

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in the Symphony Room
Gordon Dining & Event Center
770 W. Dayton Street
Madison, Wisconsin

Thursday, December 7, 2017
11:45 a.m.

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-President Behling presiding-

PRESENT: Regents Robert Atwell, John Behling, José Delgado, Lisa Erickson, Tony Evers, Margaret Farrow, Eve Hall, Tim Higgins, Mike Jones, Tracey Klein, Regina Millner, Janice Mueller, Drew Petersen, Ryan Ring, Bryan Steil, Mark Tyler, and Gerald Whitburn. (Regent Delgado joined the meeting after the roll was called.)

UNABLE TO ATTEND: Regent Michael Grebe

APPROVAL OF THE MINUTES OF THE NOVEMBER 2017 MEETING

The minutes of the November 2017 Board of Regents meeting had been provided. Vice President Petersen moved approval of the minutes. The motion was seconded by Regent Steil and adopted on a voice vote.

REPORT OF THE PRESIDENT OF THE BOARD

Reports of the Wisconsin Technical College System Board and Higher Educational Aids Board

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

Outcomes-Based Funding Model

President Behling stated that like any organization, the University of Wisconsin System wants to focus its energy and time on achieving positive outcomes – for its students, this often means graduation and employment. Later in the meeting, the Board would discuss a major part of that effort: the new outcomes-based funding model, which will target resources at institutions that demonstrate they can achieve desired outcomes.

President Behling said this was another critical reform that underlines the UW System’s commitment to delivering the kinds of results the state and its students need. The university has worked closely with legislative leaders to develop this model, and he said he firmly believed it would help to ensure the UW System is investing resources efficiently and effectively.

Winter Graduation Ceremonies

With the semester coming to an end, President Behling said the Board would soon be wishing congratulations to the 10,000 students who will be graduating during the month of December. Noting that a number of Regents will be taking part in those graduation ceremonies, he encouraged his other colleagues on the Board to speak to the chancellors about visiting the campuses.

President Behling observed that graduation is a great opportunity to reinforce what the UW System really represents for its students. Each graduate leaves school with experiences, knowledge, and a set of tools that will help them find a career. He then offered early congratulations to all of those 10,000 graduates – including Regent Lisa Erickson.

Regent Erickson, who has served as the Board’s nontraditional student representative for the past year and a half, will receive her bachelor’s degree in journalism from UW-River Falls next week. Calling this a “great accomplishment,” President Behling said her colleagues on the Board were all very proud of her. After leading the room in a round of applause, he noted that the Board would formally recognize Regent Erickson’s service at a future meeting. He thanked Regent Erickson for her commitment, her time, and her camaraderie.

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REPORT OF THE PRESIDENT OF THE SYSTEM

President Behling turned to President Cross for his report. President Cross began by noting that it was Regent Ring’s birthday and offered his best wishes.

Introductions

President Cross introduced Rebecca Deschane, who would be joining David Brukart on the UW System’s economic development team in its second jointly funded position with the Wisconsin Economic Development Corporation (WEDC). As the Talent Initiatives Director, she

will work with both the UW System and WEDC to help align local, regional, and statewide talent and workforce initiatives to support the talent needs of Wisconsin's businesses.

Ms. Deschane has been with WEDC since 2001, where she has been an integral part of efforts to identify various talent initiatives. She also has experience as a legislative liaison and has worked closely with the Governor's office, legislative members, and state agencies, fostering productive relationships and partnerships across multiple issue areas.

She also serves as the primary contact for WEDC's engagement with young professional organizations across the state and worked with NEWaukee to launch the YPWeek initiative. President Cross indicated that Ms. Deschane's vision is to apply a similar engagement strategy with the alumni network and to explore innovative ways to leverage these groups, to develop additional strategic initiatives to further the 2020FWD agenda.

Next President Cross introduced Quinn Williams, who has agreed to serve as the UW System's new General Counsel. Mr. Williams comes to the university from the Department of Natural Resources (DNR) where he has worked as legal counsel for the past ten years, including as chief legal counsel in the Bureau of Legal Services since 2015. In that time, he worked closely with the legislature under two administrations.

President Cross noted that, like the UW System, DNR is one of the largest executive agencies in state government. It also has a similar geographic footprint to the UW System with a presence in virtually every county in the state. As chief counsel, Quinn was responsible for providing legal advice, research, training, and representation on a wide array of complex statewide and national legal issues to the Natural Resources Board – the DNR's primary policy-making body – as well as the Secretary and the Department leadership team.

An Appleton native, Mr. Williams is a proud graduate of UW-Madison, where he majored in political science before going on to earn his law degree at Marquette University Law School. President Cross welcomed Mr. Williams, who would officially start his new duties next week.

President Cross also thanked Tom Stafford for his dedication and excellent service as the UW System's General Counsel over the past seven years. He indicated that before the Board and elsewhere, Mr. Stafford's sage advice and calm demeanor have been much appreciated. Mr. Stafford will be staying on as Senior System Legal Counsel with the UW System Administration, where the university can continue to benefit from his expertise and his counsel.

State Legislative Updates

Providing a brief update on state legislative activity, President Cross said that the UW System continues to work closely with state legislators on a number of initiatives aimed at providing more flexibility and regulatory relief.

Representatives Born, Katsma, and Swearingen, along with Senators Moulton and Petrowski – all of whom are either former or current members of the State Building Commission

– have introduced legislation requested by the UW System that will enact many of the capital flexibilities requested as part of the System’s 2017-19 budget request. This bill incorporates the State Building Commission threshold changes included by Governor Walker in his Executive Budget proposal, but which were subsequently removed as non-fiscal policy at the beginning of the budget process. This legislation is expected to receive a public hearing later in December.

On another front, Representative Murphy and Senator Feyen are circulating legislation requested by the UW System that will update Wisconsin’s conflict of interest laws and potentially streamline the process for faculty to engage in research partnerships with research firms. President Cross added that Representative Murphy also will be circulating legislation soon that should significantly streamline the UW System’s reporting processes and improve its accountability.

As part of the UW System’s strategic framework, the university continues to work with legislative leaders to identify ways to expand dual enrollment and make more college credits available in high school. President Cross indicated that legislation is being worked on to fix some of the challenges the UW System faces in the current law.

Stating that the legislative session is expected to be over by March 2018, President Cross said it is the UW System’s hope that each of these bills will move forward. As the System considers planning for the next biennial budget, he suggested that flexibility and regulatory relief will be continuing themes.

As planning begins for construction and staffing of the new Foxconn facilities not far from the UW-Parkside campus, President Cross said the UW System has committed to working closely with the state and with Foxconn representatives to ensure the university is able to anticipate and deliver on the talent initiatives required to support it. David Brukhardt of the UW System’s Office of Economic Development serves as the key point of contact and liaison with Foxconn for communication, project planning, and overall coordination.

President Cross noted that over the past several weeks, Foxconn has made on-site visits to UW-Madison, UW-Milwaukee, and UW-Parkside, and has plans to further expand this outreach across the state. Looking ahead, he envisioned numerous opportunities for each UW System institution to engage with Foxconn. Pledging an “all-hands-on-deck” effort to be responsive in the assessment and evaluation of their needs related to higher education, President Cross added that the UW System will not hesitate to seek support from the state and from private industry to join the university in providing the resources needed to be fully responsive.

Federal Legislative Updates

President Cross reported that there are several issues the UW System is following closely on the federal front. First, the Tax Cuts and Jobs Act is poised to pass in some form. Among the education-related changes the UW is closely monitoring, he said the System has urged Congress to maintain the income exclusion of tuition waiver, per the Senate Bill.

More specifically, one section of the bill allows colleges and universities to lower the cost of graduate education for their graduate students who are serving as teaching or research assistants as part of their academic training, without those reductions counting against their taxable income. Eliminating this section, as proposed in the House version of the bill, would cause some students' taxable income to soar, potentially harming – by way of collateral damage – the nation's scientific research. This could have immediate impact on universities, especially large research universities like UW-Madison and UW-Milwaukee.

