

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in the Symphony Room, 2nd Floor
Gordon Dining and Event Center
770 W. Dayton Street
Madison, Wisconsin

Thursday, August 18, 2016
11:15 a.m.

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-President Millner presiding-

PRESENT: Regents John Behling, Mark Bradley, José Delgado, Lisa Erickson, Tony Evers, Margaret Farrow, Michael Grebe, Eve Hall, Tim Higgins, Tracey Klein, James Langnes, Edmund Manydeeds, Regina Millner, Janice Mueller, Drew Petersen, Bryan Steil, Mark Tyler, and Gerald Whitburn

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APPROVAL OF THE MINUTES OF THE JUNE 2016 MEETING

The minutes of the June 2016 Board of Regents meeting had been provided. Regent Petersen moved approval of the minutes. The motion was seconded by Vice President Behling and adopted on a voice vote.

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REPORT OF THE PRESIDENT OF THE BOARD

Wisconsin Technical College System Board Report

The report of the Wisconsin Technical College System Board had been provided. There were no questions or comments.

Meetings with Partners in State Government

Welcoming all attendees, President Millner indicated that the Board would be taking action on several significant issues during the meeting, including the UW System's new strategic framework and the biennial budget recommendations for 2017-19. She began by updating the

Regents on recent meetings with the university's partners in state government, including the Governor's office.

One week earlier, President Millner and President Cross met with Governor Walker directly to share the UW System's draft strategic framework and to discuss the extensive listening process held around the state. They also pointed out how the priorities and initiatives identified in the strategic framework are directly tied to the UW System's biennial budget request. President Millner noted that the Governor was also holding listening sessions across the state, and similar themes were emerging.

President Millner indicated that several areas of agreement were also discussed with the Governor, such as the need to help students earn college credit while still in high school so they have the opportunity to graduate faster; to help tie students to employers through internship experiences while in college so they are connected to jobs when they graduate; and to ensure graduates are focused in fields that Wisconsin critically needs. She said the university and the Governor are jointly supportive of efforts to reduce time to graduation, and both recognize the importance of maintaining affordability without sacrificing quality.

President Millner added that the Governor continued to make supportive statements about possible support for the university, and she pledged to continue efforts to work cooperatively and in the spirit of partnership.

Reporting on meetings with legislators and staff from both parties in the Senate and the Assembly, President Millner said the overall response was very positive toward the UW System's reasonable request and responsible approach. In the coming weeks, the university would continue to engage with legislators and candidates to brief them on the System's budget requests and to ask for their thoughtful consideration. President Millner promised to keep the Regents updated on further developments.

Task Force Updates

President Millner next provided two brief updates on UW System task forces. First, she noted that the Tuition-setting Policy Task Force, led by Regent Tim Higgins, had been diligently continuing its work throughout the summer. A preliminary report to the Board on the group's recommendations was expected in the fall.

Work had also begun on the Task Force on Campus Climate. President Millner expressed appreciation to Regents Eve Hall and Ed Manydeeds, who had agreed to chair the group. Extensive background research was being conducted to provide context, and nominations for membership were being received from chancellors. President Millner said she expected to appoint the task force soon after the start of the academic year.

Regent Liaisons

President Millner also reminded her colleagues that the new Regent-campus liaison list had been distributed earlier that month. New liaisons are appointed every year, with each Regent

generally assigned two or three UW institutions. Over time, the goal has been to ensure Regents are assigned as liaisons – or “buddies” – to most UW campuses during the course of their term on the Board.

Liaison activities can include informational meetings with administrators and others on campus; and they can also include non-meeting activities, such as visits to labs to see students at work on their research projects, invitations to commencement to share in the excitement with all of the new graduates, or even just lunch with students.

President Millner noted that both Regents and chancellors have found these liaison relationships beneficial. They are tremendous learning opportunities for Regents, who are given the chance to gain a better understanding of the wonderful work being done on the campuses; to engage with faculty, staff and students; and to learn about the various challenges facing the campuses. Learning more about each of the unique institutions in the UW System in turn allows the Regents to be even stronger advocates for the System as a whole.

President Millner indicated that chancellors had already begun to contact Regents about fall activities, and she encouraged all of her colleagues to actively engage with their assigned campuses.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Welcome to New Staff

President Millner turned to President Cross for his report. President Cross began by welcoming several colleagues who had taken on new responsibilities, including two new interim Provosts and Vice Chancellors for Academic Affairs: Faye Perkins at UW-River Falls, and Jacalyn Weissenburger at UW-Superior. He also recognized Susan Elrod, who was recently named Provost and Vice Chancellor for Academic Affairs at UW-Whitewater and who would be introduced at the Board’s next meeting. President Cross expressed appreciation to all three new provosts for their willingness to take on these important positions.

News from Around the UW System

President Cross next shared some news from around the UW System.

UW-Parkside Student Internship Program Nationally Recognized

UW Parkside’s App Factory was honored by *University Business Magazine* for innovative approaches to student success on campus. The App Factory employs about 20 interns, who earn course credit and are paid to develop mobile apps and web tools for clients in the community.

UW-Superior Hosts Successful New Space Camp for Girls

One week earlier, the UW-Superior Transportation and Logistics Research Center hosted the inaugural Aeronautics and Space Camp for high school girls. Participants toured the facilities of community partners, including the Duluth International Airport, Cirrus Aircraft, and the 148th Air National Guard Fighter Wing, learning more about the companies and the careers they offer.

UW-Whitewater Math Whiz Selected for Summer Research Opportunity

UW-Whitewater mathematics and psychology scholar Noah Padgett earned an opportunity to spend the summer at Arizona State University's Mathematical and Theoretical Biology Institute. The institute is extremely selective, providing a two-month-long summer research experience for undergraduates.

UW-Sheboygan's "Rock On" Team Travels to NASA Competition

UW-Sheboygan's "Rock On" team received a scholarship from the Wisconsin Space Grant Consortium and traveled to Virginia to participate in a week-long rocket-building competition sponsored by NASA. The team had three days to build its rocket and launch it successfully with personal mementos attached.

UW-Extension Launches Online Degree Program

UW-Extension's Division of Continuing Education, Outreach, & E-Learning launched an online Master of Science in Health and Wellness Management degree in conjunction with five UW System institutions. The new degree addresses the rapidly growing health-and-wellness industry and complements bachelor's degrees in community health, health education and a variety of other health degrees.

UW-Milwaukee Named a U.S. Green Ribbon School

UW-Milwaukee was recently named a U.S. Green Ribbon School by the federal government. The award recognizes efforts in sustainability and reducing environmental impact.

UW-Eau Claire Interns Contribute to Greener City

UW-Eau Claire students are contributing to a greener city while getting valuable internship opportunities through a collaboration between UW-Eau Claire's Watershed Institute and the City of Eau Claire's Planning Division. Students earn internship credit through the university, fulfill their service-learning graduation requirement, or opt for a paid internship through the Great Lakes Higher Education grant awarded to UW-Eau Claire in fall 2015.

UW-Green Bay Student Aims to Make Driving Range a Year-Round Success

UW-Green Bay senior John Danforth is an entrepreneur trying his hand at owning and managing a driving range. With the help of UWGB's Business Administration program, his goal

is to make the business profitable year-round. Calling it a great Wisconsin business success story in the making, President Cross wished Mr. Danforth well in his roles as a student, business owner, and father.

UW-La Crosse Earns Reaccreditation

UW-La Crosse was recommended for reaccreditation by peer reviewers of the Higher Learning Commission (HLC). According to Chancellor Gow, the review was extremely positive, and reviewers spoke highly of the quality of the educational experience. President Cross congratulated Chancellor Gow and the entire UWL community.

UW-Madison Offers Inaugural Pre-Law Scholars Program

UW-Madison offered the inaugural James E. Jones Jr. Pre-Law Scholars program earlier that year. The four-week, summer-immersion experience teaches students from historically underrepresented groups and socially disadvantaged backgrounds about legal education and careers in law from a team of UW Law School experts.

Senator Baldwin Tours Community Clinic at UW-Oshkosh

UW Senator Tammy Baldwin recently made a stop at the Living Healthy Community Clinic, which is run by UW-Oshkosh and is currently celebrating 30 years of service to the community. The clinic provides confidential, cost-effective medical care to those who need it most and is run by a small UW-Oshkosh staff, nursing students and volunteers who operate with the support of hospitals, nonprofit organizations and local government agencies. President Cross noted that this is a great partnership and educational experience in a critical field, as well as an important community contribution for many graduates.

UW-Platteville Professor Publishes Football Concussion Research

Concussion research recently conducted by Dr. Matthew Rogatzki and his research team at UW-Platteville suggests that playing football in the absence of concussion injury may be no more dangerous to the brain than any other sport. A manuscript describing the results of the study was recently accepted for publication in an international journal.

UW-River Falls Team Presents Cancer Research

UW-River Falls biology professor Tim Lyden and his Duluth industrial partner co-presented cutting-edge cancer research at the first White House-sponsored national Cancer Moonshot Summit regional event at the University of Minnesota-Duluth Medical School on June 29th.

Donations Preserve Glass Artist Position at UW-Stevens Point

Thanks to the generosity of three area donors, a full-time art faculty position will be preserved and funded for three years at UW-Stevens Point. The art of hot glass has been offered at UW-Stevens Point since 2009. Students who major in three-dimensional art with a focus on

hot glass are creating blown glass work in many forms, winning awards and scholarships, and succeeding as professional artists. President Cross suggested that some Regents might recall receiving glass gifts made through this program at the Board of Regents meeting hosted by UW-Stevens Point a few years earlier.

UW-Stout STEPS for Girls Program Marks 20 Years

The STEPS (Science, Technology and Engineering Preview Summer) for Girls program at UW-Stout celebrated 20 years. More than 3,000 girls entering the 7th grade have participated in STEPS since it was founded in 1997.

Wisconsin Leads in Bio-medical Manufacturing Research

President Cross noted that the Research, Economic Development, and Innovation Committee had heard a wonderful presentation earlier that morning on bio-medical manufacturing research at UW-Madison. He pointed out that this effort also would have an enormous economic impact on the state, and predicted that it would become a major part of the future of manufacturing. He added that Wisconsin is currently a leader in bio-medical manufacturing research, which can serve as a foundation upon which the state can build a whole new industry and economy. President Cross then complimented UW-Madison for being recognized around the world as the leader in regenerative research activities.

