perspective, but to his knowledge this had not been done very recently. Though he acknowledged that it was not necessarily an inexpensive method, he agreed with the point previously expressed by Regent Emeritus Walsh, and now by Regent Delgado, that the UW System's thought process should be connected to the public. He added that regional breaks, the urban-rural divide, and age groups were all very important and suggested that those be considered in the planning process.

President Cross noted that the listening sessions were just one piece of this strategic planning phase; there were other, more focused activities going on as well. For example, the System would likely be engaging another firm to do some surveying; President Cross recalled that the last survey had focused on the UW System's image and marketing related to effective communication and the Knowledge Powers Wisconsin outcome. He expressed his hope that the scientific portion of this would be useful in helping understand not only how the System is perceived, but also what could be done to influence that perception. He added that a similar approach had been used by SUNY during its strategic planning process.

Regent Farrow said she wanted to make sure that the strengths of this 26-member organization were addressed, and encouraged System leaders to draw in the two-year partners regionally so that they could be identified and their contributions illustrated to the edification of the people and press who attend the listening sessions.

President Millner commented that one of the main points of this process was to make sure the reality of the System matches the public's view of it. She noted that there would be not only leaders included in this process, but also individuals and their families, as well as faculty and employees.

Regent Delgado also emphasized the importance of adjusting what the System does to meet the expectations of the people.

Regent Bradley wanted to know if and when in the process there would be an opportunity to consider the need to restructure how the UW System delivers its services, adding that he did not think it would be possible for it to continue unaltered given the System's current resources.

President Cross replied that such a decision would normally take place after the environmental scan, when the System had gained a clear understanding of its current position and what issues, trends, and challenges it was facing. He said that figuring out where to go and how to realign resources to help achieve the System's new strategic direction would require a thoughtful process, which could take quite a while for such a large institution.

President Cross also cautioned that the UW System was not entirely in the business of pleasing customers. He explained that while a major portion of what universities do, such as bookstores and business offices, was in fact a customer relationship, in the classroom and in other experiences it was not a matter of only teaching what the customers – students – wanted to be taught. Rather, the process in the classroom is to hire expert faculty; he said that it was necessary to help the public, and by extension their representatives in the legislature, understand why that process was so critical.

President Millner thanked President Cross and the Regents for a productive conversation, and reiterated her hope that all would be actively engaged with this effort.

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The Board recessed briefly for lunch and reconvened at 12:00 p.m.

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## **ONE-DAY MEETING IN-DEPTH DISCUSSION: “THE UW SYSTEM’S ROLE IN DEVELOPING GLOBAL LEADERS”**

President Millner explained that at the one-day meetings the Board typically takes the opportunity to explore one or two topics in depth, and so that afternoon the Regents would hear a presentation about the UW System’s role in developing global leaders. She then invited Stephen Kolison, Associate Vice President for Academic Faculty and Global Programs, to come forward.

### ***Introduction***

Associate Vice President Kolison said that he was pleased to discuss the subject of international education in the UW System, and noted that this was a continuation of the Board’s conversation in June about high-impact practices that positively influence students and enrich their learning.

He said that the goals of this presentation were to share information with the Regents about international education in the UW System; to discuss the importance of international education to the students; to discuss the importance of being able to attract international students to UW institutions and the contributions that those students make; and to highlight a few examples of international programs and partnerships that the System has around the world. A distinguished panel had been assembled to assist in delivering this information and would be introduced shortly, he added.

Beginning with the question of why this subject was important, Dr. Kolison explained that true international education meant creating greater global awareness for students and making them very competitive in a global marketplace, by having them acquire different languages, build leadership skills at a global level and learn how to be citizen diplomats.

The UW System uses a number of methods to deliver international education to students, and Dr. Kolison highlighted how the System builds relationships in other countries and then



leverages those relationships to give its students opportunities to study abroad, as well as to give faculty the chance to engage in professional development. He added that currently the System had 128 active agreements and partnerships with countries all around the world, and in 2013-14 sent about 7,000 students to study abroad.

Dr. Kolison then shared an experience he had while visiting the Philipp University of Marburg in Germany a few years earlier. He explained that his host had arranged a surprise meeting with four UW students who were studying there at the time; the students told him how exciting their experiences had been and how grateful they were for the opportunity to study abroad. At the end of the visit, when he asked them if there was anything else they wanted to share, he recalled that they told him to encourage their chancellors to continue working hard to make these kinds of opportunities available and affordable for all students.

Turning to the subject of inbound students who come to the UW institutions, Dr. Kolison explained that there were about 9,000 international students studying across the System. About 60 percent of these students came from Asia, with China being the leading source for international students. On the other hand, only two percent of international students were coming from Mexico or Canada; Mr. Kolison said that he was very interested in increasing that number to ensure a very diverse international student body.