President Cross added that he had heard just that morning the good news that House Rules Committee Chair Pete Sessions was leading a push to remove this item from the House version of the bill.

The UW System also supports maintaining the student loan interest deduction (SLID), per the Senate bill. The elimination of SLID, as proposed in the House bill, would make loan repayment more challenging, particularly for borrowers with modest income.

Also in the Senate version of the bill, the UW System supports maintaining the Lifetime Learning Credit. Elimination of this credit, as proposed in the House bill, would tend to disproportionately harm nontraditional and graduate students.

As the bills now move to a conference committee to reconcile differences, President Cross said the UW System has been advocating vigorously – as have several of its institutions – for conferees to adopt the Senate's approach in retaining these provisions.

Last Friday, the House Education and Workforce Committee released legislation to reauthorize the Higher Education Act for the first time since 2008. The law governs billions of dollars in federal student aid, and millions of dollars in institutional aid. It also addresses key issues such as the enforcement of Title IX, how colleges are accredited, a host of reporting rules, and much more.

President Cross indicated that the UW System has been working with the House and Senate Education Committees to incorporate a definition of Competency-Based Education (CBE), noting that the University of Wisconsin is perceived as an expert in this field. This is important not just for the UW Flex program but also the future of higher education, as it would ensure federal financial aid recognizes and is appropriately used under a competency-based education model.

He expressed appreciation for Chairwoman Foxx's willingness to define CBE in the committee's bill, and also to Congressman Grothman, who is a member of the committee, for helping to shepherd it through the process.

Finally, President Cross reminded Board members that the extension of the Federal Perkins Loan program was one of the UW System's key priorities for 2017. The program expired on September 30, 2017. He indicated that the UW System will continue to advocate for its extension until the new Higher Education Act (HEA) is passed.

In 2015-16, the program provided nearly 20,000 Wisconsin's undergraduate students with more than \$39 million in low-cost loans. President Cross said the UW System is already seeing the impacts of this impasse, which include: Students who are carrying forward a first semester balance and will not be able to register until that is paid off; the possibility of missing the 2018-19 year, which may have an impact on admission and retention if families feel the pinch as Perkins unexpectedly drops from their aid award; and uncertainty for the UW institutions about the wind-down process. He reiterated that the UW System will continue to advocate that the Perkins Loan program be extended until an HEA reauthorization bill is passed and signed into law.

News from Around the UW System

President Cross next shared some news from around the UW System, through a video presentation.

UW-Eau Claire Geography Majors Learn to Use Sophisticated Geospatial Technologies

UW-Eau Claire geography majors are learning to use sophisticated geospatial technologies. These students are in high demand for internships and jobs, thanks to the hands-on fieldwork made possible through partnerships with industry leaders.

UW-Extension Center for Technology Commercialization's Role in National Conference

UW-Extension's Center for Technology Commercialization helped draw a national biohealth conference to Milwaukee this year. Attendees learned more about a federal grant program for technology businesses. The center's clients have been awarded over \$36 million in funding since 2014.

UW Colleges Hosted Veterans Roundtable at UW-Waukesha

UW Colleges hosted a veterans roundtable at UW-Waukesha. Community and government stakeholders shared best practices, discussed gaps in veteran services, and connected military families with resources they need for meaningful employment, education, and overall wellness.

UW-Whitewater Student Named Co-Recipient of 2017 Richard G. Gaarder Award

UW-Whitewater student Clara McGowan was named co-recipient of the 2017 Richard G. Gaarder Award. The Wisconsin Music Educators Association presents this award each year to a music education major for music excellence and exceptional leadership.

UW-Superior Helps Student Veterans Adjust to Civilian and Academic Life

UW-Superior is helping student veterans adjust to civilian and academic life with a new class titled, "Transitions in Your Life: From Military to Campus Culture." One student said that going from the Marine Corps to college has been easier because of this class.

UW-Center Named Center of Academic Excellence in Cyber Defense

UW-Stout has been named a Center of Academic Excellence in Cyber Defense. The national designation highlights classes, such as computer networking, that have cybersecurity components. Federal scholarships and grants are available to help prepare students for cyber defense careers.

UW-Stevens Point College of Natural Resources Honored in 2017 Rathmann Challenge

Two units within the College of Natural Resources at UW-Stevens Point were honored in the national 2017 Rathmann Challenge. They proposed using compost from paper mill and vegetable by-products to improve soil in the Central Sands region.

UW-River Falls Graduated 100th Student from Adult Degree Completion Program

UW-River Falls graduated the 100th student from its Adult Degree Completion Program. Students earn a business administration degree while working full-time. Many complete their schoolwork at the university's new, conveniently located Hudson Center.

UW-Platteville Hosted First Health Care Summit

UW-Platteville hosted its first Health Care Summit, engaging major stakeholders in exploring rural health care needs. Attendees included area higher education representatives, health care administrators, regional practitioners, and others in the industry.

UW-Parkside Student Attended National Newman Civic Fellowship Conference

UW-Parkside molecular biology student Bianca Ruffolo attended the national Newman Civic Fellowship conference in Boston. This future civic leader visited the Edward M. Kennedy Institute for the U.S. Senate, and last summer participated in the UW School of Medicine's RUSCH program.

UW-Oshkosh Creates Series of Research Videos Featuring Faculty-Student Interactions

UW-Oshkosh created a series of research videos featuring faculty-student interactions. Topics range from metamorphic rocks to crane habitat. Future videos will showcase hibernation biology, poetry analysis, and cancer treatment effectiveness.

UW-Milwaukee Students Helped Develop Brain Surgery App

UW-Milwaukee students worked with the Medical College of Wisconsin to develop an app that helps guide doctors during brain surgery. It helps surgeons quiz patients – who are awake during surgery – to determine when the doctor is encroaching on healthy tissue.

UW-Madison Hancock Research Station Supports Wisconsin Potato Industry

The UW-Madison Hancock Research Station supports Wisconsin's thriving potato industry. Sam Perez keeps a close eye on a warehouse of stored potatoes. By monitoring sugar

levels, frying test batches of potato chips, and other techniques, Perez helps growers decide when to go to market.

UW-La Crosse Ranked #2 for Student Loan Repayment

UW-La Crosse ranked #2 among Wisconsin public universities for student loan repayment over the last three years. The Student Loan Report cited UW-La Crosse's "It Make\$ Cents!" award-winning financial literacy program and 98 percent job placement as reasons for better payback.

UW-Green Bay Students, Staff, and Faculty Helped "Make A Difference"

UW-Green Bay students, staff, and faculty helped non-profits during Make A Difference Day. Volunteers made holiday cards for veterans, sorted food for more than 6,000 meals, landscaped and painted, picked up garbage, and much more.

Farewell to Jill Mueller, Executive Assistant to the System President

Finally, President Cross acknowledged and thanked his executive assistant Jill Mueller for her extraordinary service. For almost four years, she has been "the ultimate gatekeeper, special assistant, and sometimes our drill sergeant," managing President Cross's schedule, organizing priorities, and keeping the office on task with projects big and small.

During the development and launch of the UW System's 2020FWD strategic framework, President Cross said it was Jill who made sure the right people, resources, and ideas were where they needed to be at the right time. He described her as exceptionally organized, always efficient, ever calm, sharply witted, and a true Brewers fan.

Having decided to spend more time doing what she loves – focusing on instructional design, workplace training, and life coaching – Jill will be leaving the UW System at the end of the month. Saying she would truly be missed, President Cross thanked Jill for all she has done for the UW System and wished her the best.

President Behling announced that the Board would recess for lunch and reconvene at 1:00 p.m.

RESOLUTION OF APPRECIATION FOR FORMER STATE SENATOR AND SECRETARY SHEILA HARSDORF

President Behling stated that the most recent state budget was the best budget the UW System has received in over a decade. At a previous meeting he had thanked Board members, System staff, and all others who worked hard to make that budget a reality. He noted that

throughout the entire budget process the UW System was blessed to have a strong partner who was always willing to help in any way possible, and who knows higher education better than anyone else in the state legislature: Senator Sheila Harsdorf.