President Millner thanked President Cross for sharing his news from across the UW System, noting that it was amazing to learn of all that was happening even during the summer.

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

President Millner called upon Regent Hall to present the report of the Research, Economic Development, and Innovation Committee.

Regent Hall reported that Steve Ackerman, UW-Madison Associate Vice Chancellor for Research and vice president of the board of the Wisconsin Research Security Consortium, led a discussion on the strong and growing role of research at UW-Madison. Professor Ackerman was joined by William Murphy, Professor of Biomedical Engineering and Orthopedics and Rehabilitation, who reflected on the 20 years since researchers at UW-Madison set out on a course that eventually led to induced human pluripotent, or reverse-engineered, cells in the late 2000s, and how that research is now helping human health and fostering new companies.

Regent Hall added that, moving forward, the Research, Economic Development, and Innovation Committee would continue to dig deeper into understanding research activities around the System.

The committee also heard about the UW System Career Connect web portal, from President Cross, who emphasized the business and community mobilization aspect of the UW System's draft strategic framework as one of the key System-level priorities for the coming biennium. As part of this effort, the UW System Career Connect web portal will provide convenient access for employers seeking talent and for students looking for internships and work experiences.

The UW System Career Connect web portal will serve as an unprecedented single stop to directly connect employers with campuses on career-related items, and to provide employers with a statewide view of the talent resources the university offers. Regent Hall called this a critical approach to enhancing the UW System's relationships with businesses across the state and to emphasizing the university's importance to students in making early connections to Wisconsin's workforce.

President Millner thanked Regent Hall for her report. Noting that Regent Hall had taken over as Chair of the Research, Economic Development, and Innovation Committee, President Millner took the opportunity to recognize the service of its past chairs: Regent Bradley, who had been instrumental in starting the committee, and Regent Higgins, who over the previous two years had promoted the committee's work on economic development throughout the UW System.

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REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE

President Millner called upon Regent Whitburn to present the report of the Education Committee.

Regent Whitburn said that Vice President Jim Henderson reported to the committee on his efforts to move toward consistency in the cut scores used across campuses for the remediation programs offered and required of incoming freshman.

Vice President Henderson also brought the committee up to speed on the progress being made in developing post-tenure review policies at each of the campuses, consistent with the policy adopted by the Board earlier in the year. Noting that several campuses appeared to be ahead of others in completing this work, Regent Whitburn reminded the Regents that the chancellors were required to have these policies approved by the Board by the end of the calendar year. It was hoped that a number of policies would be ready for committee-level approval in October, and then full-Board approval in November.

In other business, the Education Committee approved the authorization of a Master of Sports Management degree at UW-Parkside, an accelerated Bachelor of Science degree in Nursing for second degree candidates at UW-Madison, and a Master of Science degree in Athletic Training at UW-Stevens Point. The committee also approved the reappointment of two

individuals to the Natural Areas Preservation Council, and authorized UW-Stout to formally establish a School of Engineering in its College of Science, Technology, Engineering, Mathematics and Management (CSTEMM).

Regent Whitburn then moved adoption of Resolutions 10734, 10735, 10736, 10737, and 10738. The motion was seconded by Vice President Behling and adopted on a voice vote.

Program Authorization (Implementation), Master of Science in Sport Management, UW-Parkside

Resolution 10734 That, upon the recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Master of Sport Management at UW-Parkside.

Program Authorization (Implementation), Accelerated Bachelor of Science in Nursing for Second-Degree Candidates, UW-Madison

Resolution 10735 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Accelerated Bachelor of Science in Nursing for second-degree candidates.

Program Authorization (Implementation), Master of Science in Athletic Training, UW-Stevens Point

Resolution 10736 That, upon the recommendation of the Chancellor of the University of Wisconsin-Stevens Point and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Master of Science in Athletic Training at UW-Stevens Point.

Approval of Reappointments to the Natural Areas Preservation Council

Resolution 10737 That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the reappointments of Dr. Sharon Dunwoody and Dr. Kenneth Rhoads Bradbury for terms effective immediately and ending July 1, 2019, as University of Wisconsin System representatives to the Natural Areas Preservation Council.

Approval of the School of Engineering, UW-Stout

Resolution 10738 That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of UW-Stout, the Board of Regents approves the School of Engineering at UW-Stout.

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

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

Regent Mueller said the committee received a semiannual status report on large and vital information technology projects, as required by state statutes, and was pleased to learn that all four of the large IT projects currently underway in the System are generally proceeding as expected.

The Business and Finance Committee heard from Vice President David Miller about an HRS update and an operational reform update. Regent Mueller stated that, as the System seeks to improve its business intelligence capabilities, the planning and implementation of those systems are also generally working as expected.

The committee received a summary of quarterly gifts, grants and contracts for FY 2015-16. Regent Mueller reported that there was good news, with federal awards up for the year by about \$53 million, and nonfederal awards, which generally include contracts the university received, up by \$15 million.

Julie Gordon, Interim Vice President for Finance, provided a high-level summary of the UW System's Financial Management Report for FY 2015-16, which in general showed that revenues were slightly above budget, and expenditures slightly below. Regent Mueller noted that the books were not yet closed for this fiscal year, as there were some last-minute reconciliations yet to be done with the State Department of Administration. The Board would receive the final report at its October meeting.

Regent Mueller reported that the Business and Finance Committee had approved a UW-Madison request for an exception to the Board's policy on large endowed bequests or gifts, allowing the expenditure of the full bequest of over \$300,000 from the Michael K. McShane Estate to be used by the School of Business as part of the Learning Commons project.

The committee also approved a UW-Madison contractual agreement with Amazon Pickup Points, LLC, to locate and operate a facility on campus where students, faculty and staff can pick up merchandise ordered through Amazon online. Other citizens living close to campus could use the pickup point as well, as the goal is to provide a convenient central point. Regent Mueller explained that, while the agreement includes a guaranteed commission of about \$100,000 a year, the actual commissions are expected to be considerably higher, which is why the agreement was brought to the Board's attention.

Finally, the Business and Finance Committee approved exclusive contracts for two campus's pouring and vending rights. Estimated revenues over the life of UW-Whitewater's contractual agreement with Bottling Group, LLC, are expected to be approximately \$1.6 million.

Estimated revenues over the life of UW-Oshkosh's contractual agreement, also with Bottling Group, LLC, are expected to be approximately \$2.2 million.

Regent Mueller then moved adoption of Resolutions 10739, 10740, 10741, and 10742. The motion was seconded by Regent Whitburn and adopted on a voice vote.

UW System Trust Funds, Exception to Board Policy on Large Unendowed Bequests/Gifts for the Michael K. McShane Bequest

Resolution 10739 That, upon recommendation of the Chancellor of UW-Madison and the President of the University of Wisconsin System, an exception to RPD 31-15 be granted to allow for the expenditure of the principal of the Michael K. McShane bequest.

UW-Madison Contractual Agreement with Amazon Pickup Points LLC

Resolution 10740 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 Amazon Pickup Points LLC.

UW-Whitewater Exclusive Soft Drink Pouring and Vending Rights Agreement with Bottling Group, LLC

Resolution 10741 That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Whitewater, the Board of Regents approves a contract with Bottling Group, LLC (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company) to provide Exclusive Soft Drink fountain and vending services to the University over a seven-year period.

UW-Oshkosh Exclusive Soft Drink Pouring and Vending Rights Agreement with Bottling Group, LLC

Resolution 10742 That, upon the recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Oshkosh and Bottling Group, LLC (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company) to provide Exclusive Pouring Rights and Vending Rights for a period of seven years effective July 1, 2016 with three one-year renewal options.

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REPORT AND APPROVAL OF ACTIONS TAKEN BY THE AUDIT COMMITTEE

President Millner called upon Regent Grebe to present the report of the Audit Committee.

Regent Grebe reported that Chief Audit Officer Lori Stortz had briefly reviewed the status of the various audits that were approved as part of the FY 2017 Audit Plan. Ms. Stortz had expressed satisfaction with the progress being made toward completion of the 2017 plan, with all scheduled audits expected to be completed on a timely basis.

The Audit Committee then heard reports from the staff regarding a series of audits completed since the committee's last meeting in June.

Audit Director Amanda Nehmer briefly reviewed the Auxiliary Services-Union Expenditures report for UW-Madison, which was rated "Unsatisfactory." The focus of the audit was to assess the internal controls for the UW-Madison Union's expenditure cycles. The committee heard from Wisconsin Union Director Mark Guthier regarding plans to address the comments and the relationship between the Union and the Memorial Union Building Association.

Audit Director Steve Mentel briefly reviewed the Cash Handling report for UW-Extension, which was rated "Unsatisfactory." UW Colleges and UW-Extension Vice Chancellor Steve Wildeck spoke to the Audit Committee regarding plans to address the comments identified in the report, and stated that most of the issues had already been corrected.

The Audit Committee heard reports for two Grading Data Security audits – one for UW Colleges, which was rated "Satisfactory," and one for UW-Madison, which was rated "Excellent" – and reinforced the importance to UW System students of timely grading by faculty and staff.

The committee also heard about three International Education audit reports; those for UW-Green Bay and UW-Oshkosh were rated "Satisfactory," and one for UW-River Falls was rated "Unsatisfactory." The Audit Committee requested that best practices learned during systemwide audits be brought forward for discussion and the benefit of all campuses and institutions.

Regent Grebe reported that Ms. Stortz provided a brief discussion of the Fraud, Waste and Abuse Hotline, which was implemented on May 15, 2015, and includes options to report anonymously. Regent Grebe shared Regent Mueller's comments about how the hotline is important to the "tone at the top" and noted that the number of reports is expected to decrease over time.

For the first time since implementation of the hotline, the Audit Committee received reports on certain items raised through the hotline. Specifically, Audit Director Paul Rediske briefly reviewed investigative reports concerning the Upward Bound program at UW-Stevens

Point, faculty nepotism at UW-Milwaukee, and the Psychology Department at UW-Milwaukee. The committee then heard from UW-Stevens Point Vice Chancellor Greg Diemer regarding plans to address the comments identified in the Upward Bound investigative report, followed by Associate Vice Chancellor Devarajan Venugopalan and other representatives from UW-Milwaukee, who discussed plans to address the comments identified in both the faculty nepotism and Psychology Department investigative reports.

Next, Regent Grebe said Mr. Mentel provided the Audit Committee with a summary of the progress made by management toward resolving the comments and recommendations included in previously-issued and open audit reports. He concluded that the progress made has been excellent and is much appreciated.

