

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in Concerto/Overture Room – 2<sup>nd</sup> Floor  
Gordon Dining and Event Center  
770 W. Dayton Street  
Madison, Wisconsin

Thursday, March 5, 2015  
9:00 a.m.

**UPDATES AND INTRODUCTIONS ..... 3**

**UW SYSTEM PRESIDENT’S STUDENT SPOTLIGHT ..... 4**

**APPROVAL OF UW-MADISON CONTRACT WITH EXXONMOBIL ..... 8**

*Approval of UW-Madison Contract with ExxonMobil ..... 8*

**PRESENTATIONS AND DISCUSSION: INSTRUCTIONAL TECHNOLOGY IN THE UW SYSTEM: HOW FACULTY AND STAFF ARE USING INSTRUCTIONAL TECHNOLOGY TO ENHANCE STUDENT LEARNING ..... 9**

HOW INSTRUCTIONAL TECHNOLOGY HAS CHANGED TEACHING AND LEARNING ACROSS THE UW SYSTEM .....10

*Bob Hoar, Chair, Learn@UW Executive Committee, and Associate Vice Chancellor for Academic Affairs, UW-La Crosse .....10*

*Dawn Drake, Executive Director of Alternative Delivery Systems, UW-Platteville .....12*

*Sasi Pillay, Associate Vice President and Chief Information Officer, UW System .....14*

*Regent Questions .....16*

HOW INSTRUCTIONAL TECHNOLOGY HAS AFFECTED THE CLASSROOM .....19

*Diane Reddy, Professor of Psychology, UW-Milwaukee .....19*

*Jamie Schneider, Chemistry Professor, UW-River Falls .....22*

*Regent Questions .....24*

OPERATIONALIZING INSTRUCTIONAL TECHNOLOGY ON CAMPUS, ISSUES CAMPUSES FACE, AND THE SIGNIFICANCE OF INSTRUCTIONAL TECHNOLOGY FOR INSTRUCTION AND FACULTY DEVELOPMENT .....25

*Bev Kopper, Provost, and Carl Meredith, Lt. Colonel, ROTC, UW-Whitewater .....26*

*Steve Cramer, Vice Provost for Teaching and Learning, UW-Madison, and Bruce Maas, Vice Provost for Information Technology and Chief Information Officer, UW-Madison .....28*

**DISCUSSION: BIENNIAL BUDGET UPDATE AND DISCUSSION OF POTENTIAL EFFECTS ..... 30**

UPDATE ON GOVERNOR’S BUDGET .....31

*Proposed Budget Cut .....31*

*Proposed Dedicated Funding Stream .....32*

*Proposed Public Authority and Other Statutory Provisions .....32*

*Shared Governance and Tenure .....34*

*Planned Actions Regarding Shared Governance and Tenure .....36*

BUDGET QUESTIONS AND ANSWERS .....37

*Actual Size of the Proposed Budget Cut .....37*

*Potential for Revenue Enhancements .....42*

*Potential Position Cuts .....44*

*Future State Revenue and Dedicated Funding Stream*.....47  
*Tuition* .....49  
*Public Authority*.....51  
*Closing Comments and Resolution* .....56  
*Response to Governor’s 2015-17 Biennial Budget Proposal* .....58  
**CLOSED SESSION** ..... 60  
*Closed Session Resolution* .....60

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-President Falbo presiding-

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

UNABLE TO ATTEND: Regent Janice Mueller

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## UPDATES AND INTRODUCTIONS

President Falbo invited Vice President Millner to share a message from Regent Mueller. In mid-February Regent Mueller received a diagnosis requiring some treatment over the next two months. Vice President Millner relayed that Regent Mueller would like to thank everyone for their well wishes, and that she said everything is fine and she looks forward to getting back together with the Regents in about two or three months.

President Falbo thanked Vice President Millner, then explained that this was one of the Board's one-day meetings where Regents have the opportunity to discuss significant issues in greater depth. In the morning the Board would take a look at the new frontiers of instructional technology, and some of the challenges and opportunities that technology presents in both teaching and learning. There would be a mix of presentations that President Falbo said he expected to be enlightening and productive.

In the afternoon the Regents would continue their ongoing discussion of the biennial budget and its potential impact. President Cross would bring the Board up to date on the latest developments in the System's understanding of the Governor's budget. President Falbo reminded the Regents that he, President Cross, and UW-Eau Claire Chancellor Jim Schmidt had appeared before the Joint Finance Committee on that Tuesday; and he said that President Cross would provide a full report on those proceedings.

President Falbo said that over the remainder of the afternoon the Regents would devote as much time as needed to have a full and open discussion on budget issues. As part of that discussion, they would be calling upon the chancellors for their input and insights.

President Falbo turned to President Cross for an update. President Cross greeted the Regents and said he was pleased to share the news that Aaron Brower had been named the Provost of UW-Extension. At the request of President Cross, Provost Brower stood to be recognized and was met with applause. President Cross shared that Mr. Brower had spearheaded the UW System's efforts to develop the UW Flex Option. He had been serving as Interim Provost, and earlier had also served as Interim Chancellor of UW Colleges and UW-Extension.

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## **UW SYSTEM PRESIDENT'S STUDENT SPOTLIGHT**

President Cross announced that in the Student Spotlight the Regents would be hearing from a special young man, Tayo Sanders, a senior majoring in Materials Science at UW-Eau Claire. Mr. Sanders, who grew up in Neenah, was one of just 32 Americans named as a 2015 Rhodes Scholar out of a pool of almost 900 applicants. After graduating in the spring, he will be heading to Oxford University where he plans to pursue a doctorate in Materials.

President Cross observed that Mr. Sanders was actually the second UW-Eau Claire student to be named a Rhodes Scholar; he would be joining an elite group of scholars that includes a U.S. President, members of Congress, artists, and others who are known internationally for their contributions to their chosen professions. President Cross stated that it was a great honor to have him present at the meeting.

Joining Mr. Sanders was Dr. Jennifer Dahl, an assistant professor of Materials Science, who had served as Mr. Sanders' faculty research mentor for the past three years. President Cross noted that just the previous month she had been recognized by the Research, Economic Development and Innovation Committee as one of the inaugural recipients of a Regent Scholar Grant.

President Cross then invited Mr. Sanders and Dr. Dahl to say a few words.

Dr. Dahl greeted the Regents and thanked President Cross for the introduction. She explained that Mr. Sanders was going to tell the Regents the story of what can happen when an outstanding young man steps into an exceptional university system, and when there is a great pairing between faculty and student. Dr. Dahl said that she and Mr. Sanders had much in common that fostered their relationship: they are both first-generation college students; they are both products of the UW System; they both got their start in the undergraduate research labs of the UW System; and they both could attest to the transformative power of research within this System.

Noting that Mr. Sanders was going to be leaving UW-Eau Claire to pursue his studies at Oxford University in October, Dr. Dahl said that even though he was walking away, she was confident that he had built a legacy that other students would follow. She said that Mr. Sanders

had highlighted the wonderful framework that UW-Eau Claire has created for students, and all the many opportunities that await those who are ready to step up and take them.

Mr. Sanders thanked Dr. Dahl for the wonderful introduction, and then thanked the Regents for having him at the meeting, saying that it was an absolute honor and that he was excited to share some of his experiences.

He explained that ever since he could remember, he had always wanted to be a scientist. Although neither of his parents went to college, both had always strongly encouraged his education.

In high school, Mr. Sanders said that his AP Chemistry teacher, Mr. Glenn, was the one who got him interested in chemistry and set the stage for him to get into Materials Science. Mr. Sanders said that Mr. Glenn taught him how to learn, and that it was because of his experience with this teacher that he was able to be successful in college and get as much out of each course as he did.

Recalling his summer orientation at UW-Eau Claire, Mr. Sanders said that he had a life-changing experience when Professor Matt Evans approached him to offer a Blugold Fellowship, an award offered to 20 freshmen at UW-Eau Claire to provide an opportunity for them to get involved in research during the fall semester of their first year. Admitting that he did not appreciate research then as much as he does now, Mr. Sanders said that he thought it was “incredibly cool” – especially when he later learned that he would also be compensated for it.

Coming to campus that fall semester, Mr. Sanders said he was extremely excited but also terribly nervous about approaching a professor to ask them to do research. He shared some of the advice Dr. Evans had given them about how to find research projects, which was to talk to professors, be active in class, raise a hand and answer questions, and show interest.

The second week of class Mr. Sanders talked to his organic chemistry professor, Dr. Bart Dahl, and asked if he had any open positions in the research lab. His professor said no, but then turned to his wife, Dr. Jennifer Dahl, who just happened to be there, and asked if she had any positions available. She said she was looking for a student and asked Mr. Sanders to stop by her lab later that day. Mr. Sanders returned to find her in the Materials Science lab, looking at nanoparticles through a \$75,000 to \$100,000 instrument – and the rest was history, he said.

Mr. Sanders said he was absolutely captivated by the research they were doing; he had actually entered UW-Eau Claire as a biochemistry and premed student, but quickly transitioned to Materials Science after he started doing research. He credited Dr. Dahl with giving him that opportunity and for investing in him, and thanked her.

One of the impactful programs at UW-Eau Claire that Mr. Sanders said he wanted to highlight was WisAMP, the Wisconsin Alliance for Minority Participation. WisAMP funded Mr. Sanders for two summers, giving him an opportunity to focus, buckle down and do research. Due to his freshman year experience, Mr. Sanders was able to collect enough data to actually present at the American Chemical Society’s National Conference in New Orleans, Louisiana, which he said was an incredible experience. Mr. Sanders was funded again for his sophomore

year, and he had another great experience as a mentor, sharing his experiences with the freshman students, helping to alleviate their fears and guiding them through the process.

Mr. Sanders also mentioned how the Honors Program at UW-Eau Claire had been a special place for him. Initially he was not sure what it was going to be like, but he discovered that it is really an opportunity for faculty and for students to collaborate and have a very passionate, in-depth dialogue. It is not professors lecturing to a group of students, but rather students sharing their experiences and the professors listening and asking questions. Mr. Sanders said that the Honors Program really taught him how to communicate, how to listen to ideas and be respectful of everyone's opinion, and also how to talk to non-scientists about his own thoughts. He thought that was a very powerful experience, saying that it had been great to be part of that family and he was sad to leave it.

Mr. Sanders also described his extracurricular involvement with UW-Eau Claire's triathlon club, sharing that he taught himself to swim his sophomore year and ended up going to nationals in Arizona, becoming a captain, and making great friends in the process.

Another program Mr. Sanders became involved with was Campus Ambassadors. The program, which allows UW-Eau Claire students to volunteer as campus tour guides, helped him build his confidence as a public speaker. He credited the program with recruiting students from all academic disciplines and all backgrounds, giving them a chance to develop their communications skills and learn to speak effectively.

He also participated in UW-Eau Claire's Celebration of Excellence in Research and Creative Activity (CERCA), which he described as a chance for students to present and discuss their research on campus. Through this experience, Mr. Sanders said he had learned how to communicate and explain his research and convey its results to both scientists and non-scientists. He noted that this had been extremely important as he developed and spoke about his experiences to professionals and to professors, especially at Oxford.

Speaking next about his Rhodes experience, Mr. Sanders admitted that he had never heard about the Rhodes Scholarship before Dr. Dahl had mentioned it to him during his junior year. He attributed this partly to his family's lack of experience with higher education. Dr. Dahl had brought the Rhodes Scholarship to his attention after Mr. Sanders was announced as one of two Materials Science students from Wisconsin to win a Barry Goldwater Scholarship, which he explained is one of the highest honors that a science student can receive. Mr. Sanders recalled wondering if Dr. Dahl had told him about the wrong scholarship after he looked through the biographies of previous winners, but said that Dr. Dahl's belief in him really gave him the confidence to pursue this.

After completing a summer program in France, Mr. Sanders said that he was able to set up a visit with a professor at Oxford University. Through that experience he set his mind on applying for the Rhodes Scholarship.

In late October Mr. Sanders received his invitation to interview with the Rhodes Scholarship selection committee. He stated that the interview process was strenuous, but that the mock interviews with his professors at UW-Eau Claire were much more stressful than the actual

interview. He was announced as one of the two winners of the Rhodes Scholarship later that day.

Looking forward to going to Oxford, Mr. Sanders said that he had just finished interviewing with a couple professors and had finally decided that he would be working with the professor with whom he initially met on making nano-wires. He explained that the applications of this project would be making ultra-small integrated circuits, and said that they were trying to develop techniques to scale up processing so these materials could be used in future technologies.

Mr. Sanders concluded that so much of his success was owed to Dr. Dahl and the experience he had in research, saying that he loved the ability to take what he was learning in class and apply it to the real world. It had been a wonderful experience and he was happy to continue, he said. Mr. Sanders said he hoped to try and emulate the experience he had with Dr. Dahl by becoming a professor someday and having these life-changing experiences with students of his own – hopefully at an institution like UW-Eau Claire, or maybe UW-Eau Claire itself if he was lucky.

Mr. Sanders thanked the Regents again for having him, saying that he was glad that he could share his story. Having finished his remarks, Mr. Sanders received a standing ovation.

Responding to a question from Regent Farrow about where he attended high school, Mr. Sanders said that he had attended Kimberly High School. Noting that Mr. Sanders' story was such a compelling one, Regent Farrow said that if she were associated with Kimberly High School, she would want him to come back immediately to talk to the seniors and tell them about the opportunities he had in the UW System, especially with undergraduate research.

Regent Farrow stated that she never talked to anyone of Mr. Sanders' age without putting on them the responsibility to come back to Wisconsin, after they have gone away to learn and grow. She told Mr. Sanders that she wanted him back in Wisconsin teaching somewhere, as he was needed to help make more leaders for Wisconsin. Regent Farrow said that he was to be congratulated.

Mr. Sanders thanked Regent Farrow and said that he really hoped to do just that, because the UW System had given him so much and he wanted to see it continue to succeed. He thought that his story was not atypical, because UW faculty really care and are motivated to teach their students and share their own experiences.

Referring back to his experience with UW-Eau Claire's Campus Ambassadors, Mr. Sanders shared that he had a great opportunity to go back to his high school and give a talk about research. He recalled that research was something he had no idea about and did not realize he should be considering it during his college search process. Calling it a transformative experience, Mr. Sanders said that whether or not a student chooses to go into research, the undergraduate research experience builds the skills that employers and graduate schools are looking for. He hoped to be able to go back again to at least give a short presentation and answer any questions from the students.

Regent Evers asked Mr. Sanders to expand upon how his high school teacher had helped him learn how to learn. Mr. Sanders began by explaining that when he was reading about

Oxford University he learned that they set up a tutoring class, where it is not so much a teacher lecturing at students but instead engaging with students directly, asking them questions and letting them learn on their own.

He went on to say that his AP Chemistry teacher set up his class the same way – rather than giving a PowerPoint presentation or going through the book every morning, he instead had students read through a packet of materials on their own, probing them often with questions. Students were assigned to small groups of four, which Mr. Sanders said was a great opportunity to learn how to collaborate with others.

Regent Hall congratulated Mr. Sanders and asked him what words of wisdom he would have for the students at his high school. Mr. Sanders said that the first thing he would tell students was to not care necessarily about the prestige of the university, but to instead care about their interactions with professors and with other students. He thought that much of his experience had been the result of his ability to closely interact with his professors.

He advised that students should go somewhere where they can talk to professors, and where the professors are going to care and invest in the students. If they do this, and if they search for and take advantage of the opportunities, and build close relationships with the professors, Mr. Sanders believed they would be successful. He reiterated that Dr. Dahl's belief in him had given him confidence as well; it was the reason he was able to apply for the Rhodes Scholarship and it was also why he decided to apply.

President Falbo commented that he and his wife had the opportunity to spend some time with Mr. Sanders in Dr. Dahl's lab a few months previously, and joked that he knew Mr. Sanders was doing great work because he did not understand a word that was said! President Falbo congratulated Mr. Sanders.

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## **APPROVAL OF UW-MADISON CONTRACT WITH EXXONMOBIL**

President Falbo stated that UW-Madison had asked the Board to take up a contract that needed prompt approval, and he agreed that they could consider it during this one-day session. He asked Regent Pruitt, as Vice Chair of the Business and Finance Committee, to introduce the resolution.

Regent Pruitt explained that the Board is required to approve any contracts with a private profit-making organization in excess of \$500,000. He moved adoption of Resolution 10465. The motion was seconded by Regent Petersen, and the motion was adopted on a voice vote.

### **Approval of UW-Madison Contract with ExxonMobil**

Resolution 10465      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 ExxonMobil Research and Engineering Company.

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## **PRESENTATIONS AND DISCUSSION: INSTRUCTIONAL TECHNOLOGY IN THE UW SYSTEM: HOW FACULTY AND STAFF ARE USING INSTRUCTIONAL TECHNOLOGY TO ENHANCE STUDENT LEARNING**

President Falbo announced that the Regents would next turn their attention to instructional technology in the UW System and how faculty and staff are using this technology to enhance student learning. He noted that the Regents read and hear a lot about the rapidly changing technologies that are increasingly standard on the UW System campuses – flipped classrooms, web-based conferencing, learning management systems, and massive open online courses (MOOCs). These new technologies raise several important issues that the Board needs to consider, including infrastructure, both current and in the future, as well as the new skill sets and training needed to effectively deploy this technology. In a time of budget challenges, the Regents must also recognize that these changing technologies will help provide better access for students, not only on campus but off campus as well. These technologies also play a significant role in improving the quality of student learning, President Falbo said.

