

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

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

Friday, October 9, 2015  
9:00 a.m.

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Held at Gordon Dining and Event Center,  
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Friday, October 9, 2015  
9:00 a.m.

-President Millner presiding-

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

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**APPROVAL OF THE MINUTES OF THE SEPTEMBER 10-11, 2015  
MEETING**

The minutes of the September 10 and 11, 2015 Board of Regents Meeting had been provided. Regent Petersen moved approval of the minutes, Regent Behling seconded the motion, and the motion was adopted on a voice vote.

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**REPORT OF THE PRESIDENT OF THE BOARD**

***Hospital Authority Board and Wisconsin Technical College System Board Reports***

The reports of the Hospital Authority Board and the Wisconsin Technical College System Board had been provided. There were no questions or comments.

***Update on Tenure Policy Task Force***

President Millner began by offering congratulations to three chancellors who had been formally inaugurated since the Board's last meeting: Chancellor Beverly Kopper at UW-Whitewater, Chancellor Andrew Leavitt at UW-Oshkosh, and Chancellor Mark Mone at UW-

Milwaukee. President Millner shared that she had attended two of the events and was delighted to see so many members of the campus and local communities come together as their institutions celebrated moving on to a new chapter. Knowing these leaders would be called upon to make some tough decisions in the months and years ahead, she said she was convinced that they were the right people at the right time and that everyone looked forward to working with them.

President Millner announced that the Tenure Policy Task Force, chaired by Vice President Behling, had held its second meeting in September. A significant focus of that meeting was on developing a series of questions to guide its recommendations going forward, including:

- What kind of procedures, timelines and standards should a systemwide policy on post-tenure review include?
- What kind of procedures and standards should be in place to determine when a faculty member is eligible for merit pay?
- What procedures and timelines should be used by a UW System institution as it determines program changes that result in faculty layoff?
- What criteria should be used by a UW institution to determine budget or program changes that result in faculty layoff?

The group's work would continue again on October 22. She reminded the Regents that Vice President Behling had called for the task force to complete its recommendations by the end of the year. She also thanked the task force members for their work.

## ***Other Updates***

### **Administrative Rules Update**

President Millner also updated the Board on some administrative rules changes. In April the Board adopted resolutions approving proposed revisions to the Wisconsin Administrative Code Chapters UWS 4, "Procedures for Dismissal of Faculty;" UWS 7, "Dismissal of Faculty in Special Cases;" UWS 11, "Dismissal of Academic Staff for Cause;" and UWS 17, "Nonacademic Student Misconduct."

The purpose of the revisions was to incorporate the federal laws and agency guidance received over the past three years regarding Title IX protection for students and employees. As required by the rulemaking process, the Board of Regents' Office posted the proposed revisions on its website to seek public comment. No comment was received.

On August 13 the proposed revisions were submitted to the Wisconsin Legislative Council for review. Having received feedback on the proposals, the next step was for the Board of Regents to conduct a public hearing in accordance with s. 227.17, Wis. Stats. That public hearing would take place on Monday, October 26, from 10:00 am to 1:00 pm at UW-Madison's Gordon Dining and Event Center. Regent Mueller would preside over the public hearing along

with several UW System Administration staff. President Millner thanked Regent Mueller for agreeing to chair the hearing.

The public hearing would provide the community, including students, employees, and others, with an opportunity to comment on the proposed revisions. There would also be an opportunity for the public to submit written comments.

Once the hearing concluded, the rules would be submitted to the Governor's Office and the Legislature as part of the rulemaking process. It was expected that if significant changes were made during the process, the draft rules would come back to the Board for review. The System remained on track to publish the final rules during the summer of 2016.

### **Strategic Planning Sessions**

President Millner announced that President Cross had been working on the ongoing strategic planning listening sessions, and extended her thanks to those who had attended so far. She said that there would be more upcoming sessions. Four campuses would host listening sessions that month: UW-Superior on October 13, UW-Eau Claire on October 14, UW-Madison on October 22, and UW-Milwaukee on October 28. The last session was scheduled for November 3 at UW-Parkside. President Millner encouraged everyone with the time and opportunity to check out one of the sessions – she added that not only would their presence be appreciated, they would also learn a lot by listening to the comments made during the sessions.

### **UW-Madison Fall Directors' Breakfast**

President Millner reported that, two days before, she had the pleasure and privilege of attending the Annual Vice Chancellor's Fall Directors' Breakfast at UW-Madison, hosted by Vice Chancellor Darrell Bazzell. A large gathering of campus administrators, as well as directors, managers and supervisors of the Finance and Administration and Student Outreach departments, came together for food and "food for thought." A range of issues was covered, including improving the System's relationship with legislature, faculty retention issues, tenure, campus morale, fund balances, and how to enhance the UW System's reputation. She said she appreciated the opportunity to meet and hoped for further dialogue.

She also complimented Vice Chancellor Bazzell, noting that this initiative of his was a good way to show outreach to the administrative and classified staff who do so much for students.

### **UW-Madison's Dr. William Campbell Awarded Nobel Prize**

President Millner also gave her congratulations to Dr. William Campbell, as well as Chancellor Blank and the UW-Madison campus community. Earlier that week it was announced that Dr. Campbell was among the three scientists who won the 2015 Nobel Prize in Medicine. Dr. Campbell received his Masters of Science in Veterinarian Science in 1954 and his Ph.D. in Zoology in 1957, both from UW-Madison. He went on to a long and productive career with Merck & Co. Research Laboratories, where his research resulted in the development of several major classes of drugs that revolutionized the treatment and control of parasitic diseases.

Dr. Campbell, now 85, was being recognized for his part in the discovery of the drug Avermectin, which helped to dramatically lower the incident of tropical diseases of river blindness and lymphatic filariasis, both of which affected tens of millions of people, primarily in developing countries.

President Millner noted that this was the 21<sup>st</sup> Nobel Prize with direct ties to UW-Madison; dating back to 1944, seven faculty members had been awarded this great honor. She said this was truly impressive and a source of pride.

### **Outstanding Women of Color in Education and Dr. P.B. Poorman Awards**

On behalf of the Board, President Millner offered congratulations to the 2015 recipients of two awards presented by UW System: the Outstanding Women of Color in Education Awards and the Dr. P.B. Poorman Award for Outstanding Achievement on Behalf of LGBTQ People. The award winners would be recognized at a ceremony immediately following that day's Board meeting.

The UW System had a longstanding commitment to promoting diversity at its institutions and an equally strong commitment to providing a safe, welcoming atmosphere for all students, faculty and staff. These awards were a reminder of how individual contributions can make a real difference in the progress toward these goals. Congratulating the recipients again, President Millner said that she, President Cross and several of the Regents looked forward to attending the awards ceremony immediately after the Board meeting.

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## **REPORT OF THE PRESIDENT OF THE SYSTEM**

### ***Legislative and Other Updates***

#### **Urban Education**

President Cross began his report with a focus on urban education. Training teachers had always been an important part of the mission of the UW System, and many of its four-year institutions were originally teachers' colleges. Urban issues in Wisconsin were becoming increasingly urgent he said. Urban schools face significant challenges, and the current under-represented minority student gaps are too large. Stating that this was not acceptable, President Cross said that the UW System could help, and that late in September he had the opportunity to testify before the Speaker's Task Force on Urban Education to address this subject.

In 2013-14, UW System institutions produced 2,165 graduates with a bachelor's in education; 354 were produced by UW-Milwaukee. These graduates now played an important role as teachers within Wisconsin school districts. Non-education majors could also pursue teacher certification at UW System institutions, which was another way the university could provide the teaching talent Wisconsin's school districts need.

Focusing more deliberately on urban issues, the UW System's Institute for Urban Education, developed through a partnership between UW-Milwaukee and the UW System, had developed systemwide goals to: improve the depth and quality of the applicant pool for Wisconsin public schools, increase professional development opportunities for Wisconsin teachers currently working or who wanted to work in urban settings, create a program that facilitated the integration of science and practice in the areas of urban education, and increase and improve the collaborative teaching and research efforts of UW System's schools and programs of education.

The UW System is also working closely with the Department of Public Instruction on preparing teachers to meet school districts' changing needs, to improve the recruitment and retention of Wisconsin's teaching force, and to improve the recruitment of students from diverse backgrounds into education.

The 2015-17 biennial budget required the Board of Regents to create an Office of Educational Opportunity within the UW System. This office would act as a new authorizer of independent charter schools. President Cross explained that his office was currently studying similar models and similar offices across the country to ensure that the UW System's would build upon best practices. They had also been meeting with key stakeholders who could help shape this office by successfully partnering to make the kinds of change everyone would like to see.

Saying that there was more work to do, President Cross reiterated that the UW System is committed to urban education throughout the state, as well as to collaborations with K-12 partners, particularly in southeast Wisconsin and Milwaukee.

### **UW System's Accountability Dashboard**

President Cross recalled that at its September meeting the Board saw a demonstration of the UW System's Accountability Dashboard, an online interactive tool that made information on key performance indicators much more accessible. He described it as flexible and useful to the general public.

Since then the UW System had the opportunity to present the dashboard before a meeting of the legislature's Joint Committee on Higher Education. He reported that the Joint Committee was very supportive and that the System looked forward to making sure the dashboard continued to meet legislative needs as well as its own.

### **Federal Perkins Loan Program**

On the federal front, President Cross stated that Congress had failed to extend the federal Perkins Loan Program, which had expired the week before. This was a loss for students in the UW System and across the United States, as the Perkins program had a long and successful track record of making higher education both more accessible and affordable for many students with financial need. In 2013-14, nearly 16,000 UW System students received more than \$28 million in need-based support through the Perkins Loan Program. For now, students currently receiving Perkins Loans would continue to receive their funds, but no new loans would be made.

## ***News from Around the UW System***

President Cross shared news from around the System:

### **UW-Platteville Students Compete in Australian Collegiate Crops Contest**

Four UW-Platteville students traveled “down under” after earning the right to compete for the U.S. team in the Australian Collegiate Crops Contest in September. The students, all from Wisconsin, were selected after they placed high in previous contests.

### **UW-Stevens Point Receives Gifts for Endowed Faculty in College of Natural Resources**

UW-Stevens Point announced that generous gifts totaling \$2 million would establish an endowed faculty position in the College of Natural Resources. The endowed chair would significantly enhance waterfowl and wetlands research.