Mr. Rediske provided the committee with an overview of the “Three Lines of Defense” model, emphasizing the factors that influence success.

At the request of the committee, Ms. Stortz provided background regarding her discussions with management at various meetings and the critical importance of monitoring. She went on to discuss the reporting model of the Office of Internal Audit and fiscal policy requiring management to notify and work with the System offices to resolve open issues. Regent Grebe said the committee emphasized its expectation that campuses would comply with the reporting obligations described in that policy.

Regent Grebe stated that the Audit Committee then moved into closed session. President Millner thanked Regent Grebe for his report.

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The Board recessed for lunch at 11:55 a.m. and reconvened at 12:40 p.m.

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UW SYSTEM STRATEGIC FRAMEWORK

President Millner announced that the Board would consider three resolutions during the afternoon session. First, the Regents would hear a presentation of the UW System 2020*FWD* Strategic Framework. Next, staff would present the UW System’s 2017-2019 biennial funding recommendations, which include three components: the 2017-2019 biennial operating budget, proposed new flexibilities for the biennium, and the 2017-2019 biennial capital budget.

President Millner noted that the Board would not be addressing tuition or compensation at its August meeting, though these issues figure prominently in the UW System’s overall budget. However, the Board would be devoting time and attention to these important areas in its upcoming meetings, including a robust discussion of tuition in October. She emphasized that tuition is so important that the Board would be addressing the topic months ahead of its standard schedule. By moving the discussion of tuition earlier, the university would be able to provide families and institutions with more time to plan.

Then, in either November or December, the Board would discuss compensation. An equally significant piece of the System's biennial budget, compensation is a critical element in efforts to reward, recruit, and retain the best and brightest faculty and staff, and to improve UW institutions' competitiveness with Midwestern and national peers.

Strategic Planning Process

Returning to the Board's current business, President Millner that she was privileged to be part of the strategic planning effort right from the start; she added that many other Regents joined in as well, attending listening sessions and getting involved in discussions. People from throughout Wisconsin were engaged in the process. President Millner then turned to President Cross to present the *2020FWD* framework.

President Cross said it was his privilege to share the UW System's new strategic framework, "*2020FWD: Moving Wisconsin & the World Forward.*" He described it as a dynamic framework that reflects the voices of thousands of Wisconsinites – individuals who have shared their concerns, their ideas and their dreams with the university. He said that the visionary document is focused on the future and serves as a practical roadmap to help the UW System and Wisconsin navigate a changing and often unpredictable future.

Almost a decade after the University of Wisconsin System last engaged in a strategic planning process, much has changed. President Cross said it is important and prudent that the vision and plans for the UW System evolve to address what lies ahead, both for the university and for the state. Accordingly, he had called for the launch of a new strategic planning process at the Board of Regents' meeting in August 2015.

The first step in such a process is to better understand the UW System's environment; the challenges it faces; and the things that matter most to its primary stakeholders, the people of Wisconsin. In the end, the university and the state are so tightly interconnected that one could easily say the future of Wisconsin and the future of the university mirror each other. Respecting this connection, a high priority was placed on being responsive, impactful, and accountable.

President Cross noted that the university also had to listen and not lecture. Beginning in September 2015, the UW System initiated an extensive and intensive process of listening, gathering information, and analyzing feedback. He said that it was important to recognize what a vital part the people's input and ideas played in developing the framework.

The UW System formally visited nine locations and hosted 13 public sessions throughout the state to listen to residents, elected officials, and leaders of industry, organizations and communities – people who count on the UW System to play a significant role in shaping the future of the state.

Many of the early listening sessions were open to the general public, while others involved some of the state's leading experts on targeted issues, including the economy, education, global issues, and health and wellness. The System also held additional listening

sessions and engagement exercises at the UW institutions to gather input from students, faculty and staff.

President Cross explained that the System had been describing this strategic planning effort as a funnel: a process designed to capture, and then to narrow down and refine, a vast array of ideas from a large and diverse group of stakeholders into the essential themes and priorities that ultimately became the *2020FWD* framework.

He reported that the participants were open and frank in sharing their thoughts. While they expressed general concerns, it was clear they were all very proud of the University of Wisconsin and cared deeply about the UW institutions. One participant at the UW-Green Bay session said, “We are an excellent University of Wisconsin System. We need to tell the world about it.”

The System then conducted two online surveys to collect input from a broader section of the population and to corroborate the findings gleaned from the listening sessions. Both surveys had the same content, and differed only in the population that was surveyed. One survey was open to everyone in order to maximize participation, and more than 3,000 people responded. The second survey, conducted by a professional survey firm, engaged 576 participants from a stratified group of 18- to 65-year-old Wisconsin residents to help the university capture and better understand the perspectives of different demographic groups.

The UW System also held seven stakeholder group meetings, engaging with a variety of business, community, and multi-cultural leaders to filter the data coming in and to help identify priorities within that data. This included meetings with statewide and local chambers, such as the Metropolitan Milwaukee Association of Commerce (MMAC), the Greater Madison Chamber of Commerce, and Wisconsin Manufacturers & Commerce. Meetings were held in Kenosha, Madison, and Milwaukee with multi-cultural leaders from across the state, including an event hosted by Regent Eve Hall with the African American Chamber of Commerce in Wisconsin. The System also had sessions with many members of UW shared governance groups.

In addition, the UW System convened six expert groups, who met three times over a two-week span. In lengthy sessions, the 51 experts were tasked with sifting through the data and crafting some initial initiatives. These expert groups included leaders in business, the community, the UW faculty, and elected officials. Despite being busy people, President Cross said they willingly invested an impressive amount of time to participate in this endeavor.

Finally, all of this input was advanced to the UW System’s Strategic Planning Steering Committee – including Regent President Millner, several chancellors, provosts, CBOs, System Administration staff, and other institutional leaders – which then formulated the initial recommendations.

The result is the *2020FWD* framework, which President Cross said he hoped the Regents would agree is a visionary framework that will guide and propel the UW System into the future.

Challenges

Taking a look at some of the key findings and feedback that emerged from the listening campaign, President Cross said the challenges tended to fall into four broad categories: Wisconsin's demographics, improving the university experience, partnering with business and industry, and limited resources.

Wisconsin's Demographics

The first challenge is Wisconsin's demographics: while Wisconsin's population overall is growing, its workforce is actually shrinking. The number of people age 65 and older in Wisconsin is expected to double in the next 25 years. At the same time, lower birth rates will result in fewer high school graduates and fewer young people entering the workforce. Wisconsin's workforce challenges are further exacerbated by an outflow of recent college graduates to other states. This adds up to a worker shortage that will only get worse in the next decade, President Cross said.

Whether or not people at the listening sessions were fully aware of the state's demographic projections, President Cross said they clearly recognized that Wisconsin is facing a problem and said things like, "The pipeline of talent is shrinking."

Not only does Wisconsin need more people in the workforce, it needs a more educated workforce, which is known to be key to a growing economy. In a study by the Georgetown University Center on Education and the Workforce, it was projected that by 2020, 62 percent of the jobs in Wisconsin will demand some post-secondary education.

Improving the University Experience

The second challenge is to create a more dynamic learning experience. Everywhere the System went, business leaders explained that it is not just the number of graduates that is important to them, but what kind of graduates the university produces and what kind of capabilities the graduates have. If future economic success requires more innovation, the UW System needs to find more and better ways to teach creativity, not only in classrooms but in the communities. If the future workplace values collaborative endeavors, the university needs to provide a learning experience that helps students better understand how to live and work with others of different backgrounds, values, and ideas. If employers and society overall are looking for stronger, more skilled problem-solvers, the UW System must ensure that what it teaches, and how students learn, helps students to search for and find solutions.

President Cross added that in the listening sessions, themes like the following frequently came up: "We need more development in entrepreneurship and innovation that links the research engine of the UW with our communities."

The valuable role of higher education to Wisconsin's economy was a central theme of a report issued in May 2016 by the Wisconsin Technology Council. Innovation and knowledge are the twin drivers of 21st-century economic success according to the report, which also stated

that, “Increasingly, our state leaders look to our universities as a key to our economic future.” President Cross noted that members of the Research, Economic Development, and Innovation Committee had already heard that morning about the impact the university has had, particularly in the field of bio-medical manufacturing.

Partnering with Business and Industry

The third challenge is to improve the university’s connections with businesses and communities. A recurring refrain at the listening sessions was that people want the UW to be more engaged and more involved with businesses and communities. Working together, President Cross said talent, ideas and resources can be leveraged to more effectively tackle the issues and concerns they all share. He quoted one participant as saying, “Encourage more partnering between UW and community groups. These things are being done already – but kick it up a couple of notches.”

Wisconsin businesses, organizations and local and state governments have repeatedly told the university that they need more creative solutions to address the challenges they face every day. Empowering the connections between the UW and these entities will not only boost jobs and the talent pool, but will enhance the state’s economic climate and its quality of life, making Wisconsin a more attractive place to live and work. President Cross then quoted Jim Morgan, former President of the Wisconsin Manufacturers & Commerce Foundation, who in December 2015 told the Future Wisconsin Economic Summit, “If we don’t find ways to attract people to work in this state, nothing else matters.”

Limited Resources

President Cross said that the final challenge would be limited resources. For more than a decade, the UW System has faced the growing need to educate more and more Wisconsin residents, but with declining state resources. As reported in the Milwaukee Journal Sentinel in May 2016, state support for the UW System, when adjusted for inflation, is the lowest in the UW System’s history. This comes at a time when current enrollment is just under 180,000 students – about 26,000 more students than a couple of decades earlier.

People at the listening sessions recognized that the UW System is being asked to do more with less, but they, like everyone else, still want and expect the university to provide a quality education. They also expect the System to be a good steward of the resources it is given. President Cross reported that participants said things like, “The State of Wisconsin is underinvesting in education and infrastructure.”

He added that the Wisconsin Technology Council had not minced words about the need for investment when it stated in a recent report that, “Further cuts in public support for higher education in Wisconsin will harm the state’s economy, which relies on colleges and universities for talent, technology transfer, and business development in the communities those institutions serve.”

President Cross said these four broadly-stated challenges – Wisconsin’s demographics, the university experience, partnerships with businesses and communities, and limited resources – are the UW System’s call to action. Stating that something must be done, he asserted that the people, ideas, and resources that compose the University of Wisconsin are uniquely qualified to help find and implement the needed solutions, and that the vision and initiatives provided in the 2020*FWD* framework can and will help the System to do just that.

