

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in Union South, Varsity Hall II
University of Wisconsin-Madison
Madison, Wisconsin

Thursday, February 2, 2017
1:15 p.m.

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-President Millner presiding-

PRESENT: Regents John Behling, José Delgado, Lisa Erickson, 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

UNABLE TO ATTEND: Regents Mark Bradley and Tony Evers

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UPDATES AND INTRODUCTIONS

President Millner welcomed everyone to the Board's first meeting of 2017. She thanked Chancellor Blank, her team, and the UW-Madison campus community for their warm welcome and willingness to host the meeting.

President Millner also expressed her thanks to the School of Veterinary Medicine, noting that Regents had an opportunity to visit the school and see the kind of work that is being done there. She observed that the words "vet school" bring a certain image to mind of health and medical care or research for pets, farm animals, or perhaps for zoo animals. However, the Regents learned of a few other reasons why the UW School of Veterinary Medicine is one of the top five in the nation, including its research on the Zika virus. President Millner also noted that Dr. James Thompson, an important stem cell researcher, started as a faculty member at the veterinary school. These are all reasons to be proud of the University of Wisconsin School of Veterinary Medicine, the state's only veterinary school.

President Millner expressed appreciation for the opportunity to get to know UW-Madison better, including its people and programs, long list of accomplishments, and plans for the future.

President Millner announced that, as of the week before, Regent Eve Hall is the new leader of the Milwaukee Urban League, an agency dating back to 1919. Regent Hall had been President and CEO of the African American Chamber of Commerce of Wisconsin. In her new role, the Urban League says Regent Hall is expected to leverage the power of education, business, government and community working together. President Millner congratulated Regent Hall.

Next, President Cross introduced Rob Cramer, former Vice Chancellor for Administrative Services at UW-Platteville, in his new role as Vice President for Administration at the UW System.

Vice President Cramer has more than 20 years of experience in higher education and state government. In his new role, he will oversee facilities planning, information technology, human resources and procurement. He will be primarily working with chief business officers at all UW System institutions, and will be responsible for leading the Commitment to Operational Reform and Effectiveness (CORE) initiative. President Cross welcomed Vice President Cramer to his first week on the job.

President Cross also announced that the UW System would have a new Vice President for Finance, Sean Nelson. Mr. Nelson currently serves as a Deputy Commissioner for Administration and Finance at the Massachusetts Department of Higher Education. He is expected to join the System in mid-April, and would be introduced to the Board at that time.

In other news from System Administration, President Cross said that Stephen Kolison, Associate Vice President for Academic Programs, Educational Innovation and Governance, recently announced he has accepted a position as Executive Vice President and Provost at the University of Indianapolis.

Associate Vice President Kolison joined the UW System in September of 2008 and has been responsible for a variety of programs, including academic program planning, faculty instructional development, PK-16 efforts, international engagement, and more. Noting that this would be his last Board of Regents meeting, President Cross indicated that Dr. Kolison played a key role in preparing for the Board's discussion of the UW System's program array later in the afternoon.

President Cross thanked Associate Vice President Kolison for his fine and dedicated service, and congratulated him on this new opportunity.

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HOST CAMPUS PRESENTATION BY UW-MADISON CHANCELLOR REBECCA BLANK: "WHY WE NEED TO REINVEST IN UW-MADISON"

President Millner invited UW-Madison Chancellor Rebecca Blank to speak on behalf of the host campus. Chancellor Blank welcomed everyone and said that she would talk about some

of the good news on campus, a few of the challenges UW-Madison faces, and some ways she hoped to reinvest in the campus.

UW-Madison: A World-Class University

Chancellor Blank stated that UW-Madison is a great choice for students as a world-class university in the UW System. The largest freshman class ever entered UW-Madison the previous fall, and the university has had record numbers of applications for a number of years.

UW-Madison expected a jump in applications after joining the Common App the previous year, but Chancellor Blank indicated that it received a slightly larger jump than expected. The day before the Board meeting was the last day to submit applications; and as of an hour before the presentation, Chancellor Blank indicated that overall applications were up 8 percent, resident applications were up 3 percent, and out-of-state applications were up 10 percent.