One of the advantages of being in a System is the ability to ensure that faculty, staff and students all across the System have access to many of these new technologies. President Falbo pointed out that in some ways this is a continuation of the Board’s previous discussions about faculty work and faculty workloads, and how the nature and scope of those workloads are changing.

For now, President Falbo said the Regents would be taking a closer look at three things: how faculty deploy technology, both inside and outside the classroom; how instructional technology has changed instruction in student learning over the years; and, looking forward, what challenges and opportunities instructional technology provides for UW System institutions.

Leading the discussion was Interim Senior Vice President David Ward, who said there would be several presentations. He believed that the key challenge would be how to move forward on this technology in an era of limited resources. He asked the Regents to think about three main points as they listened to the presentations:

- First, how has instructional technology already changed the delivery of instruction, teaching and learning in the UW System?
- Second, how has instructional technology changed the skill sets needed in the work of UW faculty?
- Finally, looking beyond the current budget crisis, what are the key instructional technology challenges keeping the UW System institutions competitive in carrying out the primary mission of educating future generations?

Noting that biographies on each of the presenters had been distributed to the Regents, Dr. Ward said that he believed that this would be an outstanding set of panels of people who work very hard within the UW System to achieve better applications of technology in order to improve teaching and learning.

### ***How Instructional Technology Has Changed Teaching and Learning Across the UW System***

Dr. Ward turned over the presentation to UW-La Crosse Associate Vice Chancellor for Academic Affairs Bob Hoar, chair of the Learn@UW Executive Committee.

#### **Bob Hoar, Chair, Learn@UW Executive Committee, and Associate Vice Chancellor for Academic Affairs, UW-La Crosse**

Dr. Hoar explained that he had served on the Learn@UW Executive Committee for a couple of years and had been the committee chair for the past year. He stated that the university had changed, but what it has been attempting to do has not changed as much. The University of Wisconsin is still interested in the discovery, the dissemination, and the transfer of knowledge, he said; but the “how” and the “when” have started to change.

He recalled that when he was in high school there were a lot of chalkboards and rows of seats. There was technology involved – they did have calculators at that time, he joked – but the range of technology was limited, and the role of technology was even questioned.

Now studies have shown that the appropriate use of technology can aid in student learning. It can help in understanding how that learning is taking place, and can help guide what changes might be made to improve future learning.

Dr. Hoar said that higher education is also realizing that the time spent with the students can vary. While it has been recognized for years that not all learning takes place in the classroom, how universities can help aid the learning outside of the classroom is now starting to come into more focus.

He observed that there has been an “app explosion,” with a software application existing for just about everything. With so much creativity and innovation going on, the question now is which of those apps is good for education? In recognition of this, the Learn@UW Executive Committee was created to provide vision, strategic direction and oversight for instructional applications. The committee deals with planning, budgeting, and advocacy; it is not looking at the special apps that might be good in a particular classroom, but instead at those that can help support learning across the board.

The committee’s objective is to support student learning, and one of its outcomes is that the UW System does have some leverage on pricing and on the development of new tools. Dr. Hoar observed that the UW System is a big organization, so companies are willing to work with the System on modifications in order to have the System acquire their technology.

Dr. Hoar explained that in its membership the Learn@UW Executive Committee is a governance group, with representatives from nearly every campus and from different parts of

each campus, including CIO, the Learning Technology Development Council, deans, faculty, and those that help keep the infrastructure running.

The largest technology that the group oversees is the learning management system, provided by the company Desire2Learn (D2L). Dr. Hoar observed that a student at one of the UW campuses will likely have lived and breathed in D2L many hours of their life. He described D2L as a place where faculty can store their course content and provide a social space for students to interact around the content. The gradebook is found there, so the students are often checking that. It is also where calendars, homework, quizzes and many things can come together.

Dr. Hoar said that D2L is a feature-rich environment that continues to grow, though not every faculty member necessarily takes advantage of every piece of it. A fully online course would use a larger percentage of D2L's features than a traditional face-to-face class, he suggested; but just about every class is now using this technology. As of 2014 there had been 1.3 million enrollments in D2L since the UW System first acquired this particular piece of technology in 2004. Since any student would likely be enrolled in more than one course, it was to be expected that D2L enrollments totaled more than the number of students in the System. Still, he said, this showed that D2L is pervasive on every campus, and is now in virtually every faculty member's toolbox.

Dr. Hoar said that the next technology he would discuss was newer to the portfolio, explaining that over the last decade the types of materials that faculty were interested in putting on the web were becoming "richer," involving more than simply text. This would include videos, but could also include more interactive ways of bringing students together.

For example, the web conferencing tool that was acquired a couple years ago allows for web conferencing to occur within the class itself ("class" meaning the group of students and not necessarily the physical space), so they can come together to see and hear each other. Features such as a virtual whiteboard, full video of the instructor, and quiz capabilities help keep that human connection in the process, even though students may not be sitting in the same physical space.

Dr. Hoar reiterated that this was newer technology, put in place in 2012. He noted that there was rapid adoption across the System, with involvement now approaching 30,000 web conferencing sessions and 100,000 attendees in a year.

Next he described the media management tool. The use of video developed for students to view, as well as photographs and other functions, had risen fairly rapidly, he said; and faculty are becoming more comfortable with producing their own videos or employing videos that others have produced within their courses. The need for a secure place to store this media was identified, leading to the media management tool, which allows the UW System to control access and to monitor how media are being used. The media management tool is less than a year old, and its use is expected to climb rapidly.

Mr. Hoar cautioned that it was not easy to chart the secondary effects that acquiring these technologies might have, noting that the faculty are interested in using tools that they are already good at using. Across the System there are many support mechanisms in place to help faculty

incorporate these tools into their classrooms, including the Centers for Teaching and Learning, the Learning Technology Development Council, and the Office of Professional and Instructional Development. He said that these groups are all keeping an eye on what is new, what the faculty are using, and what is needed to help incorporate technology into classrooms.

He concluded that skill sets probably will continue to change, and the number of applications probably will continue to grow, but to date the System had acquired these three technologies – learning management, web conferencing, and the video-storing warehouse.

### **Dawn Drake, Executive Director of Alternative Delivery Systems, UW-Platteville**

Interim Senior Vice President Ward thanked Dr. Hoar and then introduced the next speaker, Dawn Drake, who he said had a great deal of experience in online learning as the Executive Director of Alternative Delivery Systems at UW-Platteville. Ms. Drake explained that she would describe a variety of ways that UW-Platteville uses technologies in its online classroom. She explained that UW-Platteville has been involved with online degree programs for 16 years, and prior to that had other degree programs that were offered through a correspondence model.

Currently UW-Platteville works with about 2,500 students, not only in Wisconsin but across the United States and in 42 countries throughout the world. Ms. Drake said the focus is on working with nontraditional students – people who are working full-time, have families, are involved with their communities, etc. – and because of that they were looking to try and find a way to be flexible in serving these students' needs. She said that UW-Platteville uses an asynchronous philosophy, meaning that people do not have to be in a specific location at the same time to be able to participate in education.

The changes in the expectations of students in the online environment over the last 16 years has been amazing, Ms. Drake said, noting that when UW-Platteville first started offering online programs the students were thrilled to be able to get onto a computer, basically read text and submit their assignments in that format. That was really all that was expected and all that was wanted, and in many cases all that was available. However that is not the case anymore; students want, demand and expect more things, and the competition that exists throughout the world requires UW-Platteville to be very heavily involved in making a robust and interactive environment.

Ms. Drake said that one thing UW-Platteville does with all of its online courses is to provide a wide variety of interactions, having chosen the format where there are four different levels of interaction within each course: Learner to Learner, Learner to Interface, Learner to Material, and Learner to Instructor. This framework was adopted about eight years ago and continues to evolve as UW-Platteville works on its online courses.

Ms. Drake then provided examples of how UW-Platteville uses the technology mentioned by Dr. Hoar within each of these types of interactions.

First, as an example of Learner-to-Learner interaction, she showed a screenshot of a D2L discussion area from a cybercrime course offered at the graduate level. The 22 students in last fall's class made 2,800 posts within the threaded discussions. Ms. Drake observed that this

amount of student-to-student interaction in the discussion area is not happening only in the 50-minute period that someone might spend in a classroom; these conversations were happening throughout the semester.

Another example Ms. Drake gave of Learner-to-Learner opportunities was a situation in which students were working on a group project, looking at a particular program that they had to try to debug. As they worked on it, they were also using Google Hangout to have a conversation on the side, identifying what might be wrong with the program they were looking at, trading feedback and making changes “on the fly.” After receiving their results this conversation was posted back into D2L, where another member of the student team would do a quality assurance review to see what sort of positive and negative interactions occurred before the submission was created.

Speaking about Learner-to-Interface interactions, Ms. Drake explained that the interface is used to enhance the learner’s experience. As an example she shared a screenshot showing that when a person finishes a particular part of an assignment, a checkbox displays to show how much of that assignment has been completed. When a person leaves the online classroom and comes back in, they can actually see what they have already completed and what they have received as a grade. She said that this interface helps students keep track of where they are in the class on an ongoing basis.

Another example of the Learner-to-Interface interactions was a pre-assessment tool used in a business communication class, which gives students an opportunity to review materials, answer questions, and have automatic grading occur to determine if they understand the material before they move on to the next module in the class. Ms. Drake explained that giving students this immediate feedback was something a faculty member would have to set up ahead of time. It shows how UW-Platteville is able to use that technology and infrastructure so the faculty member does not have to be online 24/7, but the student can be.

Next she gave an example of Learner-to-Material interactions. Faculty members can create audio files, such as interviews with subject experts, and put those files into the D2L environment so students can listen to that information and interact with the material, rather than just reading from the screen. Students can also post their responses to those materials. Another example of how students can interact directly with course materials was an infographic created for students to refer to as they answered assigned questions.

Ms. Drake went on to discuss Learner-to-Instructor interactions. She noted that in some situations, such as when introducing a new type of assignment that students may not have seen before, the instructor may find it important to have a video presence within the online classroom. Instructors may also want to give video feedback to the students, particularly during the first part of the course, to create a connection with the students. After students get used to the instructor, they may change to more of a combined written and audio format for feedback.

Another example of Learner-to-Instructor interaction is the Blackboard Collaborate tool, which allows instructors to answer questions and give feedback on a real-time basis. These comments can also be saved to be accessed at a later time, when it is convenient for the student.

Ms. Drake emphasized that all of these interactions are instructor-based; faculty have to be involved with developing the content and then they work with instructional designers to put it into the right format. She pointed out that very little of what she had shown the Regents was actual text; instead most of it was graphics or interactive materials.

She said that the types of skills that instructors have had to acquire over the years in order to make this possible had been amazing. She referred back to Dr. Hoar's statement that technology has required faculty to develop new skill sets.

Ms. Drake also noted that UW-Platteville has done a lot in the area of simulations where a student answers questions based on a scenario. How the student answers those questions determines what material they are sent to next, allowing them to either skip material that they already know or receive more in-depth information about what they do not know. Allowing students to go through materials in a variety of ways gives them opportunities to utilize the skills they already have and to get more help if needed.

Her second point was that students are expecting more access to the instructors, noting that it was not uncommon for a faculty member to use some of the technology she had discussed for virtual office hours or help sessions. For example, an instructor could be conducting a study session for a test at 6:00 a.m. out of their home. Faculty members do not have to be in their office and students do not have to sit in a classroom for that kind of access.

Ms. Drake concluded that, regarding new technologies and student expectations, there was something new every month. It is key that technology decisions are well thought out. She added that, while she had been talking about these technologies in a completely online environment, all could be used for the campus environment, as well. Staying up to date on all of the new and different features in D2L will be key for the ongoing ability of instructors to do well in an online environment.

### **Sasi Pillay, Associate Vice President and Chief Information Officer, UW System**

After Ms. Drake finished her remarks, Interim Senior Vice President Ward introduced Dr. Sasi Pillay, Associate Vice President and Chief Information Officer of the UW System, saying that Dr. Pillay's presentation would be more futuristic in its focus. Dr. Pillay began by saying that much of the technology mentioned by the previous presenters was being implemented throughout the UW System. He wanted to emphasize that the "tsunami" of digital innovation and revolution had already begun. He posed the question: was the System ready to surf or sink?

Referring to *The Innovator's Dilemma*, a book by Clayton Christensen, Dr. Pillay said that destructing technologies are entering into the higher education environment, just as they had in the music and publishing industries. Higher education is not immune to these destructive challenges and changes, he said.

With that, Dr. Pillay talked about the digitalization of information and content, noting that there is an initial cost to digitizing the content that the UW System already has; but the marginal cost for digitized information is next to zero, which in itself provides huge

opportunities. This content is not something that gets consumed or has an expiration date, unless the information becomes out of date.

This is something that higher education is not used to, Dr. Pillay stated. When talking about traditional lectures, there is a cost of consuming: a professor can only instruct a limited group of students at one time, and the experience has to be repeated. Once that experience is digitized, it becomes available to everyone at any time of the day; it provides wide access.

He said that there are four technology trends that higher education is facing right now. Rather than create a new set of technologies, the System needs to focus on how it can leverage existing technologies to fit its business environment, which is teaching and learning. He discussed each trend in turn:

1. Social media is pervasive, especially among the younger generation. Social media is easy to use, and its biggest feature is the ability to identify common interests, which can be translated into improving group work. Much of what historically has been done in face-to-face group work could potentially be transferred into an experience through digital technologies and communication networks, although reliability and access would be key components.
2. Leveraging personal devices is another opportunity. More than 1.5 million people worldwide have mobile devices at their disposal, which has transformed industries. The question for the UW System is what does it currently have at its disposal to help leverage to the maximum extent the mobile devices that its students have. Incoming freshmen are bringing four devices per person to campus. Real-time feedback can be useful for classroom participation, whether it is in online courses or in-person instruction; but push-and-pull technology (e.g., Amazon.com) would make instructional materials available at students' convenience, rather than when a professor is available to deliver them.
3. Analytics can be used to help identify "methods of learning." With close to 180,000 students in the System, not everybody learns the same way. Although the university cannot provide individualized instruction for 180,000 students, it can start to create "formats" or "personas" of different types of learning. This allows the System to automatically provide methods of instruction to categories of students with familiarity with different types of learning experiences, thereby increasing their opportunities for success.
4. The Cloud, which facilitates anytime/anywhere access, presents another opportunity. As an example, most campus email systems have transitioned to Office 365. The Cloud quite often reduces infrastructure costs, changing capital expenses to operational expenses. More importantly, it provides an opportunity for collaboration; for example, the Cloud makes it possible for large data sets to be shared by multiple researchers. This can also translate to learning and teaching.

Dr. Pillay warned that there is no way the UW System can compete with commodity services like Microsoft, which can buy servers a million at a time. Instead, he suggested that the UW System should move its attention and energy towards instructional types of technology. He

noted that the less the System invests in IT infrastructure, the more opportunity there would be for it to reinvest in learning and learning analytics.

Dr. Pillay suggested that “customized learning” provides a great opportunity that has not been fully tapped into yet, noting that most technologies that the System is implementing provide a similar approach and treatment to all types of learning habits.

He shared that some research has shown that increasing tutoring by one session has improved retention of students by 4 percent and improved graduation rates by 3 percent. Observing that these were the results of small and limited research exercises, Dr. Pillay suggested that if customized learning is adopted as the main mode of instruction, the chance of success for each student, regardless of how they came into the System, would be far better.

Finally, Dr. Pillay discussed the concept of student engagement. He observed that, as human beings, people want to be treated not as individuals and not as a mass group. Providing access, information that students can leverage, and the ability to connect with like-minded people creates an environment where students can learn from each other. Noting that Rhodes Scholar Tayo Sanders, in his remarks earlier in the morning, had talked about the opportunity to work in teams and collaborate, Dr. Pillay said that all of these tools are essential and are readily available; the question is how well the UW System can leverage them for success in the future.

### **Regent Questions**

Interim Senior Vice President Ward opened the floor to any questions about the first panel’s presentations. Regent Whitburn asked how different class sizes impacted the cost-benefit analysis on customized learning. Dr. Pillay explained that the idea is to be able to direct digitized content appropriately based on need. For example, a student might not understand all the concepts of math. With customized learning the university can actually provide the student with additional content or training in those particular concepts. Once the information has been digitized there is basically no additional cost, only the cost of delivery. The initial purpose is to identify where the mitigation strategies are needed.

Dr. Hoar spoke about different-sized class environments. He said that there would continue to be differences; for example, lectures would still be more common with larger classes, but technologies would be provided that would work at any scale, with different features utilized depending on the class size. Dr. Hoar added that the licensing for the three products he had discussed is based on total FTEs within the System, not the number of FTEs using the technology. If there is an increase in usage, it will not affect the price.

Regent Whitburn also asked whether there would be a university-sponsored social media platform. Ms. Drake noted that UW-Platteville had found that students would use social media tools already available, rather than the social media channels that the institutions develop. Students are very comfortable using existing social media technologies and bringing them into the classroom situation.