Of the System's total student population in 2013-14, only about 5 percent were international students. Only 13 percent of the student population at UW-Madison were international students; Dr. Kolison observed that the average for UW-Madison's peer institutions is about 16 percent. He said it would be important to keep this in mind when thinking about the need to recruit international students.

Mr. Kolison explained that there were about 11,000 international students in the state of Wisconsin, and they contribute about \$300 million to the local economy and over 4,000 jobs. More importantly, these students bring good perspectives into the classrooms and into students' lives by contributing innovations in science, technology, and engineering, and by enriching campuses culturally. He added that international students present the opportunity to attract more out-of-state dollars as well.

Next he introduced the members of the panel who would go into more detail about the role that the UW System plays in international programs:

- Dr. Fernando Delgado, Provost and Vice Chancellor for Academic Affairs at UW-River Falls;
- Dr. Patrice Petro, Vice Provost for International Education at UW-Milwaukee, who was accompanied by Jennifer Grunewald;
- Dr. Cynthia Williams, Director for International Relations in the Division of International Studies at UW-Madison, who was accompanied by Guido Podesta, Vice Provost for International Programs;
- Mr. Brian Rivers, Secretary for Engineers Without Borders and a distinguished Civil Engineering student at UW-Platteville.



## ***UW-River Falls – Dr. Fernando Delgado***

First to speak was Provost Fernando Delgado, who gave the Regents information about the strategies, challenges, and opportunities related to UW-River Falls' outbound programs.

Noting that embedded global education and engagement was the second goal of UW-River Falls' ongoing strategic plan, Provost Delgado explained that the campus had a long history with education abroad, both inbound and outbound. Beginning with the quarter-semester abroad program founded by Dr. Robert Bailey in the UW-River Falls Sociology Department in 1963 – now known as Semester Abroad Europe, a semester-long, 12½ week program – UW-River Falls has expanded its university exchange programs to include arrangements with universities in Taiwan, South Korea, Germany, Malaysia, Mexico, and beyond.

UW-River Falls also has long-term and short-term programs. The short-term programs last from two to four weeks and occur at any time during the semester, including mid-semester or during semester breaks in January, March, and May. These were designed to be cost-recovery programs, providing flexibility on pricing and structure. Provost Delgado explained that although the university could choose to subsidize students through scholarships or grants, the programs themselves were entrepreneurial, which meant that it was important to work with the faculty to identify the best opportunities for them to leverage the kind of program they wanted to create, assure quality and relevance to the students, and ensure affordability. He noted that UW-River Falls' students are oftentimes among the most financially-challenged in the System, and that more than half are first-generation college students, presenting the need for a certain amount of developmental work.

Provost Delgado added that UW-River Falls also participated in modified programs, primarily the Wisconsin to Scotland Program, which was done through a consortium with other UW campuses as well as some schools in Minnesota, Texas, and Kentucky. Noting that Europe is a popular destination, he explained that this Edinburgh-based program worked well for students who might otherwise struggle with the concept of going abroad, since it gave students a study abroad experience – getting a passport, going through customs, etc. – while also providing a safe landing spot where all living and learning occurred in a single facility. He added that this could also serve as a landing spot and safety zone for other semester-abroad or traveling classroom programs in Europe.

Provost Delgado also described the Experience China program, which UW-River Falls developed three years prior to leverage its longstanding relationship with China in order to send students abroad for a semester. He noted that the program had some ups and downs, as had many other long-term programs, due to the challenges posed by the economy. He explained that it was not necessarily the cost of the programs that held students back, but rather that they would have to leave behind jobs that provided the income needed to help pay for tuition and living expenses.

Other study abroad opportunities for UW-River Falls students include: third-party programs, including those run by other UW institutions; faculty-led, four-credit programs; and short-term cultural, educational, and service-learning trips.

Provost Delgado explained that there were a number of considerations that informed what new partnerships UW-River Falls developed. First and foremost was to optimize participation; part of UW-River Falls' strategic plan was to increase both the total number of students going abroad and the proportional share who were engaging in long-term (semester-long) programs, as well as to diversify the number and characteristics of those students.

They also sought options that were cost-sensitive, knowing that students look at the sticker price of a study abroad opportunity when making decisions. He explained that his department worked closely with the faculty to come up with relevant itineraries that were useful, productive and appropriate while also maintaining that price sensitivity.

UW-River Falls' International Programs Committee worked directly with the faculty to assure that any 4-credit experience had rigor and quality. Many of the short-term programs were recurring courses that were either tied to an existing cataloged curricular course or a special topics course; Provost Delgado said that in that case a program would be reviewed by both the Curriculum Committee and the International Programs Committee before he signed off on it.