Focal Points

Looking at the big picture, President Cross stated that the recommendations presented in our 2020*FWD* strategic framework generally coalesce around four major focal points:

- How do we improve the educational pipeline?
- How do we improve the university experience?
- How do we become better connected with businesses and with communities throughout Wisconsin?
- How do we achieve greater efficiency in our operations while still providing quality and excellence?

The answers to these four questions would require action at both the System and institutional level. Noting that he would be talking about System-level priorities, President Cross said it was important to remember that it was actually the campuses that would be or were already implementing the programs that bring these priorities to life. The UW System’s role is to ensure the program goals are achieved.

President Cross discussed each of the four focal points: the education pipeline, the university experience, business and community mobilization, and operational excellence.

Educational Pipeline

First, the focus of the UW System’s efforts going forward would be on getting more people into and through the educational pipeline and connecting them to a business or a career in Wisconsin.

President Cross explained that this focus on the educational pipeline is not just about the four years a college student spends on campus. To achieve the educated workforce that businesses and communities say is necessary, the pipeline needs to reflect the full educational journey of all Wisconsinites, which will require significant partnerships with other educational entities and local communities.

According to the latest data from the National Center for Higher Education Management Systems, only 27 out of 100 ninth-graders in Wisconsin will actually graduate from college. Acknowledging that there is a long way to go, President Cross said the UW System would need to start as early as pre-school, working with its partners to build strong educational foundations. He emphasized that this is critical to future success. The System must also work with middle and high school students to ensure they are realistically prepared for college, which means

providing these students with opportunities to start their college careers even before they arrive on campus.

An effective educational pipeline also requires working with current college students to make sure they get adequate advising and support in all areas, including financial, academic, career planning, and personal issues. The university wants these students to be taking the right classes, and to have the support they need to succeed and graduate.

A strong pipeline means working with students from other institutions who want to transfer and ensuring that their transfer is simple and seamless. It also means providing adult or non-traditional students who want to return to school to finish a degree or to improve their careers with practical and convenient learning paths, such as online or competency-based programs, that will help them succeed.

President Cross said that the 2017-2019 biennial budget request directly addresses the state's demographic challenges through several System-level priorities. Those priorities include expanding the current course options program, strengthening and expanding current advising practices, facilitating and simplifying the college transfer process, expanding opportunities for adult and non-traditional students, and adding or expanding academic programs in areas and disciplines most critically needed in Wisconsin's current and future workforce.

University Experience

The second broad area of focus is the university experience. President Cross said that business and community leaders repeatedly emphasized the need for people in the workforce who are willing and able to collaborate with others from different disciplines, different cultures, geographic locations, ways of thinking, and even political ideologies.

The UW System's proposed U² initiative focuses on exposing more students to more high-impact learning practices that have proven to be successful, including internships, undergraduate research, study abroad, first-year seminars, learning communities, collaborative assignments, service-learning, and capstone projects. These practices make the learning environment more dynamic, more engaging, and more participatory.

The System also will develop a model for systemwide cultural fluency education, creating a foundation for civility and mutual respect throughout the university experience. President Cross emphasized that this is not just the System's opinion, but is something that businesses are demanding. To meet the call for greater entrepreneurialism, the university will place a greater emphasis on creativity, innovation, research, and the translation of ideas to the marketplace.

Business and Community Mobilization

The third area of focus is business and community mobilization. President Cross said a strong message during the development of the strategic framework was that the UW must be more engaged with businesses and communities in the state.

Several System-level priorities will move this concept forward, he said. The UniverCity Year program will partner UW faculty and students with a designated community on specific projects for an academic year. Wisconsin Vitality focuses on collaborative efforts to promote health and wellness, as well as helping to direct health professionals to places where they are most needed. Career Connect is a new one-stop shop website designed to efficiently connect employers with students looking for internships, outside-the-classroom experiences, and jobs. The UW System is also planning to convene Wisconsin Idea Summits, a series of listening and engagement sessions to bring people together to identify their most pressing challenges, to share expertise, and to find solutions.

On a related note, President Cross recalled that he had previously spoken of the UW System's intent to ensure that all UW students have at least one experience connecting them with a Wisconsin business or organization before graduation. This proactive and progressive approach will benefit learning and career placement, help meet the needs of the workforce, and potentially curtail some of the current "brain drain" of college-educated workers from Wisconsin.

Operational Excellence

Regarding the fourth focal area, operational excellence, President Cross said the UW System has long been at the forefront of transparency and accountability as part of its commitment to use resources responsibly. As new mechanisms and tools emerge to consolidate, streamline, and improve operations, the System will continue to aggressively pursue opportunities to save resources, maximize efficiency, and support excellence. Among these efforts are the CORE Initiative (Commitment to Operational Reform and Excellence), which was initially presented to the Board in June, as well as the UW System's accountability dashboard, which will continue to openly benchmark and assess progress.

President Cross emphasized that operational excellence goes beyond support operations; it also incorporates effectively managing the academic courses and programs offered at UW institutions, including a review of the standards and practices related to electives and enrollment. This can have a direct impact on students and their time to degree, as well as overall college affordability. The goal will always be to achieve academic excellence with optimal efficiency.

Stating that another key to operational excellence is people, President Cross stated that the UW System would prioritize its resources to increase compensation for its faculty and staff, many of whom are considered the best in the world.

Conclusion

President Cross indicated that if the strategic framework were approved by the Board of Regents, the UW System would begin developing specific operational plans to put it into practice. He shared his hope and expectation that by the next year, the Board and the people of Wisconsin would be able to review the System's annual Strategic Framework Report Card.

Over the course of the past year, the UW System had been deeply engaged with the people of Wisconsin in a powerful joint venture to develop an ambitious and visionary new strategic framework. President Cross suggested that the boldness of *2020FWD* was rooted in its simplicity; it is a framework for the future of the University of Wisconsin System that is focused on how the university can most directly and effectively help the state find ways to prepare for the future.

Describing the strategic framework as “the Wisconsin Idea in action,” President Cross added that the substance, impact, and reach of the UW System has never been greater, but that the System can and would do more. The framework represents the input of thousands of voices from across the state, a chorus of people who have shared their concerns, ideas, and dreams for a better future.

President Cross then encouraged the Board to vote to approve the *2020FWD* strategic framework, to address the challenges and seize the opportunities to move Wisconsin and the world forward. He received a round of applause.

Chancellors’ Comments

President Cross invited chancellors and provosts, especially those who had been members of the Strategic Planning Steering Committee, to share any comments they might have.

UW-Parkside Chancellor Deborah Ford expressed appreciation, as a member of the steering committee, for the inclusive and comprehensive strategic planning process. Having heard from many voices and after continually refining the plan, she said she was very pleased with its direction. Among the things that resonated with her were people’s appreciation of the value of the University of Wisconsin across the state, as well as the needs of the university’s stakeholder groups in the different communities.

Chancellor Ford stated her strong belief that the strategic framework aligns with the UW System’s proposed budget request, which she said she was also pleased to see. She also looked forward to taking the *2020FWD* framework to UW-Parkside to see how it aligns with the institution’s own strategic plan, and how the different ideas it describes may be represented by many of the things that are already focused on at UW-Parkside and across all of the campuses.

UW-Eau Claire Chancellor Jim Schmidt said that after 30 years in higher education administration, he was a bit skeptical of most strategic planning processes, which often involve a great deal of work by many people, and end with an unwieldy report that sits on a shelf. However, he expressed appreciation for the effort made during the UW System’s strategic planning process to reach out into communities. At the event held in Eau Claire, there was a huge turnout from the business community. By attracting some people with whom he had not yet spent much time, these events even helped him open some doors.

Indicating that the framework did an exceptional job of looking to the future and including the university’s key stakeholders in that process, Chancellor Schmidt agreed that it also gave campuses a lot of room to align it with their own strategic plans. UW-Eau Claire would be

bringing forward its own strategic plan to its shared governance groups in the fall, and *2020FWD* would help begin the conversation and align important resources.

Chancellor Schmidt concluded that this process made it clear that the state needs the University of Wisconsin to play a leadership role. The UW System would help transition Wisconsin forward by preparing the kind of talent necessary to drive industry, communities, and civic wellbeing. He expressed appreciation for President Cross' leadership, as well as all System staff and people across the state who participated.

President Millner thanked President Cross, Chancellor Ford, and Chancellor Schmidt for their comments. Regent Petersen moved adoption of Resolution 10743, approving the *2020FWD* strategic framework; the motion was seconded by Vice President Behling, and President Millner opened the floor to discussion.

Discussion

Regent Bradley asked if President Cross envisioned some sort of financial incentive to encourage and support greater faculty engagement in community service outreach efforts. He noted that many faculty, especially the good ones, are already doing extra without any additional compensation, which has not kept pace with inflation. He cautioned against requesting faculty to donate more to help the System.

President Cross indicated that the proposed biennial budget request would show an intent to push some resources in that direction, in order to stimulate faculty engagement with a few key programs, though he acknowledged that those resources would not be sufficient to accomplish this as broadly as would be preferred.

Regent Farrow thanked everyone who had been involved in this undertaking, and noted that each word of the precise and succinct report must represent hours of work. Referring to her service on blue ribbon committees and governor's task forces during her tenure as a legislator, Regent Farrow recalled that they often looked outside of the state to measure Wisconsin against its peers, coming up with new ideas for adopting good ideas and avoiding the bad. Though she said the *2020FWD* framework was "wonderful," she suggested that it would be nice to have a broader "blue ribbon committee" on higher education that could look at the state as a whole, compare it with peers, and then recommend changes to increase the state's competitiveness in retaining faculty and students and building businesses. Regent Farrow suggested it would be important for the strategic framework not to be the end of a process.

President Cross replied that there had been an effort to identify and analyze trends in the environment of higher education during the strategic planning process, which resulted in many notes on other states' activities. He warned that there is a risk in benchmarking against other states; for example, he had recently heard a legislator say that having lower tuition than other states was not an excuse for the UW System to raise tuition. President Cross said he completely agreed with that comment, explaining that the System has to justify its decisions based on cost and rational arguments, and not on what other states are doing. The System should look at other states to get an idea of where it is at, but not necessarily to move in the direction of those states.

Focusing on the “operational excellence” part of the framework, and specifically the UW System’s stated intention to “strive to be transparent, efficient and effective,” Regent Mueller asked President Cross to explain how exactly the System would be judged or graded in this area, and what kind of progress reports would be presented to the Board and to the public.