Senator Harsdorf was first elected in 1988 to the Assembly, and then to the Senate in 2000 from the 10th Senate District. During that time she has been a leading voice on higher education issues in the legislature and across the state. President Behling stated that, whether by chairing the Senate Committee on Colleges and Universities or by serving on the Joint Finance Committee, Senator Harsdorf has always been the UW System's greatest advocate.

Senator Harsdorf recently accepted a new role as Secretary of the State of Wisconsin's Department of Agriculture, Trade and Consumer Protection. Expressing the Board's appreciation for her hard work, President Behling then invited President Cross to say a few words.

President Cross noted that Senator Harsdorf is a dedicated, conscientious, and widely respected senator in the chamber. Indicating that he especially appreciated her commitment to listening and understanding, he said that Senator Harsdorf approaches issues without having already made up her mind – “but once she does, boy is she tough to move!”

President Cross said that Senator Harsdorf is very thoughtful and very interested in being open, honest, and transparent, giving her an incredible amount of credibility. Noting that she is often referred to as “the conscience of the Senate,” he suggested that most people at the UW System would readily agree with that assessment. He thanked Senator Harsdorf for all she has done for the university, for her constituents, and for the State of Wisconsin, adding that the UW System very much appreciated and respected her leadership.

President Behling shared that he had the honor and privilege of working for Sheila and Jim Harsdorf on their family farm while he attended UW-River Falls. Recalling that it was hard but good work, he said that he learned a lot from the incredible opportunity to work with a great family – not only on their family farm, but also when he served as an aide to the governor while Secretary Harsdorf was in the Senate, and now on higher education matters.

President Behling then read aloud the resolution of appreciation for one of the UW System's greatest advocates, Secretary Sheila Harsdorf:

Resolution of Appreciation for Former State Senator and Secretary Sheila Harsdorf

Resolution 10960 Whereas, Sheila Harsdorf has been a tireless advocate and partner for the University of Wisconsin System for nearly 30 years; and

Whereas, she was first elected to the State Assembly in 1988 and to the State Senate in 2000; and

Whereas, Sheila has served in numerous leadership capacities in the legislature, including Chair of the Senate Committee on Universities and

Technical Colleges, member of the Joint Committee on Finance, and Senate Republican Caucus Chair; and

Whereas, her record of bipartisanship is well known and appreciated in both parties and both houses of the legislature; and

Whereas, her engagement in higher education has gone well beyond her work in the legislature, including serving as chair of the Midwest Higher Education Compact's governing commission from 2013 to 2014; and

Whereas, Sheila has been recognized as a national leader in higher education and was awarded the Phillip Sirotkin Award for exemplary leadership in advancing Midwestern higher education through interstate cooperation;

Be it therefore resolved that the University of Wisconsin System Board of Regents offers its sincere gratitude and appreciation to Sheila Harsdorf for her service, advocacy, and leadership on higher education policy; and

Be it further resolved that the Board of Regents wishes Sheila Harsdorf continued success in her new role as the Secretary of the State of Wisconsin's Department of Agriculture, Trade, and Consumer Protection.

After reading the resolution, President Behling recognized former Lieutenant Governor and State Senator Margaret Farrow. Indicating that she had known Senator Harsdorf since she was first elected to the Assembly, Regent Farrow stated that she has believed in and worked hard for the UW System at odd hours, day and night, throughout the year. She remarked that Senator Harsdorf was a wonderful woman and leader.

President Behling invited Senator Harsdorf to the podium to say a few words. Senator Harsdorf said it had been a pleasure working and serving in the State Assembly and Senate. She indicated that she ended up where she is only through the help of so many people.

Stating that it had been a joy and pleasure working with the university, Senator Harsdorf recognized the UW institutions' great chancellors, past and present. Emphasizing that no one accomplishes anything alone, she said that it is only through working together as a team that great things are accomplished.

Noting that her background is in agriculture, Senator Harsdorf said that running for office was never on her radar until her brother, former Senator James Harsdorf, decided not to run for reelection and encouraged her to get involved. She indicated that in addition to agriculture, higher education was an important interest of hers from the very beginning because she had the opportunity to represent UW-River Falls. She recognized the importance of education in opening up doors and opportunities for people of all economic classes.

Beginning when she was in the Assembly, she recalled that former UW-Stout Chancellor Charles Sorenson would come over to River Falls to meet with her. She emphasized the importance of each chancellor reaching out to legislators and building those relationships proactively, rather than waiting until there is a burning issue or crisis. She advised the chancellors to get to know legislators, share what their UW institutions do and what is important to them, and then work collaboratively to make things happen.

Acknowledging the UW System's great leadership, Senator Harsdorf said it had been a true joy working with President Cross. She added that everyone should recognize how privileged, honored, and blessed the state is to have him as a leader of the UW System. She thanked President Cross for his leadership and for providing steady, constant, and strong advocacy for a great System.

Senator Harsdorf also thanked the Regents for being the directing force of the UW System. Recognizing that the work is not easy and that the System faces some challenging issues, she indicated that the Regents serve a very important role in this state. Wisconsin has a System second to none; she said there are states who would give anything to have a system like the University of Wisconsin. She added that it is important to ensure that the UW System is not taken for granted.

Senator Harsdorf recognized the work of the people on the front lines—the chancellors and their teams. She said it had been a true joy to work so closely with the campuses she represented, UW-River Falls and UW-Stout, and their chancellors Dean Van Galen and Bob Meyer. She expressed her appreciation for the leadership at all of the UW campuses.

Indicating that the UW System has “great campuses” which each serve a unique mission, Senator Harsdorf said it is important to recognize that this is what makes the System great. She cautioned against eroding the institutions' abilities to serve those unique missions.

She thanked the Board of Regents and President Cross for the honor and for all they do in making the University of Wisconsin System great. Saying she looked forward to working with System leadership in her new role, she wished everyone all the best and continued success in the years to come.

President Behling once again thanked Senator Harsdorf and wished her the best in her new role.

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UPDATE ON RESTRUCTURING OF UW COLLEGES AND UW-EXTENSION

At its November meeting, the Board of Regents approved a proposed restructuring of UW Colleges and UW-Extension. The resolution adopted by the Board allowed President Cross to proceed with planning and implementation to join the 13 two-year campuses with seven of the four-year campuses. At that time, President Behling charged President Cross to commit to

making the restructuring a standing agenda item for the Board's next six meetings, to regularly update Regents on the progress of that planning and implementation.

President Behling stated that the Board would now hear President Cross' first report.

Overview of Project Structure

President Cross said he would provide an overview of what had been accomplished in the past month and what the UW System will focus on as it moves forward. Significant progress was made in three main areas:

- 1) The project's Steering Committee held its first meeting and made recommendations on a few key issues requiring immediate and/or long-term decisions.
- 2) Regional restructuring teams have been appointed to respond to the challenges and opportunities presented by this initiative.
- 3) Functional teams have been chartered to address specific issues, such as student recruitment.

Briefly revisiting the planned project structure, President Cross explained that the Steering Committee serves a key advisory role and is chaired by Vice President for Administration Rob Cramer. Vice President of Academic and Student Affairs Jim Henderson also plays a key role in leading the project. The committee includes representatives from UW Colleges and UW-Extension, UW System Administration, the receiving comprehensive and research institutions, as well as the rest of the UW institutions.

The Steering Committee receives vital input from the Chancellor's Advisory Group, as well as faculty, academic staff, university staff, and student shared governance representatives. President Cross emphasized that shared governance groups are an integral part of this process, and representatives have and will continue to participate in Steering Committee meetings as part of the planning and implementation process.

Sharing an organizational chart of the project's structure, President Cross noted that the work being done by the Steering Committee, the regional restructuring teams, and the functional teams overlap in many areas and are mutually supportive.