Emphasizing the need for developmentally-appropriate options for students unfamiliar with the ins and outs of studying abroad, Provost Delgado explained the difficulty many students had in explaining the costs, opportunities, and challenges of studying abroad to their parents, especially if they were the first person in the family to go to college or travel abroad. He said this was why schools had to work to help not just the students but also their parents understand the value in these opportunities. Programs like Semester Abroad in Europe or the Wisconsin in Scotland Program worked well because, being structured around UW-River Falls' faculty, everyone felt safe participating in them. Provost Delgado stated that after that first huge developmental hurdle had been overcome, students often became repeat travelers.

Another consideration was making sure that all options were consistent with academic and curricular goals. Provost Delgado said that they did not want these programs to stop or slow a student from progressing to graduation, and so they worked very hard to find appropriate partners. While understanding that students wanted to go many different kinds of places, he said it was also important to prepare them and help them connect their experiences to their academic goals.

Provost Delgado also described how, as part of UW-River Falls' efforts to secure philanthropic support for students, Chancellor Dean Van Galen led the development of the Falcon Scholars Program, which guaranteed a \$2,000 subsidy for either a semester-abroad program or undergraduate research activities – or a combination of the two – during the junior or senior year of any student who become a Falcon Scholar.

Provost Delgado stated that international education was something that UW-River Falls worked hard to achieve for its students because it understands the huge positive impacts it can have, and added that since adding it to the strategic plan in 2012, the area of Global Engagement and Education had seen some of UW-River Falls' most notable achievements. This was accomplished by working to prepare students for the costs and timelines involved in studying abroad by providing forms and information on all options available to students; hosting departure seminars and workshops that covered everything needed to assure a good and safe trip, including

local customs, languages, rules and regulations, embassies, and more; and by debriefing with them when they return. Provost Delgado added that there is also a large amount of peer and professional advising from students who already studied abroad and from many faculty members who were deeply committed to this initiative.

Provost Delgado went on to say that the desired outcome of all of these international education programs was to connect students to the global reality, irrespective of their degree program. Referring to the institution's select mission, he stated that UW-River Falls wanted to help prepare students to be productive, ethical, creative, engaged citizens and leaders with an informed global perspective, and did this by targeting and tracking participation rates in short-term and long-term education abroad, observing the demographic characteristics of the students, and developing, refining, and assessing programs for viability, fit, and strategic academic relevance every year.

He concluded by saying that education abroad was embedded in and connected to UW-River Falls' majors and degree programs, courses, and extracurricular activities, such as internships and undergraduate research, and added that the truest evidence of this was one of its first billboards following the new strategic plan, which read, "Student Research on Seven Continents" – because each year two students traveled with Professor Jim Madsen to Antarctica as part of the Ice Cube Project.

### ***UW-Milwaukee – Dr. Patrice Petro and Ms. Jennifer Grunewald***

Next to speak was Patrice Petro, Professor and Vice Provost for International Education at UW-Milwaukee. Dr. Petro also introduced her colleague, Jennifer Grunewald, Director of International Student and Scholar Services at UW-Milwaukee.

Speaking about the international student experience at UW-Milwaukee, Dr. Petro indicated that the campus currently enrolled more than 1,600 international students from more than 80 countries. International student enrollment had increased 71 percent since the fall of 2011 and 88 percent since the fall of 2008. Another way to look at it, she said, was that UW-Milwaukee had 800 international students in 2008, with a majority of those being graduate students, and in 2014 the campus had more international undergraduates than graduates – a little more than 800 undergraduates and a little fewer than 800 graduate students – which was a significant change.

Dr. Petro explained that this happened partly as the result of a strategy to grow UW-Milwaukee's international student population, which was still 6 to 7 percent of the entire student population. She added that the reasons for this strategy included the need for revenue, as international students did pay out-of-state tuition, as well as the desire to expand the diversity of the campus and the city, which was critical for all students' education.

One step that UW-Milwaukee had taken to increase enrollment was to make sure that it was taking care of these students and their special needs. Professor Petro said that this included holding a series of international welcome sessions and orientations, developing monthly get-togethers for international and domestic students to discuss their travels and their culture, and

signing up to participate in the International Student Barometer (ISB) survey, which assesses student benchmarks across institutions in the United States and abroad.

She shared that UW-Milwaukee had acquired some good information through this survey. For instance, the campus now does an airport pickup in both Chicago and Milwaukee, which made a difference in making students feel welcome. Another example was the Chancellor's Ice Cream Social, which was part of the effort to make international students feel like part of the UW-Milwaukee community.

Dr. Petro also stated that UW-Milwaukee had brought in a consultant about 2 ½ years before to assess the campus climate for international students. At the time the institution was concerned about making sure international students received the education they were paying for, and about reports from some international scholars and faculty members that international students studying in the U.S. often had difficulty making American friends. Dr. Petro said that the consultant's report recommended that the best way to make the campus friendly for international students was to internationalize the domestic students.