President Cross noted that the UW System has information related to more than 57 different accountability measures published on its webpage, showing where the UW System is and has been. Some of the System’s strategic goals were already embedded in these accountability metrics, which could simply be put into a report card establishing progress or failure. Other goals would require the development of additional measures, though President Cross said the intention was not to create many more measures, but instead to find the ones that will be meaningful and actually show progress. He also noted that System staff were looking into the possibility of performance-based funding and how that might fit with the existing measures of progress.

Regent Steil asked President Cross to revisit the roles of the UW System and each individual campus in developing or reviewing programs to accomplish the goals he had mentioned.

President Cross pointed out that the strategic plan referred to “System-level priorities” and “institution-level initiatives.” The System must balance its own statutory roles of both supporting the institutions and holding them accountable by, for example, developing and sharing best practice models, conducting trainings, etc. While many institutions already have initiatives, the System will ask how they can strengthen the state’s priorities as laid out by the strategic framework, and how the System can help the institutions secure the resources or support needed to do so. The hope was that institutions would be able to translate the 2020*FWD* framework into their own strategic plans, though perhaps shifting priorities or areas of emphasis.

President Cross added that the next step would be to develop an operational plan. The operational plan would include who has certain responsibilities, who has oversight, what resources will be needed, when it will be started, and how the System will know when it has achieved its goals. Noting that this plan would be much more specific, President Cross said the System would start working on it in September, assuming the Board’s approval of the 2020*FWD* framework.

President Millner complimented everyone involved in creating the strategic framework. Though complicated by the System’s size and variety of institutions, she said the 2020*FWD* strategic framework succeeded in its insightful focus on the needs of the state, and also in the ability for each institution to adapt its own particular mission to the framework.

With no further discussion, Resolution 10743 was adopted on a voice vote.

Approval of the Proposed UW System Strategic Framework

Resolution 10743 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents adopts the proposed UW System Strategic Framework, entitled “UW System 2020*FWD* Moving Wisconsin and the World Forward,” and authorizes the System President to make any necessary technical revisions or corrections prior to final publication.

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PROPOSED 2017-19 BIENNIAL BUDGET FUNDING REQUEST

Moving on to the 2017-2019 Biennial Budget request, President Millner noted that state law requires the UW System to submit its request to the state in September, so that the Governor and his staff will have time to incorporate the System’s ideas into the larger state biennial budget, which is typically announced in February. The Board would be reviewing and advancing three components: the 2017-2019 biennial operating (GPR) budget, proposed new flexibilities for the next biennium, and the 2017-2019 biennial capital budget.

Before beginning the day’s discussion, President Millner thanked her fellow Regents for their high level of interest and engagement on this complex topic. She indicated that this was only the first phase of the Board’s efforts to advocate for the university in the upcoming biennial budget – a great deal of hard work remained ahead in convincing the Governor and legislators that the UW can serve as an economic engine for all of Wisconsin. Following the Board’s actions, the formal operating budget request and capital budget request would be submitted to the Department of Administration (DOA) and the Governor by September 15th, as required by Wisconsin State Statutes.

President Millner turned to President Cross and his staff to outline the proposed biennial budget request. President Cross indicated that the proposed 2017-19 operational budget would connect the UW System’s reasonable request for state investment to the 2020*FWD* Framework and its priorities. He then invited Julie Gordon, Interim Vice President for Finance, and Freda Harris, Associate Vice President for Budget and Planning, to describe the budget request.

Biennial Operating Budget Funding Request

Interim Vice President Gordon stated that a good financial plan – or budget, in this case – should not drive the UW System’s strategy and its initiatives, but instead should align with and support that vision. The biennial budget request was developed using 2020*FWD* as a guide to the UW System’s priorities and goals.

Specifically, the budget proposal focuses on increasing the state’s workforce by increasing the educational pipeline at all levels, thereby also reducing the time to graduation. It also focuses on the university experience, addressing the needs of business and communities, and further enhancing operational and academic excellence.

In total, the UW System is requesting new state dollars of \$42.5 million to invest in, support and advance the four interconnected pillars of the strategic framework. Interim Vice President Gordon noted that this budget request is less than the rate of inflation and would represent a reinvestment in the UW System.

Educational Pipeline

Walking through each component, Interim Vice President Gordon first explained that the UW System's focus on the educational pipeline is intended to increase the enrollment and success of individuals in all educational experiences throughout their lifetimes. The demographics for Wisconsin clearly demonstrate the need for this focus with a growing aging population and a stagnant workforce. Additionally, national data and studies have shown that those with at least some postsecondary education fare much better in growing the economy and withstanding economic downturns. The initiatives within this component of 2020FWD were intended to strengthen the paths that lead Wisconsin residents to higher education and innovative careers.

Interim Vice President Gordon noted that, for quite some time, the UW System has been discussing and taking action to shorten the time to graduation, which has been an ongoing metric included in its accountability reports and dashboards. She added that this goal can be achieved in a number of ways; she then highlighted some that were included in the budget proposal.

Growing the College Options program would reduce the time to graduation by allowing students to take college-level courses while still in high school and earn dual credit. The \$5.4 million for this initiative would fund the expansion of courses offered by UW institutions; reduce the cost of the College Options program, especially for students qualifying for the free and reduced lunch program; and provide professional development for high school teachers, so that they have the qualifications necessary to teach these courses.

Another initiative, 360 Advising, would provide intensive advising that comprehensively addresses the challenges faced by students, and would include academic, career, and financial advising. Predictive analytic tools and staffing are needed to do this well and to preemptively identify students before they reach the point of dropping out. The UW System was requesting \$4 million for this initiative, which would be used to further the work that has already been done in this area with a few UW pilots.

Finally, the educational pipeline request included an initiative to meet the needs of Wisconsin's workforce in a more targeted way. Many current careers and degrees were not dreamed of a century ago, and other careers that previously had an abundance of professionals are now experiencing or projecting shortfalls in their workforce. With the rapid pace of change, these ups and downs in the workforce are likely to continue into the future, and UW institutions need to be agile and adapt to them. The UW System's request includes making \$15 million available to address these critical workforce needs over the course of the biennium.

The educational pipeline initiatives would total \$26.1 million over the 2017-19 biennium, with the greater portion of those funds coming in the second year. However, the UW System would provide matching funds of about \$1 million in the first year to jumpstart the initiatives.

University Experience

The second pillar of the 2020*FWD* framework is the university experience, which is intended to ensure a more creative and engaging educational experience so that all learners can compete and succeed in a global environment. Interim Vice President Gordon remarked that input gathered during the strategic planning process indicated that UW students need to be creative, innovative, and prepared to work in an environment with diverse populations and thought. In the 2017-19 biennium, the UW System's request includes \$6 million for the university experience initiatives, again with \$1 million from UW System funds in the first year.

Interim Vice President Gordon then highlighted a few of these initiatives:

- U² is intended to provide support for high-impact programs such as internships, undergraduate research, and service learning, as it has been demonstrated that participation in programs like these significantly increases the likelihood of graduation and success.
- UW Innovate is focused on growing and investing in basic and applied research, building upon the existing infrastructure, expertise, and reputation of the UW institutions.
- Idea\$ would help students transfer their innovative technologies, services, and products to the market with the university's expertise in technology transfer and commercialization.

Business and Community Mobilization

The third pillar of 2020*FWD* is a focus on business and community mobilization, which would expand community partnership programs to address the state's greatest needs and help Wisconsin businesses and communities become more successful. Ms. Gordon indicated that UW institutions currently do this in a number of ways, by providing expertise and support, but that work would be accelerated through collaborations and greater assistance to communities, nonprofits and local governments. The UW System was requesting \$6.4 million for numerous business and community mobilization efforts.

Examples of programs benefitting from this 2020*FWD* focus include the Wisconsin Vitality initiative, which is intended to produce more health care professionals, specifically targeted in rural and under-served areas; and Career Connect, a UW System web portal that brings together employers in need of talent with students looking for internships or other workplace experiences. By increasing these connections, the university not only improves students' likelihood of success but also strengthens their chances of staying in Wisconsin. Funding would be distributed to UW institutions to bolster the capacity and infrastructure needed to foster these relationships and opportunities.

Operational Excellence

Operational excellence is the fourth component of the new strategic framework, with a focus on transparent, efficient and effective practices – both operational and academic. Interim Vice President Gordon noted that the UW System was one of the first university systems in the country to develop and publish an accountability report. Currently, the UW System tracks and reports on more than 50 metrics in the areas of access, progress and completion, cost and efficiency, undergraduate experience, faculty and staff, and economic development.

Recalling that President Cross and Vice President Miller had previously shared information on a project entitled CORE (Commitment to Operational Reform and Excellence), an effort that focuses on areas in which operations can be standardized, consolidated and streamlined, Interim Vice President Gordon said no resources were being requested for the CORE Initiative. She explained that, while there is a renewed focus in this area, the UW System has always worked on operational excellence and views this as part of its management responsibility.

However, the budget request does include \$4 million under operational excellence to incentivize additional improvements in targeted performance areas. Vice President for Academic and Student Affairs Jim Henderson was asked to lead this effort and work with the provosts in identifying specific metrics. Since this process will take time to develop and properly structure, no funding is requested for the first year of the 2017-19 biennium; instead, the full amount is proposed for the second year.

Technical Items

Having summarized the UW System's request for new state dollars, Interim Vice President Gordon went on to address technical items in the budget request.

First, she explained that the budget process typically includes something called "standard budget adjustments," which are funding changes related to the current biennium that allow for base-level services to continue into the upcoming biennium. For example, if there is an unanticipated change in health insurance costs halfway through the current 2015-17 biennium, the next biennial budget for 2017-19 would have its base adjusted to reflect those additional costs. Standard budget adjustments have averaged \$88 million over the previous six biennia.

For the 2017-19 biennium, the UW System did not anticipate having any new or additional standard budget adjustments. Interim Vice President Gordon explained that this was largely due to actions taken by the UW institutions to reduce the number of employees by more than 1,000, thereby reducing the potential impact of increasing health insurance costs. It is also due to market or private industry actions, such as the state's implementation of high-deductible health insurance plans or lower energy costs, both of which have reduced the System's expenses.

The budget request also included a technical adjustment to align the state's and the UW System's budgets for tuition and fees. Though there are no tuition increases in the UW System's budget request, tuition actions previously approved by the Board – including increases for

nonresidents and professional schools – would be reflected in the state budget with this technical change.