### **UW-La Crosse Recognized by *U.S. News and World Report***

UW-La Crosse had again received recognition from *U.S. News and World Report* in its 2016 list of America’s Best Colleges. UWL had been ranked among the Midwest’s top four public universities for the past 15 years.

### **UW-River Falls is Key Partner in St. Croix Valley Business Incubator**

UW-River Falls was pleased to be a key partner in a new regional business incubator. The St. Croix Valley Business Incubator was being funded through a \$1.4 million award from the U.S. Economic Development Administration. Once completed, the facility would house 24 start-up businesses and offer a variety of small business training.

### **UW-Whitewater Alumna Endows Visual Arts Fund**

President Cross reported that UW-Whitewater alumna Annette Schuh endowed a major visual arts fund with a \$1 million gift. Ms. Schuh, who was an accomplished painter, remembered how her art professor once brought renowned American pop artist Roy Lichtenstein to campus and wanted to share that “wow factor” with others.

### **UW Researchers Involved in Discovery of New Species**

UW-Madison researchers played a significant role in the discovery of a new species, dubbed *Homo naledi*. John Hawks, a UW-Madison paleoanthropologist, was a leader on the team that retrieved 1,500+ fossils from a barely accessible cave in South Africa. The team included a UW-Madison graduate student and a post-doctoral fellow. The discovery added a branch to the human family tree and might be the earliest instance of deliberate internment yet found.



### **UW-Stout Develops Improved Packaging for Lab Kits**

Students taking an online biology class at UW-Stout had been fortunate to have lab kits mailed to them since 2013, but oftentimes the glassware in the lab kits broke in the mail. Students in UW-Stout's award-winning packaging department created simple, effective packaging, and not a piece of glassware had broken since.

### **Andrew Leavitt Installed as Chancellor at UW-Oshkosh**

President Cross said that in September he had the pleasure of participating in the inauguration of Andrew Leavitt, who was installed as the 11th chancellor of UW-Oshkosh. Hundreds of people from the campus and community attended the ceremony.

### **Mark Mone Installed as Chancellor at UW-Milwaukee**

The week before the Board meeting, Mark Mone was installed as UW-Milwaukee's ninth chancellor. UW-Milwaukee's \$80-million Kenwood Interdisciplinary Research Complex (KIRC) officially opened on the same day; it is the first new building to open on UW-Milwaukee's east-side campus in 20 years.

### **UW-Green Bay Celebrates 50<sup>th</sup> Anniversary**

UW-Green Bay kicked off a year of 50th anniversary activities in September. At a breakfast, State Senator Dave Hansen, a member of UW-Green Bay's second graduating class, presented the school with a flag that had flown over the Wisconsin State Capitol, and Green Bay Mayor Jim Schmitt presented Chancellor Miller with a key to the city. President Cross said he was delighted to be there along with Regent President Millner and Regent Higgins.

### **UW-Parkside Receives Grant to Support Sexual Assault and Domestic Violence Prevention**

UW-Parkside had received a grant from Aurora Health Care to support community-based sexual assault and domestic violence prevention and treatment programs. UW-Parkside was partnering with three other organizations to carry out the \$400,000 grant.

### **UW-Eau Claire Researchers Work to Save Walloon Language from Extinction**

A research team at UW-Eau Claire, including three seniors, was trying to save a language from extinction. The Walloon language, found in eastern Wisconsin and brought by Belgium immigrants in the 1800s, only had about 30 speakers remaining. The team aimed to preserve the language by collecting audiovisual documentation of the speakers and creating what the local version has lacked so far – a written format.

### **UW-Baraboo/Sauk County Expects Three B.A.A.S. Graduates in December**

UW-Baraboo/Sauk County had some of its first success stories through the Bachelor of Applied Arts and Sciences program, with three students expected to graduate in December.

## **UW Flex Option Graduate Earns B.S. in Six Months through Prior Learning**

The UW Flex Option had another graduate, Eric Stanfield, who received his Bachelor of Science degree from UW-Milwaukee. In just six months, President Cross said, Mr. Stanfield used his prior learning experience as a network architect to help him achieve his goal of a bachelor's degree, while not sacrificing time away from work or family.

## **UW-Superior Announces Partnership with Turkish University in Math and Science**

President Cross reported that UW-Superior and Chancellor Wachter announced an international partnership with Kafkas University in Turkey. The partnership was the result of the global recognition of UW-Superior's Math and Computer Science Department.

## ***Faculty Spotlight***

President Cross explained that he had regularly included a student spotlight as part of his report to the Board, providing the Regents an opportunity to see and hear more from the UW System's wonderful students. Recently he had decided to add a faculty spotlight as well, having come to realize that the System needed to do a better job of helping the public understand what faculty members do both inside and outside the classroom.

He said that he was pleased to present the second faculty spotlight, showcasing Dr. Brett Jones, Associate Chair of the Music Department at UW-Superior. A short video was then played, providing an overview of Dr. Jones' work at UW-Superior.

In the video Dr. Jones explained that faculty members do much more than the classroom teaching, advising, and committee work normally expected of them, including hours of preparation to create a learning experience for students. A typical day for him would be packed full of teaching and performing, either in a classroom or in individual music lessons, and would often go well into the evening.

The video highlighted ways in which UW-Superior students receive a top-notch music education similar to what they would receive at a larger university, but in an intimate setting. UW-Superior has many large and small ensemble opportunities, as well as private lessons with top-notch teachers. Students who become leaders in the small ensembles help other students who might not be majoring in music to become better performers and put on great productions. They might go on to graduate school, and many would have success in their careers as performers.

Dr. Jones stated in the video that music faculty members get students out to the public schools, so that by the time students were student-teaching they would already feel prepared to plan lessons for young students.

He also described the collaborative teaching occurring at UW-Superior; it is not uncommon for two faculty members to work together on a certain topic. This was again part of what the faculty was expected to do, but it also made for the greatest educational experience for their students.

Dr. Jones described some of the community outreach of the music department, including an annual Fall Honors Festival that brings in the top students from all high schools in the area together with a guest clinician and UW-Superior's own faculty for a day of rehearsing and an evening performance.

Noting that one of the most important forms of scholarship for musicians is actually performing, he added that UW-Superior's music faculty were often found performing as part of the Twin Ports' vibrant arts community. For example, 15 musicians teaching at UW-Superior also play in the Duluth-Superior Symphony Orchestra, including Dr. Erin Aldridge, who served as a Concertmaster for the orchestra.

The video concluded with Dr. Jones saying that the faculty were professional musicians who were ultimately concerned with doing everything that they could to help out the students, dedicating their time both during and after the school day to making a great experience and a great community in which students could learn and be creative.

Dr. Jones received a round of applause, and President Cross invited him to the table to respond to questions or comments.

President Millner said she was particularly pleased with and intrigued by the outreach to the community, adding that there was research showing the importance of musical experiences on early brain development. She asked Dr. Jones to share more about those activities.

Dr. Jones explained that his department approached the community on different levels. For example, Dr. Lois Veenhoven Guderian, UW-Superior's Music Education Specialist, does a lot of academic service learning with her music-education and elementary-education students, working with elementary-aged students on music projects and composition to give them a hands-on experience.

Many other faculty members, including Dr. Jones, go to middle schools and high schools to work with band, orchestra and choir students as developing musicians and to serve as liaisons to the public school choir and band directors. Dr. Jones indicated that this is a good recruitment opportunity for UW-Superior, providing a chance for faculty to make connections with students.

Regent Manydeeds noted that every time the Board went to a campus the Regents saw examples of faculty who went above and beyond what was expected of them in the classroom for the betterment of the students and to make the community a better place to live. He said that this was the norm, not the exception, and that Dr. Jones was a great example of that.

Regent Whitburn thanked Dr. Jones for his great work in the public schools in the area. He asked about the trends UW-Superior was seeing in the enrollment of music education majors. Dr. Jones indicated that UW-Superior had seen growth that year in new freshmen on campus and within the Music Department, which he said was exciting after enrollments were down slightly for the past few years. He said the department had been working hard to help that happen by making community connections.

President Cross commented that, as a person who had always been an advocate for including the arts in STEM education, he appreciated the opportunity to expose this work. He thanked Dr. Jones and the rest of the faculty on behalf of the Board and System Administration, saying that they were very proud of the work being done.

President Millner also expressed thanks to Interim Vice President Ward for his assistance in arranging this series of special spotlights, calling it another opportunity for the Regents to see what was happening in the STEAM (Science, Technology, Engineering, Arts, and Mathematics) disciplines. The spotlights were a real chance to help people clearly understand the activities of UW System faculty.

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

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

Regent Mueller said the committee was presented with a consent agenda which included ten UW-Madison contractual agreements. One contract, with Under Armour, Inc., was removed from the consent agenda to be considered separately.

The other nine contracts were approved in the consent agenda, including:

- a clinical trial agreement with Alliance Foundation Trials, LLC, involving an evaluation of specified treatments addressing early stage breast cancer;
- a master clinical trial agreement with Biogen MA, Inc., for some urology trials;
- a contract with Novartis Pharmaceuticals Corporation on specified treatments in patients with pulmonary fibrosis;
- a clinical trial agreement and related amendment with GlaxoSmithKline for a statistical data analysis involving their clinical testing of materials and trials;
- a clinical trial agreement with EMD Serono Research & Development Institute, Inc., conducted by the Department of Medicine, Hematology-Oncology;
- a contract with ThromboGenics NV related to training and certification for certain imaging procedures;
- a contract with Wal-Mart Stores, Inc., involving outsourcing pattern development, conducted by UW-Madison's Department of Computer Science;

- a contractual agreement with Fermata Partners, LLC, involving UW-Madison's trademark and licensing agreements, which would run for five years, with an option for three additional years as a long-term contract; and
- a master services agreement with Regeneron Pharmaceuticals, Inc., involving tests done by the Fundus Photograph Reading Center at UW-Madison's Department of Ophthalmology and Visual Sciences.

Regent Mueller explained that the committee heard from representatives from UW-Madison and the UW-Madison Athletic Department about the agreement with Under Armour, Inc., which was significant in terms of size, scope and duration. Under the terms of the agreement UW-Madison would pay \$4 million each year, as well as significant amounts for other areas, including the provision of athletic wear for UW-Madison's athletic teams. After some discussion the committee approved the contract.