Dr. Petro explained that the global studies program began in 2000 with the initial idea for the Business School to offer a degree in global management. Since then the global studies degree had grown into a partnership between various schools and colleges across campuses. She described it as a pre-professional degree that brought together the best of the professional schools with the best in the liberal arts. Students were required to take eight semesters of a foreign language, and were strongly encouraged to take a less commonly taught language – not just Spanish, French and German; they were also required to study abroad for a semester, complete an internship abroad, and produce a portfolio. The program currently has five tracks – global management with the School of Business; global urban development with the School of Architecture; and global communication, global security, and global sustainability, all with various partners – and is currently working on a global health track in collaboration with the nursing, health sciences and public health.

Dr. Petro said that UW-Milwaukee was working to address the international student experience in a holistic way, and that it had made huge progress toward the goal of all students having a global education

Regent Whitburn recalled that a couple years ago the Board had approved a deep immersion in Chinese-English, with an eye towards having Chinese students take a deep dive into English and perhaps stay for the degree. He asked if that initiative had unfolded positively.

Dr. Petro explained that in the end UW-Milwaukee's partners on that initiative actually wanted to develop a high school-type program. The model included a stand-alone facility where the students would be housed, which she said was more suited towards high school students. She added that UW-Milwaukee did have numerous other partnerships and that it had worked hard over the past couple years to build those up, with tremendous growth in the numbers of students from China, India, South Korea, Brazil, and Saudi Arabia.

Regent Whitburn also asked if campuses were using the approved University Travel Program, citing the realities of travel costs and savings and the need for accountability if something went wrong.

Provost Delgado answered that UW-River Falls had been 100 percent compliant since the year before.

Regent Whitburn said that it was his understanding from the System auditors that this was not the case on a number of the campuses. He requested that the chancellors help the Board make sure that institutions had appropriate standards for travel in place, rather than freelancing.

Dr. Petro shared that when she first became Director for what was then UW-Milwaukee's Center for International Studies, in 1999, there were various study abroad units scattered across the campus because colleges and professional schools had developed their own programs as the institution grew. As UW-Milwaukee had just finished its strategic plan at the time, Dr. Petro explained that she was asked to bring together competing study abroad offices and establish standard risk management and other kinds of criteria. Now everything international is under the purview of the Center of International Studies, including research programs, academic programs, study abroad programs, and international students, which allowed all of the international professionals to work with each other and to understand the standards in the field.

Jennifer Grunewald, Director of International Student Scholar Services at UW-Milwaukee's Center for International Education, added to the discussion about the international student experience. She pointed out that people around the world do not know or recognize the State of Wisconsin, the same way it would be difficult for an American to identify a province in China. That was why she and other directors in the System worked very hard to promote Wisconsin as a great destination for higher education and to bring international students to the state through different undergraduate and graduate degree programs. Ms. Grunewald said that once students arrived and became more familiar with Wisconsin, they were often pleasantly surprised and had positive experiences.

Ms. Grunewald said that she wanted to share some information about the more invisible experiences that international students have, noting that these students had to deal with the hurdles of getting admitted to an institution – submitting transcripts, getting materials translated, demonstrating language proficiency, taking required tests – and also the challenges of getting into another country, such as applying for passports and going through customs. International students also needed to prove that they had a rather sizable bank account in order to receive the necessary visa document from the UW institutions. She noted that students are not allowed to enter the country more than 30 days before the start of the term, and the timing of this process can be stressful.

After receiving a visa, arriving in the U.S., and going through the port of entry – which sometimes went smoothly and sometimes was difficult – international students were then left to function in a completely different academic environment, and sometimes even in a different language. Ms. Grunewald noted that expectations of classroom culture or the kinds of food available could be very different, and could leave students in a state of shock. In order to be successful academically, Ms. Grunewald said that there was also a great deal international

students needed to understand about compliance to maintain their visa status. That was where departments like hers would step in, to help report students' registration and residential addresses to the federal government, and to help students navigate all of the relevant forms, rules and regulations.

Another key to success for international students was their integration into the campus community. Whereas, historically, international students were taken care of by the International Office and seen as separate from the rest of the student body, Ms. Grunewald reported that as the number of international students has grown, UW-Milwaukee and the other institutions were now seeing them as "UW students" first.

Ms. Grunewald concluded that it was currently a very competitive market, and that institutions in the U.S. and in countries like Canada, New Zealand and Australia were working hard to attract international students. Countries were even changing their employment laws so international students will want to come there; she pointed out that there was a lot of revenue attached to international students, in addition to all of the other benefits of having them on campus.