Interim Vice President Gordon reiterated that a portion of the budget request was for funding tied to performance metrics. While this request for funding was new, the state has for some time required the UW System to submit performance measures with the biennial budget request. The UW System has historically reported on four measures: undergraduate degrees, the percentage of high school graduates who immediately enroll after graduation, retention rates after freshman year, and six-year graduation rates. These measures would be included again in the 2017-19 biennial budget request; however these measures would not necessarily be used in the future if additional funding is provided.

Finally, the 2017-19 operating budget resolution also would delegate to President Cross the submission of a 5-percent budget reduction plan on behalf of the UW System. Interim Vice President Gordon explained that this was a new statutory requirement that applied to all state agencies. System staff were still working with the Department of Administration to determine the exact amount and the format of that plan, which she indicated would be very high-level and formulaic.

Proposed New Flexibilities

President Cross thanked Interim Vice President Gordon for her presentation. He then invited Vice President for Administration and Fiscal Affairs David Miller to share some observations about the new flexibilities sought by the UW System as part of the 2017-19 biennial budget. Vice President Miller stated that the System's request would include three new primary flexibilities, related to revenue bonding, project management, and procurement authority.

Revenue Bonding

Vice President Miller indicated that the UW System's capital budget request, which the Regents would be discussing next, would include two primary kinds of projects. Those supported by taxpayer funds are generally academic facilities. Student-life facilities and all other facilities that produce revenue are considered self-supporting bonds. However, both types are issued as a state general obligation bond, and the bond buyer knows no distinction between them.

The general obligation bonds constitute the public debt of the State of Wisconsin. However, the UW System was proposing to have program-revenue-supported bonding be issued as a state revenue bond that is not part of the public debt of the State of Wisconsin. Rather than being backed by the full faith and credit of the State of Wisconsin, these bonds would be backed solely by the revenue the university generates to repay that debt.

The benefit to the state is that amount of bonding would come off the state's public debt, and there would also be several benefits to the university. Currently, predesign work must be done on a project in order to request bonding and funding through the two-year approval process of the biennial budget. Nothing more happens on the project during that process, which takes a

full year from the time the request is presented to the Board of Regents to the approval of the budget by the legislature.

Issuing these bonds as revenue bonds would allow the State Building Commission and the legislature to set a debt ceiling under which the Board could bring projects forward. The building commission would still manage the level of debt and release the bonding in chunks as the projects move ahead. Projects would then be able to progress at a natural pace, rather than the artificial pace of the biennial budget process.

Vice President Miller suggested that concerns might be expressed about the level of bonding. He indicated that the legislature would be in the position of setting the level of bonding based upon recommendations from the Board. This change would not diminish the legislature's involvement, as it is the Building Commission that actually releases the bonds. Also, as state revenue bonds, the State Office of Capital Finance would still manage all issues under the State Building Commission's authority.

Vice President Miller said that, based on research and consultation with the State Office of Capital Finance and independent brokerage houses, it was believed that these university revenue bonds would have as good as or lower than the cost-of-money bond rating as those currently backed by the full faith and credit of the state.

Project Management

Currently all of the revenue-producing projects not supported by taxpayers are managed as if they were a taxpayer project, because they are managed by the Department of Administration (DOA) and not the university. Vice President Miller said that, based on his research, Wisconsin is the only state where university projects are managed by the state rather than by the Board of Regents.

Rather than recreating the DOA's project management apparatus, the UW System would instead seek to save money and time on projects through a more efficient method for selecting project bids and architects. This would entail the contracting and the use of professional services, rather than hiring a great number of university employees.

Procurement Authority

Finally, the UW System was seeking authority to do Board-approved procurement in areas critical to the university, without diminishing the state's purchasing authority. For example, the System was interested in being able to efficiently and quickly purchase specialized IT equipment unique to the university without having to go back and forth with DOA for permission. Vice President Miller added that the System was also seeking updates to some fairly modest thresholds to the federal standard levels.

Responding to a comment from President Cross, Vice President Miller explained that the state currently issues revenue bonds for four programs – the Department of Transportation, the Clean Water Fund, the Petroleum Cleanup Fund, and veterans' home loans. The UW System's

proposed bonding authority process would mirror those processes, so the university would not be creating an entirely different program.

Referring to the project management process, President Cross added that construction delays cost students money.

Chancellors' Comments

President Cross thanked Vice President Miller, Interim Vice President Gordon, and Ms. Harris for their contributions. He then invited the chancellors to weigh in on Resolution 10744, approving the 2017-19 biennial operating budget.

Chancellor Kopper expressed support for the biennial budget proposal. She indicated that UW-Whitewater had been losing students as it waited for action on a residence hall project, and said the operational flexibilities were absolutely key and would benefit students, the university, and the community.

Chancellor Blank said she was pleased with the request, as well. She indicated that it was deeply important to have some new monies and investments around, especially in the very high-demand programs that produce the new workers needed in the state. Suggesting that the building processes are where the System can save the most money and run more efficiently, Chancellor Blank added that achieving additional flexibilities on that front would be central to making the university more cost effective.

Discussion

President Millner thanked all of the presenters, as well as Chancellors Kopper and Blank, for their comments. Vice President Behling moved adoption of Resolution 10744; the motion was seconded by Regent Klein, and President Millner opened the floor for discussion.

Regent Mueller asked how much in bonding authority the UW System would be requesting under the new proposal. Vice President Miller explained that the 2017-19 capital budget request, which the Regents had not yet heard, would include \$191 million in program revenue requests. These would be requested as state program revenue per current law. If the flexibilities proposal is approved, DOA and the Legislative Reference Bureau would make all appropriate adjustments to transition those to state revenue bonds. Interim Vice President Gordon clarified that the \$191 million was for major projects only; there also would be \$25-\$30 million for all-agency program requests.

Regent Mueller next expressed support for the incremental increase to the System's base budget, but noted that much of the base budget passes through to the students automatically in the form of financial aid.

Using the Higher Educational Aids Board's request for increased funding for student aid as an example, Interim Vice President Gordon agreed that whatever funds ultimately result from

that process would go directly to the students and would not add additional revenue to the System's budget.

Regent Mueller asked what portion of the System's roughly \$6-billion biennial operating budget request would flow through its accounts without any real active management on the university's part, such as student loans. Interim Vice President Gordon and Ms. Harris agreed to provide Regent Mueller with numbers for direct student loans and Pell Grant funds, which the UW System receives for the benefit of its students but does not actively manage.

Regent Mueller explained that she wanted to make sure the base was well understood, before adding to it incrementally, because much of the base is outside of the System's control.

Vice President Behling commented that when he had an opportunity to appear before the Education Committee to present the report on the outcomes of the Tenure Policy Task Force, he talked about accountability. In order to get a better budget in the next go-around, the System needed to address the issue of accountability, whether real or perceived. He suggested that the Regents had sent a strong message regarding taking good care of taxpayer dollars when they approved the new tenure policies, and this was part of the reason he felt comfortable with the biennial budget request.

President Millner agreed with Vice President Behling and thanked him for his comments.

Responding to a question from Regent Higgins, Interim Vice President Gordon affirmed that a reference to "the university's 2016-17 budgeted academic student fees," located on page six of the budget materials, did include both tuition and fees. She explained that this phrasing originated from statutory language, and added that in state statutes a "fee" could include technology fees, class audit fees, and application fees, among others.

Referring to a section titled "360 Advising and Developmental Education," Regent Higgins commented that there is a difference between remedial and developmental education. All formal education is developmental. The university does not accept applicants who do not have a high school diploma or the equivalent because certain competencies are required. If students do not pass the tests that assess those competencies, they engage in a specific kind of education meant to remedy the lack skills and competencies; this is remedial education, not developmental education. Regent Higgins objected, as he had three years prior in response to a report on remedial education, to "the obfuscation of the issue by changing the term from remedial to developmental."

President Cross acknowledged that the terms "developmental education" and "remedial education" are often used interchangeably in the academic world when they should not be. He indicated that the intent in this case was clearly to address "remedial education." More than two years earlier, 22 percent of all freshmen entering the university needed some form of remedial math. President Cross credited the System's partnership with K-12 and the math teachers' hard work to help everyone understand the expectations for reducing this to 17 percent, and said the goal was to reach 14 percent in two more years.

Regent Higgins said that System Administration had addressed the issue of remedial education very actively and positively, and that he was pleased with that work. He reiterated that his objection was to the use of terminology that could be confusing to the public; the public needs to be able to distinguish “developmental education” from “remedial education,” as the university has a responsibility in both areas.

Regent Evers stated that, in his estimation, the budget request fell short of what the UW System needed. The \$42.5 million for the strategic framework would not reverse the budget cuts and deficits suffered by the campuses, and was still only 17 percent of the \$250 million that was cut from the System’s last biennial budget. He said that, though he appreciated the work that had gone into the budget proposal, he believed the amount of money being requested for regular operations was not adequate. He expressed his concern about what he said was effectively a zero-percent increase, and said he would likely not support the budget for that reason.

Addressing Regent Higgins’ comments, Regent Evers suggested that “developmental education” is a more accurate description of what is going on at the university than “remediation.” He indicated that remediation basically means mastering content that should have been learned in high school or, in the case of nontraditional students, has been forgotten, while developmental education means developing skills and habits, like study behaviors, that may factor into and support students in mastering that content.

President Millner thanked Regent Evers for his comments, which she said led into a question of her own. She recalled that the Governor’s 2013-15 biennial budget had originally cut the System’s budget by \$300 million, which was ultimately reduced by \$100 million. Of that \$100 million, \$50 million became a lapse that stayed in the System’s original budget. She asked President Cross to explain what this lapse meant for the 2017-19 biennial budget.

Regent Klein complimented the strategic planning process and results and said she was pleased the System would be advocating for more resources. She asked if there were sufficient funds in the budget to close the salary gap. President Cross responded that the state fragments the budget into pieces; compensation would be requested in December, and tuition has typically been requested in the spring.

Several Regents offered other comments: Regent Tyler, about savings resulting from bonding; Regent Whitburn about the new Hill Farms facility and the large number of staff required to manage that project; and Regent Farrow about the length of time it takes to move projects along.

In response to Regent Farrow’s concerns, Vice President Miller pointed out that DOA is short-staffed after many retirements, and while those who remain are hardworking, the UW System’s projects must be built into a schedule with all other state projects. The proposed flexibility would separate out the university’s projects, allowing the System to follow the appropriate instructions with accountability and transparency.