Speaking about the increase in Wisconsin-resident applications, Chancellor Blank pointed out that the demographics are actually declining. She suggested that anyone planning to stay in Wisconsin to go to school almost surely filled out the UW App rather than the Common App. Therefore, some of the increase in applications came from out-of-state students who in the past may not have applied to UW-Madison because the process was a hassle.

Stating that the application process is easier now that UW-Madison has joined the Common App, Chancellor Blank said she is hopeful that this move has also increased the number of applications from high-scoring resident students who are at the greatest risk of leaving the State of Wisconsin.

UW-Madison is reaching out particularly to star high school students through a new program called the PRIME campaign, which targets high-scoring Wisconsin high school students. The program is currently being rolled out to seniors, and will include juniors in its next year. Chancellor Blank suggested that it is very important to reach students at a younger age before they are actually at the point of application.

The PRIME campaign includes some high-touch recruiting, specialty study abroad programs, and full funding for everyone who qualifies for Pell Grants. Special activities are also held on campus just for this group of students. Chancellor Blank reiterated that the hope is keep in Wisconsin students who might otherwise leave the state.

The Wisconsin Experience

Chancellor Blank said that it is not enough just to get students to campus. To live up to its reputation, UW-Madison has to offer not only first-rate classroom experiences, but also some first-rate out-of-the-classroom experiences. She described this as the overall “Wisconsin experience.”

UW-Madison is one of the top ten schools in the nation for study abroad experiences, with close to 30 percent of its students going abroad. Chancellor Blank indicated that this number needed to continue to move higher. UW-Madison also has a record number of students working with 90 community partners. A new partnership with the Career Kickstart program connects students with volunteer activities that are aligned with their specific career interests.

Two-thirds of students experience an internship while at UW-Madison, and 70 percent of those internships are with Wisconsin businesses. Chancellor Blank announced that the new Career Exploration Center, aimed at offering improved services to undergraduates, celebrated its grand opening earlier that week. The February issue of *Money* magazine named UW-Madison's career services program one of the top five among public schools in the nation.

Describing the educational outcomes of these efforts, Chancellor Blank indicated that UW-Madison has an outstanding retention rate, with 95.4 percent of sophomores returning to campus after their freshman year. For the first time in 2016, the retention rate for targeted minority students (95.7 percent) actually surpassed that of the overall class. Chancellor Blank stated that UW-Madison has completely closed that gap.

UW-Madison has for a number of years consistently improved graduation rates. Along with the retention rate, the six-year graduation rate of 85.2 percent (75.2 percent for targeted minority students) demonstrates that students are moving through the university. Chancellor Blank said that UW-Madison had been working hard to close some of the opportunity gaps in this area as well.

UW-Madison undergraduates now complete their degrees in an average of 4.07 years, or four years and three weeks. Chancellor Blank observed that this number had decreased over the past five years. She noted that getting out of school faster can mean less student debt and also help on the career front.

Award-Winning Students and Faculty

Chancellor Blank said that UW-Madison students are future teachers, engineers, doctors, artists, and nurses, and their success is measured not only in statistics but in what they actually do. In the last three years, UW-Madison's very best students have included 35 winners or finalists for the nation's most prestigious undergraduate awards, such as the Goldwater, Marshall, Rhodes, and Truman Scholarships. A 2016 Marshall Scholarship was awarded to Deshawn McKinney, who is also president of the Wisconsin Union. UW-Madison also had four 2016 Goldwater Scholars; Chancellor Blank noted that it is unusual for any school to have more than two in any one year.

Chancellor Blank also highlighted the SpaceX Hyperloop competition held one week earlier. The charge from Elon Musk was to create a pod that can be shot through pneumatic tubes that people can ride in for long distances. UW-Madison's undergraduate mechanical engineering student team was one of the top three teams coming out of the semifinals. While it did not win the final round, the BadgerLoop was one of only two teams selected for an

innovation award for its creative designs. Chancellor Blank said this international competition was a great experience for the students and great exposure for UW-Madison.

Chancellor Blank said that one of the main reasons UW-Madison's students do well is because the university has such a great group of faculty. UW-Madison faculty bring more than \$1 billion into the state every year in research funding, create jobs, and build relationships with industries – all of which help keep Wisconsin's economy thriving.

In 2016, there were more than 70 winners of major national and international awards among the faculty. One of them was Tony Goldberg, John D. MacArthur Chair and Professor of Epidemiology at the School of Veterinary Medicine.