Following up on one of Dr. Petro's earlier comments, Regent Vásquez asked about contacts being made with international high school students. He noted that there were six high schools in the Milwaukee metro area serving more than 160 Chinese high school students, and that even for the four years that these students spent finishing high school they were having a sizable economic impact.

He referred to UW-Barron County's agreement with a private school through which students simultaneously earn associate degrees as the graduate from high school, and asked if there were other potential ways of recruiting international students already in the U.S. rather than waiting until they graduate from the high school equivalent in their home countries. He suggested that those who complete high school in the U.S. would have fewer difficulties with the language and would be more familiar with the academic system.

Dr. Petro suggested that the parochial and private schools that ran the Chinese high school programs were likely promising better chances of getting into schools like Stanford or Yale, hence the huge investments made by those students' parents. However, she indicated UW-Milwaukee was aware of many international students that were attending high schools and other programs in Wisconsin and other states.

Ms. Grunewald added that her department was working to reach out to international students attending UW Colleges and make them aware of how to transfer to UW-Milwaukee, and was also trying to recruit from a number of community colleges in the Chicago area. She noted that in the Pacific Northwest region, where there were a number of two-year colleges bringing in thousands of international students, many of the local four-year institutions were recruiting and offering "next-step" arrangements for those who completed an associate's degree; UW-Milwaukee has not yet ventured into these possibilities. Regarding the privately-run high school programs for international students, Ms. Grunewald said that these schools have held college fairs for Wisconsin's public and private institutions to come and recruit students.



Regent Vásquez commented that having 160 high school students living in a converted hotel was an interesting variation on the old concept of an international student living in someone's house for a year.

### ***UW-Madison – Dr. Cynthia Williams and Dr. Guido Podesta***

Next to speak was Dr. Cynthia Williams, Director for International Relations in the Division of International Studies at UW-Madison.

Dr. Williams stated that UW-Madison was among the top ten schools for study abroad programs, with 25 percent of its students studying abroad before graduating. In terms of international students, she noted that UW-Madison had a much larger percentage of international graduate students than undergraduate students, and that the institution received a total of 15,000 graduate and undergraduate applications from international students each year. She added that her office managed 200 agreements with institutions around the world, half of which were student exchange programs and the rest related to faculty research.

Dr. Williams then turned to her colleague Guido Podesta, Vice Provost for International Programs, for an explanation about why these areas were so important to global engagement at UW-Madison.

Dr. Podesta called the Regents' attention to the increasing numbers in UW-Madison's study abroad programs, with greater participation by women and by science students, as well as a greater emphasis on internships. Noting that UW-Madison had an interest in being regionally balanced with its programs, Dr. Podesta said that it needed to deal with the complex safety issues that were impeding students from traveling abroad to certain areas like Africa, the Middle East, and Mexico.

He acknowledged that studying abroad was much more expensive now than it used to be. Speaking to the issue of financial need, Mr. Podesta indicated that without action in this area, a number of students would not be able to travel abroad because they needed to work during the academic year or during the summer.

Dr. Podesta mentioned that federal funds have been instrumental in allowing UW-Madison to fund language instruction; he mentioned "Project Go," a Department of Defense, project to encourage instruction in languages.

Finally, Dr. Podesta said that in areas like Latin America, Africa and Asia that were having an explosion in the field of higher education, many institutions were reaching out to established schools in the U.S. and Europe for guidance in the process of building up higher education infrastructure. He said that this presented a unique opportunity for the UW System to demonstrate how to run a first-rate system.

Regent Whitburn asked how many countries were represented by international students who were granted degrees by UW-Madison within the past year. Dr. Podesta replied that 70 percent of study abroad students come from one country, which emphasizes the need to attract more students from other places.



Regent Whitburn said that he had seen one system make an announcement in the national press about the large number of countries represented in its student body across campuses. He asked Chancellor Rebecca Blank if UW-Madison shared similar data, and suggested that doing so would help improve people's understanding of where the UW System fits in the global conversation. Chancellor Blank said that she often mentioned this when speaking about UW-Madison's incoming class.

Regent Whitburn indicated that this information would be of great interest to the editorial boards in local communities.

Mr. Podesta made one additional comment about the importance of reaching out to UW-Madison's diverse and widespread alumni for opportunities to connect students to internships abroad.

### ***UW-Platteville – Mr. Brian Rivers***

Next to speak was Brian Rivers, a senior civil engineering student at UW-Platteville, who said that he wanted to illustrate the importance of education abroad from the student perspective by describing his work with the organization Engineers Without Borders (EWB). He explained that EWB was an international non-profit humanitarian organization, and his chapter partners with UW-Platteville's Education Abroad Office in order to provide students with both educational and project-based experiences.