The committee also heard from Dr. Dean Golden of the UW-Madison School of Medicine and Public Health, who spoke about the Wisconsin Partnership Program's 2014 Annual Report. The program was funded by the proceeds from the conversion of Blue Cross and Blue Shield United of Wisconsin from a nonprofit service corporation to a stock insurance corporation. The School of Medicine and Public Health was required to provide an annual report to the Business and Finance Committee. Regent Mueller reported that there was a good discussion about the work the WPP was doing to enhance public health throughout the state.

Finally, Regent Mueller reported that Vice President David Miller presented the committee with information on faculty turnover, with some comparative data from prior years. Annual faculty turnover averaged 6 percent in FY 15; of the 390 faculty who left UW employment during that year, 244 were tenured faculty and 146 were probationary or tenure-track faculty. Regent Mueller indicated that there was a great deal of interest among the committee members about this information, and they were determined to increase their understanding about the causes of faculty turnover.

Vice President David Miller also offered the committee a brief update on a contract for cyber-liability insurance. The coverage was limited and the deductibles were quite high, so he would be looking at ways to protect the university from the potential liability involved with data breaches.

On behalf of the Business and Finance Committee, Regent Mueller moved the adoption of Resolutions 10568 through 10577. The motion was seconded by Regent Harsy and adopted on a voice vote.

### **UW-Madison Contractual Agreement with Alliance Foundation Trials, LLC**

Resolution 10568      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 Alliance Foundation Trials, LLC.

### **UW-Madison Contractual Agreement with Biogen MA, Inc.**

Resolution 10569 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 Biogen MA, Inc.

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

Resolution 10570 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Novartis Pharmaceuticals Corporation.

### **UW-Madison Contractual Agreement with GlaxoSmithKline, LLC**

Resolution 10571 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 GlaxoSmithKline.

### **UW-Madison Contractual Agreement with EMD Serono R&D Institute, Inc.**

Resolution 10572 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 EMD Serono Research & Development Institute, Inc.

### **UW-Madison Contractual Agreement with ThromboGenics NV**

Resolution 10573 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 ThromboGenics NV.

### **UW-Madison Contractual Agreement with Wal-mart Stores, Inc.**

Resolution 10574 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 Wal-Mart Stores, Inc.

### **UW-Madison Contractual Agreement with Under Armour, Inc.**

Resolution 10575 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 Under Armour, Inc.

### **UW-Madison Contractual Agreement with Fermata Partners, LLC**

Resolution 10576 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Madison and Fermata Partners.

### **UW-Madison Contractual Agreement with Regeneron Pharmaceuticals, Inc.**

Resolution 10577 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 Regeneron Pharmaceuticals, Inc.

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

President Millner called upon Regent Manydeeds to report actions taken by the Capital Planning and Budget Committee.

Regent Manydeeds said that the committee approved the minutes of its September meeting, along with one resolution brought forward by UW System Administration, requesting the approval of three all-agency maintenance and repair projects focused on utility renovations – one each at UW-La Crosse, UW-Madison, and UW-Platteville – totaling \$8 million.

On behalf of the Capital Planning and Budget Committee, Regent Manydeeds then moved approval of Resolution 10578. The motion was seconded by Regent Whitburn, and adopted on a voice vote.

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

Resolution 10578 That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$7,998,000 (\$2,517,800 General Fund Supported Borrowing and \$5,480,200 Agency Cash).

Regent Manydeeds added that the committee heard a report by Associate Vice President Alex Roe on the actions of the Building Commission at its October meeting. The committee members were also provided with an introduction to the capabilities of the Graphic Information System (GIS), a new tool in the Office of Capital Planning and Budget that would be used to provide an electronic land and building inventory as required by state statute.

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

President Millner then called upon Regent Higgins to present a report of actions taken by the Research, Economic Development, and Innovation Committee.

Regent Higgins indicated that Susan LaBelle, Director of the Office of Corporate Relations at UW-Madison, was joined by Tim Donohue, Professor of Bacteriology and Director of the Great Lakes Bioenergy Research Center, and Dr. Laura Heisler, Director of Programming at the Wisconsin Alumni Research Foundation, to present a sampling of the RED (Research, Education, and Discovery) talks given at a recent corporate open house.

Dr. Donahue reported that the Great Lakes Bioenergy Research Center had produced 119 invention disclosures, over 770 publications, three dozen patent licenses, and two new companies. Dr. Heisler reported that over WARF's 90-year partnership with UW-Madison, the inflation-adjusted cumulative value of its grants to the campus was approximately \$2.3 billion.

Next Tricia Braun, Assistant Secretary and Chief Operating Officer for the Wisconsin Economic Development Corporation, presented key highlights of the Annual Report of Economic Development, which included important programs and outcomes of state-led economic development efforts.

Then Arjun Sanga, Director of the WiSys Technology Foundation, gave an overview of efforts to expand the reach of WiSys across the System, including the addition of WiSys student ambassadors, the expansion of the Wisconsin Science and Technology Symposium, and the introduction of special events, such as the recent Quick Pitch Competition. Mr. Sanga was joined by the winner of the WiSys Quick Pitch 2015 competition, Drake Bortolameolli, a senior majoring in geography at UW-Eau Claire, who presented his winning pitch to the committee.

Regent Higgins reported that he had also provided an outline of the Regent Scholars Grant Program for 2016, which would continue in its second year by offering three grants of up to \$50,000 each. He thanked Regent Tyler for agreeing to lead the evaluation of the 2016 grant proposals.

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## REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE

President Millner stated that while ordinarily the committees would conduct an in-depth review of issues before forwarding them to the full Board for adoption, UW-Madison's request for a waiver of the nonresident enrollment limit was a significant issue that extended beyond the Education Committee. Therefore, she was asking that the Board take some time with that resolution to see if the Regents would like to have some discussion on it, or if President Cross and Chancellor Blank would like to make comments.

She then called upon Regent Whitburn to present a report of actions taken by the Education Committee.

Regent Whitburn said Interim Vice President Ward had briefed the committee on work being done by the UW System to communicate with K-12 schools on the success of their graduates and how they are doing while enrolled on UW campuses. Professor Jackie Wiesenberger also gave an interesting presentation regarding a very forward-leaning and unique initiative by UW-Stout in recent years to interface directly with local school districts, thereby providing data on the need for math or English remediation, grade point average success, and graduation rates.

The committee also received preliminary fall enrollment numbers. Head count enrollment across the System was 178,430, down about 2,500 from the year before. Head count enrollment was down at 10 of the 14 institutions, but the new-freshman count was up on 11 campuses.

The committee approved a new bachelor's degree in Sustainable Food & Nutrition at UW-Stevens Point and retroactively approved a master's degree in Therapeutic Recreation at UW-La Crosse. The committee also approved President Cross's recommendation for Dr. James Bennett and Dr. David Mladenoff to be appointed to three-year terms on the Natural Areas Preservation Council, a function of the Department of Natural Resources with which the UW System interfaces.

On behalf of the Education Committee, Regent Whitburn then moved approval of Resolutions 10579, 10580, and 10581. The motion was seconded by Regent Petersen and adopted on a voice vote.

### **Program Authorization (Implementation) B.A. in Sustainable Food and Nutrition, UW-Stevens Point**

Resolution 10579      That, upon recommendation of the Chancellor of the University of Wisconsin-Stevens Point, as well as the President of the University of Wisconsin System, the Chancellor is authorized to implement the Bachelor of Arts in Sustainable Food and Nutrition at UW-Stevens Point.

## **Program Authorization (Implementation) M.S. in Therapeutic Recreation, UW-La Crosse**

Resolution 10580 That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse, as well as the President of the University of Wisconsin System, the Chancellor is retroactively authorized to implement the Master of Science in Therapeutic Recreation at UW-La Crosse.

## **Approval of Appointments to the Natural Areas Preservation Council**

Resolution 10581 That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the reappointment of UW-Madison Professor Dr. James P. Bennett and the appointment of UW-Madison Professor Dr. David Mladenoff, for terms effective immediately, and ending July 1, 2018, as University of Wisconsin System representatives to the Natural Areas Preservation Council.

Regent Whitburn then introduced Resolution 10582, a request to waive the current 27.5-percent limit on nonresident enrollment at UW-Madison, which read:

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 waives the 27.5-percent nonresident enrollment limit (Regent Policy Document 7-3, section III) for UW-Madison, for 2016-17 through 2019-20. During the waiver period, to maintain access for resident students, UW-Madison must enroll and maintain a minimum of 3,600 Wisconsin residents in each new freshman class. Further, to enable the Board to determine future action on the waiver, UW-Madison must provide the Board, in December 2019, with a report that describes admission and enrollment activity and other relevant outcomes that result from the waiver; UW-Madison must also provide at least one interim report, in December 2017.

Regent Whitburn reported that the Education Committee had unanimously approved the request, and he moved adoption by the full Board. Regent Higgins seconded the motion.

President Millner invited President Cross and Chancellor Blank to share some information about the request before she opened the floor to discussion.

President Cross said that he and Chancellor Blank would attempt to provide the Board with a brief overview of what they had shared with the Education Committee the day before, and would then take questions.

First addressing the question of why the four-year waiver was important, President Cross explained that the demographics of the state suggested that Wisconsin's working-age population, which had been growing roughly 3 percent per year, parallel to the general population, was beginning to taper off and decline. It was estimated that by 2030 the share of working-age adults would decrease to 49 percent of the population, which did not bode well for Wisconsin's future.

The beginning of that decline could be seen in the reduction of high school graduates, which had peaked at about 71,000 in 2009 and was now down to 64,000. That number was expected to remain relatively flat for a couple of years, increase slightly in 2018-19, and then drop to below 60,000 for the following years.

President Cross called this an incredibly poignant illustration of the challenges the UW System faced, noting that at listening sessions around the state business leaders were saying that they already could not get enough talent. The UW System, aware of the demographics and the concerns of business and community leaders from around the state, had introduced a request for a Talent Development Initiative in 2014.

Another issue was that Wisconsin was losing too many of its talented students to colleges in other states because they were being recruited aggressively. Stating that the state could not afford to lose that talent, President Cross said that the first part of UW-Madison's strategy was to be more aggressive in recruiting and retaining students in Wisconsin. There was a much better chance of keeping students from leaving Wisconsin than bringing in and retaining students from out of state.