President Millner expressed appreciation to the presenters and their staff for their work in preparing the 2017-19 UW System biennial operating budget request. Resolution 10744 was then adopted on a voice vote.

Approval of 2017-19 UW System Biennial Operating Budget Request

Resolution 10744 That, upon the recommendation of the President of the UW System, the Board of Regents approves the submission of:

1. the Board's 2017-19 Biennial Operating Budget request, totaling \$42.5 million biennially in GPR for 2020FWD Initiatives;
2. a technical request that adjusts the general program operations appropriation and FTE to the UW System's 2016-17 annual operating budget level for academic student fees;
3. recommended statutory language changes related to capital bonding and procurement; and
4. state-required performance measures for 2017-19.

In addition, the Board of Regents delegates authority to the UW System President to approve and submit a 5% biennial budget reduction plan, as required by 2015 Wisconsin Act 201.

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2017-19 BIENNIAL CAPITAL BUDGET FUNDING REQUEST

President Cross moved on to the UW System's 2017-19 biennial capital budget request. Principally focused on maintaining infrastructure, this request included only one new building. Noting that these projects both create jobs and help the campuses tremendously, he invited Alex Roe, Associate Vice President for Capital Planning and Budget, to present the request.

Associate Vice President Roe stated that the 2017-19 capital budget included several initiatives that permit UW institutions to improve classrooms, laboratories, and residence halls; install state-of-the-art technology; provide refurbished and expanded space to meet enrollment challenges; and reorganize support services to aid in student retention.

The university has more than 62.4 million gross square feet, valued by DOA at about \$13.4 billion, serving the needs of more than 178,000 students and nearly 40,000 faculty and staff. Therefore, the System's first priority is to improve its largest asset by prioritizing renovation over new and directing resources to high-impact learning, living and support activities to meet the needs of faculty, students and staff, so they can fulfill their potential.

Capital Budget Request Context

Displaying a slide that provided an overview of the approval trend for general fund supported borrowing for the university since 2001, Associate Vice President Roe pointed out that

the System had been slowly increasing its biennial general fund allotment each biennium until 2015-17.

In the 2015-17 biennium, the only new general fund supported borrowing enumerated by the legislature provided for 80 percent of the total project for UW-Madison's chemistry building. The remaining 20 percent was mandated gift funding, which was not the original plan, as it was intended to be a wholly general fund supported project.

As demonstrated by the slide, the proposed 2017-19 capital budget and the UW System's six-year plan will return to a slow, steady pace of moderate increases per biennium.

Moving on to the next slide, Ms. Roe indicated that the trend for program revenue supported borrowing mirrored the System's ability to renovate facilities using housing, dining, parking or segregated fees. Only those projects that have a sustained fee structure to pay debt service are brought forward for consideration. Similar to lack of enumeration of general fund projects in 2015-17, the System was also restricted in its program revenue request. Several Regent-approved projects were not advanced for enumeration.

Capital Budget Request Summary

Associate Vice President Roe next showed two pie charts. One indicated that 85 percent of the total 2017-19 capital budget funding request was for major projects, those costing more than \$3 million each. The remaining 15 percent included all-agency, small, and instructional space programs – projects which typically cost less than \$3 million each.

The second pie chart demonstrated that 65 percent of the capital budget request, or \$454.6 million, is for general fund supported borrowing; about \$191 million, or 28 percent, is program revenue supported borrowing; and the remaining 7 percent is cash.

Within the framework of this request, 47 percent of the projects included in the plan would renovate existing space; 35 percent would create new construction, mainly for preexisting structures; and 18 percent would include demolition.

Overall, this capital plan would only effect about 3 percent of the System's total gross square feet. The plan proposes to renovate about 1.7 percent of the System's 62.4 million gross square feet.

Associate Vice President Roe said that DOA sets the current replacement value for state assets; for the System, this value is around \$13.4 billion. The 2017-19 capital plan would impact about 4.5 percent of the current replacement value. Fifty-one percent of the proposed plan would impact 2.25 percent of the System's total replacement value by renovating, restoring, and rehabilitating its existing physical plant.

The UW System is proposing to use existing residual borrowing, funds that are left over from closed-out projects and accumulated over several biennia, as funding for two projects. Ms. Roe noted that the System has about \$10.8 million remaining in the original 2013-15 all-agency

project fund that has not been approved through the State Building Commission. The System did not receive any new all-agency funding in 2015-17. She emphasized that every nickel is more than spoken for.

Ms. Roe said that of the 13 major general fund projects listed in the 2017-19 request, three were approved by the Board in the last biennium but were not enumerated by the legislature.

She then showed a series of slides with photos of general fund supported space on campuses, demonstrating the challenges that students, faculty and staff must overcome as they provide academic and student support.

Of the nine proposed major program revenue projects recommended for inclusion in the UW System's capital budget request, four were approved by the Board but not by the legislature in the last biennium. She then shared several slides with renderings of what some of these projects would accomplish.

The last grouping of proposed projects requested the release of building trust funds to support planning or feasibility assessments. The Capital Project program provides much-needed funding to renovate, replace or upgrade various building components. Ms. Roe said that while many refer to these projects as deferred maintenance, they are capital maintenance. Quoting the Educational Advisory Board, she explained that, "Deferred maintenance refers to the practice of delaying a range of work, from fixing leaky roofs to replacing heating systems operating past their expected lifespans and bringing buildings up to accessibility codes." Operational or preventative maintenance includes filter replacement, fluid adjustment, recalibration of instruments, etc. Capital maintenance provides for projects that will have a life span ranging from 10 to 30 years.

Ms. Roe emphasized that the physical plant staff work hard, and due to their efforts, diligence, skill and care, the university's infrastructure has lasted far beyond the original life expectancy of many systems.

Capital Budget Request Impact

Associate Vice President Roe gave a brief overview of some of the impacts of the requested budget. Among the impacts on the operational budget for the 2017-19 major projects, Ms. Roe indicated that the projects proposed to add about 43 full-time-equivalent (FTE) staff across eight institutions for custodial and maintenance needs. Some projects would have no personnel changes.

The \$6.9 million operational budget would cover nine institutions, and include \$3 million for proposed utility costs and associated supplies and maintenance materials. All institutions had indicated that they were setting aside the necessary funds to support these projects. In some cases, renovation of facilities will reduce work orders and other maintenance needs, permitting staff to be redirected to other activities.

Ms. Roe moved on to the impacts of the 2017-19 major projects on segregated fees. Two of the projects would be supported through a gradual increase in segregated fees; both of these projects went through referenda and were approved by the Board. The third segregated-fee project – UWM’s basketball project – was approved through SUFAC (Student University Fee Allocation Committee) as a \$50 fee in 2009. However, that fee was reduced to \$29 in 2014.

Six-Year Capital Plan Summary

The UW System is required to submit a six-year plan to the Department of Administration; the proposed resolution granting approval of the 2017-19 capital budget would also allow the submission of the six-year plan.

Ms. Roe said that projects included in the two out-year biennia will change as planning endeavors are completed and academic and student-life priorities are revised. However, planning for the long term helps to provide an overall context for the needs of each of the colleges and universities, and gives those institutions that seek to raise philanthropic funds or obtain grants a possible enumeration target.

Total possible funds included within the six-year plan provide for \$713 million in the first biennium, \$1.12 billion in the second biennium, and \$925 million in the third biennium.

As previously indicated, the UW System was proposing a moderate increase in general fund projects over the life of the six-year plan. Each successive biennium would increase by around 5 percent, from \$455 million in 2017-19, to \$473 million in 2019-21, and then to \$497 million in 2021-23.

Program revenue projects would tend to fluctuate, from \$192 million in 2017-19, to \$437 million in 2019-21, and then to \$289 million in 2021-23, based on the current projects put forth by institutions thus far.

Ms. Roe said the UW System would continue to seriously encourage the inclusion of cash, gifts and grants as part of its total project funding. Cash, gifts and grants would total \$44 million in 2017-19, \$211 million in 2019-21, and \$139 million in 2021-23. While there were several proposed projects in the next two biennia that would have major gift components, there would be no projects funded entirely by gifts and grants included in the 2017-19 capital budget.

Discussion

President Millner thanked Associate Vice President Roe, her staff, and the campus planning teams for pulling together the excellent reports that had been provided to the Board. Noting that this was a new way of presenting this information to the Board, she expressed appreciation for their insightful work.

Regent Whitburn moved adoption of Resolution 10745, approving the 2017-19 UW System Biennial Capital Budget Request. Regent Petersen seconded the motion, and President Millner opened the floor to discussion.

Following up on one of the slides Associate Vice President Roe had presented, Regent Bradley asked whether it would be unusual to have 100-percent gift- or grant-funded projects. Ms. Roe said it was not unusual to have a project funded entirely by gifts and grants. However, these projects were not included in the capital budget request, which must be approved through DOA and the legislature for enumeration; because of the flexibility granted to the UW System in the last biennium, the university can now self-manage those projects.

Regent Bradley asked if there were significant projects that are 100-percent funded. Ms. Roe said that there were significant proposed matches for two major initiatives that UW-Madison was attempting to undertake. These two projects would be split-funded between gifts and grants and general fund supported borrowing, which would require DOA's involvement.

Regent Bradley complimented the presentation, calling it a big improvement over presentations of the past.

Chancellors' Comments

President Millner then invited the chancellors to add their comments.

Chancellor Mone indicated that many of the campuses are constrained with respect to space, and that the proposed renovations were incredibly well-vetted, with 15 to 20 people exploring every aspect of the buildings throughout the last year. He said that he would argue that the projects included in the capital budget proposal represent merely the most extreme priorities among the many different areas where there is a significant need.

He added that there are safety issues in many of the university's buildings, both at UW Milwaukee and on many of the other campuses, which have resulted in facilities that cannot be accessed and, in some cases, are termed by DOA as "catastrophic."

Chancellor Mone said these things ultimately impact the quality of education. For example, UW-Milwaukee is far behind in the state of its technology and its facilities for nursing, education, or engineering. In some cases there are companies, such as GE, Astronautics, or Johnson Controls, that will help complete some lab renovations. For the most part, however, UWM has many facilities that require additional renovations simply for their continued use. In many cases, these renovations are only a stop-gap measure until the campus can actually replace a building. UW-Milwaukee is operating with buildings built in the 1940s, -50s and -60s, which are nearing the end of their useful life.