For the last eight years the chapter had been working primarily in Ghana, located in West Africa. The founder of EWB's UW-Platteville chapter, Dr. Samuel Owusu-Ababio, was a native of Ghana and had identified an opportunity for U.S. engineering students to have a potential impact on impoverished communities around the world during their studies. Mr. Rivers shared examples of some of their previous projects, including culverts and bridges, and provided some details about their current project, an elementary school for 250 children.

To demonstrate how in-depth and valuable international education could be, Mr. Rivers described how working with EWB had given him the opportunities to work with new technologies, connect with communities on the other side of the world, and gain experience as a project leader. He then identified three main areas of personal growth as a result of his international education experiences:

- Academically, he said that the knowledge and experience gained from his first EWB project provided a foundation for everything he learned afterwards about civil engineering, and that his later projects allowed him to translate theoretical knowledge into fieldwork that actually benefited local communities.
- Professionally, he explained that traveling with EWB presented a chance for students to network with professional engineers who can share knowledge and act as initial contacts when they first enter the industry to work.
- Personally, he said that the empowerment of traveling abroad and gaining cultural experience provides invaluable perspective. Referring to an earlier comment that the

best way to internationalize a campus was to internationalize its domestic students, Mr. Rivers said that held true in his experience.

Mr. Rivers concluded that international education was a great opportunity for students to apply what they learn in the classroom and return with a greater breadth of knowledge.

Regent Hall said it was good to hear from a student about how those international experiences translate into building relationships when the student returned home. Speaking to the entire panel, Regent Hall asked about diversity goals for these international programs, for giving minority and disadvantaged students on UW campuses the opportunity to participate in going abroad.

Dr. Petro said that there were such goals, indicating that UW-Milwaukee has had a task force in place since 2005 to address why both white men and students of color were participating less than white women in study abroad programs. The task force considered many factors, including whether the destinations offered were not compelling enough and whether options did not work with students' degree programs, and looked at what the university could do to mitigate the costs in order to boost participation by first-generation students and students of color. She reported that the task force eventually learned that the key was for front-end advisors to promote the many available options – short-term, semester-long, and year-long – so that students would understand that study abroad is a possibility.

Dr. Petro added that one of her major goals was for UW-Milwaukee to try study abroad savings accounts. About 75 percent of students say they want to study abroad when they go to college, but nationally only 2 percent do because of costs, jobs, and family. If it were possible to set up savings accounts into which students would put \$10 or \$5 a week, and if the campus could work with donors to match what students save, then in their junior year it would be possible for those students to go abroad. The students would have a stake in the game with their own money saved towards this purpose, and donors would have the chance to say that they helped students reach this goal.

Mr. Rivers said Engineers Without Borders emphasized that a student does not actually have to be an engineer to travel. Although having an educational semester-abroad experience could be valuable, shorter-term options are also available. He also agreed that setting up savings account or alternative funding options would be very beneficial, regardless of whether a student wants to do an educational or nonprofit experience.

Provost Delgado said that one of the tools UW-River Falls used for many students of color was the National Student Exchange. With a growing number of Latino and African American students, partnerships had been set up with Hispanic-serving institutions (HSIs) and historically black colleges and universities (HBCUs). These arrangements allowed those institutions to send some of their students abroad through UW-River Falls' international programs, while also allowing some of UW-River Falls' minority students to attend an HIS or HBCU to get their first domestic travel experience.

Provost Delgado explained that just being away from their communities and families can be a big developmental hurdle for these students. He added that Latino and African American

students are often very intrigued about the experience of being a majority student in that environment, for probably the first time in their life or their time in higher education. He said that these partnerships had helped inform how UW-River Falls approaches students of color.

Regent Hall commented that she had worked on developing a study abroad program through the Marshall College Fund. Observing that there were a lot of support mechanisms that had to be put in place in preparation for that program, she said it was critical that the UW System continue to make sure there was inclusion in all of these wonderful opportunities.

With no further questions, President Millner thanked the panelists for their presentations.

Associate Vice President Kolison also thanked the panelists and his colleagues at UW System Administration and from across the System. He ended the presentation by stating that the reason international engagement was so important was because students were inheriting a world where travel and technology would allow them to work with people at great distances. A decision made in one part of the world could have consequences for millions of people in other parts of the world. He said that the University of Wisconsin must prepare its students not just to compete in this kind of world, but to be global leaders who are culturally competent and can successfully engage with others from around the world.

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## **REMARKS BY UW ELECTED STUDENT REPRESENTATIVES REGARDING THE ROLE AND RESPONSIBILITIES OF STUDENT GOVERNMENT**

President Millner noted that the next presentation had originally been scheduled for the June meeting. She then welcomed the three elected student representatives who were there to speak about the roles and responsibilities of student government:

- Joseph Sigwarth, Student Body Vice President at UW-Platteville;
- Katie Cronmiller, President of the Student Government Association at UW-Stevens Point; and
- Graham Pearce, Vice Chair of the UW System Student Representatives and President of the Student Governance Council for UW Colleges.