Dr. Pillay added that the UW System does not want to create tools that already exist and with which people are already familiar. Instead, it needs to learn to leverage what already exists. That said, there is a question of licensing, as well as questions about privacy, the protection of



licensed material, etc. Taking this into consideration, he suggested that at all points the System should look at opportunities that already exist and maximize their use.

Regent Whitburn added that with a university-sponsored platform the System would introduce a new degree of accountability and the determination of appropriate behaviors.

Regent Vásquez observed that for a long time the System had talked about the digital or technology divide between the haves and have-nots, with lower-income people and people of color sometimes being the have-nots. He wanted to know if the new students coming into the System already have a base level of common understanding about the usage of technology, or if there are still some freshmen who require basic training due to, for example, their circumstances at home.

Dr. Hoar said that the divide is narrowing, but there is still a divide between how to use technology and how to learn with technology, which is not a given. He observed the same situation on the faculty front: teaching effectively with these tools is not a given. Different tools require a different introduction and some guidance on how to incorporate them into the learning environment.

Regent Vásquez also expressed concern about how the System was ensuring that all of the technology does not substitute for essential face-to-face human relations. He said he had experienced too many instances where people would rather text or email, and he thought it was not healthy for society if people avoid each other.

Interim Senior Vice President Ward said that the greater societal question posed by Regent Vásquez was probably one that the panel could not answer, but that the next set of presentations would have some good examples of “mixed delivery,” using both technology and person-to-person interaction.

Regent Delgado thanked the presenters, saying that this subject had touched on a concern and desire he had to learn more about how the UW System uses technology. He expected that when he finished his time on the Board, technology would have become far more impactful. From his perspective, the younger generation that is much more open to the use of technology would be the one that would push the System in that direction. Regent Delgado asked the presenters how the UW System ranked in the implementation of technology compared to other systems, and how it can improve in order to catch up and get ahead.

Dr. Hoar replied that it was a broad question, but he thought every system would argue that they are trying to utilize technology well. Looking at the various campuses in the UW System, he said that how pervasive technology is varies somewhat. He said he believed that the more traditional, residential campuses that have not had many online degree programs were probably not as far along in the utilization of some of the technologies. However, everybody is interested in how to acquire the tools that will help them be a more effective teacher, he said; and students are appreciative when the faculty incorporates technology.

Dr. Hoar said that the UW System has the ability for faculty to grow in their skill set, and nationally the System is probably looked at as one of the leaders. He noted that in 2004 the UW System became the first to acquire a license with Desire2Learn, the company that produces the university’s learning management system.

Dr. Pillay added that if the System's use of technology were compared with those who are providing strictly online methods of technology, one would find a bit of a divide. The challenge is to leverage and learn from those others how to use more of the technology for standard digital content, and to continue to accelerate what the System already does well, which is in-person and experiential types of learning and working in groups. He said that by combining these two things, the System can improve its delivery cost for standard and even customized content, which could translate into spending more money to continue to improve instructional spaces; for example, this might allow for the automatic capture of a lecture to make it into digital content. These were the places where the UW System could actually invest and where it needs to compete head-on with schools that are only providing online programs, he concluded.

Regent Higgins asked the presenters to comment on the relationship between instructional technology and the UW System's long-term needs for physical building space and its time to graduation. Dr. Ward said that two of the upcoming presentations from faculty members would address the dramatic impact instructional technology has on facilities. He said this is a target that the Board should keep its eye on, as the space requirements are different.

Speaking to Regent Higgins' second question, Ms. Drake said that she could give several examples of how instructional technology relates to time to degree. Several people who were completing internships could not take classes on campus, and so they took online courses instead; they were able to continue their work experience and their education. In other situations people have been in accidents or had illnesses, and they were able to come into courses mid-semester because the timeframes for the online courses crossed over semesters. Having that information in an online environment provides great opportunity to decrease time to degree, she said.

Regent Harsy commented that he had observed dramatic changes in what students and instructors can do to incorporate technology into education between his time as a student in 2006-2008 and after returning seven years later. Some of his own professors were doing very well at incorporating different methods of education, from discussions to lectures to online quizzes and readings.

Regent Harsy added that this did not mean that students could sit at home and listen to online lectures the whole time; there is still a reason to come to class, because students cannot get all of the information off the PowerPoints posted online. However, having all of those resources allows the student to review the material and stay on top of things, which he said had proven beneficial for everyone involved. Regent Harsy thanked the presenters for their work, saying that it made his educational experience significantly better.

Regent Purath asked about how social media were being monitored in relation to classroom activities, to ensure they were used in a proper manner. For example, she had heard of students receiving credit for "friending" or "following" certain professors. Dr. Hoar said that there really were no rules on what tools can be used, adding that the policy around how students and faculty interact was based in the past, when there was only the traditional classroom setting. He believed there needed to be an evolution of some of the policies, to take into account the questions that Regent Purath was raising.

Dr. Hoar stated that the technologies selected at the institutional level are ones that ensure that the institution can preserve privacy and give students the ability to interact professionally, with safeguards to maintain and monitor that. However, the System continues to monitor what tools the faculty choose to use outside of that set. The faculty members are also reminded about copyright law, FERPA and other legal constraints in how they use those tools.

Saying that she was very familiar with and appreciative of D2L, Regent Purath observed that not all of her professors used it. She wanted to know what was being done to encourage the expanded use of D2L. Dr. Hoar said that the use of D2L varies by campus, but there are ways to help faculty use it, including having individuals on the campuses to help guide them. A number of campuses now automatically create the course page in D2L for the instructor, whereas in the past the faculty member would have had to take action to make that happen. While the System is not at 100 percent utilization by faculty, it is getting closer and there are processes in place to encourage faculty to take advantage of D2L.

### ***How Instructional Technology Has Affected the Classroom***

Interim Senior Vice President Ward introduced the next panel, which he said consisted of two outstanding faculty members who would demonstrate how instructional technology is used in their classrooms and teaching.

#### **Diane Reddy, Professor of Psychology, UW-Milwaukee**

First to present was Dr. Diane Reddy, Professor of Psychology at UW-Milwaukee and a previous recipient of the UW System Board of Regents Teaching Excellence Award.

Dr. Reddy thanked Dr. Ward for his introduction and said that she would like to acknowledge the UW System Office of Professional and Instructional Development, as well as UW-Milwaukee, for supporting the work she was going to describe.

Providing some background, Dr. Reddy explained that she had been teaching Introduction to Psychology online for almost a decade, with approximately 270 students each semester. Technology has enabled her to create an interactive, data-driven, online learning environment for her students. Technology has also enabled her to assess learning through demonstrations of mastery and to provide personalized support to her students.

She said that her students can test their understanding of the material and build their fluency with the terminology through review activities that are interactive. They study small content modules that are engaging, with graphics, animation, streaming video, and lots of point-and-click activities, which she said is helpful, because there are so many concepts in Introduction to Psychology.

The students can go as fast they would like or as slow as they need to go, within the bounds of a semester, which is important because so many of them are balancing college and a job at the same time. The students also like the fact that they can focus on the material and only have to master a small amount at a time to prepare for a quiz, and that they can retake quizzes, with a different set of questions, until they attain mastery.

She went on to say that the questions in the 24 quiz banks in the course require students to actually apply the concepts rather than recall facts, adding that she uses Bloom's Revised Taxonomy in the development of the quizzes so that the questions assess a deep understanding of the material.

The students are required to demonstrate mastery, which facilitates their long-term memory storage and also strengthens the link between their effort and positive outcomes, as they consecutively master each content unit. This builds a sense of control, she said, and students who perceive control achieve more, have better psychological outcomes, and persist in the face of academic challenges. There are high performance expectations for students, but they are supported in reaching those high expectations.

Information in the learning management system about student engagement and performance, such as the number of quiz attempts, the quiz scores, and the time that has elapsed since the last quiz attempt, is used to determine when and what type of support is needed. Dr. Reddy stated that all of the students in her Intro to Psychology course receive support weekly or more often, as needed; they do not have to ask for help if they need it.

As an example, Dr. Reddy showed the information recorded in the Learning Management System for a student who had consistently worked through the materials and took seven attempts on Quiz 1, achieving a score no higher than 7 out of 10. She pointed out that on September 9<sup>th</sup> the student took four quiz attempts and then stopped, with no further quiz attempts from September 10<sup>th</sup> thru September 14<sup>th</sup>.

She explained that this change in a student's pattern of behavior suggested to her that the student might be becoming frustrated. Oftentimes disengagement is common when students start to struggle, and changes are visible at a very early stage when there are frequent low-stakes assessments. Changes in engagement and performance can signal opportunities to intervene proactively, she said.

Dr. Reddy described how she acted on this information, indicating that she sent the student an email to get him going again and to help him with the concepts that he was stuck on. The student again went through the online lesson, took another attempt at the quiz, and passed with the required 90 percent. She emphasized that the email she sent to the student was personalized, offering help with the concepts and also containing motivational assistance.

By acting upon information in the Learning Management System, Dr. Reddy said that she had been able to engage, motivate and improve the learning of her students.

She showed the Regents data comparing the success of both economically disadvantaged (Pell Grant-eligible) students and non-disadvantaged students who received usual support with those who received proactive support. She explained that the instructors giving usual support responded as they normally would, by answering questions, holding reviews for exams outside of class, and assisting students whenever they requested help. With the usual support, 41.3 percent of the students who were not economically disadvantaged, and 28.8 percent of the students who were economically disadvantaged, earned a final course grade of A or B.

In sharp contrast, when the same instructors proactively supported the students, 81.4 percent of the non-economically disadvantaged students earned a final grade of A or B, and 76.6 percent of the economically disadvantaged students earned that final grade of A or B.

Dr. Reddy emphasized that students were randomly assigned to an instructional condition. They had the same instructors, covered the same content, and used the same materials. There were no differences between the groups that could explain the greater academic success other than the proactive support in the context of mastery.

She pointed out that the data for usual support showed a 12.5-percentage point gap in achievement between the disadvantaged and the not disadvantaged students. This gap was reduced to 4.8 percentage points with the proactive support. Dr. Reddy added that the economically disadvantaged students receiving proactive support significantly outperformed the non-disadvantaged students with usual support.

Dr. Reddy went on to say that not only was there greater academic success, there was also greater learning, with the students receiving proactive support scoring significantly higher on a proctored accumulative exam measuring the core concepts in Introduction to Psychology. Again, there were no differences that could explain this greater learning other than the proactive support in integrating the mastery requirement.

There were also gains in self-regulated learning skills, she said, explaining that self-regulated learning is critical to college and career success, as the jobs of today increasingly require workers to acquire new skills and knowledge over time. She provided data showing that in the beginning of the semester, the students needed 7.5 quiz attempts on average to achieve mastery. By the end of the semester, they needed only four quiz attempts to achieve mastery.

Dr. Reddy reiterated that these data are embedded in and mined from the Learning Management System, highlighting that learner analytics can be used to provide evidence of student achievement, which may be relevant for departmental, course, and institutional assessment. Learner analytic information can also be used to improve student outcomes and to personalize the learning experience for students.

Dr. Reddy then showed a video of Bror Saxberg, Chief Learning Officer at Kaplan, discussing UW-Milwaukee's use of the learning management system to provide faculty members with data that pointed out which students looked as though they were having trouble. Mr. Saxberg mentioned the motivational emails sent to those students, and the resulting substantial improvements in the students' performance, calling this an example of a mixed technology-human data system that empirically and objectively works better than the original system.

Following up on this video, Dr. Reddy said that to be a real game-changer and to scale student success in higher education, advancements need to leverage all three aspects of the system: technology, data, and the instructors and students.

Advancements in learner analytics and in technology more broadly are going to enable the monitoring of student progress and behavior and the delivery of adaptive content, making it easier and easier. She said that it was critically important for instructors and institutions to effectively respond to that information. The challenge will be to create advancements that allow

for truly personalized responses, and that inspire students to take control of their learning and motivate and empower them to tackle challenges.

**Jamie Schneider, Chemistry Professor, UW-River Falls**

Interim Senior Vice President Ward turned next to Jamie Schneider, a chemistry professor at UW-River Falls, who is working on National Science Foundation STEM grants focused on teaching and learning in chemistry.

Professor Schneider thanked the Regents for giving her an opportunity to share how she was using classroom technology to promote student engagement and learning. She began by showing a picture of herself with Tu Nguyen, a senior biology/biomed student, as they were co-presenting at a faculty and staff development series on Innovation in Excellence.

She said that she uses Desire2Learn for her introductory chemistry course. She explained that basic chemistry is the first science class that many science majors take, but nationally it has a poor reputation as a gateway course that hinders retention, graduation and recruitment in STEM. That is why she personally does whatever she can to make this course a positive experience for UW-River Falls students, she said, so they can learn how to learn.

Showing a screenshot of the D2L page for this course, Professor Schneider pointed out that she not only provides general course information, but also includes a video on test anxiety, advice on studying and taking tests, and a variety of curricular materials that she has designed. As part of UW-River Falls' laboratory and safety curriculum, there is also a shared presentation and quiz used to train students.

Providing some background on her classroom setting, Professor Schneider said that up until about a year ago she taught in a 90-seat tiered lecture hall, which made it challenging for her to use small-group learning. Students would often sit on the floor, turn in their seats, and try to balance papers on the flip-desktops. It also made it difficult for her to interact with the students.

A collaboration including campus planning facilities, IT, science faculty administration and many others, along with funding from the UW System Classroom Instructional Technology Building Construction Project, enabled the transformation of an abandoned area in the old student center into a new, active learning classroom. In this active learning classroom there are 12 tables that can seat nine people each, for a total of 108 students. Each table is designed to fit three groups of three, and each has a TV monitor, two whiteboards and access to three tablet PC hybrid computers. Professor Schneider explained that this classroom allows students to go up to the board and present information, and allows her to quickly look around the room to see students' work as they go through materials.

She explained that one central theme that is very critical to the course and has been shown repeatedly to be an area of difficulty for students is the expectation for students to readily move from macroscopic, or sensory concepts, to particular-level explanations and diagrams, to symbolic and mathematical relationships. This requires a high level of understanding in these first-semester freshmen students, and there is often a large learning gap.

Professor Schneider said that she uses a variety of technologies to support learning development, from images, to animation, to tactile work, to online homework, to laboratory work. She shared a series of pictures showing how overheads and document cameras are used to capture and project live demonstrations around her classroom. These demonstrations are used to help make those connections with the students.

As an example of how her classroom uses tactile learning methods, Professor Schneider invited the Regents to take a few moments to play with some haptic technology devices that had been placed around their tables. She explained that tactile technology is all about sensory technology; these particular devices invoked magnetism, allowing the user to feel how different particles attract.

This technology was developed at 3D Molecular Designs, which is a spinoff company out of the Milwaukee School of Engineering. Professor Schneider said that she first heard about it at a summer faculty development workshop that she was leading for Process Oriented Guided Inquiry Learning (POGIL), in which she is actively involved at the national level. Now she is training faculty from around the world.

The point is to design guided inquiry activities that focus on both content and higher-order thinking. The idea is that students start with a model, and then through guided questioning this model is used to develop a concept which students can apply to their learning.

Next she described classroom response systems, which many faculty use to elicit real-time feedback from students during a class. These classroom response devices, or “clickers,” are rented by students when they get their textbooks. Professor Schneider said that, according to UW-River Falls’ textbook services, anywhere from one-sixth to one-half of the students on campus were using these devices, and many were using them in multiple classes.

She said that classroom response systems can be an important part of learning when used to assess the students before and after instruction. Before instruction, the answers students give to her questions can help her understand what they remember from their high school chemistry courses, and also help her recognize any misconceptions that might interfere with the instruction.

Post-instruction, after students have had a chance to interact with the models, she can ask a similar question and see whether the majority of students have shifted to select the correct answer.

Professor Schneider said that she can respond to this information in different ways: she can simply summarize the lesson and move on, or have the students discuss and re-vote if she wants to capture a percentage of the class that did not answer correctly, which can often improve student outcomes. If it seems that many of the students still do not understand, she might stop and re-teach the lesson through a short lecture, an activity, or a problem-solving activity, in an attempt to intervene with the learning process in real time.

Discussing the online homework system, Professor Schneider said that after assignments are posted students are allowed to work on them until they are due, and she can go in and look at how students are doing on each individual problem. If there is a particular problem where students are not performing as well, she can see what the wrong answers were and where

students are having issues. The system itself is smart enough that it can actually give students a hint about the likely mistake that was made based on the answer the student gave. Students have multiple attempts to do each problem, and a guided tutorial is provided for each problem that was developed by listening to faculty members. She said that this was a powerful system that she can use to guide student learning outside the classroom.

Professor Schneider added that what she especially liked about the system was that it compared her students' performance to the System average. She can also check to make sure that how her students are doing is consistent with the national perspective in general chemistry, which is important for UW-River Falls students who are going on to graduate school and medical school.

### **Regent Questions**

Interim Senior Vice President Ward thanked the presenters and asked the Regents for any questions about the second panel.

Regent Farrow said that she recalled chemistry as being a "killer course," with some people wanting to take it and some people needing to take it. She wanted to know if there were fewer drops by students because they were motivated and being assessed in an ongoing way that allows for personal contact even in large groups. She assumed that if there were fewer drops, this would also mean that students would keep moving toward graduation in a timely way.