Steering Committee

The expected role of the Steering Committee includes four main functions:

- To identify and sort questions, issues, and opportunities for consideration across the UW System or at the regional and institutional level;
- To provide communication between the regions and project leadership;

- To monitor the progress and outcomes of the regional restructuring and functional teams; and
- To make recommendations to management.

President Cross indicated that the committee held its first meeting in November, and would meet again the following week.

Regional Restructuring Teams

Regional restructuring teams will oversee and coordinate the project at the local level. These teams are appointed by the chancellors of the receiving institutions and include representation from their respective UW Colleges and UW-Extension colleagues. The regional restructuring teams will make key decisions. These teams will also report milestones or deliverables to the Steering Committee, and provide the local context or expertise, as necessary, as the project unfolds.

President Cross stated that every receiving institution has already met with the faculty and staff of their branch campuses in order to hold “get-to-know-you” sessions. Noting that this restructuring is, by definition, a collaborative venture, President Cross told everyone to expect many more meetings in the weeks and months to come as the institutions work through questions, big and small.

Functional Teams

Functional teams have been formed to address key areas in the areas of finance, student recruitment, and accreditation. President Cross explained these are functions that, generally speaking, have a System-wide impact and may include questions and solutions that transcend any given region. Sean Nelson, Vice President for Finance, leads the finance team; Chris Navia, Interim Associate Vice President for Student Success, heads the student recruitment team; and Carleen Vande Zande, Interim Associate Vice President for Academic Programs and Educational Innovation, leads the Higher Learning Commission (HLC) accreditation team.

President Cross said additional functional teams will be formed as needed moving forward, System-wide or at the regional level.

Key Decisions and Takeaways

Although the restructuring is just underway, President Cross reported that it has been very productive so far. He then shared some key decisions and takeaways:

- Curriculum: UW Colleges will continue to proceed with curricular development and planning for the 2018-19 academic year in collaboration with the academic leadership at their respective receiving four-year or research institutions.
- Class Scheduling/Faculty Assignments: UW Colleges will continue to schedule classes and faculty assignments for the 2018-19 academic year. This recognizes that scheduling

for fall 2018 classes will begin very soon, and assures continuity of service and efficiency during the transition period. For spring 2019, the two-year institutions will collaborate with their receiving institutions in class scheduling and faculty assignments.

- **UW Colleges Employee Recruitment:** UW Colleges leaders should coordinate with their receiving institutions about filling any open faculty positions. President Cross noted that the UW Colleges have been under a hiring freeze for quite some time.
- **County Cooperative Extension Contracts:** These contracts – which operate on a calendar year, not the academic year – are currently being completed. As such, UW-Extension will continue to fulfill any contractual obligations with the counties. After December 31, 2017, new contracts will be negotiated through a collaborative process with UW-Madison.
- **Athletics:** The current athletic programs at the UW Colleges campuses will continue during the restructuring of UW Colleges. Future athletic programs at the UW Colleges will need to conform with NCAA guidelines and in compliance with Title IX regulations.

President Cross stated that multiple steps have been built into the process to formalize the project's structure and keep the restructuring development and planning moving forward in a thoughtful yet decisive manner. The UW System is continuing to build its infrastructures and will formulate additional project and functional teams, as necessary. The restructuring process and teams will also help the System identify and address unique regional opportunities.

Conversations with Higher Learning Commission

The UW System is engaged in ongoing discussions with its accrediting body, the Higher Learning Commission (HLC). President Cross said the priority at this time is to complete a single system-wide Change of Structure submission request for HLC. In these conversations with HLC, the UW System is addressing two main issues.

First, the UW Colleges will continue to be recognized as branch campuses going forward, per HLC guidelines and criteria. President Cross explained that the HLC defines branch campuses according to three criteria:

- 1) Branch campuses are geographically and physically separate from the main campus;
- 2) They offer courses and educational programs leading to a degree, certificate, or other recognized credential; and
- 3) They have their own supervisory, administrative, and budgetary structures.

The second issue involves the UW Colleges' Associate's Degree in the Online format, as well as the same degree in the competency-based and direct assessment mode, commonly referred to as the Flex format. President Cross had originally proposed moving these two delivery modalities under UW System Administration. However, based on continued conversations with HLC, it was determined these two delivery modalities should be aligned with

an accredited four-year institution to most efficiently and effectively maintain accreditation continuity.

President Cross said he met with the Steering Committee on this topic earlier that week, and committee members are now working with their respective institutions to help identify the most appropriate institution for the delivery modalities for these two Associate's Degrees. He reiterated the importance of continuing to operate under the current shared revenue model of both the Online and Flex formats of the degree, while serving the existing students on UW Colleges campuses, and engaging the UW Colleges faculty who control the curricula.

To acknowledge this shift in direction, a resolution was prepared to amend the previous language which aligned these two modalities with System Administration. The revised resolution would authorize President Cross to address these minor changes, subject to the Executive Committee's approval. President Behling asked Vice President Petersen to introduce this resolution.

Vice President Petersen said he was glad to offer this motion, which he viewed as "a very minor change" in the context of the major action approved by the Board in November. He recognized the efforts of President Behling, President Cross, and many others who were trying to adequately respond to the HLC. Stating his support for the need for flexibility in this matter, Vice President Petersen read aloud the proposed resolution and moved its approval. The motion was seconded by Regent Whitburn, and Resolution 10961 was approved on a voice vote.

Amendment of Resolution 10956, "Approval of Restructuring of UW Colleges and UW-Extension"

Resolution 10961 WHEREAS the Board of Regents approved Resolution 10956 in November 2017 regarding the restructuring of UW Colleges and UW-Extension, to include moving UW Colleges Online and the UW-Extension's Division of Broadcasting and Media Innovation, Division of Business and Entrepreneurship, and Division of Continuing Education, Outreach, and E-Learning, to UW System Administration; and

WHEREAS the Higher Learning Commission has subsequently advised that the institution offering the UW Colleges Associate Degree Online and the UW Colleges Associate Degree in the Flex format must be an accredited degree-granting authority; and

WHEREAS the lengthy process for UW System Administration to ensure the existence of the needed infrastructure and secure such accreditation would not allow for the seamless continuation of these two important programs;

BE IT THEREFORE RESOLVED that effective July 1, 2018, UW Colleges Associate Degree Online and UW Colleges Associate Degree in the Flex format will be offered by one of the accredited four-year

institutions of the UW System, amending the action taken with the approval of Resolution 10956 in November 2017;

BE IT FURTHER RESOLVED that the Board of Regents provides the UW System President with the authority to determine which four-year institution will offer the UW Colleges Associate Degree Online and the UW Colleges Associate Degree in the Flex format, subject to the approval of the Executive Committee of the Board of Regents.

President Cross noted that each accredited institution is normally required to submit a Change of Structure proposal. However, working with HLC, the UW System has been asked to submit a single systemwide proposal by January 15th.

Going forward, President Cross said the System will continue to work closely with HLC as it plans and implements the restructuring project. He added that full implementation will take several years, as pieces like combining student information databases will require more lengthy and comprehensive process. He concluded that overall, the UW System is well underway in the planning process, with the goal of having the new organizational structure in place by July 1, 2018.

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REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE

President Behling called upon Regent Millner to present the report of actions taken by the Education Committee.

Regent Millner reported that the Education Committee received a presentation on new freshmen enrollment from UW-Madison Provost Sarah Mangelsdorf, as required by the Board of Regents freshmen admission policy.

The Education Committee also heard a report from Vice President for Academic and Student Affairs James Henderson, who indicated that the UW System was awarded a \$150,000 grant from the National Association of System Heads to advance high impact teaching practices in support of undergraduate education. He also reported that a foundation will soon determine whether to award the UW System a grant in support of math education.