Chancellor Mone also mentioned cost, noting that over the course of one biennial budget cycle, the cost of one UW-Milwaukee project that the Board approved the previous year had increased from \$61 million to \$69 million. Another project that was approved at a cost of \$9 million two biennial budget cycles ago was now estimated to cost \$14 million. He concluded that these examples spoke to the astronomical increase in costs resulting from delays.

Chancellor Sandeen noted that the all-agency funding is particularly critical for the UW Colleges. The 13 physical campuses comprising the UW Colleges have been provided by the

counties and, in some cases, municipalities. To date, almost 2 million square feet had been contributed, at an insured value of almost \$500 million dollars, for the facilities used for the UW Colleges' educational programs. In turn, it is the university's responsibility to provide furnishings and equipment to make those buildings and facilities operational. Noting that these counties and cities are making huge investments to the university's benefit, Chancellor Sandeen emphasized that this portion of the capital budget is essential for success in the UW College's operations.

Chancellor Shields introduced Molly Gribb, Dean of the College of Engineering, Mathematics and Science at UW-Platteville, to explain the importance of the proposed new engineering building to the campus.

Dean Gribb said she was delighted to see the Sesquicentennial Hall included as part of the 2017-19 capital budget proposal. UW-Platteville is an important source of engineering talent for Wisconsin employers, and an important access point for an affordable engineering education for Wisconsin families. Enrollment in engineering at UW-Platteville had increased significantly over the last five years, by more than 50 percent. In 2014-15, the campus produced 23 percent of the total number of engineering graduates in the UW System, and 76 percent of those graduates stayed in the state of Wisconsin to work for Wisconsin companies.

Dean Gribb recognized the highly dedicated faculty and staff at the College of Engineering, Math and Science, who are passionate about providing a quality education. She highlighted the need for new, state-of-the-art instructional facilities to maintain that quality education for Wisconsin families and employers.

Finally, Dean Gribb noted that UW-Platteville was also pleased to see the renovation of Boebel Hall included on the list of 2017-19 capital projects, as it had been a key priority on the campus for several years.

Chancellor Shields added that these two projects were important to both the campus and Wisconsin's economy, as they would address needs in STEM education. Regarding the Boebel Hall renovation, he noted that UW-Platteville's biology program had doubled in size over recent years in order to support biotechnology and medical studies.

Chancellor Shields also urged the Regents to find a way to help move these projects forward. He pointed out that even if the 2017-19 capital budget request is approved and enumerated, the actual groundbreaking on the engineering building was not expected to occur until 2021, meaning that UW-Platteville was still a decade away from having this building.

Chancellor Gow noted that System staff, including Vice President Miller and Associate Vice President Roe, had consistently put a great deal of care and thought into assessing the many needs of the campuses and prioritizing projects for inclusion in the biennial capital budget requests. He then shared a few of the ways that UW-La Crosse would be affected by the 2017-19 capital budget request, including:

- an \$11-million HVAC project for Main Hall as part of the all-agency request;

- a new residence hall facility to help accommodate the 1,000 students currently in overflow housing;
- a new fieldhouse and soccer support facility, which would also free space for programs in the current fieldhouse;
- the renovation of Wittich Hall to house the College of Business Administration; and
- the construction of a gymnastics practice space, which had been approved by students through a referendum.

President Millner thanked the chancellors and Dean Gribb for their comments.

Regent Farrow shared that some of the Regents had recently observed a summer class in UW-Milwaukee's chemistry lab, and agreed that the renovations were desperately needed. On that same tour, Regents learned that the level of use of UWM's buildings is 80 percent – 40 percent in the daytime hours, which was then doubled with evening usage. Noting that people used to call 40 percent usage of physical plant a waste, Regent Farrow said that the citizens of Wisconsin should be happy that the university is heavily using its facilities; however, this also requires maintaining them.

Making note of the System's new focus on renovation and preservation over new construction, President Millner acknowledged Regent Farrow's point that the use of the university's facilities exceeds that of most government buildings.

President Cross pointed out that the 2017-19 general fund bonding request was larger than in past biennium, and explained that DOA had asked the System to include all-agency funding as part of this request for the first time. Thus, the 2017-19 request for \$454 million in general fund bonding included \$100 million for all-agency funding. He added that all-agency funding is a top priority for the System.

Associate Vice President Roe said that System staff had spoken a great deal with institutions about their priorities for the all-agency funding. Not receiving those dollars for the current biennium had been very challenging for the campuses; some institutions had been able to use their own resources to fill that need, but others had not. She reiterated that the \$10 million currently in the all-agency fund only remained there because it had not yet been approved by the State Building Commission.

With no additional discussion, President Millner called for a vote on Resolution 10745, which was adopted on a voice vote.

Approval of 2017-19 UW System Biennial Capital Budget Request

Resolution 10745 That, upon the recommendation of the President of the University of Wisconsin System, the 2017-2019 Capital Budget request be submitted to the Department of Administration and the State Building Commission. The 2017-2019 Capital Budget requests enumeration of \$713.3 million all funds for the following:

1. \$454.6 million General Fund Supported Borrowing (GFSB) to include:
 - \$100 million for All Agency Maintenance and Repair and Small Projects
 - \$10 million for the Instructional Space Projects Program
 - \$344.6 million GFSB for major projects
2. \$191.7 million Program Revenue Supported Borrowing (PRSB) for major projects
3. Re-enumeration of \$11.8 million Existing-GFSB residual and \$7.1 million Existing-PRSB for two major projects.
4. \$30.5 million Cash for major projects
5. \$13.3 million Gifts/Grants for major projects
6. \$4.3 million Building Trust Funds and \$0.06 million Cash to plan and design three projects
7. Authorization for the UW System President or designee to adjust individual project budgets as necessary in the development of the final 2017-2019 Capital Budget recommendation with the Department of Administration.

Be it further resolved, that the Board of Regents recommends that the University of Wisconsin System 2017-2023 Six-Year Capital Plan be submitted to the Department of Administration in accordance with Wis. Stats. § 13.48(1), related to the long-range public building program.

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CLOSING REMARKS

President Millner thanked President Cross and his team for an outstanding job of putting together and presenting the biennial budget proposals for the Regents, the Governor's Office, the Department of Administration, and legislative leaders and staff. Indicating that this was a critical time for the university's future, she credited President Cross with leading a collaborative process to outline a conceptual vision and a budget that addressed the pressing needs of the System and the state, as well as the unique challenges and opportunities that exist.

President Cross thanked the core team that managed the 2020*FWD* strategic planning process: his chief of staff, Jessica Tormey as project manager; UW-Madison's Darin Harris as facilitator; and his executive assistant, Jill Mueller.

President Cross also extended his sincere gratitude to the more than 5,000 people who participated in the strategic planning process, including the chancellors and the members of the Strategic Planning Steering Committee.

Turning to the 2017-19 biennial budget process, President Cross said the System was fortunate to have some very capable people who were able to pull together the many moving

parts of the complex budget request. He then thanked Interim Vice President Julie Gordon, Associate Vice President Freda Harris, Vice President David Miller, and Associate Vice President Alex Roe for their leadership and hard work.

President Cross additionally recognized Associate Vice President Harris for her hard work and patience over 29 years of service with the UW System. She is a walking history book of the UW, especially as to the budget, he said. Ms. Harris had recently announced her intention to retire by the end of the year.

President Cross remarked that over the course of his presidency he had sought to draw the connection between the future of the University of Wisconsin and the future of the state. He said the strategic planning process affirmed his belief in the close relationship between the university and the state, and in the important role the University of Wisconsin can and will play as the primary driver of economic revitalization and enhanced quality of life for the people of Wisconsin. That belief undergirded the strategic planning process and guided the development of the 2020*FWD* framework.

President Cross then shared the following quote from “The Big Fix,” a recent *New York Times* magazine article by David Leonhardt:

“More educated people are healthier, live longer and, of course, make more money. Countries that educate more of their citizens tend to grow faster than similar countries that do not. The same is true of states and regions within this country. Crucially, the income gains tend to come after the education gains... [E]ducating more people and educating them better appears to be the best single bet a society can make.”

President Cross said the 2020*FWD* framework priorities would move Wisconsin and the world forward by doing just that – educating more and doing it better. He explained that, to him, this means imagining a Wisconsin known around the world for its creative, innovative, talented, and diverse workforce, where every child crosses the education finish line and has access to a dynamic and relevant educational experience.

It means imagining a Wisconsin where anyone, regardless of past experience or financial circumstances, can learn anything, anywhere, at any time; where people can get a job, change careers, and adapt to new challenges and opportunities.

It means imagining a Wisconsin that attracts and retains talent from around the world, and where every community is connected to the network of institutions that are the University of Wisconsin System.

To realize this vision, the state needs a university that vigorously supports faculty and their fearless pursuit of truth, their creative and research endeavors, and their roles as teachers.

President Cross concluded that the UW System would embark on this journey knowing that it would face new challenges, find new opportunities, and ultimately transform this shared vision into collective action. Together, they would move Wisconsin and the world forward.

President Millner thanked President Cross for his leadership during the rigorous strategic-planning journey.

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CLOSED SESSION

President Millner called upon Vice President Behling to offer the resolution to move into closed session. The motion was seconded and adopted on a roll-call vote, with Regents Behling, Bradley, Delgado, Erickson, Evers, Farrow, Grebe, Hall, Higgins, Klein, Langnes, Manydeeds, Millner, Mueller, Petersen, Steil, Tyler, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

Closed Session Resolution

Resolution 10746 That the Board of Regents move into closed session (1) to consider personal histories or disciplinary data of specific persons and the investigations of charges against specific persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of such persons, as permitted by s. 19.85(1)(f), Wis. Stats.; (2) to deliberate regarding a recommendation for dismissal with cause of a UW-Whitewater faculty member, as permitted by s. 19.85(1)(a) and (b), Wis. Stats.; (3) to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.; and (4) to consider annual personnel evaluations, as permitted by s. 19.85(1)(c), Wis. Stats.

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The Board recessed at 3:05 p.m. to relocate to the Sonata Room. The meeting was reconvened at 3:20 p.m.

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The following resolution was adopted during the closed session:

Adoption of Decision and Order of Dismissal of a UW-Whitewater Faculty Member

Resolution 10747 That the Board of Regents adopts the attached decision and order of dismissal in the matter of Malvina Baica, UW-Whitewater.

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The meeting was adjourned at 4:38 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