Professor Schneider said that she could speak to Regent Farrow's question on two levels. First, on a personal level, she said that her department's faculty use a lot of interactive lecture techniques, which are a step above simply talking to students. She said that they had seen a shift in overall grade point averages, in students' overall performance on standard exams, and in a reduction in the D/fail/withdraw rates. She added that she was currently in the process of doing a longitudinal study that looks at students' progress all the way through the four-semester sequence

Regent Vásquez asked Dr. Reddy to elaborate more on the counseling students receive in these courses. He was concerned about how many times a student can continue to retake a test, spending both time and, if they are allowed to drop the course and re-register later, money on a class or subject that just might not work for them.

Dr. Reddy responded that she had an unwavering belief in students to get past their struggles and be successful in a course, though of course they can drop it. She acknowledged that not every student is going to be successful, but said that through instructional technology students will be more successful than they would have been under the conventional instruction model. While it can be difficult for students, particularly those approaching a subject for the first time, to reach the benchmark for progressing to the next unit, she emphasized that the vast majority will be successful in the bounds of the semester.

Getting more specific, Regent Vásquez stated that in the work environment there is often a fixed due date; for example, when the Board of Regents has a meeting on Thursday, it does no good to finish making a PowerPoint on Friday. Also, people in the workplace have to get things right rather quickly, and cannot just keep trying and trying. A supervisor is not going to keep



saying, “Go back and try it one more time”; instead at some point they will say, “I think we have a mismatch here.” He asked, how can the System avoid building a false sense of what is going to be expected of students in the future?

Dr. Reddy stated that for every course there is a firm deadline at the end, and that is the end of the semester. At that point students pay the price, in a sense, if they were not able to be successful – they either will not pass or will have a grade reflecting their performance. She said that it was not giving students a false sense of the real world, but was really teaching them how to manage time and how to focus.

Dr. Reddy also reminded the Regents that students get better and better at acquiring knowledge and learning skills over the course of the semester, and courses like hers can offer opportunities for intervention to assist students.

Regent Higgins noted that the first panel had talked about online courses, and that the second panel seemed to have been talking about using specific technology to be more efficient in the classroom. He asked if these were two sides of one coin and if the presenters could teach their courses online using the same kinds of assessment tools used by those in the classroom or if the two were instead mutually exclusive.

Dr. Reddy noted that the Introduction to Psychology course that she had described is completely online.

Professor Schneider said that her course is completely face-to-face, but that there is a blending of the two. Even though her course is a traditional face-to-face course, she was still using many of the online strategies mentioned to encourage learning beyond the time spent in in-person classroom instruction.

Mentioning that she had taught during summers at the University of Minnesota, Professor Schneider said that Minnesota was looking at a hybrid model, where a couple of hours of online instruction were matched with one hour a week in an active learning environment; students had access to technology, as well as a personal connection between students and faculty.

As this is studied, she said that it would be important to have student-student and student-faculty discourse to moderate the learning. Facilitation in learning is just as important as the curriculum materials, she said, and anything that helps to facilitate that is good. Returning to Regent Higgins’ question, she concluded that online and in-person instruction were not mutually exclusive, but the university needs to be very cautious that it is capturing the best components of both.

### ***Operationalizing Instructional Technology on Campus, Issues Campuses Face, and the Significance of Instructional Technology for Instruction and Faculty Development***

Interim Senior Vice President Ward introduced the third panel. He explained that UW-Madison Provost Sarah Mangelsdorf was unable to attend, and so in her place Steve Cramer and Bruce Maas would be presenting. First, however, Regents would hear from UW-Whitewater Provost Bev Kopper, who was joined by Lt. Colonel Carl Meredith.

## **Bev Kopper, Provost, and Carl Meredith, Lt. Colonel, ROTC, UW-Whitewater**

Provost Kopper expressed her thanks for the opportunity to talk about instructional technology before introducing Lt. Colonel Carl Meredith, the Administrative Executive Officer at Headquarters for the 64<sup>th</sup> Troop Command. She explained that UW-Whitewater had the privilege of having Lt. Colonel Meredith on campus in relation to its ROTC program.

She said that UW-Whitewater operationalizes instructional technology by focusing on the intersection of technology and liberal arts. Its faculty and staff take every opportunity, both in and outside of the classroom, to be innovative and to use technology to provide UW-Whitewater students with a world-class, cutting-edge, hands-on education that connects them with the world and prepares them for the future.

UW-Whitewater builds its capacity to make this happen through its Learning Technology Center and through faculty and staff development programs, such as the summer and winter Institutes for Online/Blended Teaching. Staying current requires a significant time commitment by faculty and staff, which can be one of the challenges associated with instructional technology.

Currently the focus is on how the budget cuts will impact the future and missions of the campuses, she said, and at UW-Whitewater a critical part of its mission is serving nontraditional students, including student veterans and student military personnel. That mission, coupled with the university's commitment to the Wisconsin Idea, led to the integration of the Virtual Battlespace 2 (VBS2) into the UW-Whitewater ROTC program.

Provost Kopper then turned over the presentation to Lt. Colonel Meredith, who was there when VBS2 was launched.

Lt. Colonel Meredith stated that he was previously a Professor of Military Science at UW-Whitewater and also a Department Chair for its ROTC program. He said it was a pleasure to work at UW-Whitewater for a number of reasons, but especially because of the spirit of innovation and the commitment to using technology as a tool to educate and develop students.

He explained that one of the key emphases in the ROTC program was to infuse and leverage technology in instructing, training and developing students. The program mission was to develop adaptive, critical-thinking, agile leaders of character. Technology was used not just for its own sake, but because the ROTC program wanted to find ways to effectively prepare its students, who would eventually become army officers, for the ultimate test of going out on the battlefield and defending the nation.

One example of how the ROTC program incorporated technology was through the integration of a program called Virtual Battlespace 2, which he described as the Army's equivalent of a gaming system that is used to replicate training scenarios. The ROTC program had been looking for a way to replicate the experience that cadets would have when they went to the annual summer camp at Fort Knox, so that they could actually train and prepare the students on campus.

Lt. Colonel Meredith said that the map modules for VBS2 replicate the terrain at Fort Knox, giving the UW-Whitewater cadets the opportunity to virtually train for a period of two

months before actually arriving at the summer camp, so they were very familiar with the training scenarios there.

He then showed a video that further explained how the UW-Whitewater ROTC program is taking advantage of VBS2 to prepare cadets for their training. One of the benefits mentioned was that there is very little cost associated with using VBS2 technology compared to travelling and staying at a military installation. Using VBS2 saves time and resources, allowing the program to maximize its training efforts. This virtual program developed and innovated by UW-Whitewater ROTC is now being used by other programs across the nation.

Lt. Colonel Meredith indicated that they had obtained from the Army an already existing system, which was itself produced by Universal Technologies, a gaming company located in Whitewater. UW-Whitewater ROTC served as the company's beta testers, and in turn had the opportunity to train locally.

Besides VBS2, the ROTC program has successfully gone through a complete classroom modernization process, incorporating teaching methodologies like the experiential learning model, which uses video, tactile activities, and group work. Lt. Colonel Meredith stated that this effort played a critical role in using technology well, transitioning the program into a place where it can fully utilize D2L. Cadets are actively engaged in group discussions and online activities in addition to classroom face-to-face activities.

Lt. Colonel Meredith added that the ROTC program used the WebEx conferencing tool to create a guest lecture series, inviting key senior military leaders from across the country into classrooms as guest lecturers to do live virtual leadership lectures. Another project was the incorporation of virtual ethical training, using web-based scenarios to do ethical decision-making exercises for cadets in the classroom.

Lt. Colonel Meredith concluded that the ROTC program is using technology to leverage learning, and the proof of the program's success is in how UW-Whitewater cadets have excelled nationally. Of the nine cadets sent to the Fort Knox training camp during the past summer, six achieved an "Excellent" ranking and three finished in the top 100 of 6,000 cadets that will be commissioned in May. Lt. Colonel Meredith believed that the use of technology in general and the way the program has applied it in the classroom has really made a difference.

Provost Kopper spoke again, stating that UW-Whitewater's faculty and staff use technology to accomplish the goals of transforming lives through education, preparing the leaders of tomorrow, and partnering with other organizations and institutions, not only in the Whitewater community and in the state, but around the world.

Instructional technology also allows UW-Whitewater to take risks, think outside the box, and be creative; she remarked that it does come with a price tag and other associated challenges, including the time commitment involved as well as sustainability. Provost Kopper explained that instructional technology spaces are frequently funded on a one-time basis, typically through large projects such as new construction and major remodeling. Over time, technology becomes less reliable or obsolete, with an increasing rate of failure; these systems need to be updated or replaced, which costs money and requires a cadre of IT professionals.

Likewise, academic programs increasingly rely on specialized software to augment instructional delivery. She explained that frequent changes in licensing models and software versions, often right before the start of a semester, make it challenging, even for the university's very talented IT professionals, to have all academic labs and classrooms ready for the first day of classes. Of course, she added, these new versions typically come with a new price tag.

Provost Kopper concluded that through innovation, customization, and imagination, UW-Whitewater has cutting-edge, boots-on-the-ground technology that can be used in and out of the classroom to prepare the leaders of tomorrow and to make a difference in the community; however the bottom line is that there are costs associated with purchasing, maintaining and sustaining this cutting-edge instructional technology, which can be a challenge.

Finally, Provost Kopper thanked Lt. Colonel Meredith for his dedicated service to both UW-Whitewater and to the country, noting that he had served in the military for 26 years, including his service in Afghanistan, and had received many honors, including the Bronze Star Medal. Upon hearing this, all those present gave Lt. Colonel Meredith a standing ovation.

**Steve Cramer, Vice Provost for Teaching and Learning, UW-Madison, and Bruce Maas, Vice Provost for Information Technology and Chief Information Officer, UW-Madison**

Next Senior Vice President Ward introduced the final two presenters. Steve Cramer, Vice Provost for Teaching and Learning at UW-Madison, is the author of more than 125 research publications, holds three patents, and is a registered professional engineer. He is also a member of the UW-Madison Teaching Academy and was awarded the Chancellor's Distinguished Teaching Award. Dr. Cramer was joined in his presentation by Bruce Maas, Vice Provost for Information Technology and Chief Information Officer at UW-Madison.

Dr. Cramer thanked the Regents for the opportunity to present, saying that he would pick up again the morning's theme about what instructional technology enables.

First, technology enables changing the pedagogy. Research has shown that traditional lectures, with students observing and taking notes, are not a particularly effective way to learn. Dr. Cramer believed that for the students of today that was even truer.

UW-Madison had a project to change the traditional lecture into active learning, with students doing things, which is what employers say they want graduates to be able to do. Dr. Cramer wanted to highlight three aspects of this effort: first, UW-Madison needed the physical infrastructure to be able to teach in this new way; second, the university needed the digital infrastructure to be able to support it; and third, it needed faculty with an ability to teach differently than the way they themselves probably learned.

An opportunity for this project was identified on the fourth floor of Wendt Library, where a particular collection of books was seeing less and less circulation every year and was starting to become rather expensive to store. An active learning concept requires large open spaces; Dr. Cramer said that they removed the books and renamed the space Wendt Commons. While there are still library functions occurring on the other floors, the fourth floor is now home to the Wisconsin Collaboratory for Enhanced Learning (WisCEL), a technology-enhanced collaborative learning space. This enables faculty to deliver education in a new way.

He described the new space, detailing the circular pods where teams of six students sit and interact. These pods are wired, with devices available for students who may not have a device of their own; and there are digital monitors mounted up on the columns so that each pod can project a group's project. Dr. Cramer said that a faculty instructor is still in the room, actively moving around the classroom from group to group, where before the instructor would have stood on a lecture stage.

For the sake of time, Dr. Cramer said that he would skip one video showing the activity that WisCEL sees in the span of 16 hours. He noted that spaces like these are in high demand, as the space is packed with students who are there to study whenever there is not a class. However, he did show a video with footage of students discussing WisCEL.

In the video, students talked about how the new space allows them to build a relationship with their professors and to make connections with their peers. They explained how having time to work on exercises in groups helps the students improve their understanding of the material, and mimics how they would work on projects in the real world – together, not in isolation. They also liked that the new interactive teaching style allows the students to set the pace of the class, and that working on in-class problems gives them a basic understanding to work off of for the homework assignments, making them more confident with the material.

Dr. Cramer commented that the video showed self-paced, efficient, interactive learning with faculty and students. Countering the claim that online tools make learning more impersonal, he suggested that it actually offers a personalized education, and said that team-based learning prepares students for professional practice. He believed that it was hard to think about pervasively improving learning or the cost structure of how the System delivers education without changing the lecture paradigm, and recommended that the System take a strategic approach to scaling up efforts like the WisCEL project.

Dr. Cramer then turned the presentation over to Bruce Maas, who spoke about teaching and learning with a focus on infrastructure. Mr. Maas likened many of the costs of running infrastructure to how most of an iceberg is hidden below the water line – there are costs that are embedded under the surface.

He said that faculty members are continuing to innovate after more than a decade of experience in using Desire2Learn; but with all of this innovation, scaling has still proven to be elusive. Using Dr. Reddy's work at UW-Milwaukee as an example, Mr. Maas said that while it was critically important to provide her with the data that she needed, it was also extremely expensive to extract that data out of the current learning management system in D2L, software that is now approximately 15 years old.

Mr. Maas said that it is important to make it easier for all faculty to be able to get at their data, not only a select number of individuals and courses. The good news, he said, is that higher education already knows how to do this, and UW-Madison in particular had jointly created Internet 2 based on the need to control the infrastructure at a national level. That effort from 20 years ago has now given UW-Madison unprecedented support of its research, leading it to join a consortium called Unison with nine other major universities; UW-Madison has the opportunity to take control of this ecosystem of teaching and learning and, through shared standards, to create a flexible infrastructure.

This will also allow the campus to access its own data in a new affordable way. Just as the UW institutions made tremendous progress as a System by pooling together with D2L, pooling would now be taken up to a national scale. Instead of the UW System absorbing these costs on its own, the Unison consortium would share the expenses across a greater number of universities. With UW-Madison being a founding member of Unison, the entire UW System and its campuses were welcomed participants who would have access to the benefits.

Mr. Maas said that right now the infrastructure was being piloted with several UW campuses, including UW-Milwaukee, UW-Whitewater, and UW-Platteville, along with UW-Madison. They would learn what needs to be done with the infrastructure as the campuses find out what works and what does not.

With the shared standards in Unison, the goal is to create a flexible infrastructure and provide a learning analytics engine for the entire UW System. Mr. Maas emphasized that this would be done not course by course, but at a scale that will benefit every campus. He said that this can only be done by combining the resources of major universities together to invest in the infrastructure and to provide it. Through the consortium, UW-Madison is positioned to control its future and Wisconsin's leadership in this arena; and it is doing so on behalf of all University of Wisconsin System students and faculty, he concluded.

President Falbo said that most of the Regents would remember past challenges with WiscNet, and he wanted to acknowledge that they had not heard anything more about it almost since the day the Board made the decision to go in-house. He credited Mr. Maas, among others, for that conversion. Mr. Maas thanked President Falbo, saying that the best news was to be quietly under the radar.

As time was short, Interim Senior Vice President Ward said that panelists would be available to answer questions after the presentation. He said that he would forego his wrap-up and instead share with Regents a memo containing takeaways from the morning's presentations.

Regent Vásquez requested that the Regents be sent a link to the video that Dr. Cramer had not had a chance to play.

President Falbo thanked Interim Senior Vice President Ward and all of the presenters.

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The meeting was recessed for lunch at 11:45 p.m. and reconvened at 12:30 p.m.

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## **DISCUSSION: BIENNIAL BUDGET UPDATE AND DISCUSSION OF POTENTIAL EFFECTS**

After welcoming everyone to the afternoon session of the meeting, President Falbo invited Regent Farrow to say a few words about Wisconsin Eye. She announced that Wisconsin Eye is now available on mobile devices and encouraged everyone to take advantage of the

service. She also noted that Wisconsin Eye would be covering all of the legislature's Joint Committee on Finance meetings, and encouraged everyone to support Wisconsin Eye.

President Falbo introduced the afternoon session, about the Governor's biennial budget proposal, explaining that President Cross would provide an overview and status update, followed by a discussion regarding shared governance and tenure, which had received a significant amount of attention on the UW campuses. Following that discussion, President Falbo said the Board would take as much time as needed to ensure Regents' questions on all other budget-related matters were answered to the fullest extent possible. At his invitation, chancellors had joined Board members at the meeting table for the afternoon's discussion.

### ***Update on Governor's Budget***

President Falbo started by expressing his appreciation to all of those who were working so diligently to understand the specifics of the budget proposal. He said that while it was a challenging time, he also saw it as a time of opportunity. He said that this was the time to pursue the opportunity afforded by the flexibilities the Board had long believed would allow the UW System to better serve the state. In addition, there was an opportunity to secure a new dedicated funding stream to provide stable state revenue, budget after budget. He then asked President Cross to provide an overview of the proposed budget.

President Cross started his presentation by thanking Regent Falbo for joining him and Chancellor Jim Schmidt to testify before the Legislature's Joint Finance Committee earlier in the week. He said it was an opportunity to provide initial feedback and a briefing to legislators about the budget's impact, and also to thank them for their willingness to address concerns. He said he shared three requests with legislators: to create the UW System Authority; to approve a dedicated, predictable and stable funding stream for the future; and to reduce the size of the significant proposed budget cut. President Cross said they also answered a couple of hours' worth of questions from committee members, and that their full testimony before the legislative committee could be accessed on the Wisconsin Eye website or the UW System's news site.