Also present was Ryan Sorenson, Chair of the UW System student representatives and former student body president at UW-Milwaukee.

### ***Joseph Sigwarth, UW-Platteville***

Mr. Sigwarth gave some information about his four years as either an elected or appointed student leader, noting that he had served two terms as president and was going into his second term as vice president of the UW-Platteville student body, and had also served as a member of the UW Student Representatives. Providing some background about the UW Student Representatives, he explained that the organization was founded in October 2012 by Cory Fish, UW-Eau Claire, and Jordan Miller, UW-Platteville, who were both elected officers for the

student bodies of their respective institutions. Realizing the need for a unified elected voice to represent students on a statewide level, they brought together the student leaders from all 26 institutions into a single body.

One year later the UW Student Representatives continued to grow and build as an organization, ratifying its bylaws and creating its Executive Committee. Mr. Sigwarth noted that one of the organization's many struggles was that people were reluctant to support it until it had proven its effectiveness. Explaining that a quorum was just a simple majority of all UW campuses, he recalled having difficulty getting even 14 members to attend the organization's early meetings. Over the past two years that changed, he said, and last spring there was not a meeting where fewer than 22 of the 26 campuses were represented.

Mr. Sigwarth indicated that the organization ran nine different campaigns across the state, covering everything from veterans' accreditation to the Better UW Initiative, which was put together in reaction to the Governor's recent budget proposal. Of these nine campaigns, he reported that 25 of the 26 campuses were represented at each of the last year's meetings. Having built an upward trajectory over the last three years, Mr. Sigwarth said that he and his fellow students wanted to come before the Board to continue to promote the organization's voice and role in the UW System.

### ***Katie Cronmiller, UW-Stevens Point***

Continuing the presentation, Ms. Cronmiller said that she had been charged with describing the importance and effectiveness of student shared governance, and to explain how it has played an integral role in the UW System.

Observing that shared governance leaders from around the state had an overwhelming passion for both their individual campuses and for the 180,000 students in the entire UW System, Ms. Cronmiller said that through shared governance students become leaders by learning how to work in teams and how to find creative and innovative solutions to problems. She explained that shared governance leaders challenge the status quo and work tirelessly for the students they represent because they have a vested interest in the success of the UW System and institutions and in the value of their own degrees. Ms. Cronmiller said that it was easy for these leaders to listen firsthand to students' feedback and then take those ideas and concerns back to administrators, faculty and staff, and even to the Regents, in order to work together to find solutions, implement new policies, and create real change on the campuses.

Acknowledging that over the past few months every campus had been challenged to make hard decisions about what was important and necessary to keep and what would unfortunately have to be cut because of the budget, Ms. Cronmiller stated that throughout the process students on every campus had been closely involved in these discussions, acting as a bridge between the administration and the student body. Some of the ways they had become involved included: sitting on campus committees tasked with implementing budget reductions; meeting with legislators about the need to restore UW System funding; educating students and campus personnel about issues related to the state budget and the proposed public authority; and relaying students' concerns back to campus administrators, faculty and staff, to be integrated into the decision-making processes and conversations.

Noting that these were only examples of what the UW Student Representatives had accomplished just in the last semester, Ms. Cronmiller emphasized that the decisions they made each day about campus policy, segregated fee allocations, and student organizations were impacting the lives of 180,000 students. She said that she wanted to challenge each of the Regents to get to know the shared governance leaders and learn about what they do and why they do it.

### ***Graham Pearce, UW Colleges***

Next to speak was Mr. Pearce, who said he would share more about what the UW Student Representatives were doing now and where they saw the organization going in the future. He noted that one of the most difficult recurring challenges for student governance was the short terms of office and the natural term limit that comes from graduation, adding that this made it difficult to build up institutional knowledge and memory. Part of the purpose that the UW Student Representatives envisioned for themselves was to try and mitigate that challenge.

He explained that their meetings around the state provided a valuable forum for student leaders to network and to learn from each other and to share best practices, both informally and through training sessions, which they hoped to expand in the future. The meetings also provided the opportunity to collaborate on projects like issue campaigns and as a forum to express opinions on a number of issues. Mr. Pearce said that the gatherings helped to promote an environment of collaboration with administrators, which he said was not necessarily something that came naturally to many student leaders but was still an area that proved to be highly beneficial for their campuses.

Mr. Pearce suggested that although the organization had seen tremendous growth in participation and its own effectiveness over the years, it had not yet reached the best possible version of what it could be. He said that ideally each and every one of the 26 campuses should be participating regularly and be engaged in helping to shape the future of the organization. He added that its leaders also saw many opportunities to work more closely with the Board of Regents and at the System level to provide a student perspective when it is needed. He indicated that if students' perspectives could be more effectively integrated into UW System-level governance processes, it would prove beneficial to everyone involved. Mr. Pearce also supported holding introductions of student leaders, like this one, on a more regular basis to maintain the connection across the frequent changes in student leadership.