The second part of the strategy would be to build a relationship with businesses and industries in order to address the problem of retaining all kinds of students in Wisconsin after graduation. The goal was to introduce and work with Wisconsin Manufacturers and Commerce (WMC) businesses around the state to engage students, especially juniors and seniors, in efforts to let them know what kind of opportunities were available right in Wisconsin.

Therefore, UW-Madison was requesting a four-year waiver of the out-of-state cap on nonresident enrollment, and at the same time was making the commitment to enroll 3,600 of Wisconsin students (roughly the average resident enrollment for the last four years). In light of the decline in high school graduation numbers, this would actually be an escalation in terms of the percentage of Wisconsin high school graduates enrolled at UW-Madison.

Chancellor Blank spoke next, adding that UW-Madison was a place where many of Wisconsin's top students applied. The majority of Wisconsin students who were admitted but decided not to come to UW-Madison accepted offers from out-of-state schools instead. UW-Madison's commitment to enroll 3,600 resident students would actually mean accepting a percentage of Wisconsin high school graduates that had not been hit since the mid-1990s. The only way to enroll roughly 6 percent of the state's high school graduates and maintain quality would be to ensure that a higher share of those top students come to UW-Madison.

Chancellor Blank reported that a number of things had been done as part of that special outreach to top students, whereas before it had just been assumed that these students would come to UW-Madison. If high school graduates stayed in Wisconsin for college they are also much more likely to stay in the state after earning their degree than if they had left the state at age 18, she said. As an institution that could bring talented top young people into the state from around the nation and around the world, and in the face of declining high school numbers, Chancellor Blank said that UW-Madison could not continue doing business as usual. The institution would

be committing to making a strong admissions pool for Wisconsin students, but also to working on reaching out and continuing to bring in a strong group of out-of-state applicants.

UW-Madison is working with President Cross and businesses and industry groups in the state to try to bring Wisconsin business to the attention of students more directly, to inform them about the opportunities in Wisconsin and get more of them to stay in the state to work. Chancellor Blank emphasized that this was not something UW-Madison could do alone; it had to be done in partnership with businesses. She concluded that UW-Madison's first commitment is to Wisconsin students; its second commitment is a partnership with Wisconsin businesses to attract more college graduates, resident and nonresident, to stay in Wisconsin.

Regent Higgins stated that he was in favor of the resolution and the spirit behind it. He was pleased that both President Cross and Chancellor Blank had emphasized the importance of recruiting and retaining the very best high school graduates in the state of Wisconsin, but added that he was also an advocate of the "trust but verify" principle. He then proposed to amend the resolution to read:

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 waives the 27.5-percent nonresident enrollment limit (Regent Policy Document 7-3, section III) for UW-Madison, for 2016-17 through 2019-20. During the waiver period, to maintain access for resident students, UW-Madison must enroll and maintain a minimum of 3,600 Wisconsin residents in each new freshman class **with an emphasis on recruiting the most highly qualified Wisconsin high school graduates**. Further, to enable the Board to determine future action on the waiver, UW-Madison must provide the Board, in December 2019, with a report that describes admission and enrollment activity, **overall quality of the enrollees (GPA, ACT/SAT scores)** and other relevant outcomes that result from the waiver; UW-Madison must also provide at least one interim report, in December 2017. [*Proposed amendments appear in bold.*]

Regent Whitburn indicated that he would accept Regent Higgins' suggestions as a friendly amendment. President Millner then invited discussion.

Regent Vásquez expressed concern that the amendment's emphasis on test scores would restrict the university in defining the highly-talented pool so narrowly that it might miss other very talented students.

Chancellor Blank explained that UW-Madison conducts a holistic review process when admitting students, which looks at students' entire record in terms of grades, test scores, extracurricular activities, and achievements. She said that while she was concerned with test scores, as they are something that the institution is measured on, she was equally concerned with other things. For instance, a number of students from historically disadvantaged backgrounds have records demonstrating amazing performance relative to the opportunities they had, even if their test scores might not have been at quite the same level as those students who had a large number of opportunities.

She said that Regent Vásquez was right about UW-Madison's not wanting to be held to a test score-only measure; rather, the university would want to look at the class's mix of accomplishments and talents on a number of measures.

Regent Vásquez asked Regent Higgins if he was comfortable with working to make sure that the amendment did not become a test score-only measure of highly talented students.

Regent Higgins replied that having just heard Chancellor Blank's comments he would not vote for the resolution at all, because it would be giving UW-Madison the ability to admit 3,600 students simply by dropping its objective standards, resulting in a class with lower test scores and GPAs across the board. Rather than using non-objective measures to admit students, he would rather have the university use the only objective measures it has – GPA and test scores – to go after the very best and brightest students, the group of individuals that were going to MIT and Harvard and Cal Tech. He added that he did not want to see UW-Madison raiding the comprehensive universities for high-quality students, but instead wanted to see the institution go after the people who would not attend a Wisconsin school if they did not go to UW-Madison.

Regent Bradley said that he had never done well on standardized tests, though he always did well in grades, and that if a policy like the one Regent Higgins proposed had been in place as he was applying as an undergraduate to UW-Madison, he was not sure if he would have been accepted. Noting that there was no historical background of UW-Madison trying to fill a class without upholding the highest possibilities of academic success, he added that he did not feel that historically success was totally determined by GPAs and standardized test scores. He preferred to assume that the admissions office and the leadership of the chancellor, who would be responsible for reporting to the Board of Regents as required by the original resolution, would see to it that the university was not admitting people who were otherwise not qualified to attend UW-Madison.

Regent Tyler said he would first address the original resolution, speaking from the perspectives of workforce development and business. He observed that demographics suggested that there effectively would be a net increase of zero people entering the workforce 15 years in the future, and the state would need 300,000 more people to meet demand, which would be a huge challenge. Noting that President Cross had discussed talking to businesses about the current skills gap, Regent Tyler said that the problem was going to transition from a skills gap to a population gap unless states were able to get in front of the issue and get it solved.

Considering the proposed resolution in the context of the statewide System, he explained that he appreciated what it was trying to do, but believed that two other components had to be put in place. First, businesses need to engage students earlier; they cannot wait until graduation because typically students are already gone by then. He recalled hearing that 60 to 70 percent of interns stay in a company, and observed that in his own company that number was much higher. He suggested the university should engage with the business community, including WMC and all of the other trade organizations, to get that message out.

The second component pertained to a recommendation from the Talent Attraction and Retention Committee, co-chaired by UW System Associate Vice President David Brukart as

part of the strategic planning process of the Governor's Council on Workforce Investment. Noting that the Council had done very good work with the 21 recommendations included in its 2014 report, Regent Tyler said that it had essentially recommended that an incentive be provided to convince students to stay in Wisconsin. He recalled that the recommendation included a revenue-neutral proposal for a five-year incentive, which might be enough time for those students to grow roots that would keep them in the state long-term.

Regent Tyler summarized his remarks, using the analogy of a three-legged stool: bring the students to the university, engage them while they are in school, and then incentivize them to stay. He noted that, unless immigration issues are solved, the only way to solve the population problem is for states to steal workers from each other; and he suggested that Wisconsin is in a position to lead the nation in solving this problem.

Regent Tyler concluded that he was very supportive of the original resolution. Speaking to the amendment, he cautioned that test scores did not always tell a complete story. He said that when he hires someone he does not look at their GPA, but instead at whether they showed leadership, engagement, and the ability to get things done.

Regent Pruitt suggested that the Board consider the amendment introduced by Regent Higgins separately from the original resolution.

Regent Whitburn agreed, and suggested the friendly characterization of the amendment be withdrawn in deference to the observations made by Regents Bradley, Vásquez and Tyler.

Regent Higgins indicated that he did not wish to withdraw his motion to amend the resolution but that the amendment would require a second.

President Millner asked for a second to the amendment. When a second was not offered, Regent Whitburn requested a vote on the original resolution. President Millner called for the vote, and Regent Whitburn's original motion to adopt Resolution 10582 was adopted on a voice vote.

### **Waiver of Nonresident Enrollment Limit for UW-Madison**

Resolution 10582      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 waives the 27.5-percent nonresident enrollment limit (Regent Policy Document 7-3, section III) for UW-Madison, for 2016-17 through 2019-20. During the waiver period, to maintain access for resident students, UW-Madison must enroll and maintain a minimum of 3,600 Wisconsin residents in each new freshman class. Further, to enable the Board to determine future action on the waiver, UW-Madison must provide the Board, in December 2019, with a report that describes admission and enrollment activity and other relevant outcomes that result from the waiver; UW-Madison must also provide at least one interim report, in December 2017.

Some follow-up discussion ensued. Regent Bradley asked Chancellor Blank if it was assumed that the report required by the resolution would include information on transfers of students from other Wisconsin institutions to UW-Madison. Chancellor Blank said that UW-Madison currently enrolls about 700 to 800 transfer students in addition to Wisconsin freshmen. The intent would be to keep those numbers high and to report on them as well.

Speaking to the discussion on test scores, Chancellor Blank expressed her appreciation for Regent Higgins' concern for quality. She clarified that she had not meant to imply that test scores were meaningless, because UW-Madison does use them as one measure of quality. She reiterated that UW-Madison's commitment was to do better and work harder to keep people in Wisconsin who otherwise would go out of state for college, and promised that all sorts of measures of quality – including GPA and test scores – would be provided in the December 2017 and 2019 interim reports to the Regents.

Regent Bradley also mentioned that Regents had received a copy of a letter authored by Noel Radomski, Director of the Wisconsin Center of the Advancement of Postsecondary Education, which outlined an argument in favor of postponing action on this issue. While he said he was happy the Board had not postponed it, Regent Bradley asked Chancellor Blank to respond to an assertion made in the letter that UW-Madison's proposal was done without consultation with the varied faculty committees that have a role in admissions and tuition issues.

Chancellor Blank stated that the proposal went through a variety of different transformations over the summer, and that many of the faculty committees did meet over that period. The one committee that she had kept informed and with which she met regularly all summer was the executive committee of the faculty, known as the University Committee.

The Curriculum Committee had also asked for a faculty-formed ad hoc committee to be appointed to look at resident-versus-nonresident enrollment in the face of certain budget issues. That committee was not able to reach a single recommendation, but did come forward with three different ways to look at resident and nonresident changes over time. One of those three recommendations was to freeze in-state enrollments and remove the cap on out-of-state enrollments, which she suggested was very close to the spirit of the resolution approved by the Board.