Vice President Henderson also informed committee members that the UW System Water Research Advisory Collaborative submitted a successful funding proposal to the UW System, which will result in expanded undergraduate research opportunities at the comprehensive universities. Finally, he reported that the UW System has approved a new disclosure policy related to housing, study away from campus, and study abroad.

Regent Millner said the Education Committee unanimously approved three academic degree programs. She stated that the approval for a Master of Science degree in Nutrition and Integrated Health at UW-Green Bay directly responds to community demands for more registered dietician nutritionists to address population and health concerns. The program also meets new degree requirements established by the national accrediting agency, the Commission on Dietetic Registration.

With its new Master of Science degree program in Applied Statistics, UW-La Crosse will augment its existing Bachelor of Science degree in statistics. Regent Millner said this graduate program responds to workforce and student demand for statisticians with advanced training.

The committee also approved UW-Milwaukee's proposal for a new Bachelor of Arts degree in Animation. Regent Millner explained that this program builds upon the infrastructure and international reputation of the Peck School of Arts and its film department, which is recognized as a Top 25 film program. Program graduates will work as stock motion animators, flash animators, animation design artists, storybook artists, and compositing artists.

As required by Regent Policy Document (RPD) 20-24, "Procedures Relating to Financial Emergency or Program Discontinuance Requiring Faculty Layoff and Termination," UW-River Falls submitted its faculty layoff or termination policy for the Board's approval. Regent Millner reported that this policy was unanimously approved by the UW-River Falls faculty senate and Chancellor Van Galen. In addition, the UW System's Office of General Counsel reviewed the policy and advised the Office of Academic and Student Affairs that it complies with RPD 20-24. Therefore, the Education Committee unanimously approved the policy.

Pursuant to the newly-created Wis. Stats. §36.112, Regent Millner said the Education Committee approved a peer group for each UW institution. Each peer group includes higher education institutions with similar missions and service populations to each of the UW System institutions.

Pursuant to the newly-created Wis. Stats. §36.115(8), the Board of Regents is required to develop and implement a plan for monitoring, rewarding, and reporting the teaching workload of faculty and instructional academic staff for each UW System institution no later than January 1, 2018. Accordingly, Regent Millner indicated that the Education Committee approved a new Regent Policy on faculty and instructional academic staff teaching workloads for the UW System. A supplemental report about the broad scope of the workloads will be published in January 2018.

UW System Outcomes-Based Funding Model

Finally, in compliance with the newly-created Wis. Stats. §36.112, Regent Millner said that Vice President Henderson submitted for approval an outcomes-based funding model for the UW System. The Board of Regents is required to submit the funding model for review to the Joint Finance Committee no later than February 15, 2018. Regent Millner said she would ask Vice President Henderson to present his explanation of the funding model again for the full Board.

Before Vice President Henderson began his presentation, Regent Millner indicated that the Education Committee voted to amend the proposed resolution approving the outcomes-based funding model by adding a second paragraph that would direct System Administration to develop approximate measures of the job placement rate for each UW institution, in order that the institutions may gather data on job placement rates for System Administration to analyze. Copies of the amended resolution had been provided for the Regents' review.

Vice President Henderson stated that the Education Committee had a very robust discussion on this topic after receiving a more detailed presentation, and he expressed his appreciation to the committee members for that thoughtful conversation.

He indicated that the Wisconsin Legislature created several statutory requirements about outcomes-based funding. First, legislators specified four goals that they wanted outcomes-based funding to support:

- 1) Grow and ensure student access;
- 2) Improve and excel at student progress and completion;
- 3) Expand contributions to the workforce; and
- 4) Enhance operational efficiency and effectiveness.

Part of the role of the outcomes-based funding taskforce was to come up with a funding system that actually reflected those four priorities.

For each one of these goals, the legislation required that the Board identify at least four metrics to measure the institutions' progress. As part of the final legislation, each institution has to report on every metric; Vice President Henderson noted that this differed slightly from the Joint Finance Committee's original legislation, which would have allowed separation of metrics by institution.

Finally, the legislation requires the Board to submit its outcomes-based funding formula to the Joint Finance Committee for active review no later than February 15, 2018. Once approved, the formula must be utilized to distribute the \$26.25 million in new funding during the second year of the 2017-19 biennium.

Vice President Henderson informed the Regents that a task force worked very hard on this issue for several months. Through much discussion and many debates, the group came up with the proposed model for outcomes-based funding. He explained that this model is loosely based on the Tennessee State University model; the task force also looked at models from Indiana, Montana, and Missouri.

The task force was also aided by HCM Strategists, a group of higher education experts who work around the country on the issue of outcomes-based funding. Three of these consultants were Dr. Jimmy Clarke, who worked with the Wisconsin Technical College System on developing their outcomes-based funding model; Dr. Martha Snyder, who was invited by Representative Murphy to speak about outcomes-based funding to the Assembly Committee on

Colleges and Universities; and Scott Boelscher, who developed the funding model for the State of Tennessee.

Vice President Henderson said that HCM Strategists had been very helpful in joining the UW System's task force in talking about the model and collecting feedback during several meetings with legislators, including Joint Finance Committee members Senator Harsdorf and Representative Born, and legislative staff.

The task force came up with a five-stage process for developing the UW System's performance-based funding model. The first stage was to develop four metrics for each of the four goals specified in the legislation.

The second stage was to look at baseline data for each of those metrics. Saying that this was a very involved process, Vice President Henderson explained that the task force needed to make sure the UW System had metrics for which it could produce accurate, well-defined data over the past three years in order to set a baseline.

He noted there were several technical issues involved in looking at data of different magnitudes. For example, the research element could involve a number over one billion, while another element could be a ratio measuring how many degrees had more than 120 credit hours. This wide range of numbers required some data scaling in order to produce the baseline.

The third stage was to get the current year data for comparison against the baseline using three-year averages for each metric. Vice President Henderson indicated that using the three-year average will allow the UW System to focus on substantive changes at an institution rather than one-time jumps in the data.

The fourth stage is to then compare the current year data to the baseline data to see what happened at each UW institution: Was there improvement in performance, did it stay static, or did it decline? The final stage is to distribute funds based on an institution's increase or decrease in their outcomes, adjusted for the performance of the entire UW System.

Vice President Henderson said the next step is to obtain Joint Finance Committee approval for this model. Then the UW System must determine the initial distribution; due to the ongoing reorganization of UW Colleges and UW-Extension, funds will be distributed in a slightly different way than they have been in the past.

Each institution must also set weights on how relevant each metrics is to their performance. In conversations with the members of the Joint Finance Committee, it was agreed that each of the four metric categories would be set by the state legislature with no differentiation (each category accounting for 25 percent of the total). Therefore when the institutions weight each metric, those within each category must add up to 25 percent. Vice President Henderson explained that this would prevent an institution from over-weighting one metric.

The final step is to collect the current year data for comparison against the baseline. Vice President Henderson said the plan is to obtain the data for 2017-18, conduct the analysis in early

summer, and then distribute the funds to the campuses in the first quarter of FY 2018-19. He thanked the Board of Regents for its support on this issue.

Following Vice President Henderson's presentation, Regent Millner moved for the approval of Resolutions 10962, 10963, 19064, 10965, 10966, 10967, and 10968. The motion was seconded by Regent Tyler.

At the request of Regent Evers, Resolutions 10967 and 10968 were removed from the consent agenda.

With no further discussion, Resolutions 10962, 10963, 10964, 10965, and 10966 were approved on a voice vote.

Program Authorization (Implementation) Master of Science in Nutrition and Integrated Health, UW-Green Bay

Resolution 10962 That, upon the recommendation of the Chancellor of UW-Green Bay and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Master of Science in Nutrition and Integrated Health.

Program Authorization (Implementation) Master of Science in Applied Statistics, UW-La Crosse

Resolution 10963 That, upon the recommendation of the Chancellor of UW-La Crosse and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Master of Science in Applied Statistics.

Program Authorization (Implementation) Bachelor of Arts in Animation, UW-Milwaukee

Resolution 10964 That, upon the recommendation of the Chancellor of UW-Milwaukee and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Bachelor of Arts in Animation.