### **Proposed Budget Cut**

President Cross then provided more information on his three requests, starting with the proposed budget cut. He said they expressed their appreciation to the Joint Finance Committee members for their willingness to work with UW System leaders to reduce the size of the proposed budget cut. He added that the vast majority of legislators have acknowledged that the proposed budget cut is significant and have publicly and privately said they support working with UW System leaders to reduce the size of the cut.

President Cross said that chancellors are continuing to work with their administrative teams and campus communities to determine their institutions' net cut, how they will manage the cut and its impact on their institutions. He again thanked Chancellor Schmidt for joining him on Tuesday and explaining how his campus's rapid action task forces – the process he is using to determine what will be cut, if necessary – are helping to “empty the university basket of all of its contents and decide what we will put back in, not merely rearranging the contents.” He said that

during the meeting, Regents would begin discussions on the budget reduction and would have the opportunity to learn more about how it impacts each of the institutions differently.

### **Proposed Dedicated Funding Stream**

With regard to the proposed dedicated funding stream, Chancellor Cross said that since the Board's last meeting, he had had a few more opportunities to talk about the value of this component. He said that a dedicated, predictable and stable funding stream, annually adjusted for the Consumer Price Index, would help the UW System better model future revenue expectations and more precisely forecast future tuition. This component would put the UW System in a much stronger position to make the cost of public higher education in Wisconsin affordable, predictable and stable. He added that the UW System would be able to forecast tuition and help students, parents and decision-makers look into the future -- four, five, or six years ahead -- and know with some level of accuracy what tuition will be.

### **Proposed Public Authority and Other Statutory Provisions**

President Cross then turned to the issue of the public authority and why people should support the creation of a public authority. He explained that the budget proposed the authority would become effective on July 1, 2016. He said he had heard a number of questions in the last few weeks about the proposal – what is a UW System Authority, why do it and why is it better – and would try to answer a few of those questions.

President Cross said that if Regents believe as he does, that more of the UW System's resources belong in classrooms, then they should support the authority. The UW System started down a reform path last year, and the public authority proposal helps further that work by putting seven key and long-sought flexibilities into one governance structure, one package. President Cross described the flexibilities:

1. Budgeting – block grant funding supported by a dedicated funding stream that gives chancellors the tools to effectively manage all of their resources.
2. Tuition or pricing – the flexibility to allow campuses to implement new tuition models, perhaps more nuanced, more predictable and more stable, to better serve students, parents and taxpayers, models that are influenced by program cost, competitive markets, state needs and affordability.
3. Human resources – the flexibility to allow the Board of Regents to establish competitive pay plans and give chancellors more freedom to effectively recruit and retain a quality and diverse faculty and staff.
4. Capital planning – the flexibility to streamline planning and the design of buildings.
5. Construction – greater opportunity to complete projects under cost and ahead of schedule by managing more UW System projects.
6. Financial management – flexibility to better manage funds earned on the campuses.
7. Purchasing and procurement – the flexibility to pursue specialized materials, supplies and equipment unique to higher education and, when possible, through national alliances or coalitions or less costly local options.



President Cross said that putting these seven flexibilities into one package within a public authority will drive greater efficiency and enhance the System's ability to shift resources from administrative and non-instructional functions directly into the classroom. He noted that the proposal does not reduce state oversight or make the UW System any less public or less accountable to the public, and does not shift oversight from the public to an unelected board any more so than current practice. However, the proposal does give the Board of Regents a broader governance role in these seven areas, which is something the UW System has long desired.

He said that if Regents believe as he does, that UW System's world-class faculty and staff deserve to be competitively compensated, similar to their peers across the nation, then he believes that Regents will support the UW System Authority. He said the reality is that UW institutions have limited resources; and the demand for state resources from competing priorities such as Medicaid, K-12 education, and transportation will only increase. In order to direct resources into the classrooms and toward the valued faculty and staff that make this a world-class university system, the UW System has to find even more efficiencies. He said that would follow from the flexibilities and powers built into the public authority and from a predictable, stable funding stream.

President Cross said that if Regents believe, as he does, that shared governance and tenure are fundamental pillars in a world-class higher education system, then they, too, probably understand that these are best managed and strengthened by and through the same shared governance process. He said that some have raised concerns about the creation of a public authority because, like he, they are concerned about the potential loss of Chapter 36 provisions regarding shared governance and tenure. He said not to conflate those concerns with the creation of an authority, as they are separate issues. He said that the legislature can and may at any time modify, amend, or delete Chapter 36 provisions in statutes. He added that working together to protect these provisions and create a system authority will ensure a stronger, more effective and engaged University of Wisconsin, for Wisconsin.

Directing his comments directly toward UW students, faculty and staff, President Cross said that he knows there is uncertainty, maybe even fear, on campuses about what changes would occur if and when the university becomes a UW System Authority. He said he could understand and appreciate those feelings. He assured everyone that a transition to a UW System Authority on July 1, 2016 would be a nearly seamless experience for the people learning, living and working at the UW institutions, with classes, life in residence halls, teaching, research and all other important work done by employees continuing just as it does today.

President Cross said that before moving on to a conversation about budget challenges and solutions, he wanted to make a simple request. He said that he and the chancellors needed the Regents' support and confidence, and they needed the Regents to stand with them to work with the legislature to secure a better, stronger future for the UW System. He said that the way to do that may not be simple, but it is clear: by reducing the size of the budget cut; by supporting the establishment of a dedicated, stable, predictable funding stream; and through the creation of a System Authority. These changes will better prepare the University of Wisconsin for the future and help the UW System to better serve students, their families, and the taxpayers of the state, he said.

## **Shared Governance and Tenure**

President Falbo said that before starting with questions and answers, he wanted to talk specifically about the budget proposal's effects on shared governance and tenure. He noted that among the changes proposed in the Governor's budget were the deletion of the sections in Chapter 36 of the Wisconsin statutes that describe shared governance and tenure, effective July 1, 2016. He said that the UW System is unique for having its tenure and shared governance policies in statute.

President Falbo said the statutory provisions have significance for faculty, academic staff, and students, and for Regents. He and Vice President Millner had already gone on record as supporting the continuation of both shared governance and tenure, as had President Cross. He said that in the event that these provisions were to be removed from the statutes, it would be important to create new Regent policies on shared governance and tenure to replace the statutory sections. He noted that Vice President Millner would introduce a resolution to ensure there would be no break in the continuity of shared governance or tenure.

President Falbo said that the principles of shared governance and tenure in higher education date back many years. Shared governance is an essential part of the way the UW System functions as a university. It is the process of engaging faculty and staff in significant decisions about the operation of their institutions, and it is particularly vital at a time like the present. Quoting from the Association of Governing Boards' *Trusteeship Magazine*, he read: "Effective and responsive governance is vitally important during times of change in higher education. Sharing governance in the face of sweeping and transformative change can help shift the thinking of boards, faculty, and staff from protecting yesterday's parochial interests to aligning efforts to address tomorrow's realities. When efforts are aligned, solutions are often more thoughtful and implementation time is faster." President Falbo said that the UW System's faculty, academic staff and students should be assured of the Board's commitment to shared governance.

He continued by saying that the Board also has a commitment to academic tenure. The concept of tenure is central to ensuring academic freedom and responsibility in colleges and universities where the creation and dissemination of ideas are at the core of what the UW System does. He continued by saying that academic tenure protects the status, academic freedom and independent voice of scholars and teachers; and a well-designed promotion and tenure system ensures that considerations of academic quality will be the basis for academic personnel decisions, providing the foundation for excellence.

President Falbo reiterated that the effective date of the proposed statutory changes would be July 1, 2016; meaning that the current statutory provisions would continue to guide the Board, and the UW System would have some time to put policies in place. He said that while some had suggested that the Board should transfer existing statutory language into Board policy, he believed that this would be redundant and would not serve the purpose of having a meaningful process for the conversion of these policies. This would not be shared governance, he said. The UW System will continue shared governance and tenure under state law with certainty until these provisions are repealed, effective July 2016. President Falbo said that Board had an opportunity

at this time to develop policies for a seamless implementation, with no break in shared governance and tenure. Through a process of review and analysis, solid policy statements would be created in these two areas that are so fundamental to the System.

President Falbo said with this as the goal, he and Vice President Millner had asked President Cross to work with them to appoint two high-priority committees or task forces, each chaired by a Regent, to recommend new Board of Regents policies on shared governance and tenure. He added that the shared governance group would be expected to have broad representation, including a chancellor, provost, chief business officer, three faculty members, three academic staff, three university staff, three students and an administrator or two from system administration. He added that the tenure group would include, at a minimum, a chancellor, two provosts, a dean, and as many as ten tenured faculty members from a cross-section of institutions.

Explaining that he and President Cross planned to make appointments by March 20<sup>th</sup>, President Falbo said that recommendations would be expected from the two groups by fall 2015. He added that in keeping with the principles of shared governance, once the two groups have produced their recommendations, there would be opportunities for vetting the two draft policies throughout the System. He also said that the timeline provided plenty of opportunity to adopt new policies in spring 2016, well before any changes in the statutes, as currently proposed, would take effect.

President Falbo noted that because it is early in the budget process, it is too soon to say whether the legislature would agree with the Governor's budget recommendations. However, even if Chapter 36 were to remain intact, the recommendations developed by the work groups would inform future efforts to refine the existing statutory language.

President Falbo then asked Vice President Millner to offer the resolution, which described the work group process and provided that, in the event that the deletion of the shared governance and tenure provisions in Chapter 36 were moved up to a date earlier than July 1, 2016, the Board would adopt current statutory language as policy. Regent Higgins seconded the resolution, and discussion ensued.

Stating that shared governance and tenure are huge issues, Regent Walsh said he understood the intent of the resolution is to give comfort to the shared governance constituents that the Board would continue to support the existing policies. He indicated that he would like to add an additional clause to the resolution, and offered an amendment to the effect that the legislature should, if it removes shared governance and tenure from the statutes, include specific authority to the Board of Regents to establish policies of shared governance and tenure.

After Regent Vásquez seconded the amendment to the resolution, Regent Walsh explained that there is a huge body of law that says when a legislature removes a power or an authority from an administrative body, unless the Legislature gives specific authority to that body to make its own policies regarding the power or authority that was removed, any new relevant policy adopted by that body would not be enforceable. He said suggested that the Board

ask the legislature to specifically provide the Board with authority to create policies related to tenure and shared governance.

Regent Delgado clarified that Regent Walsh was suggesting that the Board request from the legislature the authority to create policies. In response, Regent Walsh said that the Board would be asking the legislature for enabling language. He said that case law shows that the courts look for direction from the legislative body. Without explicit authority, the negative inference is that the Board does not have the authority.

Regent Farrow said that she understood from the summary prepared by the Legislative Fiscal Bureau that the Board would be able to adopt policies in areas currently addressed in statutory requirements once public authority status is granted. Regent Walsh explained that this issue was not related to whether the UW System is a public authority; he said that he believed that the Board would not have the authority to make policies on shared governance and tenure unless the budget bill is amended to specifically give the Board that authority. President Cross expressed his support for Regent Walsh's amendment and thanked Regent Walsh for offering it.

President Falbo called for a vote on Regent Walsh's amendment, which was adopted on a voice vote.

He then asked for questions or comments on the amended resolution, and hearing none, called for a vote; the resolution was adopted on a voice vote:

### **Planned Actions Regarding Shared Governance and Tenure**

Resolution 10466      WHEREAS the Governor's biennial budget proposal calls for the deletion of statutory provisions regarding shared governance and tenure; and

WHEREAS the Board of Regents supports addressing shared governance and tenure in Board of Regents policy; and

WHEREAS the President of the Board of Regents has directed the creation of two high-priority task forces, each to be chaired by a member of the Board, to make recommendations for new Board of Regents policies on shared governance and tenure; and

WHEREAS the two committees are expected to make policy recommendations in time for the Board of Regents to adopt policies on shared governance and tenure in spring 2016, prior to the July 1, 2016 effective date of the Governor's proposal;

THEREFORE, BE IT RESOLVED, that in the event that the Wisconsin State Legislature adopts the Governor's proposal to remove shared governance and tenure from the statutes, it include specific authority to the Board of Regents to establish policies of shared governance and tenure; and

BE IT FURTHER RESOLVED, that in the event that the Wisconsin State Legislature adopts the Governor's proposal to remove shared governance and tenure from the statutes with an effective date of earlier than July 1, 2016, the Board of Regents will, prior to the effective date of the legislation, adopt policies on shared governance and tenure that reflect the exact language of current statutory law. If this occurs, these policies will be replaced once the task forces complete their work and the Board of Regents adopts the resulting policies.

### ***Budget Questions and Answers***

President Falbo suggested continuing with a question and answer session. Noting that the Board had had only a limited opportunity to discuss the budget with each other and with chancellors, he explained the question and answer format would allow for plenty of interaction. Staff had collected questions from Regents on a range of topics: (1) the true size of the proposed GPR reductions; (2) opportunities to offset the reductions; (3) future state revenue; (4) tuition; (5) savings generated through flexibilities; (6) potential effects of the budget proposal on staffing; (7) effects on the educational experience; and (8) operations and flexibilities.

President Falbo said that President Cross would provide some information in response to questions that were raised, and chancellors would provide campus-level specifics about the potential effects of the budget proposal on their institutions.

### **Actual Size of the Proposed Budget Cut**

The first topic was the size of the proposed funding reduction, and President Falbo posed a question about the true size of the proposed \$300-million budget reduction when other costs are considered, such as full funding for salary increases and fringes and the elimination of various program-revenue-funded programs.

President Cross said that there was no question that the proposed budget reduction, when all of the items listed in the Legislative Fiscal Bureau analysis were considered, included additional reductions, which vary by campus. He suggested that this question was getting at the issue of "cost-to-continue," which has traditionally included full funding for salary and fringe benefit increases, but which was included as one-time money in the second year of the budget proposal. He explained that one change the UW System would be requesting would be to have that amount included as part of UW System's base budget, because then, under the budget proposal, that amount would be subject to Consumer Price Index (CPI) adjustments in the future.

President Cross said that some will argue that even if the proposed one-time cost-to-continue funds were to be added to the UW System's base budget and adjusted annually based on the CPI, the amount would not be sufficient to cover fringe and salary increases in the future. He explained that while the state has funded the UW System's "cost-to-continue" over the last 15 years, at the same time the state has also taken money away for other purposes. Therefore, one must look at the whole picture and not only the "cost-to-continue."

In response to a question from Regent Whitburn about the current amount of General Purpose Revenue (GPR) included in the UW System's base budget, Senior Vice President Miller explained that the Department of Administration's adjusted number for the fiscal year was \$1.142 billion. Regent Whitburn noted that the proposed reduction of \$150 million is a 13-percent reduction in GPR funding. President Cross added that the \$1.142 billion includes debt service.

Regent Vásquez observed that the proposed budget bill would eliminate Chapter 36 language and funding for many things, such as the Wisconsin Bioenergy Initiative, the Environmental Education Board and related grants, solid waste research funding, UW-Extension recycling education funding, and other items. He asked for the total amount of all those items that are proposed for deletion, and asked if that amount is included in the \$300 million, or is in addition to the \$300 million reduction. He also asked if the Board of Regents expected to decide whether to continue each and every one of those programs, or let stand the decision to eliminate the programs.

Senior Vice President Miller, who was asked by President Cross to respond to the question, explained that the proposed budget eliminates \$4.7 million in institution-specific funding in the first year of the biennium and \$4.9 million in the second year of the biennium. President Falbo asked if that covers all of the areas mentioned. Senior Vice President Miller explained that the "cost-to-continue" funding mentioned by President Cross would be an additional \$12.7-million reduction. The total in one-time money that would not go into the base going forward is \$21 million.

Regent Vásquez then asked if Senior Vice President Miller had calculated the matching funds that UW institutions currently receive but that would be eliminated if state funding is eliminated. Senior Vice President Miller indicated that each institution would have to answer that question, as he did not have that information. Regent Vásquez said he was concerned that only one type of funding loss had been discussed, and it had become apparent to him that there is a lot more that is being deleted than GPR funds. He asked to know the overall fiscal impact of the proposed budget bill, rather than just focusing on the dollar amount most frequently referenced in the media.

Regent Walsh suggested there are three issues the Board needed to focus on: the \$150 million in the first year and \$300 million over two years that everyone has heard about; the total of the institution-specific reductions; and a third area that includes retroactive 2014-15 unfunded fringe benefits of approximately \$10 million, as well as systemwide unfunded fringe benefits. He suggested the total of the institution-specific reductions and the unfunded fringe benefit costs was approximately \$50 million, or a \$200-million dollar reduction in the first year of the biennium, rather than \$150 million. He added that the cuts would be a lot worse than what the public thinks. President Cross noted that the proposed budget bill also included revenue enhancers that must be looked at, and one cannot look only at the costs.

Regent Bradley observed that the UW System budget is not incomprehensible, but it is complicated. He also noted that the size of the cut, reported as a percentage, has varied. He asked about the size of the cut if one looks at the UW System's total budget, removes the funds

that cannot be used to educate students, and looks only at the GPR and tuition that can be used to educate students. President Falbo asked if that percentage is available for each institution.