Chancellor Blank indicated that she did not think the proposal was in any way not reflective of the conversations within governance groups in the past. While she said that not everyone agreed with the proposal, she said that it should not have come as a surprise because she had been talking about this course of action at a variety of venues for much of the last six months.

Regent Langnes thanked Chancellor Blank for her candor and asked her to clarify how the waiver that the Board had just granted would affect the number of transfer students accepted by UW-Madison. Chancellor Blank responded that she did not think it would have any effect on transfer students. She reiterated her expectation that UW-Madison would continue to accept around 700 to 800 Wisconsin transfer students each year, as well as a number of nonresident

transfer students. Those numbers are also available in the admissions reports submitted regularly to the System.

Regent Farrow observed that the discussion thus far had been “looking upward” at how to reach the best students and at the need for more employees, especially professional and skilled workers, to stay in Wisconsin. She pointed out the importance of “looking downward,” at the students who were not finishing high school; she did not want to lose sight of that segment of the population in the discussion about the state’s future workforce. Though this was not directly related to UW-Madison’s proposal, she appreciated the opportunity to remind everyone that they still had a responsibility to work together with K-12 partners to help educate those children as well.

With respect to Regent Farrow’s comments, President Millner stated that while the waiver pertained to UW-Madison, she wanted to remind everyone that the System as a whole must work together to approach the issues of capturing greater percentages of high school graduates, as well as enrolling returning students.

Touching briefly on the previous discussion about the amendment proposed by Regent Higgins, President Miller commented that she had not been in favor of the amendment because she believed that the Board should not insert itself into the admissions decision-making process. She said that her sense was that the waiver would establish strategies and policies that would increase recruitment efforts toward students who would otherwise be recruited to attend colleges and universities out of state, which is different than targeting only the highest-ranking or best students. She encouraged Chancellor Blank to continue with a well-thought-out repositioning of how UW-Madison would recruit those students.

President Cross also acknowledged Regent Farrow’s comments, expressing support for her point that it would be remiss of the System not to “look down” as well, and stating that the Board would shortly hear a report on the System’s progress with remedial education efforts.

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## **PRESENTATION AND DISCUSSION: REPORT ON STRATEGY AND PROGRESS ON DEVELOPMENTAL/REMEDIATION EDUCATION IN THE UNIVERSITY OF WISCONSIN SYSTEM**

Turning to remedial education, President Millner noted that a few months earlier Interim Vice President Ward had presented a plan for addressing remedial education with a particular focus on mathematics. She complimented the work that was being done, and invited President Cross to share a few words on the subject.

### ***Introduction***

President Cross explained that in August 2014 he had announced two new goals for the UW System related to remedial education over a five-year period, essentially raising the bar on



efforts to help college students who required remedial course work to complete that work and succeed. He added that he was pleased to report that the System was making progress on this issue.

One goal was to reduce the number of incoming students who required remedial math by one-third, from 22 percent to 14 percent. Though the UW System's current numbers were better than the national average, he believed they could do better.

The other goal was to improve the success or matriculation rate of students who did require remedial education, by ensuring that they completed their remedial work in a timely fashion. There is a strong correlation between completing remedial math in the first year and an improved second-year retention rate, he said, which would translate to improved graduation rates in the longer term.

President Cross noted that these were big goals that the UW System could not achieve on its own, and so it would have to collaborate more closely with the K-12 pipeline in order to make them happen. He then asked Interim Vice President David Ward to lead the discussion.

Interim Vice President Ward said that he would talk about the background on remedial education in the UW System, the three-year report to the Board on remedial education, and the strategy for moving forward to improve results and meet the goals that President Cross had outlined.

## ***Background***

The majority of students who come to the UW System are prepared to take college-level courses in math and English – 79 percent of students in the 2014 class were ready for credit-bearing math, and 92 percent were ready in English. However, every year there is a percentage of students who are not ready.

Some characteristics of those students who needed remedial instruction jumped out. One was that the need for remediation was closely related to high school rank; the higher the student's class rank, the less likely it was that they would need remediation. The second point, particularly in mathematics, was a timing issue – many students concluded their math courses in their junior year of high school and performed fine on their ACTs, but then failed to make the grade when testing for placement into a credit-bearing course. Finally, lower-income students were more likely to require remediation.

The UW System's goals were to cut the number of incoming students who needed remedial math, and to improve the success rate of students in remedial courses. Sharing a bit about the history of remedial education, Interim Vice President Ward explained that the issue was discussed intensely by the Board back in the mid to late 80s. The Board of Regents approved the System President's recommendations on remedial education for the UW System at that time, and revisited that policy in 1990 and in 1991. In 1997, the Board requested a three-year update on the need for math and English remediation, the completion rates in math and English remediation courses, and the retention and graduation rates of students requiring and completing remediation.

## ***Progress Toward Goals***

Starting with English remediation, Dr. Ward said that about 8 percent of the incoming freshman class – roughly 2,300 out of 29,400 students – required remediation in English. Completion rates for remedial education courses had been above 70 percent since about 2004. In 2013, 1,700 students, or 72 percent of those needing remediation in English, completed that course successfully; only 600 students, or two percent of all freshmen, did not complete remediation in the first year.

Moving to mathematics, Interim Vice President Ward shared data from 2014 showing that 19 percent, or about 5,500 of the incoming students, required math remediation. Of those students who needed remediation, 67 percent successfully completed remedial math in their first year.

One of President Cross' goals was to increase this success rate in remedial mathematics. Of students who did not require mathematics remediation, 81 percent were retained from the freshman year to the sophomore year. Of those who did require math remediation and completed it, 79 percent were retained the second year. Of those who did not complete math remediation in the first year, only 44 percent were retained to the second year. The remediation retention rate for those who completed math remediation was about comparable to the part of the student body that did not require math remediation.

Regarding six-year graduation rates, 71 percent of students in the 2008 freshman class graduated within six years from the same UW institution, another UW institution or another institution of higher education. Of those who completed math remediation the first year, 56 percent graduated in six years. Of those who did not complete math remediation, only 25 percent graduated in six years.

## ***Three-year Report***

Interim Vice President Ward indicated that the summary of the three-year report that had been provided to Regents was extensive, but he wanted to emphasize two key points: first, the majority of students who were admitted did not require remediation; and second, the completion of remediation in the first year was the key to success for those students who needed it.

The UW System's strategy was based on the idea that accomplishing its goals to reduce demand for remedial education and to increase success rates in remedial education would lead to reduced time to degree. By moving students through remedial math more quickly, or eliminating the need for it entirely, the number of courses students would have to take is reduced, thereby reducing their costs.

He also emphasized that there are multiple audiences for remedial instruction, which means the System needs to think about different approaches or ways of delivering remedial math, whether that means changing the method of instruction or the time frame.

## **Strategies**

The basic strategies for reducing the need for remedial math could be divided into two main sub-strategies: communication and feedback to K-12, and internal strategies for the UW System.

### **Communication with K-12**

In the first category, one important tool was the early math placement test. In the fall of 2014 the presidents of the UW System and Wisconsin Technical College System sent out a letter to high school principals and math departments encouraging the use of the early math placement test, which is free and very effective. That effort resulted in an all-time record of 12,030 students taking the test during the 2014-15 school year. The System would repeat that strategy for 2015, and based on feedback from the previous year, would also send out letters to high school guidance counselors. The results of the test would tell students in their junior year where they would place in mathematics; some would get the message that they would not place into a credit-bearing course, giving them a chance to correct that.

Another strategy is to increase communication with K-12 by scheduling, with cooperation from the Department of Public Instruction, a sequence of college-readiness resource webinars for high school teachers. Originally the plan was to have face-to-face seminars on regional campuses, but the hour-long webinar gave greater flexibility to those working in K-12. The first webinar was scheduled for October 20 and would cover the early math placement test; 55 teachers were signed up to attend, and there was time for that number to increase.

Dr. Ward described another communication strategy, which is to report to high schools on student placement and success. Through a contract with the ACT, high schools are provided with feedback every three years on how their students are doing in the UW System. In addition, 2015 Wisconsin Act 28 now requires the System to report to the Department of Public Instruction and to the legislature when a high school sends six or more students that require remediation to the UW System. That effort was underway, Dr. Ward said, and so far 250 out of 550 high schools would require a report.

### **Internal Strategies**

In the category of internal strategies for reducing the need for remedial math education, Interim Vice President Ward said that one of the more exciting developments was that the UW System received money from the Gates Foundation to fund the “Moving Up” strategy. This strategy entailed providing some form of remedial development to high school students to help them retest, and perhaps test out of, remedial math before the semester begins.

Another example of an internal strategy is the summer bridge program, where students identified as needing remedial math would come to campus one or two weeks early to participate in an intensive tutorial in mathematics before being retested. At UW-La Crosse this resulted in 56 of 57 freshmen being able to go into credit-bearing math, and at UW-Milwaukee 101 students tested out of developmental math.

A final internal strategy is for the UW System to define the pathways from high school math to college credit courses. Looking at ACT data, only 56 percent of 2015 high school graduates who took the ACT were judged to be ready to take credit-bearing math courses. Interim Vice President Ward said that this raised the question of what the UW System should be doing in terms of recommendations for math preparation.

Beginning in 2016-17 students would have to take three math courses to receive a Wisconsin high school diploma. Looking at college admission requirements for UW System institutions, most require three units; UW-Madison requires four units of mathematics, as do several other university systems. He suggested that the UW System needed to more strongly emphasize that taking four units of mathematics was highly recommended for admission, and that, based on University of Minnesota research, taking a mathematics course in the senior year of high school was key to keeping those skills fresh.

The UW System's strategy for its second goal, to improve success in remedial math courses, is to employ remedial math instruction redesigns, which would introduce multiple approaches for getting better success rates. Interim Vice President Ward explained that this research and development initiative led by UW-Extension Provost Aaron Brower was testing various ways to deliver remedial mathematics by modifying the timing or instruction: UW Colleges had an accelerated delivery model; UW-Superior had flip classes; UW-Parkside was dividing its remedial education into modules, for students who did not need a full remedial course; and UW-Milwaukee had tried reforms that improved its success rate to 82 percent.