Approval of the Faculty Layoff or Termination Policy, UW-River Falls

Resolution 10965 That, upon the recommendation of the Chancellor of UW-River Falls and the President of the University of Wisconsin System, the Chancellor is authorized to implement the Faculty Layoff or Termination Policy.

Approval of the Peer Group for Each UW System Institution

Resolution 10966 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the peer group for each UW Institution as required by Wis. Stats. §36.112.

Regent Millner reintroduced Resolution 10967, “Approval of the UW System Outcomes-Based Funding Model,” and Resolution 10968, “Approval of the UW System Plan for Monitoring and Rewarding Teaching Workloads.” The motion for approval of these two resolutions was seconded by Regent Whitburn. President Behling then opened the floor to discussion.

Regent Evers stated that he would oppose both resolutions for similar reasons. On the issue of the outcomes-based accountability system, he emphasized that what he had to say had nothing to do with the work of Vice President Henderson and his staff, who had been working very hard on this funding model. While he was not opposed to transparency, Regent Evers said that there is no place in the country where an outcomes-based accountability system has been shown to work. He indicated that he would oppose Resolution 10967 for that reason.

Regent Evers said he was also opposed to the teaching workload policy, but on a more personal level. He indicated that he had thought through this issue a great deal and had considered abstaining from voting on Resolution 10968. Though he acknowledged that both the outcomes-based funding model and the teaching workload policy are required by statute, Regent Evers stated his opposition to monitoring the teaching hours of UW System faculty and staff. He argued that to continue diminishing the work of the UW System’s employees, and for faculty and staff to continue to need to defend their work, would be “unwise” and serve no purpose.

Regent Klein noted that the Regents had received correspondence from the Stout Student Association supporting the inclusion of job placement rates in the UW System’s outcomes-based funding model. She thanked Regent Tyler for requesting the amendment to Resolution 10967 that had been approved by the Education Committee, which would require the measurement of job placement rates and evaluation of that data.

Regent Millner clarified that the two clauses of Resolution 10967 were separately discussed and approved by the Education Committee before being consolidated into one resolution, in order to better reflect what the Board of Regents is directing the UW System to do.

With no further discussion, Resolutions 10967 and 10968 were approved on a voice vote.

Approval of the UW System Outcomes-Based Funding Model

Resolution 10967 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents authorizes the President to implement the UW System Outcomes-Based Funding Model as required by Wis. Stats. §36.112.

The Board of Regents of the University of Wisconsin System directs the University of Wisconsin System Administration to develop means to appropriately measure the job placement rate for each University of Wisconsin institution, gather that data on job placement rates for each institution, and then evaluate the quality of the data. The University of Wisconsin System Administration

will annually report on the progress of this project to the Board. Included in the report in 2020 will be an evaluation of the utility of such data in outcomes-based funding models.

Approval of the UW System Plan for Monitoring and Rewarding Teaching Workloads

Resolution 10968 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the plan for monitoring and rewarding the teaching workloads of faculty and instructional academic staff as required by Wis. Stats. §36.115(8).

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

President Behling called upon Regent Whitburn to present the report of actions taken by the Business and Finance Committee.

Regent Whitburn said the Business and Finance Committee approved a multi-year contract with Academic Partnerships, LLC, for UW-Parkside. Under this contract, the firm will provide online educational program services supporting UW-Parkside's new online MBA program. Regent Whitburn indicated that the procurement authority for this contract came out of an existing relationship between Academic Partnerships and UW-Superior.

The Business and Finance Committee received and reviewed the annual System-wide faculty turnover report. The UW System had 6,100 tenure/tenure-track faculty members in FY 2016-17. There were 221 resignations (three more than in FY 2015-16) and 216 retirements (52 less than in FY 2015-16) among faculty. The UW System also had 11 non-renewals in FY 2016-17, compared to 23 non-renewals the previous year.

The UW System's total turnover rate in FY 2016-17 was about 7 percent, lower than the previous year. The turnover rate at UW-Madison was about 6 percent, with UW-Milwaukee's turnover being slightly higher. UW-Parkside had the highest turnover rate at 12 percent, while UW-Oshkosh had the lowest level of turnover at 4 percent.

Regent Whitburn indicated that the Board of Regents has requested an annual report on non-pay-plan-related compensation adjustments that occur on campuses. He explained that there are two types of adjustments.

Adjustments to recognize merit, correct salary inequities, recognize job reclassifications and promotions, or address other competitive factors are made to base pay. Regent Whitburn stated that 10,572 of the UW System's 34,000 employees (31 percent) received such adjustments in FY 2016-17. The impact on the salary base was \$39 million, a slight increase from \$34 million in the previous year.

Chancellors also have the authority to provide one-time lump-sum payments to faculty and staff, to recognize merit and for additional work performed beyond the normal full-time work responsibilities in teaching, research, and the administrative and service components of their positions. Regent Whitburn said 9,864 of the UW System's 34,000 employees (29 percent) received lump-sum one-time compensation adjustments totaling \$30 million in FY 2016-17, an increase from \$25.3 million in FY 2015-16.

Regent Whitburn noted that System staff have been working to tighten and formalize the relationship between the UW campuses and their respective foundations. The Business and Finance Committee approved a new Regent Policy Document defining the boundaries between the public interest and the private interest related to the campuses and the various foundations affiliated with them.

Finally, the Business and Finance Committee received two updates related to the UW System trust funds. First, negotiations with the State of Wisconsin Investment Board (SWIB) leadership and staff related to SWIB taking on the ongoing management of UW System trust assets began immediately following the Board's November meeting. Regent Whitburn said the hope is to have a contract in the near future.

The Business and Finance Committee Subcommittee on Investments, chaired by Regent Steil, met to receive a report on the performance of the UW System's trust during the third quarter, which ended September 30th. Trust assets are up \$9.6 million year-to-date, for a total of \$559.2 million. The System's long-term endowment fund was up 12.2 percent year-to-date, while the intermediate term fund was up 4.4 percent. Regent Whitburn indicated that both the subcommittee and the full committee were comfortable with this performance.

Regent Whitburn then moved for the adoption of Resolution 10969 and Resolution 10970, with a second by Regent Millner.

At the request of Regent Farrow, Resolution 10970 was removed from the consent agenda.

With no further discussion, Resolution 10969 was approved on a voice vote.

Approval of a New Regent Policy on Institutional Relationships with Foundations

Resolution 10969 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached Regent Policy Document entitled "Institutional Relationships with Foundations," codifying existing practices and requirements.

Regent Whitburn reintroduced Resolution 10970, "UW-Parkside Contractual Agreement with Academic Partnerships, LLC." Regent Millner seconded the motion to approve Resolution 10970, and President Behling opened the floor to discussion.

Regent Farrow asked whether the Board of Regents or System Administration has an existing policy concerning partnerships with a for-profit entity. Stating that she could not recall previous discussion of this issue by the Board, Regent Farrow expressed concern about the impacts of such partnerships on faculty.

Regent Whitburn again noted that UW-Superior has had an ongoing relationship with Academic Partnerships, LLC.

Chancellor Wachter explained that Academic Partnerships, LLC, has helped UW-Superior on the frontend of the process, which includes designing the courses, putting them in a module format, and marketing the program. However UW-Superior supplies the faculty and supports the curriculum. Any instructors who need to be hired to service students are vetted through UW-Superior's normal faculty processes.

Regent Whitburn asked Chancellor Ford to speak about the due diligence she and her colleagues did with other campuses and their experience with Academic Partnerships, LLC.

Chancellor Ford indicated that as with UW-Superior, Academic Partnerships, LLC, will help extend the market reach for UW-Parkside's MBA degree. The curriculum has been developed by UW-Parkside faculty, and Academic Partnerships will help take this curriculum to the digital platform. She said that this agreement has been approved through all levels of governance at UW-Parkside, starting with the faculty.