Chancellor Gow offered that the Milwaukee Journal Sentinel has reported the number as a 6.2-percent reduction, which President Cross confirmed using the \$1.142 billion number previously shared by Senior Vice President Miller. Regent Walsh indicated that the percentage is actually much higher because the \$1.142 billion in GPR includes debt service, which means the funds are not available to educate students. President Cross said that is why he had been referring to it as a 13-percent cut. Regent Walsh noted that the percentage would still be higher as President Cross was assuming a \$150-million cut in the first year and not including the additional \$50 million in reductions that he estimated earlier.

Senior Vice President Miller offered to provide more definitive numbers, reporting that \$178.2 million would be cut in the first year, and an additional \$15.6 million would be cut in the second year, for a total of a \$343.8-million cut over two years.

Regent Walsh said that he wanted to make sure that everyone understood that there are also additional costs associated with the statutory authority related to worker's compensation, sovereign immunity, and having to insure. Those costs had not been added in yet.

Regent Pruitt said that Chancellor Patterson had information to share related to the percentage cut at UW-Stevens Point. He said that the leaders of the Board and leaders of the UW System said a month earlier that the budget discussion should be based on facts and reasoned arguments. He also said that Regents have to dispel the fiction that is being offered about the size and dimensions of the cut, and when someone asserts that the budget proposal is only a 2.5-percent cut to a \$6-billion enterprise, Regents have to have an answer that says in very clear terms that the cut is a problem, why it is a problem, and how it goes to the core educational mission that the UW System is designed to serve.

In response, Chancellor Patterson said that UW-Stevens Point had looked closely at the size of its cut, particularly when the news articles came out that the cut was 2.5 percent of the UW System's budget, noting that he and other campus leaders were trying to be respectful of everybody's point of view; and there are varying points of view on this question. He explained that UW-Stevens Point's budget is \$219 million, and its share of the cut amounts to a 3.5-percent cut. However, \$83 million of the \$219 million cannot be used because it is federal financial aid for students, and if that amount is removed from the \$219 million, UW-Stevens Point's share of the cut amounts to a 6-percent cut. He continued by explaining that if program revenue is removed from the total, UW-Stevens Point's share of the cut increases to 8.5 percent. He concluded by explaining that if one looks at UW-Stevens Point's state support, and considers both GPR and other state segregated program cuts, UW-Stevens Point will see a cut of 20-percent in its state support.

Regent Behling asked if there were also some opportunities for growth or increased revenue. President Cross said there were, but the opportunities vary by campus and it makes it complex to analyze. He cited the Minnesota reciprocity program as an example of an opportunity for increased revenue, but it has to be looked at institution by institution. He said he

believed it was important to speak truth to power, but UW System leaders have to be careful not to inflate or inflame or misrepresent information.

President Cross continued by noting that there are some savings, but the flexibilities do not provide the kind of savings that had been discussed in the past. He said his staff had analyzed this 15 different ways and he thought it was safe to say that there could be \$20 million in savings; but \$6 to 8 million of that is capital savings which would be money not spent. Therefore, \$15 million in savings is probably a more realistic number. He added that while \$15 million is not pocket change, it is also not \$150 million or \$300 million. He emphasized that when looking at the budget proposal it is important to understand the total picture, and the real impact on a campus-by-campus basis.

Regent Vásquez expressed concern about the media coverage of the numbers, especially the amount of reserves; it would be easy to assume that reserves can be moved between campuses. He said he also wanted to be sure that everyone understands that some campuses will be able to generate more savings or revenue than others, and he hoped people would not assume that if a campus can generate more revenue or savings that that money would be moved to another campus.

Regent Bradley asked when Regents would see an analysis that shows the impact on each campus, to which President Cross responded that he had preliminary draft worksheets from each of the campuses, and chancellors were prepared to speak to their analyses. Regent Farrow said that she agreed with Regent Bradley that the Regents needed to have breakouts by campus; and she said they needed the information within a week, particularly if Regents were going to be speaking with legislators. She said that the information was also needed so that the UW System can tell its side of the story.

President Falbo offered that referring to the proposed cut as a 2.5-percent cut was arithmetically correct, as was referring to it as a 13-percent cut; but one figure does not tell the UW System's story and it is important to do so. Regent Farrow added that she hoped that with the state's next revenue projection would come some additional money and some relief from the cut. Having the analysis on the impact on each campus would be useful even if the cut is reduced.

President Falbo asked for input from chancellors on the effects of the proposed cut. Chancellor Mone offered several examples of the impact of the proposed budget cuts. Noting that UW-Milwaukee plays an important role in UW System initiatives related to filling the talent pipeline, and the 100,000 jobs that will need talent by 2023, he said the role played by UW System institutions in southeastern Wisconsin in addressing that need was going to be adversely affected. He also indicated that the partnerships that each of the UW System institutions has with health care, non-profit, manufacturing or other organizations also would be affected. Chancellor Mone noted that universities are usually the catalysts for economic growth in the regions in which they operate, and are tremendously beneficial on so many different fronts.

With respect to the size of the cuts at UW-Milwaukee, he estimated that his campus's share would be approximately \$24 million each year of the biennial budget, which is



tremendously larger than the \$32 million in cuts the campus experienced over the last 15 years. He shared that the Goldwater Institute ranked UW-Milwaukee among the leanest research universities in the country because of cuts made in the past, and the university was now looking at having to cut potentially 200 to 300 jobs. UW-Milwaukee had already cut so much in its administrative ranks, in trying to protect students and research, that the campus now would have to look at cutting student support, which would be significantly challenging given the high needs for student access and research in Milwaukee.

Chancellor Mone said he anticipated decreasing enrollments, which would make it harder to generate revenue. He also said that last year alone, UW-Milwaukee had 56 offers declined because of the challenges the campus had, and 16 faculty had left but not retired. He noted that the campus's capital expansion, with the School of Fresh Water Sciences, the Zilber School of Public Health, and the Innovation Campus had advanced the physical infrastructure of the campus, but to now put students, faculty, staff and research programs in those spaces would be challenging.

He said a budget cut would force UW-Milwaukee to prioritize in ways that will be adverse; class size will grow and the number of adjuncts will increase. Chancellor Mone also said that the types of things that affect quality – time to graduation and student retention – had already been challenged and would be affected quite a bit in the future.

Chancellor Mone said that five of UW-Milwaukee's 14 schools and colleges received notice from the accreditation bodies, before the proposed cut was announced, that they would be at risk because of funding instability. He said it was very difficult when the engineering school, the nursing school and other schools need additional positions. He said that ultimately the overall financial health of many of the UW campuses would be threatened by the Higher Learning Commission's accreditation requirements because of their composite financial index. He said those are the real outcomes, and quality is very much a concern.

Regent Pruitt said that in his mission of trying to dispel fiction, he wanted to counter Chancellor Mone by suggesting that the campus should mitigate most if not all of these cuts by taking reserves, which some have called "slush funds," and allocating them to offset the cut. Regent Pruitt asked Chancellor Mone, if he were to take that position (although it would be fiscally irresponsible to drain every dollar out of reserve funds), whether that would mitigate the challenges that Chancellor Mone had just articulated. Chancellor Mone replied that UW-Milwaukee had about \$81 million in reserve funds, but only \$1 million of that is considered discretionary. There is one other category of reserve funds that could be used, but that has less than \$30 million and would be depleted after one year of cuts. He noted that UW-Milwaukee's reserve funds were already spoken for in some way, and using those funds to address the cut would be a short-term strategy that would not negate the challenges that UW-Milwaukee faces.

Chancellor Patterson noted that there are two problems with using reserve funds to address the proposed budget cut. He explained that UW-Stevens Point has 13 residence halls and if the boiler goes out in February, he has to write a check to fix it so he would have to run the checkbook down to zero. He also said that even if he could use reserve funds, they could only be spent once and would not help solve a cut to the base budget.

Regent Walsh asked if, when considering their campuses' share of the cut, chancellors included the costs associated with operating as a statutory authority. Chancellor Mone said that his numbers did not include those additional costs, and there could be many more costs that UW institutions would have to share.

### **Potential for Revenue Enhancements**

Regent Walsh asked President Cross to provide more information on the enhancements or other benefits the budget provides. President Cross cited Minnesota reciprocity, which does not affect every campus, and having control over tuition in the future as two examples of benefits.

Regent Walsh countered that the Board cannot assume it will have control over tuition because the legislature will take it away the first chance they get. President Cross explained that he was not counting on having tuition control, but had estimated that once the System was allowed to do so, tuition would increase 2.5 percent per year.

Regent Walsh asked for other examples of enhancements, to which President Cross said that savings from the flexibilities were estimated at \$15 million per year, although there would not be much savings in the first year. He also said that each campus had identified some areas where it could generate money, and UW-Madison alone was estimating revenue generation of about \$22 million.

Vice Chancellor Darrell Bazzell explained that President Cross was referring to Chancellor Blank's interest in increasing nonresident undergraduate tuition for a couple of consecutive years, as well as increasing the number of nonresident students. He also noted that in addition to UW-Madison's share of the proposed biennial budget cut, there is an additional \$23-million cut that must be taken from the current biennium. President Cross followed up on his prior remarks, noting that most campuses would not see revenue enhancements.

Regent Whitburn asked if Chancellor Patterson could provide more specific details in terms of the impact on full-time equivalent (FTE) positions and sections offered. Chancellor Patterson cautioned that his estimates were very rough, as he had just started the conversations on the campus, but his campus was looking at 115 FTE positions, of which one-half were filled, and about six academic programs, some of which have a fair number of students in them.

Chancellor Van Galen said that UW-River Falls is in a time of uncertainty, and trying to balance that with planning and needing to take action, which is very difficult for faculty and staff. He estimated that the budget impact for UW-River Falls would be \$4.5 to 5 million dollars, and there are concerns about how to support students, of which 42 percent are first-generation college students. He expressed concern about the institution's ability to maintain its high-impact practices, which have been proven to help retain students. He noted that there would be larger classes, especially at the first- and second-year level, and said he was worried about the level of advising and support that could be provided to students.

Chancellor Van Galen said that one of UW-River Falls' principles is to prioritize student learning and talent development, and to support students, which had led him to look at administrative and support areas. While that sounds attractive, he suggested considering the

impacts of staffing and support changes in areas such as financial aid, human resources, and police, as these are the other administrative areas where significant changes would be directed. In some cases, there would be additional risk due to the difficulty of complying with Department of Education standards, or with the NCAA requirements. He said UW-River Falls will do its best to protect student learning, as teaching and learning is the institution's core mission, but at some point there are impacts that have larger implications for the institution.

Chancellor Van Galen said that with respect to revenue, UW-River Falls and some of the other institutions in the western part of the state would potentially see some new revenues with the Minnesota reciprocity agreement. If that comes to fruition, it would help to some degree.

Chancellor Gow said that the situation is different on every campus, which is why it is misleading when the information is aggregated. The System's \$6.2 billion budget includes UW-Madison's federal grant funding, which accounts for one-sixth of that number, which has no implication for UW-La Crosse and other institutions. He said that people believe the proposed budget includes a big cut or they do not, but every chancellor at the table would likely say it is a very big cut. He noted that UW-La Crosse had done some modeling anticipating the worst case scenario and hoping that does not happen.

Chancellor Gow said that on many of the UW campuses, 85 or 90 percent of the budget is in compensation, and there are positions and contracts associated with those positions. He said that while some legislators have said that institutions have time to deal with the proposed cuts, they really do not have a lot of time because institutions are making commitments to people for next year, and making decisions about whether or not to carry through on those commitments. In addition, he said that UW-La Crosse was at a point in its admissions cycle to know the size of the class that will be coming to UW-La Crosse, and the institution has to serve those students.

He offered a hypothetical example of one thing UW-La Crosse could do, which is to close its swimming pool and save \$70,000 a year in costs. In terms of impact, the women's swimming and diving program recently won the conference championship; these programs would be discontinued. In addition, there would be no more therapeutic recreation, which is something that serves the community. There are also people in the community who like to use the pool. He explained that this is an example that everybody would understand, but there are many other examples of cuts that need to be considered for which the impacts would be harder to explain.

Chancellor Gow said he was trying to deal with the proposed cuts in a way that makes sense to people but also minimizes the direct impact. He said he would try to not lay off people because this was not a situation they created; it was something created by others who have a different priority for public funding. He added that he did not know if anyone ever had a very good discussion about how that priority shifted; but it did, and the UW System would have to live with it.

Chancellor Gow said that UW-La Crosse would have fewer custodians, and the result would be that the campus would be dingy. He said that while this is not something he would be proud of, it is reality. He also said that UW-La Crosse could look at entering into a relationship

with a private contractor to take care of campus facilities, as has been done with food and textbooks, but this would have an impact on people. The proposed cut was very serious, he said. He said the chancellors sitting around the table had made their careers out of responding to budget cuts, and had become efficiency experts, but this one was really big. The chancellors had wrung a lot of efficiencies out of their operations, and there is not a lot left.

Chancellor Gow said that UW-La Crosse has only three colleges, which is unusual for a university of 10,000 students. He said that in his office alone there is only one other person, Judith Albert, who he added is doing a great job. He said UW-La Crosse does not have a staff that it can afford to do without.

### **Potential Position Cuts**

Regent Higgins raised a question about some of the processes that would be necessary in order to reduce faculty positions. He said that somebody mentioned 115 FTE positions, of which one-half are currently filled, and which he assumed include some faculty positions. He said his understanding was that in order to eliminate a tenured faculty member or their position, one has to first declare a financial emergency and form a committee to accept the fact there is a financial emergency. Once that is accepted, one has to then form a committee to determine what positions to eliminate, and not until that is done can the institution actually notify individuals. Given notice requirements, he said that if an institution has to eliminate a faculty position, he did not know how that could be done within 18 months under these rules.

In response to Regent Higgins, Chancellor Telfer said that he was essentially right and that eliminating faculty positions is a time-consuming process, but is also devastating to a campus. He said he lives on a campus where there were tenured faculty lay-offs a long time ago, and the issue still resonates.

Chancellor Telfer estimated that UW-Whitewater's share of the proposed cut would be approximately \$4.2 million, plus an additional \$1 million or \$1.5 million in additional costs, totaling approximately \$8 million. He said the campus had been going slow on positions that have to be filled. UW-Whitewater has 41 positions that are in the budget, that are GPR-funded, but that are not yet filled for fall because someone is leaving the position. He said that not filling the positions will address approximately one-third of the proposed budget cut, but of the 41 positions, twelve are faculty positions and five are academic staff positions. Not filling these positions means there are 73 classes that are in the schedule for which there is no one to teach the course.

Chancellor Telfer also noted that while UW-Whitewater can use some of its balances to fund these positions, it still will have addressed only one-third of the cut. He also noted that these are 41 positions that were not selected, but that just happen to be open, because as Chancellor Gow said, it is preferable to not have to lay off people. He said it would take approximately five years of cuts to address the budget situation, and expressed concern for what cutting a million dollars or more every year from UW-Whitewater's budget would do to the campus. He added that if he has 73 sections that he does not have somebody to teach, he cannot address all of it with bigger classes because the campus does not have the room for bigger

classes. He said this is a very difficult situation and he did not have an answer for how to address it.

Chancellor Telfer said that since 1996, UW-Whitewater had taken \$14 million in base cuts, and the proposed budget cut was more than one-half of the \$14 million. He said the campus may be able to bring in extra students, as it has added about 100 students every year. However, that means more students have to be taught, with no added faculty or staff to do that. He also noted that, in addition to faculty and instructional staff, he also would have police, janitor and other types of positions that would be affected.

Chancellor Sandeen said she wanted to echo everything her colleagues had said and provide some information about the impact on UW Colleges, in particular. She said that the two-year transfer institutions were highly frugal and highly efficient, with the lowest tuition in the state at \$5,100 a year, on average. She said the faculty have the highest teaching workloads, with four courses each semester, plus advising and all of the other things they do. UW Colleges is the access point for students around the state, the majority of whom are first-generation, low-income students, who need “high-touch” services in order to be successful. She said students are successful at UW Colleges, with 77 percent transferring to four-year institutions; with an 85-percent first-to-second year retention rate, the UW Colleges are doing something right.

UW Colleges are highly tuition dependent, with 60 percent of the budget funded by tuition and 40 percent funded by GPR. She said that the possible UW Colleges share of the proposed cut is approximately 22 percent of its GPR budget.

Chancellor Sandeen said she and her staff were dedicated to figuring out how to maintain the promise made to students, to help them pursue their dreams and continue their education. They were being creative about how to consolidate and streamline. She noted that with 13 institutions, UW Colleges may gain some efficiencies by consolidating across the institutions, but those are difficult conversations to have. She said that while the UW Colleges have some open positions, the number was fewer than what her colleagues had described. “Everything is on the table,” she said. UW Colleges was in the process of recruiting its next class of students, and to talk a lot about these cuts in public may have the potential of having the cuts reduced; but there is also a risk of scaring away the students who the UW Colleges serve so well.

Chancellor Patterson said he wanted to make sure there was not a misunderstanding about open positions. He explained that while it sounded easy to use open positions to partially deal with the problem, these are not positions that have been up on the shelf that the institution is keeping there in case they are needed later on. These are ongoing openings that occur regularly in any organization. He said there is always going to be somebody moving or leaving or retiring. He emphasized that it is not that the positions are open and unneeded; they just happen to be open at a particular point in time. He also noted that position openings never occur strategically, but instead are random, which increases the difficulty.