### ***Conclusion***

Interim Vice President Ward concluded that remediation does work, and that a high percentage of students who need remediation do complete their college degrees. Remedial education is very important to increasing the success rate of students, and the K-16 partnership is key to better aligning high school and university curriculums for remedial education. Finally, he reiterated the need to develop innovations in remedial instruction and to approach it in different ways; when institutions implemented strategies such as the summer bridge program, it reduced the delay and the cost for students.

### ***Regent Discussion***

Interim Vice President Ward offered to address Regents' questions.

Regent Whitburn observed that last year the Board had heard that about 20 percent of incoming students both in the UW System and in higher education across the country required remedial math. He said he had been learning more about remedial education at various UW institutions, noting that in 2012 six percent of students at UW-Stevens Point and 45 percent of students at UW-Oshkosh required remedial math, while campuses like UW-Madison and UW-La Crosse had low demand for remedial math. The reality across the System was that the need for remediation differed depending on the campus.

Regent Whitburn said that the average ACT test scores of students at UW-Stevens Point and UW-Oshkosh were nearly identical; the reason for the difference between the two campuses

in the percentage of students requiring remedial math was that the cutoff scores were different. Considering the cost and the emphasis on getting all of these students through remedial education, Regent Whitburn questioned whether this disparity made sense or if the UW System needed more uniformity.

Interim Vice President Ward agreed that the difference in cutoff scores did explain a large degree of difference in remedial placements on the campuses. He indicated that the System would be working to make cutoff scores in math placement more consistent between campuses as part of its strategy to define pathways from high school to college credit courses.

Dr. Ward said it would be necessary to gain a better understanding of what the cutoff score means in terms of outcomes by looking at the distribution of scores on the placement test and identifying where there was a significant difference in the cutoff scores. In other words, was there a material difference between a score of 18 and 19, or between 18 and 20? Did the cutoff score predict the success rate or the failure rate of a student in a remedial course? Jim Wollack, Director of the UW Center for Placement Testing, was expected to bring back the first report on those efforts to get more uniformity later in the year.

Regent Whitburn questioned whether this process was broken, given that the System had been looking repeatedly at remediation and still had more work to do. Though he was not insensitive to, for example, an engineering school having a different subset of students that would be considered successful, he wondered at the disparity between two more similar institutions such as UW-Stevens Point and UW-Oshkosh.

Interim Vice President Ward suggested that the placement process did need to be organized better, with some sensitivity given to the judgments made by campuses about the cutoff test scores. He emphasized, however, that the better use of the System's time was in reducing the demand for remedial education by getting incoming students better prepared for taking the test in mathematics.

Referring to the comparisons made between the retention and graduation rates of students who did and did not take remediation courses in their first year, Regent Farrow asked why students were not taking remedial courses if they were required.

Interim Vice President Ward clarified that while the remedial courses were required, there was often a high degree of math avoidance that led students to wait to take them. He added that this behavioral element was not so pronounced in English.

Regent Farrow asked why the university did not fix the remedial course in the first year of the class schedule for every incoming freshman and require them to build around it, given that it had proved to be an important element of success.

Interim Vice President Ward explained that while that could be done, there was nothing preventing the student from then dropping the course. He observed that students often have a "next semester" attitude, thinking that if they were not doing well in a course they could just drop it and take it the next semester.

Regent Farrow also sought clarification of whether all Wisconsin high school students were now taking the ACT test. After learning that the requirement went into effect for 2015-16, she noted that the System would soon have a complete profile of the state's high school students.

Regent Tyler asked whether the cutoff scores differed between academic programs. Would a student applying to a mechanical engineering program expect to see a different cutoff score from another program in the same institution?

Interim Vice President Ward explained that while cutoff scores did not vary by program, an institution's program array could factor into its cutoff score. For example, an institution heavily inclined towards science and engineering programs would likely set a higher test cutoff score because it wanted students to be ready for high level math.

UW-Green Bay Interim Provost Gregory Davis, who had been a former Math Department chair at UW-Green Bay and had a hand in setting the cutoff scores there, clarified that the placement score was used to put students into the class they would be successful in, rather than as a measure for how successful they would be in a certain program.

Regent Langnes asked if students were required to take the placement test when they come to the UW, or if their ACT scores could be used to determine placement.

Interim Vice President Ward stated that the placement test was used in Wisconsin, but other schools outside of the state used the ACT. He argued that the placement test was better than using the ACT because of the timing – freshman take the placement tests very close to when they actually enter the university.

Regent Langnes stated that he had only taken the ACT and not a math placement test, and yet he was still successfully taking math courses at UW-Whitewater. Chancellor Kopper explained that UW-Whitewater used to use only the ACT, but had recently changed its policy to use the placement score instead.

Regent Evers thanked Interim Vice President Ward for his presentation and all of the good work, adding that part of the Department of Public Instruction's responsibility was to work together with the UW System and individual campuses. He said progress on that had been very satisfactory. One clear difference would be the requirement of three credits of math; currently 70 to 72 percent of Wisconsin schools already required three credits at the local level, but this effort would take a more standardized approach and make that requirement statewide.

Regent Evers also mentioned something that had not yet been discussed, which was that beginning in 2017-18 all Wisconsin students in grades 6-12 would be required to have an academic and career plan in place. This would clearly send the message to 6th graders that they needed to start planning what classes they would be taking in high school, and would connect them with up-to-date labor market information to get younger students thinking about what career options existed for them. The combination of having the UW System and K-12 working together, along with higher expectations of students in the form of academic and career plans, would help reduce the demand for remedial education.

President Millner thanked Interim Vice President Ward for his presentation, stating that it clearly had financial implications, not only for the institutions but also for the individual students who take remedial classes that occupy their time yet provide no credit, affecting their time to degree. She concluded that the Board would have ongoing opportunities to return to the topic of remediation.

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## **PRESENTATION AND DISCUSSION: PROPOSED FEDERAL COMMUNICATIONS COMMISSION INCENTIVE SPECTRUM AUCTION**

President Millner next turned to the proposed Federal Communication Commission Incentive Spectrum Auction. She introduced Malcolm Brett, Director of Broadcast and Media Innovation at UW-Extension, who was present to inform the Regents about the auction.

### ***Wisconsin Public Television and WHA-TV***

Mr. Brett said he appreciated the opportunity to provide some context to frame the Regents' consideration of the FCC Incentive Spectrum Auction. Though the issue was too rich to fully convey in a brief presentation, he hoped to provide the most salient points of reference. Among those points that he wished to convey was that the idea for the spectrum auction did not come from Wisconsin Public Television (WPT), and that he did not think it was a good idea.

WPT's mission closely reflects the UW System's mission of discovering and disseminating knowledge, extending knowledge beyond the campus, extending education and public service, and searching for the truth. Through WHA-TV, the flagship station of the WPT Network, the University serves nearly 160,000 viewers every week. Since 1987, in partnership with the Educational Communications Board (ECB) and its five stations, WPT serves 537,000 weekly viewers. WHA-TV is one of six network stations, but as the content provider in the center of WPT's communication engagement work it serves as the lynch pin on which the network's success hinged.

In discussing broadcast television frequencies, Mr. Brett said it was worth noting that one-fifth of WHA-TV's viewers receive their signal over the air broadcast signals, subscribing neither to cable nor satellite.

WPT's educational children's programming yields over 300,000 hours of viewing every month by 48,000 children in the Madison area alone; statewide, with the ECB, those numbers increase exponentially, he said. The service is supported financially by Friends of Wisconsin Public Television, a statewide nonprofit support organization for WHA-TV and WPT. Mr. Brett indicated that the board of Friends of WPT, on behalf of nearly 60,000 members and over a half million weekly viewers, had expressed its appreciation for WPT's work, along with encouragement for the Regents to sustain it, in a letter to President Millner.

The impact of WPT goes far beyond the numbers: its children's programs taught preschoolers and helped them prepare to succeed in school, measurably lifting achievement in

math, reading and critical thinking skills; it trains daycare providers to help them apply research-driven content and learning tools; it inspires future scientists with NOVA; and it encourages young leaders with programs such as “Vel Phillips: Dream Big Dreams,” which extended far beyond broadcasting to schools and community centers around the state with rich toolkits for deeper engagement.

WPT taps into Wisconsin’s shared experience with programs such as “Wisconsin from the Air,” “Hometown Stories,” and “Wisconsin Tribal Histories,” which was the foundation for a multi-partner project to provide a range of resources for helping schools fulfill their obligation under Act 31 to teach Native American history. WPT also helps voters by broadcasting the State of the State, the budget address, debates for public office, and more.

Mr. Brett stated that WPT provided millions of memorable and significant experiences every month, and provided the public with access to the UW System administrators, faculty and staff, with over 220 appearances in the last year alone and over 142 new episodes of lectures and presentations on its “University Place” program, which is broadcast and available online. He said he considered WHA-TV to be pace setting for the range, quality and impact of its work compared to that of its peers at the other 56 university and higher education public television stations around the country.

### ***FCC Incentive Spectrum Auction***

Moving on to the FCC Incentive Spectrum Auction, Mr. Brett explained that the auction would offer 2,200 license holders, including 360 public television stations across the country, a tentative invitation to participate – tentative, because it was not clear which markets would be included in the auction beyond the densely populated metropolitan areas of the east and west coasts. Prospects in Wisconsin were ambiguous, complex and uncertain, he said; what is certain is that WHA-TV’s service to 377,000 households in its service area and, through Wisconsin Public Television, 1.2 million households across the state.

The auction would be comprised of three stages. Stage one would be a voluntary reverse option, by which the FCC would acquire the right to sell stations’ spectrum – the frequency over which they broadcast. This stage was binding on stations once they accepted an offer from the FCC, but was not binding on the FCC.

Stage two would be a forward auction, through which the FCC would sell the rights for frequencies to wireless broadband providers. This stage was binding on the buyers but not on the FCC.

Stage three, called “three pack,” would be subsequent to the auction; it was not voluntary and would be binding on all affected stations. After the auction, the FCC would determine what it believed to be the optimal channel alignment for broadcast television and the optimal frequency allocations to meet the needs of wireless providers. Because stations would be required to move to new frequencies, the FCC intended to reimburse approved costs for this phase of the auction.



Elaborating on the first stage of the process, the reverse auction, Mr. Brett said that the FCC would post a selling price for stations, and participating stations could accept or reject the price. If the FCC wished to acquire or clear one frequency in the market, the opening bid would receive a very high dollar figure. Then, if more than one station agreed to sell, the FCC would lower the bidding price until only one station was willing to accept the offer.