Chancellor Ford added that UW-Parkside also talked with several partners across the country – including UW-Superior – about their experiences with this firm and how those agreements impacted faculty, as well as the delivery of a quality degree program to students.

In response to a comment from Chancellor Kopper regarding her concerns that this proposal duplicates programming at UW-Whitewater and about the lack of a notice of intent for this program, Vice President Henderson indicated that the Office of Academic and Student Affairs had been asked by UW-Parkside if a notice of intent was required and had incorrectly told the institution that it was not necessary. Therefore, the office had not issued a notice of intent to UW-Whitewater regarding UW-Parkside's proposal. Vice President Henderson took responsibility for that error and apologized for the oversight.

Regent Farrow expressed concern that other campuses had not been given time to examine possible programming conflicts, noting that UW-Whitewater has been innovative in moving early into online education. She suggested deferring action on the UW-Parkside agreement until everyone was properly notified and given a chance to consider the proposal.

Regent Whitburn noted that Resolution 10970 was submitted to the Business and Finance Committee and the Board of Regents at the recommendation of the System President. Given the circumstances, he asked President Cross how he would prefer to proceed.

President Cross recommended that the Board approve the contract with the caveat that it be held by Chancellor Ford and not executed until the UW System has a better understanding of

the possible impacts on other campuses. Regent Whitburn said he would accept this condition as a friendly amendment to his motion.

Regent Millner said she hoped the UW System's decision would come promptly, to which both President Cross and President Behling agreed.

Regent Atwell said he agreed with the way the Board was proposing to proceed, but expressed concern about whether this agreement would cannibalize something one of the UW institutions is doing already. He suggested that the campuses should really be learning from each other as they try to do things; while it was clear UW-Parkside did due diligence with other institutions around the country, he questioned why it had not done due diligence with the people next door.

With no further discussion, the motion to adopt Resolution 10970 was approved on a voice vote, with the caveat that the contract not be executed until due diligence had been completed.

UW-Parkside Contractual Agreement with Academic Partnerships, LLC

Resolution 10970 That, upon the recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Parkside and Academic Partnerships, LLC for a period of seven years with one (1) option to renew for five (5) years. *Execution of the contract will not occur until the UW System assesses the impacts on other UW institutions.*

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

President Behling called upon Regent Steil to present the report of actions taken by the Capital Planning and Budget Committee.

Regent Steil reported that the Capital Planning and Budget Committee had a "robust" meeting, where it reviewed and approved a number of resolutions.

Resolution 10971, brought forward by UW-Madison, requests authority to construct a comprehensive \$17.2-million South Campus Utility Improvements Project to replace and construct essential new steam and electric/signal communication utilities along Dayton Street, in accordance with the university's utility master plan. Work will also include the connection of a new series of electric manholes and the relocation of fiber optic cables.

Resolution 10972, also brought forward by UW-Madison, requests authority to construct the \$32.7-million Lathrop Drive/Bascom Hill Utilities Improvement Project to replace, relocate, or construct utilities – including steam and chilled water, electric utilities, water, sanitary sewer, and storm sewer – between North Charter Street, Music Hall, and the Bascom Hill area. Regent Steil noted that this is one of the oldest and most historic areas on campus, where many utilities have approached the end of their service life.

The Capital Planning and Budget Committee also reviewed and approved Resolution 10973, brought forward by UW-Madison, requesting authority to enter into a lease of space for the School of Medicine and Public Health, Department of Family Medicine and Community Health, at 1100 Delaplaine Court in Madison.

Resolution 10974, brought forward by UW-Whitewater, seeks approval to construct a \$28.6-million Utility Corridor Improvements/Chiller Plant Upgrade Project. The project will renovate and upgrade the steam, chilled water, and power distribution systems to support existing buildings, a new residence hall, and future planned development.

The Capital Planning and Budget Committee also reviewed and approved Resolution 10975, brought forward by the UW System on behalf of UW-Stout, which requests authority to increase the budget of the UW-Stout Vocational Rehabilitation, Lab 120 Remodel Project. The project will merge a fabrication lab located in the Applied Arts Building with a similar lab that is currently dedicated to rehabilitation located in the Vocational Rehabilitation Building. Regent Steil indicated that the budget increase is necessary to cover the expense of work required to install a new dust collection system.

Resolution 10976, brought forward by the UW System, requests authority to construct three maintenance and repair projects at two universities at an estimated cost of \$6.1 million. Regent Steil said these requests include a facility maintenance and repair project at UW-Stout and two energy conservation projects at UW-Madison.

Regent Steil indicated that Associate Vice President Alex Roe updated the Capital Planning and Budget Committee on the status of leasing activities since June 2017. Ms. Roe also updated the committee on the status of qualified gift-funded projects that have been initiated by the UW System. Finally, Ms. Roe reported on recent actions taken by the State Building Commission.

Regent Steil then moved for the adoption of Resolutions 10971, 10972, 10973, 10974, 10975, and 10976. The motion was seconded by Regent Farrow, and the resolutions were adopted on a voice vote.

Authority to Construct the South Campus Utility Improvements Project, UW-Madison

Resolution 10971 That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the South Campus Utility Improvements project by \$1,687,000 Cash and construct the project for an estimated total cost of

\$17,175,000 (\$11,306,000 Existing General Fund Supported Borrowing, \$4,182,000 Existing Program Revenue Supported Borrowing, and \$1,687,000 Cash).

Authority to Construct the Lathrop Drive/Bascom Hill Utilities Improvement Project, UW-Madison

Resolution 10972 That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Lathrop Drive/Bascom Hill Utilities Improvement project for an estimated total cost of \$32,656,000 (\$23,839,000 General Fund Supported Borrowing and \$8,817,000 Program Revenue Supported Borrowing).

Authority to Enter Into a Lease of Space for the School of Medicine and Public Health, Department of Family Medicine and Community Health, UW-Madison

Resolution 10973 That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, approval be granted to enter into a lease of 23,947 GSF of office space between the Board of Regents and SSM Health Care of Wisconsin for the School of Medicine and Public Health, Department of Family Medicine and Community Health.

Authority to Construct the Utility Corridor Improvements/Chiller Plant Upgrade Project, UW-Whitewater

Resolution 10974 That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Utility Corridor Improvements/Chiller Plant Upgrade project for an estimated total cost of \$28,600,000 (\$16,698,000 General Fund Supported Borrowing and \$11,902,000 Existing Program Revenue Supported Borrowing).

Authority to Increase the Budget of the UW-Stout Vocational Rehabilitation, Lab 120 Remodel Project, UW System

Resolution 10975 That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to increase the project budget of the UW-Stout Vocational Rehabilitation, Lab 120 Remodel project by \$150,000 Cash for a revised estimated total cost of \$1,010,000 (\$611,200 General Fund Supported Borrowing, \$248,800 General Fund Supported Borrowing All Agency Programmatic Remodeling and Renovation, and \$150,000 Cash).

Authority to Construct Maintenance and Repair Projects, UW System

Resolution 10976 That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct maintenance and repair projects at an estimated total cost of \$6,097,400 (\$5,790,400 Program Revenue Supported Borrowing and \$307,000 Agency Cash).

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REPORT OF THE RESEARCH, ECONOMIC DEVELOPMENT AND INNOVATION COMMITTEE

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

Regent Hall indicated that Dr. Robert Golden, Dean of the University of Wisconsin School of Medicine and Public Health, presented a report of the Wisconsin Partnership Program (WPP). The Research, Economic Development and Innovation Committee heard highlights of WPP's 2016 activities as well as its report on outcomes for the period January 1, 2017, through June 30, 2017.

Regent Hall said Dr. Chris Hartleb, a UW Regent Scholar and Economic Incentive Grant recipient, and Brandon Gottsacker, a UW-Stevens Point alumnus and CEO of Superior Fresh, presented the "exciting story of the development and growth of this new company," which has been heralded as the largest aquaponics producer of salmon in the world and is based near Eau Claire.