Regent Vásquez said that he, Regent Farrow and Regent Pruitt had recently attended a Faculty Senate meeting at UW-Milwaukee and had a very good discussion. He said he wanted to publicly thank Regent Farrow because she has a very good understanding of the entire budget

process and did an admirable job of explaining how the budget process works and that there is still time for discussion. He then asked Chancellor Mone if he could comment on that Faculty Senate meeting, as it is important for Regents to hear the discussions that are being held on the campuses.

Chancellor Mone expressed his appreciation to Regents Vásquez, Farrow and Pruitt for participating in the meeting, at the request of the University Committee, noting that it was a very productive discussion. He said that at the meeting there was a lot of talk about the size of the cut, the need to communicate using numbers and specifics, and the need to keep it simple. He said there was discussion about the public authority, and while the resolution that passed earlier during the meeting would go a long distance, there was great concern about the budget bill. He said he thought that the Regents' making clear their commitment to shared governance and to tenure was very important.

Chancellor Mone said there still were questions about the public authority, and just the day before, he was contacted by neighborhood associations regarding the proposal to repeal the Downer Woods provision from the statutes. He said he had also received a letter from the representatives of 260 faculty members of color regarding the proposal to repeal all of the statutory language regarding minority and disadvantaged students. He said there were questions about those types of things and how the Board of Regents would address those issues.

Chancellor Mone said that communication was important. The statements made at the present meeting would be helpful. He encouraged Board members and chancellors to look very carefully at all of the tenets of the public authority.

Chancellor Meyer said that UW-Stout's share of the proposed budget cut was estimated to be \$5.9 million; with some savings and revenue from reciprocity, the net impact would be reduced to approximately \$5.4 million. The size of the cut would be between 12.2 and 11.3 percent, which is very sizable. He said this amounts to about 50 to 90 positions for the university. UW-Stout has a team of people looking at ideas on campus and a website for people to submit ideas, with 700 comments already provided.

Chancellor Meyer said he wanted to reinforce what Chancellor Mone said in that the action taken earlier by Regents would be helpful; there had been a lot of anxiety surrounding what the authority means and what removing Chapter 36 provisions means. He said he also wanted to reinforce something else Chancellor Mone said about recent history. He explained that in the last three biennia UW-Stout's GPR budget was reduced, through lapses or base cuts, by \$11 million. The tendency is to look at first cutting services and supplies, and other things that are expendable, but a lot of that is already gone and UW-Stout is looking at serious reductions in people.

Chancellor Meyer said that he hoped his team would come through with some good ideas. They were doing simulations ranging from 5 to 15 percent reductions to look at how UW-Stout might navigate this situation going forward. He said he did not intend to make across-the-board cuts, but instead would try to figure out how to be strategic with the cuts. He added that UW-Stout's strategic planning group was considering five principles: protect the integrity and

quality of instruction first; make data-informed decisions to the degree possible; ensure that budget decisions align with UW-Stout's strategic plan; make budget reductions that are not across the board; and ensure that all these decisions are made with transparency across the campus.

Regent Farrow stated that the situation was very serious. She said that what Chancellors Meyer and Mone said about the budget cuts in the previous three biennia provided a context for the UW System to be able to say to the state that the university system has been cut repeatedly and was now being cut again. She reiterated that Regents needed to have the percentages and the numbers from each of the campuses to use in talking to legislators. She added that she appreciated the history and the clearer picture.

President Cross said that the UW System had lost more than \$500 million in the last three biennia, and that did not include individual employee furloughs or reductions in pay. However, legislators comment that the UW System's fund balances grew at the same time. He said that increased dependency on tuition and increases in enrollment complicated perspectives on the funding cuts; also, legislators aggregated the fund balances, while the balances situation on each campus is actually quite different.

### **Future State Revenue and Dedicated Funding Stream**

President Falbo suggested moving on to discuss future state revenue, and an explanation of the dedicated funding stream with CPI increases. President Cross said that he was convinced that with the Regents' help the budget cut would be reduced; but even if it is not, the dedicated funding stream needs to be viewed positively.

He explained that the CPI adjustment starts in the fourth year, or the second year after the 2015-17 biennium. There is no cost to the 2015-17 budget if the CPI adjustment is moved up a year. Establishing the base budget for the UW System would be critical, he said; and he said he wanted to be aggressive seeking to include cost-to-continue dollars in the base. He also noted that a dedicated funding stream with CPI adjustments would provide a stable and predictable budget, a foundation upon which the UW System can build a stable and predictable university. He said that while he agreed that there may be risk involved, he said it was no riskier than the current situation. He said the attractiveness of this dedicated funding stream is that it is stable and predictable. He also said he did not naively believe that if inflation increases by ten percent that UW System's funding from the state will increase at the same rate, but this would provide stability and could be retained if it is connected to how the UW System performs.

Regent Walsh apologized for being skeptical and negative and expressed his appreciation to President Falbo and President Cross for everything they had done throughout this difficult time. He said the Board of Regents was here to talk policy and give opinions, and should do so in a constructive way and not personalize any of this; but he said he disagreed with President Cross's references to the proposed dedicated funding stream as stable and predictable. He said he had served on the Board for 14 years, through two administrations and at least seven different legislatures. He suggested that if this had been proposed two years ago, the UW System would still be getting a \$300 million cut. He said the proposal is "fairy dust" and not something he thought the UW System could rely upon. He said that in tough times the legislature would

simply forget about the commitment to the dedicated funding stream. The legislature has cut the UW System's budget over and over because they have the right to make the decision and they do what they think is right, even if he disagrees with the decision.

Regent Walsh said he thought UW System leaders were kidding themselves if they planned to make any decisions based upon a formulaic revenue source. He said these were tough times and the Regents needed to be a body that speaks policy to the legislature and tries to persuade them that the cuts are too big.

Regent Walsh also said he would address the statutory authority at some point because he had some serious issues with it and it was important that the Board discuss it. However, he said this was all about draconian cuts and the university's effort to persuade the decision-makers by giving them a little more history, as Regent Farrow suggested, and examples of some of the problems, and by being credible. Regent Walsh said that legislators are good people and they will make a good decision, in the best interests of the state; but "it's time that we step forward and send a message to the people of Wisconsin that this is wrong, it's bad for Wisconsin and it's not who we are."

Regent Delgado said that the UW System should take the legislature seriously and, if its wish is to shrink the size of the university system, then the System should do so. He said his impression is that the legislature is not going to like it, but the UW System has to clearly show the consequences of the proposed budget cut. He said that reducing the size of the System can be done, and it is possible to have a very good but smaller university system. However, this cannot be done piece-wise or between now and the end of March, and it must be done in a comprehensive fashion. He said he thought it would be wise for the UW System to tell the legislature that the academic footprint has to be smaller, as that may be what is best for the state. He said the Board can have its opinions of whether this is bad for the state or not, but the university system may have to shrink if this is the level of funding provided.

Regent Delgado said he was not suggesting that the UW System should "cry wolf," but should instead believe that this will be a \$300 million cut and then work in a responsible way to shrink the footprint of the university system. He said the UW System should save the best and reduce where it would have the least harm to the state, and live with a smaller footprint. He said it was up to the Board of Regents to show the consequences of the budget cut in the most responsible fashion.

Regent Bradley said there was a proposal on the table, and the legislature would ultimately decide whether the cut is \$300 million or \$348 million or another number. The Board needs to figure out how to manage through its chancellors, and the chancellors were telling the Board that there is no more excess to trim. He noted that Regent Higgins touched on one way of managing the proposed cut, which would be to reduce the workforce, because so much of operations is in compensation. He said if that isn't enough, the next step would be to look at the process of recommending to the legislature the closing of a campus. He asked, from a management standpoint, what the process is for analyzing and developing a recommendation for whether this needs to be considered. He also asked if the process is different when considering a four-year campus versus a two-year campus within UW Colleges.



President Cross said he first wanted to respond to the fairy dust comment, noting that less money now as compared to 15 years ago is just as much fairy dust.

He said that he had looked at the feasibility of closing a campus. There would be a difference between the two- and four-year institutions. He said he believed that process should take place in the political arena; he did not believe it would be appropriate for the UW System to consider that at this point. President Cross also pointed out the challenges of closing a campus, as the debt service for that campus would be ongoing for 30 years. Once it is announced that a campus will be closing, the enrollment would drop off significantly, but the campus still would have contractual commitments with faculty and staff for a number of years. He added that the UW System was expected to pay the county for the closure of the Medford campus, a two-year campus, for 25 years. President Cross said he was adamantly opposed to closing a campus, although he believed he could not actually close that door on that issue because it is a serious cut.

Regent Evers returned to the conversation regarding the stable revenue stream and expressed his concern about the proposed cut. He said he appreciated the great job done by the UW System leaders at the Joint Finance Committee meeting. He said he was highly skeptical of the creation of a funding system that would allow stability moving forward as the UW System would be competing for the same dollars as Transportation, Medicaid, and other high priorities. If one of the lynch pins of a public authority is stable funding, then he said he had a problem with the public authority, because he didn't believe stable funding would ever happen.

Regent Evers also noted that President Cross said that the UW System's performance is important. He said he agreed with that; but as he was sitting in the Joint Finance Committee hearing earlier in the week (regarding the Department of Public Instruction budget), the message was that Wisconsin is number one in graduation rates, and at the top in all these other categories, "so why do you need more money?"

President Cross expressed his appreciation to Regents Walsh and Regent Evers for their comments, noting they were very valid. He said, however, that the UW System did not have any predictability in funding now, and this might be an opportunity to push the issue.

Chancellor Gow said that while he supports the public authority, he was concerned that in times of fiscal emergency the UW System would be subject to reduction. President Falbo suggested that this language had been in place for some time. In response, Regent Farrow explained that the language has been changed so as not to apply to other departments in state government, and its application to the UW System bothered her a great deal.

## **Tuition**

Regent Vásquez said he was bothered by the idea that people were already talking about imposing a tuition freeze after the authority is in place, without knowing whether there will be a fiscal crisis. He said there would be many who would not forget that statement.

President Falbo asked President Cross to address the issue of tuition. President Cross said he thought Regent Vásquez's remark was very appropriate, as a tuition freeze had been

proposed for four years. He said that in some ways the legislature would like to shift responsibility for tuition but at the same time control it. He said he found ironic a certain legislator's proposal to cap tuition increases based on the CPI, a price-control mechanism, when that legislator is traditionally very market-sensitive.

He suggested this issue was related to both control and trust of the UW System. He suggested that the UW System and the legislature needed to develop trust and mutual respect. He said he had always believed in a check-and-balance system and thought the legislature should hold the UW System to some form of check-and-balance to have appropriate oversight. However, he said he did not want the legislature to control the UW System in this way. President Cross suggested that the legislature and the UW System should negotiate and clarify metrics to which the legislature will hold the UW System.

President Cross also suggested that the Board move up its decisions on annual tuition rates to April, providing students and families with earlier notice of what the tuition is going to be for the next year and giving the legislature passive review over tuition rates.

He also noted the importance of not having a one-size-fits-all model applied to tuition, and suggested using a different definition of differential tuition based on four fundamental characteristics: cost; competition in the marketplace; the state's needs; and affordability:

1. With regard to cost, the question is what it costs the university to offer education; a course-by-course determination of cost would be great. This would be too encumbering and onerous, but cost must be a factor.
2. With regard to competition, the question is what is the competition in the marketplace, and where does the UW fit compared to its competitors' offerings.
3. With regard to the third factor, President Cross explained that the UW System exists to serve the state principally and must understand how to encourage people to enroll in programs that the state needs, and successfully escort them through the programs.
4. With regard to the fourth factor, he emphasized the importance of affordability and using affordability, indexed to average family income, as a metric by which to measure the UW System.

President Cross said these four factors have to play a role in setting tuition in a wise and rational fashion in the future. He said he not only believed that the legislature would always have oversight over tuition setting, but that it always should; the UW System needs to make a rational argument for why it is setting tuition at a certain level.

President Cross said that one of the things he had heard repeatedly from legislators, not only in Wisconsin but elsewhere, was that every time the university asks for money it only wants to look at its revenue stream and does not want to consider its expenses. He said one of the things that the UW System does so well when it needs to make cuts is to smooth them over and work them through so as to not damage enrollment, but then the UW System is penalized for it because no one knows the impact of the cuts. He said that his point was that the process of setting tuition should be rational so that the legislature understands with some certainty that the

UW System takes that role seriously and that if an increase is recommended, legislators understand that it is appropriate and not arbitrarily set.

### **Public Authority**

President Falbo initiated the topic of capital markets and procurement modifications. This prompted Regent Walsh to return to the subject of statutory public authorities. He said again that he believed that the legislature would make decisions based on what legislators believe is in the best interests of the state, and if there is a budgetary problem and they need to cut the UW System's funding to address it, they would do so because they believed they were making a decision in the best interests of the state.

Turning to the issue of the statutory authority, Regent Walsh said he "lives in the world of statutory authorities," and they are nothing but a contract with the legislature. He said he spent some time looking at the proposed budget bill and found it hard to read. He said he wanted to point out a couple of reasons why the Board should not be supportive of the UW System's becoming a statutory authority. He said he had written emails to UW System leaders, criticizing them for not having a Board meeting on this topic earlier, because the Board has not said that it supports a statutory authority. What bothered him most about the proposal, he said, was the number of issues for which the Board did not yet have answers; the Board should not support the statutory authority until it has answers.

Regent Walsh noted that UW System employees would no longer be state employees, which is a big issue with lots of implications. It means the UW System would lose the cost-to-continue fringe benefits and access to the compensation reserve, which are big-ticket items for which the Board does not yet know the cost implications.

He said another issue that, as a lawyer, bothers him more, is that in his opinion the UW System would lose its sovereign immunity. He noted that the seventh circuit court ruled that the UW Hospital statutory authority does not have sovereign immunity, which means they are subject to all the federal laws, which are huge exposures for the UW System.

Regent Walsh said there would be substantial insurance costs associated with the statutory authority, which he estimated \$5 to 10 million. He also questioned who would represent the UW System and the Board of Regents and whether the state Department of Justice could continue to do so. He noted that the proposed bill was not clear on this issue and there may be huge increases in litigation costs if the UW System has additional exposure.

Regent Walsh said that the removal of the Wisconsin Idea from Chapter 36 of the Wisconsin State Statutes is serious and, before supporting the proposed bill, he would like to see that the language for the Wisconsin Idea is included. He also reiterated that he believed the statutes should say that the Board has the authority to develop its own policies regarding tenure and shared governance.

He noted that in terms of risk management, the state would no longer indemnify the UW System, and the UW System would no longer be included in the state's workers compensation

program. He said this did not make sense to him and noted that the Board cannot go forward without knowing the cost of these items.

Regent Walsh pointed out that the proposed budget bill indicated that the UW System would still remain subject to lapses, which means whatever money the state gives the UW System it can take away. He said that he was not sure he disagreed with this provision, as the decision-makers ought to have the ability to control GPR, but that UW System leaders should not kid themselves. He also questioned payments for municipal services that the UW System would be required to pay as a statutory authority, and estimated this as \$6-10 million in expenses for the System.

Regent Walsh said that, as a lawyer, he did not understand the changes regarding the university's real property. He explained that the UW System would lease the property from the state of Wisconsin and yet, at the same time, the UW System would have bonding power. He said this did not give the System much collateral and it is at the discretion of DOA. He suggested that before going forward, this provision needs to be understood as it has tremendous implications on philanthropy, financing, collateral and DOA control.

Regarding the "alleged benefits" of the statutory authority, Regent Walsh indicated that he had already said enough about the defined funding stream, but he did not believe it was anything to rely upon and the legislature ought to have that control. He said he agreed with President Cross regarding tuition flexibility in that it is not a benefit if the legislature is going to continue to control that, which of course it will.

He said the UW System would get bonding authority, but he did not know of any investment bankers who would tell the UW System they can bond if they do not have a revenue stream. The only revenue stream institutions will have in a statutory authority is from program revenue, but for the comprehensive institutions, he said that program revenue was not going to support bonding for 30 years.

As to the construction process, Regent Walsh pointed out that the UW System would still be under DOA as long as there were GPR funds involved; and for most UW System buildings, especially academic buildings, there had to be GPR funds. He also noted that some philanthropists would be unwilling to support future capital fund drives. He said that the UW System had been arguing for so long that it can buy toilet paper more cheaply than through state contracts; he said that he hoped that was true but did not understand where the savings would be.

Regent Walsh concluded by emphasizing that his point was that until all these questions were answered, the Board should not support a statutory authority. The UW System would like to have the administrative flexibilities, but not at this cost, and not until the UW System determines what all those items such as sovereign immunity, indemnity, municipal services, etc. would cost. He disagreed with including the statutory authority provisions in the budget bill at the present time, as creating the UW Hospital authority in state statutes took two years to draft, and the merger that created the UW System took three years. He urged the Board to be careful and go slowly as it may be a good idea, but the Board does not have the information it needs to make that determination.

Regent Bradley noted that he was working in the System at the time of merger in the 1970s and was quite sure there was an appropriation to cover the cost of the analysis, and there was broad-based public discussion, involving all stakeholders, as to how the merger should be structured. Noting that there would be no appropriation provided for the UW System to put the statutory authority together, he suggested adjusting the merger appropriation for inflation to estimate the unfunded cost of this process.