Finally, Mr. Pearce was joined by his colleague, Mr. Sorenson, in thanking the Regents who had attended the UW student representatives meetings in the past. Mr. Pearce explained that this connection was truly appreciated and that these visits provided excellent opportunities for student leaders to hear from the Regents and for the Regents to take questions and comments from students. He expressed his hope that members of the Board would continue to do and expand on those visits.

## ***Regent Discussion***

Regent Vásquez stated that he continued to be impressed with how seriously student leaders deliberated, consulted, and thought about the future, rather than simply focusing on the period of time that they would be on their respective campuses.

Regent Vásquez also asked the students to provide some thoughts about the level of input from students on issues like segregated fees. He observed that often less 15 to 20 percent of a student body has responded to a given survey or referendum, and wondered what response rate would be considered a solid level of representation.

Mr. Sorenson replied that this was an issue being faced at UW-Milwaukee, noting that a few years prior the student body voted on a new student union; the students who voted were overwhelmingly in support of the idea, but because turnout was only 17 percent it was not necessarily a representative sample. He suggested that this was part of the bigger problem of campus engagement, and said that he and other student leaders would love to see more students get involved in, for example, the segregated fees process. However, there are some challenges: the average student already has a lot on their mind; it is difficult to communicate what the segregated fees process entails; and the high turnover rate means that by the time an individual learns the process, they are already graduating.

Ms. Cronmiller agreed that voter turnout of 60 to 70 percent for some of the bigger issues would be desirable, but she noted that the student response level was actually not far off from the proportion of U.S. citizens voting in major elections. She suggested that this problem was not just an issue on campuses but, rather, was representative of the state and the country as a whole. That said, student leader organizations were continuing to reach out to more students to educate them about issues by going to every residence hall and putting on open forums. The struggle is in moving students from just talking about the issues to having them express their support or opposition in a final vote.

Regent Vásquez thanked the students again for the tremendous amount of work they were doing in student outreach and education. Acknowledging that there were some people who express interest but never take that extra step of voting, he nevertheless cautioned his fellow Regents not to assume that the silent majority were automatically in opposition.

President Millner recognized Chancellor Meyer, who applauded the student speakers for their involvement and expressed his appreciation for the valuable role that student government plays in chancellors' decision-making. He noted that many of the people present at the meeting had benefitted from participating in their own student governments, and added that he used the lessons he learned as a student leader every day.

President Millner recalled that she had met with Cory Fish and Jordan Miller in February 2013 when UW Student Representatives was still in an embryonic stage, and said that they had a discussion very similar to this one. Commending the speakers for a compelling and excellent presentation, she said that it was important for the Board of Regents to hear the student perspective. She added that she was impressed with both the organization's growth and how it



was representing each of the campuses and the needs of all UW System students. She then presented each of the presenters with a UW Sytem lapel pin.

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## **CLOSED SESSION**

President Millner called upon Vice President Behling to present Resolution 10542, to move into closed session. The motion was seconded by Regent Pruitt and adopted on a roll-call vote, with Regents Behling, Delgado, Evers, Farrow, Grebe, Hall, Harsy, Higgins, Langnes, Manydeeds, Millner, Mueller, Petersen, Pruitt, and Vásquez voting in the affirmative. There were no dissenting votes and no abstentions.

### **Closed Session Resolution**

Resolution 10542      That the Board of Regents move into closed session to: (1) consider approval of a UW-Madison contract that involves proprietary information, as permitted by s. 19.85(1)(e); (2) consider a student request for review of a UW-Madison decision, as permitted by s. 19.85(1)(a) and (g); (3) confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.; and (4) consider annual personnel evaluations, as permitted by s. 19.85(1)(c), Wis. Stats.

The following resolutions were adopted during the closed session:

### **Management of Potential Conflicts of Interest in Proposed Contract with GrammaTech, Inc.**

Resolution 10543      That, upon the recommendation of the University of Wisconsin-Madison and the University of Wisconsin System Administration, the Board of Regents finds that potential conflicts of interest with respect to the proposed contract with GrammaTech, Incorporated are managed appropriately such that the contractual relationship does not violate s. 946.13, Wis. Stats.

### **Contract on Behalf of UW-Madison with GrammaTech, Inc.**

Resolution 10544      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 Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and GrammaTech, Inc.

### **Student Request for Review of a UW-Madison Decision**

Resolution 10545      That the Board of Regents adopts the attached Proposed Decision and Order as the Board's final Decision and Order in the matter of a student request for Regent review of a UW-Madison decision.

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The meeting was adjourned at 3:35 p.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