The committee also heard from faculty member Dr. Daryl Sauer and student Nikolai Lumpkins, both from UW-Parkside. Mr. Lumpkins is a WiSys student inventor who pioneered an innovative green vertical farming concept that will allow for plant production in small indoor urban spaces.

The Research, Economic Development and Innovation Committee also welcomed Rebecca Deschane in her new role as Talent Initiatives Director, serving as joint liaison for the UW System with WEDC, where she will assist in supporting state-wide efforts to attract and retain talent, including alumni.

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REPORT OF THE AUDIT COMMITTEE

President Behling called upon Vice Chair Regent Mueller to present the report of the Audit Committee.

Regent Mueller reported that Chief Audit Executive Lori Stortz briefly reviewed the UW System's progress-to-date on its FY 2018 Audit Plan. Ms. Stortz confirmed that the Office of Internal Audit is on target to complete all audits that are part of the plan, except for a few deferrals which the committee discussed.

The Audit Committee heard reports from Internal Audit staff regarding a number of audits that had been completed since the committee's last meeting. Audit Director Amanda Nehmer reviewed audits for eight institutions related to tuition handling, all of which received a rating of "Satisfactory."

Ms. Nehmer also reviewed a UW-Madison audit of the athletic department's NCAA Compliance, which was rated "Excellent." Regent Mueller noted that this audit was an extra level of compliance and independent review requested by the athletic department, and was not mandatory under NCAA guidelines.

Audit Director Steve Mentel reviewed the International Education audit for UW-La Crosse. This report received an overall "Unsatisfactory" rating; however UW-La Crosse officials indicated that they have aggressively addressed the issues raised and have already remediated many of them.

Audit Director Paul Rediske reviewed Federal TriO Program audits for nine institutions. Regent Mueller reminded her colleagues that the TriO programs provide programmatic and scholarship funding for students who come from disadvantaged backgrounds. Those audits were also ranked either "Satisfactory" or "Excellent."

Mr. Mentel reviewed the Cash Handling Audit for UW Colleges, which received an overall rating of "Satisfactory."

Finally, Mr. Mentel reported on the progress to-date on management's corrective action related to past audit reports. Regent Mueller said she was particularly pleased to report that this is going very well: In the view of Internal Audit staff, management at each institution are responding effectively to audit recommendations.

In response to a question from Regent Farrow, Vice President for Finance Sean Nelson stated that System Administration is currently seeking clarification on a requirement included in the 2017-19 biennial budget for the UW System to contract with an independent accounting firm for the purpose of conducting the annual financial statement audit.

REGENT COMMUNICATIONS, PETITIONS, AND MEMORIALS

President Behling said one of the deepest honors as a member of the Board of Regents has been to serve alongside one of Wisconsin's great policy leaders, former Lieutenant Governor Margaret Farrow. Long before she was Wisconsin's first female Lieutenant Governor, Regent Farrow was building a tremendous legacy in both local government and the state legislature.

President Behling said that legacy has only been reinforced by her service on the Board of Regents.

Indicating that Regent Farrow had asked to say a few words, President Behling joked that he knew better than to say no to Lieutenant Governor Farrow!

Regent Farrow recalled that when Governor Walker first asked her to serve on the Board of Regents she declined, because there were other things on her plate that kept her very busy. When she finally did join the Board, Regent Farrow said she put her all into the university – and was rewarded with even more.

Regent Farrow stated that she had learned a great deal from everyone at the UW institutions and the UW System’s incredible body of leaders. Reiterating that the best vote she ever cast while on the Board was when she helped select the “terrific” President Cross, Regent Farrow added that she has also been telling parents of prospective students about the System’s “wonderful” chancellors. She indicated that she was proud of the university system this state has put into place and maintains, even “under sometimes very difficult money-related issues.”

Regent Farrow observed that “when you reach your early 80s, you don’t plan life as much as it gives you the next thing you’re going to deal with.” She noted that she has other priorities and activities she is still involved in – including many grandchildren, some of whom were waiting for her to finish their quilts! Saying she was proud of her sons and husband, whom she had given most of her life and attention to, Regent Farrow concluded that she must say good-bye to the Board of Regents.

Regent Farrow indicated that she never thought she would leave the Board before the end of her term, even though she had warned the Governor that she would not last seven years. Saying this was hard to do, Regent Farrow said she would miss marking up her materials and “asking way too many questions” at the Board’s meetings. She added that she would be thinking of all of her colleagues during the Board’s February meeting.

To all the campus leaders, Regent Farrow emphasized that she is still interested and will still be following things at their institutions. She requested that System staff continue to keep her informed about UW System news.

Regent Farrow reiterated that she was “so proud of and so in love with” Wisconsin and its university system, which fulfills the future of the state. From the time she was in the legislature, she has been telling kids all over Wisconsin that they had better go to a school in the state – or, if they choose to join the military, they must come back to Wisconsin. Regent Farrow stated that in Wisconsin’s both public and private institutions, this state has enough quality education to satisfy any student’s needs.

Regent Farrow thanked her Regent colleagues for their collegiality and cooperation in learning to work together. She also thanked the chancellors for their leadership, wishing them all the very best, and asked them to let her know if there is ever anything she can do for their institutions.

President Behling indicated that Regent Farrow had occasionally talked about retirement in the past, and he had always begged her to stay. He explained that this was partly because she had been quick to befriend him when he came to the Capitol at the young age of 20. Saying she always gave great advice and wise counsel, President Behling said he had a great deal of honor and respect for Regent Farrow.

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CLOSED SESSION – SONATA ROOM

President Behling called upon Vice President Petersen to read the motion to move into closed session. The motion was seconded by Regent Higgins and adopted on a roll-call vote, with Regents Atwell, Behling, Delgado, Erickson, Hall, Higgins, Jones, Klein, Mueller, Petersen, Ring, Steil, Tyler, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

Closed Session Resolution

Resolution 10977 That the Board of Regents move into closed session to: (a) consider personal histories related to the naming of a facility at UW-La Crosse, as permitted by s. 19.85(1)(f), Wis. Stats.; (b) consider UW-Milwaukee honorary degree nominations, as permitted by s. 19.85(1)(f), Wis. Stats.; (c) consider a salary adjustment for UW-Madison faculty members, as permitted by s. 19.85(1)(c), Wis. Stats.; (d) consider annual personnel evaluations of chancellors, as permitted by s. 19.85(1)(c), Wis. Stats.; (e) consider personal histories or disciplinary data of specific persons relating to the UW-Oshkosh Foundation matter which, if discussed in public, would be likely to have a substantial effect upon the reputation of such persons, as permitted by s. 19.85(1)(f), Wis. Stats.; and (f) confer with legal counsel regarding pending litigation (Berndt v. Board of Regents; Pergament v. Cooper; Benoy v. Board of Regents; Bank First National v. UW-Oshkosh Foundation; Board of Regents v. Sonnleitner and Wells; University of Wisconsin-Oshkosh Foundation, Inc. v. Board of Regents; UW-Oshkosh Foundation, Inc. Chapter 11 Bankruptcy Filing) and potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

The following resolutions were adopted during the closed session:

Authority to Name the New Science Center Building the “Prairie Springs Science Center,” UW-La Crosse

Resolution 10978 That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, authority be granted to name the new Science Center Building the “Prairie Springs Science Center.”

Approval of Salary: Department of Economics, UW-Madison

Resolution 10979 That, upon the recommendation of the President of the University of Wisconsin System and the University of Wisconsin-Madison Chancellor, the academic year base salary for Ananth Seshadri, Professor in the Department of Economics, be increased to \$437,500 on a temporary basis while Professor Seshadri serves as chair of the Department of Economics, effective January 5, 2018.

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The meeting was adjourned at 5:10 p.m.

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Submitted by:

/s/ Jess Lathrop

Jess Lathrop, Interim Executive Director and Corporate Secretary
Office of the Board of Regents
University of Wisconsin System