Regent Manydeeds said he was a bit troubled about the public authority when he first heard about it, but became convinced that maybe it was the way to go when presented with the 17 benefits and flexibilities. However, he said he continues to be troubled by the loss of sovereign immunity and questioned what liabilities the Board and the UW System would be assuming that were not known at this time.

He also noted that Regents were receiving letters from the various governance groups within the System, who wanted to be included in the discussion regarding the public authority. He said that if the Board really believed that shared governance was important and wanted to preserve it, the governance groups should be included in this discussion about liabilities and benefits to the System before the Board proceeds. He said that he liked the idea of the flexibilities, and asked if there would be a way to obtain the flexibilities without becoming a public authority.

Regent Vásquez said he did not understand the urgency to approve a public authority by the July 1 budget date. He noted that all of the budget cuts could be done by the Governor and the legislature whether or not the UW System is a public authority. If the priority is to save money because of the pending potential state deficit, he said he did not see the connection between that and the public authority. He suggested that the UW System encourage the legislature to allow the UW System to move forward in a deliberate way regarding the public authority, while providing the UW System with more flexibility.

Regent Pruitt offered a comment on the relationship between the authority and efficiencies. He noted that the original proposal called for a \$300 million cut, but in exchange the university would be given new autonomy and authority that would result in a whole series of cost savings, the inference being that the savings could total up to \$300 million. He said that at the recent testimony before the legislature's Joint Finance committee, some of these questions emerged. Also, Chancellor Blank had been criticized in the last couple of weeks, with some drawing a comparison to the experience four years ago when there was a proposal to grant authority status to only UW-Madison and asserting that UW-Madison, in exchange, agreed to a \$125 million GPR appropriation cut. He said critics have questioned why the current situation is different, and what is wrong with Chancellor Blank and the university.

Regent Pruitt said that having lived through the experience four years ago he wanted to point out two things. First, there was never \$125 million of savings that the UW-Madison was going to achieve as a result of authority status. It was an offer that the university and the then-chancellor felt was important in order to enable then-Chancellor Martin to have a different and more varied board, and it had nothing to do with cost savings. Second, the situation four years

ago came with an agreement that UW-Madison would have unlimited tuition setting authority, which is completely different than the current situation.

He said he wanted to ensure that as the Board debates authorities, particularly because some have publicly criticized one or more of the UW chancellors, that the Board has the facts right, as the facts were quite different today and history was potentially being relived.

Vice Chancellor Bazzell, sitting at the table on behalf of Chancellor Blank, suggested that he was even closer to the situation four years ago, having had daily discussions on the matter for six months, and that Regent Pruitt's assessment was accurate in that UW-Madison had a chancellor who felt very strongly about the points Regent Pruitt referenced, and was willing to pay a fiscal price to gain the autonomy that was on the table four years ago. He said Regent Pruitt was also correct in that UW-Madison did not have the capacity to manage that cut without some significant tuition increases.

President Cross said that he appreciated Regent Pruitt's comments and that he and Vice Chancellor Bazzell were expressing the situation correctly. He also said that some of the criticism of Chancellor Blank had more to do with how the UW System was responding to the proposed budget cut. He emphasized the importance of managing the situation to accurately reflecting the impact on campuses, which is why he had been pushing so hard to determine the actual impact. He noted that he and his staff had gone through the budget proposal and were analyzing it, the reductions as well as the revenue generators, and it was much more complex than a traditional budget cut. He said it was easy to say "the sky is falling."

In response to Regent Walsh's earlier comments, President Cross noted that the payment in lieu of taxes to municipalities would cost the UW System about \$6.4 million. He said he had already been assured by legislators that they agreed with System leaders that the state should be negotiating those payments. With regard to the sovereign immunity question, he said he and his staff had been investigating the issue, and there is legal thought on both sides. He said a multitude of factors determine whether an entity is eligible for sovereign immunity, and court cases may ultimately decide the issue. He also agreed that lack of sovereign immunity may cost the UW System an additional \$5 to 10 million.

President Cross said there were a couple of other issues raised by Regent Walsh that were very appropriate, and he and his staff were trying to find answers for some of the issues. He said that understanding the UW System's liabilities was part of the challenge. However, he said that in looking at the public authority, there were opportunities. He said that while he did not mean to be flippant with his reply to Regent Walsh's fairy-dust comment, because the UW System has not been successful in the past with stable funding streams, accountability metrics could influence the decision about the funding stream. He emphasized the need to address faculty compensation; funding stability and predictability could help the UW System with that.

Regent Walsh said he had a very simple solution: do not seek a statutory authority, and instead amend Chapter 36 to provide the UW System with the very few flexibilities that are needed, pay plan and procurement. He said it would be very simple, and the System would not have to worry about the Wisconsin Idea being changed. He suggested the Board tell the

legislature that the UW System will cooperate and do whatever it can with regard to reasonable cuts, but the statutory authority is too much and not needed right now.

President Cross also said he had always objected to the way in which this had been represented: flexibilities in exchange for a budget cut. He said that was frustrating to him, because this was not a quid pro quo; the UW System was going to get the cuts no matter what.

Regent Behling said the Board needed to discuss political practicability, as it cannot expect the CEO to go to the Capitol and say “the cut is too deep” without talking about those other issues. He said the good news was that the UW System was making progress. The Regent President, System President and Chancellor Schmidt recently spent time at the Capitol testifying on the budget and the depth of the cuts. He said there was not a person in the room who did not believe the cuts were too deep, and the good news was that key legislators agreed. He added that even the Governor had recently made a comment that if the legislature reduces the cuts he would support that.

Regent Behling said the first thing the Board needed to do was to give credit to the administration for having the vision to go to the Capitol and ask that the cuts be lessened. He said that when he started on the Board three years earlier, the UW System was not always an entity that had a lot of credibility in the Capitol. He said that when the Board hired President Cross, he was told to rebuild the UW System’s credibility and he had been doing a tremendous job at that.

Regent Behling said the Board could not expect President Cross to go to the Capitol with closed arms and say “I don’t want to talk about flexibility, I don’t want to talk about the authority, I don’t want to talk about a dedicated funding stream,” as he had to have those discussions in order to lessen the cut. He said that he thought the UW System needed to continue to have discussions and work on a parallel path to try to lessen the cuts, but at the same time keep that door open to having the discussion about reform and flexibility.

Regent Vásquez said that the Board of Regents has been on record for years about wanting flexibility and he had never heard the Board say that it has to be a public authority. He said that as far as he was aware, the public authority came from somewhere else. He continued by noting that he did not hear Regent Walsh or anybody else say to the Regent President or the System President that they should stop talking about flexibility to the legislature; in fact, what he heard was that the Board wanted to continue talking about flexibility. He said he had heard a lot of concerns about the public authority as it was being moved forward, and that was not the only way that he would support additional flexibility.

Regent Vásquez said that one way of interpreting Regent Behling’s statement was that the Board was now ready to tell the legislature that it was tying together the \$300 million cut and the public authority, and he did not want the Board to tie those together. He said he wanted to be on record as saying that just because the Board was having the discussion and asking questions that a governing board should ask, it did not mean that the Board was backing away from discussions about flexibility. He said he had lots of questions he needed answered before he

would be ready to support a public authority, but he was still very much interested in seeking greater flexibility.

Regent Petersen said that the afternoon's conversation has been therapeutic. Everyone feels the challenges that are facing the UW System, he said. In thinking about the Board's responsibility, he said that it was to provide recommendations on what the Board thinks is in the best interests of the UW institutions. He said the Board knew that the magnitude of the cut would be substantial, and it needed to provide the guidance to the legislature as to why the cut should be reduced.

He continued by noting that a dedicated revenue stream does provide predictability as long as it is available. He said was the Board's prerogative and it was incumbent upon the Board to argue that it stay there and be stationary, and to give President Cross the guidance to take that forward and surround him with advocacy to try and make it materialize. He said flexibility was something everybody wanted; the chancellors had articulated that, and Regent Walsh did a very good job pointing out that the devil is in the details. He said the UW System is an incredibly complex institution, but if flexibilities could make the System more nimble, more efficient, and more entrepreneurial, he said he believed that was what the legislature was looking for. The UW System needs to pursue whether it can make a public authority work and if it cannot, identify an alternative that everyone can live with. He said the Board needed to give the leadership team the guidance to continue to have those discussions.

Related to tuition flexibility, Regent Petersen said that there is a check-and-balance, and it is the legislature. If the Board were to unilaterally raise tuition to an untenable level, there would be retribution. He said that given the kind of fiscal challenges facing the UW System, tuition is oftentimes the UW System's working capital to make institutions productive.

Regent Petersen suggested that it was the Board's responsibility to give guidance to the legislature regarding what the Board believes is in the best interest of the institutions; otherwise, the Board would have failed in its responsibility. He said he believed the Board needed to give President Cross the ability to push hard on the cuts, to push forward on flexibilities, and to highlight that a dedicated revenue stream is what a predictable business or an academic institution needs to operate. He said that if the UW System did not have those things, it would be making the tough choices that Regent Delgado had highlighted. For the Board to not provide recommendations and to wait to see what the legislature does would be derelict of the Board's responsibilities.

### **Closing Comments and Resolution**

President Falbo said he wanted to provide one last opportunity for questions or for Chancellors or Regents to make any statements or comments.

Chancellor Mone said that the Regents and Chancellors had been having an important dialogue, and he was appreciative of how open the Regents had been about their thinking. He stressed that the types of decisions that chancellors were having to make, even if the cut is less than anticipated, were significant. UW-Milwaukee's largest cut, last year, was \$8 million; the proposed cut this year would be two and one-half times greater. He said the cuts being



contemplated would lead to a very different UW System, and independent of the public authority, the cuts would have a significant adverse impact that would affect the Wisconsin Idea.

With regard to the public authority, Chancellor Gow commented, as “an old speech teacher,” that Regent Walsh is a powerful speaker and had made a compelling presentation. He said that from a chancellor’s point of view, the public authority only works if appropriate state funding goes into it. He reminded everyone that the proposed budget cut of \$300 million takes the UW System back to 1998 funding levels and he did not know how it would be possible to run a 21<sup>st</sup>-century university system with 1998 funding levels. In addition to the size of the base budget, he said the UW System should not be subject to lapses going forward, if as a public authority it is truly independent.

As for tuition-setting, the Board has to have that responsibility. Chancellor Gow said he had always found it unusual that the Board of Regents has as one of its primary tasks to set tuition, yet it had not been allowed to do so for several years. He said he believed the Board would do that very responsibly and there would be a good discussion about it. He said if he were a legislator he would not want to raise tuition ever, or at all, because it is simply not what constituents want to hear, but that is not realistic. He said he wondered if people genuinely believed that the UW System would never raise tuition again. He said he had worked at both public and private institutions; and private institutions have full ability to raise tuition, but they cannot do so unrestrained because then people would not enroll. He said President Cross had made a great point about free-market legislators wanting to impose controls over tuition.

Chancellor Gow reiterated that the public authority would have to have appropriate funding levels, not be subject to lapses, and not tie the Regents’ tuition setting authority. He said that was the understanding going into this, and things have changed.

Chancellor Ford said that, as a chancellor in her sixth year, it had been frustrating to her personally to be unable to provide any type of meritorious compensation adjustment to hard-working faculty and staff. She said she wanted to highlight that as campuses continue to look at reductions, for many campuses those compensation adjustments do not exist on the horizon. She said that nearby private colleges are looking at offering at least cost-of-living increases for their faculty and staff this year, and partners in the technical college and K-12 sectors were also looking to offer compensation increases. She said this issue is something the needs to be taken seriously, as it is critically important.

Chancellor Ford said that the proposed budget reduction needed to be reduced, but it was also important to advocate as loudly as possible for stable, predictable funding so that institutions are able to compensate those who do the work each and day support UW students. She said without quality faculty and staff, the UW System would not have great universities, and without great students there would not be the great outcomes of talent that the state needs.

Vice President Millner said that the discussion had been a powerful one, and Regent Walsh had shown everyone why he is such a powerful trial lawyer with his interesting analysis. She said she was reminded that her mother used say “actions speak louder than words.” She commented that the UW System had endured a serious \$250-million cut in GPR in 2003 and

2004 that it had backfilled with very high tuition rates, and those actions continue to taint the way the legislature and the public feel about the UW System's willingness to do a careful analysis about tuition. She said that was something the Board needed to consider this as it goes forward.

She said that the events of the past two years had been significant, and anyone who had spent any time with the legislature understood that President Cross had done much to repair the damage done two years ago. She said that the UW System was facing a serious problem, with cuts that would have to be dealt with over the next several years, whether they are mitigated or whether they remain the same. She said that she hoped that the Regents would think seriously about the resolution in their materials and their actions with respect to changes that would need to be made in the future.

President Falbo asked Vice President Millner to read a resolution that would summarize the Board's position with respect to the Governor's budget. Thanking the chancellors for their participation and the staff for their hard work, Vice President Millner moved adoption of the resolution, which requested that the legislature reduce the proposed funding cut to the UW System, provide the flexibilities long sought by the System, and provide a dedicated funding stream for the university. The motion was seconded by Regent Whitburn, and discussion ensued.

Regent Walsh sought clarification of whether the resolution that had just been read matched a draft that had been provided to Regents in advance of the meeting. President Falbo clarified that a phrase that requested that the legislature grant the flexibilities "encompassed in the Governor's proposal to create a public authority" was not included in what Vice President Millner had read.

Regent Walsh offered an amendment that would support the flexibilities sought by the System, either through an agreed-upon public authority or appropriate amendments to Chapter 36. After some discussion about how to word the resolution with respect to both flexibilities and the proposed budget reduction, President Falbo called for a 10-minute recess to determine the precise wording to be used in the amended resolution.

After the recess, Vice President Millner withdrew her motion to adopt the original resolution, and Regent Whitburn withdrew his second. Vice President Millner read the revised resolution, which was seconded by Regent Whitburn and adopted on a voice vote:

**Response to Governor's 2015-17 Biennial Budget Proposal**

Resolution 10467 WHEREAS the Governor's biennial budget proposal calls for a substantial base cut to GPR funding; and

WHEREAS previous budget reductions in base funding, in conjunction with the current proposal and the continuation of a tuition freeze limit the ability of the System to effectively manage our institutions; and

WHEREAS the UW System has long sought additional flexibilities to distinguish the System from other state agencies and to provide a greater ability to manage business enterprises in a more efficient and effective manner;

THEREFORE, BE IT RESOLVED, that the University of Wisconsin System Board of Regents hereby requests that the Wisconsin State Legislature substantially reduce the base funding cuts recommended in the Governor's budget; and

BE IT FURTHER RESOLVED, that the Board of Regents hereby requests that the Wisconsin State Legislature grant the flexibilities sought by the System either through an agreed-upon public authority or appropriate amendments to state statutes, including a dedicated funding stream for state-supported UW operations and appropriate technical changes to the proposed budget to allow the System to more effectively and efficiently implement these flexibilities, manage operations, and serve the students and taxpayers of Wisconsin.

Following the vote, President Cross asked to be recognized to make closing comments. He agreed with Regent Petersen's earlier comments that the day's discussion had been therapeutic in some ways. He said that as President of the UW System, he felt he was missing the type of dialogue inherent in such a discussion. He also said he hoped the faculty and staff who are either listening or present appreciated what the Board had done; he said he thought it was noble.

President Cross expressed concern about the university, saying that volatility and instability are not good for an organization over long periods of time. He said he had repeatedly said that was concerned about faculty and staff compensation. While it is not the only thing to be concerned about, when compensation is stagnant, it is very difficult to attract and retain outstanding faculty and staff, and the UW System would not be a great university without those people. He thanked the Regents for their efforts to try and help that.

President Falbo said that the collaboration and discussion that occurred had improved the outcome, and he expressed appreciation for the good work.

Regent Farrow asked when Regents might expect to see some of the comparative numbers that had been requested and when System leadership would like Regents to talk to legislators, either in Madison or in their districts. President Cross said he should have draft worksheets assembled soon so that Regents could speak to the impact on campuses. He said that it was important to try to break down the aggregated \$300 million cut, as it would mean something entirely different to different campuses, and Regents needed to be armed with those tools. He said Regents would have the information within the next week to ten days, and he also would have to figure out how to help Regents communicate the information embedded in the worksheets.

Regent Farrow said she wanted to clarify that there were no restrictions on how Regents, as volunteers, could connect with or contact legislators, or what they could say to legislators. She said she wanted to be sure there were no ethics restrictions to consider. Several people responded that there were no ethics restrictions, but President Falbo remarked that he would like for Regents to deliver a consistent message. President Cross reiterated that he needed to prepare Regents, and chancellors, with the tools they needed.

Regent Pruitt said he had a series of questions related to the Legislative Fiscal Bureau's analysis of the budget and some of the specific revisions proposed in the budget. He asked if there was a plan to have staff or others review the document and come back to the Regents to explain things, such as the deletion of language related to acceptance of gifts and other technical changes. He said he did not understand the reasons for some of the changes. President Cross said he would be sharing an analysis in a short period of time.

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## **CLOSED SESSION**

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

### **Closed Session Resolution**

Resolution 10468      That the Board of Regents move into closed session to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

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The meeting was adjourned at 4:00 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