Having secured or cleared the spectrum it needed, the FCC would then release the other stations from the auction. While the station that accepted the offer was bound to sell at that price, the FCC was not obligated to buy the station's frequency; it would only decide to buy if it found a willing buyer at a price acceptable to the FCC. In this initial reverse auction, prices offered to selling stations were driven by population, signal congestion, and prospective interference from relocating frequencies, and did not derive from an intrinsic or sustaining market value.

Mr. Brett indicated that stations could choose to forego the auction. If they did decide to participate, they could craft three different types of bids.

The first option would be to accept a bid for relinquishing the broadcast license, meaning the station would go off the air permanently by going out of business and ceasing operations. Under this option, WHA-TV would be disbanded, meaning that Madison and surrounding counties would lose public television service, ending 60-plus years of public television access to 377,000 households; the ECB would lose its partner and flagship station, diminishing public television across the five regions served by ECB; and there would be no cable or satellite delivery of WHA-TV with the cessation of the broadcast signal.

The sale of the frequency to WHA-TV could generate up to \$35 to \$40 million according to the FCC and the National Association of Broadcasters, assuming that the FCC decided to acquire a station in the Madison market and that WHA-TV was the lowest bidder.

Under the second option, in some designated auction markets the station could have the option of electing to be compensated for a move from the ultra-high frequency band (UHF) to the less desirable very-high frequency band (VHF). In this case, there would be a loss of coverage to some portion of the 20 percent of the viewers in the Madison market who currently receive over-the-air broadcasts only. Some would no longer receive the signal, and those who were still able to receive a signal would see it routinely disrupted by interference from a variety of sources. Looking forward, because emerging technologies did not work well or at all with VHF signals, future service opportunities would be forfeited.

Mr. Brett noted that there were low VHF frequencies which were generally deemed entirely unsuitable options across the industry, and high VHF frequencies (Channels 7 thru 13) which were diminished from UHF but passively accepted for most but not all broadcast uses. However, the FCC had advised that there were no VHF band frequencies available in the Madison market at this time; and an independent engineering study that WPT commissioned had confirmed that there was a very minimal likelihood that a high VHF band signal would become available through the auction process.

Payment for transitioning to a high VHF frequency would be approximately 40 percent of the selling price of the entire frequency. WHA-TV would incur legal, engineering and capital costs for transitioning, which would need to be funded out of its proceeds. There would also be a decline in viewing and a decline in annual giving to WHA-TV.

The third option would be channel sharing. As an alternative to relinquishing an entire frequency, WHA-TV could enter into a channel-sharing agreement with another broadcaster in the Madison market to share one station's spectrum. Channel sharing was possible because a station's frequency was capable of broadcasting multiple channels within the allotted spectrum; this capacity was the result of the turn-of-the-century transition to digital broadcasting.

Mr. Brett explained that the current allocation of WHA-TV's frequency was to use bandwidth across three channels of public television, called multi-casting. The "Create" and "Wisconsin" channels each brought over 30,000 weekly viewers in addition to the 160,000 viewers of the main channel.

By abandoning some or all of their multi-cast channels, two stations could share the frequency that remains. Though the two stations would have to reduce and combine their services, the expansion of services via digital television would foreshadow how the next generation of technology could prospectively amplify services, including the broadcast of IP (internet protocol)-type signals directly to PCs, laptops, tablets and mobile phones.

Channel sharing would mean the loss of one or two of the three channels WPT currently operated, resulting in a loss of service, a loss of viewership, and a loss of revenue. This option would disrupt the continuity of WPT's statewide broadcast schedule with the ECB, and would require WHA-TV to find a willing partner in the broadcast industry. Mr. Brett warned of the need to negotiate a perpetual, complex business partnership with a commercial broadcaster that would be engaged in a different business model and would serve divergent purposes.

The third option might yield half of the amount of a sale, to be negotiated with the partner station. WHA-TV would incur legal and capital costs to transition to this partnership.

### ***Schedule***

Mr. Brett said that the schedule for the FCC's auction was fluid. For example, the FCC originally intended the auction to take place in 2014; more recently, the auction start date slipped from September to mid-October. From the start date, stations would have 60 days to register their interest in participating. This would be a nonbinding statement of intent, but would bring obligations to comply with the FCC's mandated quiet period.

The quiet period was a reflection of FCC concerns about antitrust and collusion in the bidding process. Mr. Brett stated that this restriction was counter to Wisconsin's open records and open meetings laws, making it a particularly challenging element of the auction. During this time, no Regent or staff could comment about prospective option plans that might give any other bidder insight into the competitive landscape. Questions from the press, from legislators, from viewers, and from donors considering gifts to the station could not be addressed by sharing specifics about what option the university might be pursuing. He added that press response to a

lack of transparency would be substantial, as would a decline in charitable giving, particularly during tax-year-end planned donations.

The auction itself was set to begin March 29<sup>th</sup>, with up to 52 rounds of descending prices over four to eight weeks before the FCC would close out the reverse option and complete the auction. In June, the FCC would expect to make buying and selling transactions and to publish the list of repacked stations, assigning a large number of stations across the country new frequencies. At the end of the process, the FCC would announce those assignments to about one-third or two-thirds of the remaining television stations. The FCC maintained that 39 months would be enough time for these stations to acquire and install transmitters and antennas and to manage technical and regulatory issues, although Mr. Brett said that few in the broadcast industry believed that to be a realistic timeline.

### ***Conclusion***

In summary, Mr. Brett indicated that the auction process would officially begin the next week, when the FCC would post opening bids for stations. Those bids would be very high, but the selling prices would be fractions of the opening prices, as the auction was designed to compensate stations as little as possible. In the case of WHA-TV, the FCC projected a payout of less than four times the annual revenue generated by the station.

Mr. Brett indicated that the service declines resulting from participation would be much more significant, with an immediate diminishing of service, a forfeiture of future technological opportunities, a decline in transparency and trust during the quiet period, and a decline in fundraising. Except perhaps in New York and Los Angeles, the auction was not an appealing option; and few public broadcasters were considering selling their frequency. He suggested that no viable option would support WHA-TV's participation given the diminishment of the university's and WHA-TV's service to the state; and he reiterated that it would not be known until deep into the process whether Madison would be included in the auction or not.

### ***Regent Discussion***

President Millner thanked Mr. Brett and opened the floor to questions from Regents.

Regent Farrow commented that she was not comfortable with the quiet period restriction, and that she did not think any of them wanted to be found guilty of violating a federal law if they were to be suddenly confronted with questions about the auction.

Regent Petersen said that Mr. Brett had given an excellent presentation on some incredibly complex information, and added that he felt the background material did an exceptional job of walking the Board through the options. From his perspective, he said he believed that the \$40 million suggested price was a light valuation given that WHA-TV generated about \$10 million annually, and he supported the idea of not moving forward with disposing of this asset.

He asked Mr. Brett to share more about the timing of the process, noting that the FCC had missed deadlines for providing station owners or broadcasters with definitive prices based on

the multiple valuations the FCC and the National Association of Broadcasters had done. Suggesting that the FCC could yet change its mind and increase those prices, he indicated that Regents' fiduciary responsibility suggested the need to consider whether to make a decision and move forward with a resolution prior to having all of the information.

Regent Petersen also asked whether any of the 360 public television stations across the country that would be impacted by the auction had contemplated making a sale prior to the announcement of the auction.

Mr. Brett responded that a number of stations were researching their prospective roles. For many public television stations there are multiple stations in a single market, and those stations were considering whether to combine forces and take advantage of the channel sharing. If one of the stations left the community, there would still be ample public television stations. National organizations reported that there were as few as five public television stations in the country considering selling their spectrum. For each of those five, there was another public TV station in every community that they served.

He indicated that one of his colleagues at a station in Texas had negotiated a significant portion of a channel-sharing agreement, but the deal fell apart at the last minute because the stations could not work out ownership of the spectrum.

In another example, Mr. Brett said that the administration of Bowling Green State University, which owned a public television station, had determined that it wanted to sell its spectrum. After a series of heavily attended public meetings indicated that there was significant community interest in retaining the signal, however, the university backed off of that position and asserted that it would either channel share or move to a VHF frequency if those turned out to be beneficial options. Mr. Brett noted that the administration could continue to discuss the matter right up until the point that it would file a letter of interest.

Regent Petersen said that those experiences seemed instructive, given that the auction process had not yet played itself out but the stations were already getting significant pushback.

Regent Petersen asked Mr. Brett to share his thoughts about the Board's potentially referring a decision on the proposed resolution to the Executive Committee until the university hears from the FCC. If it were to hear from the FCC soon, the Executive Committee could take swift and decisive action; if the process were prolonged, the Board could address the issue at its next scheduled meeting. He reiterated that his concern was related only to timing and to the Board's fiduciary responsibility to consider the actual prices proposed by the FCC, and not the merits of rejecting the offer if the prices declined as anticipated.

Mr. Brett said that the FCC had affirmed that the opening bid prices that had been shared would be the ones it released at the start of the auction – for WHA-TV the opening bid would be \$198 million. The FCC had also released its estimate of the actual selling bid, which for WHA-TV would be \$35 to \$40 million, assuming Madison was included in the auction.

Mr. Brett shared that his concern about Regent Petersen's proposal was fundamentally about the length of the delay. WPT's fundraising would ramp up in November and December because of tax planning and year-end giving, and its ability to affirm the sustaining service that it provides was fundamental to people making those gifts. He indicated that the delay of a week would not be detrimental, but a delay of much more than that would begin to raise questions among the public about WPT's commitment to its service and its sustainability.

Regent Behling followed up on Regent Petersen's question by clarifying that there was no downside to not making a decision that day, but that the Board would want to make a follow-up decision in a timely manner within the next couple of weeks or in the next month.

Mr. Brett agreed, reiterating that beginning in November WPT would start seeing significant concern about fundraising revenues.

Regent Behling also thanked Mr. Brett, noting that Mr. Brett had reached out to a number of Regents on this complicated issue.

Regent Tyler said that he was leaning in perhaps a different direction than Regent Petersen. Though technology would likely allow for additional communication channels over time, there is only so much space on the airwaves. If the Regents were offered a very high value for WHA-TV today, that indicated to him that the future value of the airwaves might be exponentially higher.

Regent Tyler also echoed Regent Farrow's concern about the quiet period restriction, noting that the FCC would hold all of the cards in the auction process. If the UW System delayed in making a decision to the point where there was any concern about donations, even if the impact were only 5 or 10 percent, significant dollars would be lost. He said that he was in favor of taking a position that day that said the Board was not interested in the auction.

Regent Vásquez indicated that he agreed with Regent Tyler that the issue goes beyond money; WHA-TV is first and foremost an educational tool. He expressed the concern that if the station were lost now and Board members later changed their minds, they would not be able to get it back.

Regent Pruitt observed that the Regents sometimes had tough calls and sometimes had easy calls, and to him this was an easy call. He said he could not think of a more ultimate expression of the Wisconsin Idea than public television and WHA-TV. Both for the reasons and risks that Mr. Brett had identified, including the potential of delays and the signal that would send to the broader community, as well as an expression of principle, Regent Pruitt stated his hope that the Board might move forward on the issue that day.

Regent Grebe expressed his appreciation to Mr. Brett for walking him through the issue before the meeting, and said he wanted to follow-up on something they had discussed during that period of time. State statutes provide that the Board of Regents "shall manage, operate and maintain broadcasting station WHA and WHA-TV." Regent Grebe asked if Mr. Brett had any further discussions about whether, based on that statutory language, the Board was even

permitted to sell the station. Mr. Brett replied that he had raised the question with the System's legal counsel but had not received an opinion.

Regent Higgins commented that while he certainly did not want to sell WHA-TV, he agreed with Regent Petersen that it was not the right time for the Board to make that statement because the offer was not officially on the table. He said it would be more prudent for the Regents to wait and to designate the Executive Committee as the decision-makers.

President Cross reviewed the options: he noted that the first option, which was to sell WHA-TV and transition to a high VHF level, was not viable because there were no high VHF's available; Mr. Brett confirmed President Cross's conclusion.

The second option, channeling, was basically splitting the frequency spectrum and would require a partner; President Cross asked Mr. Brett to explain this. Mr. Brett explained that two license holders would come together and work out an agreement by which they would operate one channel or frequency. They would each keep their own license, but they would share a technical facility and would have to agree on how the bit stream, or frequency, was divided between the two signals.

He also said that there were six megahertz of frequency, and each signal would theoretically be three megahertz. The stations would enter into a perpetual operating agreement that included the management of the spectrum, the management and maintenance of the technical facility, and how to split the proceeds from the sale of the other frequency.

President Cross asked for clarification of whether the estimated cost of reorganizing and restructuring would be about half of the \$35 to \$40 million that the second option would bring in.

Mr. Brett explained that in a channel-sharing arrangement where WHA-TV managed half the frequency, which it would need to maintain for its CPB eligibility, it was assumed that it would get half of the revenue, depending on how well negotiations went. The station would receive about \$18 million, out of which it would have to pay \$500,000 to \$1 million or more in transition costs.

President Cross observed that whatever big number was released as an opening bid, the reality was that the station would not be sold for that. The core question was whether or not the UW System wanted to remain in the public television arena, because the other options were not viable.

Mr. Brett agreed with that characterization, noting that there was a slim chance of finding a partner with which to channel share and negotiate an acceptable deal, and that such a partnership would come at the expense of the emerging services that Regent Tyler had referenced in his comments.

President Cross recalled the additional risk to donations that Mr. Brett had mentioned. Noting that many of the Regents had commented on a timeframe for the process, he asked if Mr.

Brett had thoughts about what the latest date would be for the Board to take a position on this issue.

Mr. Brett replied that he would welcome a decision that day, and added that if a decision were delayed until after the release of the FCC's announcement, every day that went by would erode the public's confidence and trust in the direction WHA-TV was taking. Though he said he could not give a hard number, he said two weeks would be a long time for those kinds of questions to go unanswered.

Regent Farrow urged that the Board take action that day, adding that she did not want to ruin WHA-TV's operation, which was one of the best in the country.

Regent Petersen reiterated that his reservations about moving forward had nothing to do with the merits of public television, stating that he was completely supportive of maintaining the station, its programming, and the impact that it had on the state. His concern was exclusively the fiduciary responsibility of the Board to not make a determination prior to having all of the facts. He then made the following motion:

That the Board of Regents refers the resolution to the Executive Committee until the FCC issues the proposed auction order and opening bids. This action preserves and protects our fiduciary responsibility as Board of Regents members. Should the FCC require a response and/or a declaration of interest prior to the Board's December meeting, the Executive Committee is afforded the ability to take immediate action or may call an emergency meeting of the full Board should that be deemed necessary.

Vice President Behling seconded the motion, suggesting that Board members should take the time to work with General Counsel Stafford to review the statutory question posed by Regent Grebe.

Regent Farrow warned against jeopardizing what the UW System already had for an uncertain return, and noted that the board of WHA had not been consulted and very shortly could not be, if the auction started and the quiet period went into effect. She asked Vice President Behling why the situation would change depending on how the statutory question was answered.

Vice President Behling replied that the Board needed a little more time to vet the issue and do some more research. The Board needed to move quickly, but it could afford to take a week to get more work done.

Regent Whitburn said that regardless of the Regents' will to maintain the broadcast function of the university, the Board should not turn down an unknown, intangible offer. He recommended that the Board act with a sensitivity to the Board's very fundamental fiduciary responsibility for the \$6 billion UW System, and also with an eye toward transparency among internal and external stakeholders.

He said that he shared Regent Petersen's and Regent Higgins' concern that the Board was acting a little prematurely, and sensed that Board leadership viewed this as the right way to handle the situation. Regent Whitburn said he was comfortable with referring the issue to the Executive Committee.

Regent Vásquez sought to clarify that it was the FCC's intent to actually pay the lowest price to the current holders of the license while reserving for itself the right to sell at whatever price it can get.

Mr. Brett confirmed that Regent Vásquez was correct; the FCC would pay the lowest possible price, and would only commit to acquiring the signal at that price if it could turn around and sell it at a satisfactory profit. The FCC tended to use net income from this process to fund the cost of changing the channels at some 800 to 1,200 stations, and to prospectively return \$10 to \$20 million to the federal treasury. The spread between the price they pay for stations and the price they secure for reselling them would be as great as the FCC could manage.

Regent Vásquez remarked that the auction was similar to going to a casino; the casino was always going to win. If the FCC were going to try and buy WHA-TV from the university at the absolute lowest price, he did not understand how it was part of the Board's fiduciary responsibility to go into this process and see how low the selling price could go. He asked whether, once a station declares that it is interested, it can later change its mind and pull out of the auction.

Mr. Brett answered that the December commitment of interest was not binding on the station; it was only a statement of intent. In March, a binding letter of participation would commit the station to participating; an actual selling price for a station in any market would not be known until June. While the opening bid would be known, the actual selling price would not be.

Regent Whitburn stated that a discussion about transparency and the Board's fiduciary responsibility to know what the actual offer was going to be did not in any way suggest that any Regent was interested in actually entering into negotiations for a transaction.

President Millner then agreed to Regent Petersen's request for a roll call vote on the motion. Regent Petersen was asked to repeat his motion prior to the vote. The motion was defeated by a vote of ten to eight, on a roll call vote, with Regents Behling, Delgado, Grebe, Hall, Higgins, Millner, Petersen and Whitburn voting in favor, and Regents Bradley, Evers, Farrow, Harsy, Langnes, Manydeeds, Mueller, Pruitt, Tyler and Vásquez voting in opposition.

President Millner then entertained a motion to adopt 10583. Regent Vásquez offered the motion, which was seconded by Regent Tyler. President Millner asked Executive Director Radue to read the motion prior to the vote.

Discussing the motion, Regent Delgado asked what the consequences would be if the Board did not adopt Resolution 10583, having already defeated a motion to defer action. There



was a brief exchange in response. Regent Farrow said that the decision would be delayed, but the Board would still have to take action.

With no further discussion, President Millner called for a roll call vote on the motion to adopt Resolution 10583. The motion was adopted by a vote of 16 to two, with Regents Bradley, Delgado, Evers, Farrow, Grebe, Hall, Harsy, Higgins, Langnes, Manydeeds, Millner, Mueller, Pruitt, Tyler, Vásquez and Whitburn voting in favor, and Regents Behling and Petersen voting against the motion.

**Affirmation of Commitment to Public Television and Determination to Retain All Spectrum by Foregoing the Proposed Federal Communications Commission Incentive Spectrum Auction**

Resolution 10583      WHEREAS, the Board of Regents of the University of Wisconsin System is responsible for managing, operating and maintaining WHA-TV, the public television station that provides educational programming for lifelong learning to 377,000 television households in south central Wisconsin, garnering 162,500 weekly viewers and learners; and

WHEREAS WHA-TV is supported by more than 25,000 contributing members of Friends of Wisconsin Public Television, Inc., across the region; and

WHEREAS the Board of Regents recognizes the historic, essential and expanding role of WHA-TV in fulfilling the Wisconsin Idea by providing programming to support the educational, cultural and civic well-being of south central Wisconsin; and

WHEREAS, having assessed a prospective, but uncertain and limited opportunity to sell, share or move the station to a diminished broadcast frequency through the Federal Communications Commission's (FCC's) proposed Incentive Spectrum Auction;

BE IT THEREFORE RESOLVED that the Board of Regents hereby affirms its ongoing commitment to providing high-quality, locally-relevant educational, civic and cultural programming through WHA-TV and, consequently, determines that it will retain all of its spectrum and its current channel assignment by foregoing participation in the FCC's Incentive Spectrum Auction, if the FCC includes Madison as an auction market.

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## REGENT COMMUNICATIONS, PETITIONS, AND MEMORIALS

Having heard about a campus shooting at Northern Arizona University earlier that morning, Regent Farrow said she wished to thank the UW System's campus police and security officers for their service. Her remarks were met with a round of applause.

President Millner asked if there were any other communications, petitions or memorials. President Cross extended condolences to the family, friends and colleagues of Marty Beil, who had recently passed away at the age of 68. Mr. Beil had been the face of the Wisconsin State Employees Union to many, having led that organization for 30 years. President Cross shared that he had the opportunity to meet Mr. Biel more than once, and always found him to be a strong and passionate advocate for the workers he represented.

President Cross also expressed his wishes for a full and speedy recovery to Donna Shalala, who served as chancellor of UW-Madison from 1988 to 1993 and who had recently suffered a stroke.

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The meeting was adjourned at 12:10 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