In spring 2015 there were reports of largemouth bass dying off in a northern lake. Chancellor Blank noted that this is a big concern in Wisconsin, where sport fishing is a \$2 billion-per-year industry. Dr. Goldberg's virus hunting lab, where a team of scientists from across the university are on the front lines in the fight against different types of viruses, found that the fish in that lake had a never-before-seen virus. Chancellor Blank then showed a video that explained how Dr. Goldberg's team was working hard to learn how to fight this virus.

In the video, Dr. Goldberg said that understanding what causes diseases helps people make concrete recommendations and concrete policies that help keep Wisconsin's wildlife healthy. One of the major concerns about wildlife disease is that some of them, such as Lyme disease, can infect people. He and his colleagues in the Department of Anthropology, the School of Veterinary Medicine, and other departments on campus have built years of expertise in this area, and were recently successful in competing for CDC funds to create a Regional Center of Excellence in Vector-Borne Disease in Wisconsin.

As the center of research, training, and outreach for vector-borne diseases for the entire upper Midwest, Wisconsin will have an edge in responding to new vector-borne disease threats, designing new vaccines, designing new treatments, and training people. The center is expected to receive national and international attention. People interested in these areas will move to Wisconsin and spawn entrepreneurial ventures like start-up companies both in Madison and throughout the state. Dr. Goldberg noted that some of the places where these wildlife diseases are hitting the hardest are in some of the most economically depressed counties in Wisconsin.

The video concluded with Dr. Goldberg stating that the strength of his team depends on having a strong university that can support these multiple disciplines.

Chancellor Blank indicated that the virus hunting lab is funded with \$8 million in grants from the federal government and private foundations. The university has to compete for this money, and it cannot do that successfully without also demonstrating state support for the UW.

She also noted that good research is only part of Professor Goldberg's job. He also teaches or co-teaches four classes, guest lectures in three more, and supervises the education of students who work in his lab. Dr. Goldberg is just one of 2,000 faculty across campus who do wonderful things, she said.

Cost of Declining Investment

Chancellor Blank said she could keep talking about the good news at UW-Madison for a long time, but that doing so would not be presenting an entirely accurate picture of the university. She then discussed some things that she said will need to turn around if UW-Madison is going to retain its top ranking.

She began by stating that she was very encouraged by the things she was hearing from the Governor and legislators about reinvesting in the whole University of Wisconsin System. While she said she was hopeful that they can all work together to change some of these worrisome trends, she also suggested that UW-Madison is at a crucial point and that its need for reinvestment is critical.

The first concerning trend is research expenditures. UW-Madison recently dropped from number four to number six in the nation in terms of research expenditures. This marks the first time since data was first collected in 1972 that UW-Madison has not been one of the top five universities in the nation in research expenditures. UW-Madison's total research expenditures have been growing at about 2 percent over the past 10 years, whereas other Top 25 universities have been growing at 4 percent. Given this, Chancellor Blank said it is not a surprise that the university has fallen from its second place in the rankings.

She identified two reasons for this decline. First, other schools recruit UW-Madison's very top faculty, scientists and engineers who often bring the millions of research dollars into the university. While the institution has been successful at retaining many faculty, it has also lost a number of really great people. Due to tight budgets, UW-Madison either does not replace them or hires a junior faculty member who is often years away from attracting the same types of grants as the senior researcher. This means the university has lost the faculty who were bringing in millions of dollars and spending it in Wisconsin to hire lab assistants, buy equipment, and bring people to Madison.

The second reason for the decline is that UW-Madison has not invested in new research areas as much as its competitors. Some of the other universities have been hiring in some exciting areas where there is enormous scientific interest and new federal funds. UW-Madison has not done a cluster hire of that sort for 14 years. In similar ways, investment in some other areas of research has slowed down and is reflected in the lagging expenditures.

Lagging growth in revenues is the second concern. Over the last ten years, UW-Madison's revenues have been growing about 2.6 percent, while its peers' revenues have been growing an average of 4.2 percent. That is a 60-percent higher growth rate over those ten years. Chancellor Blank pointed out that if a company is growing that much slower than its competitors, it is in trouble. The cumulative effect of bringing in revenue at a significantly slower rate than competitors is that it does not take many years to create a gap that is almost unbridgeable.

Other schools have had money to invest that UW-Madison simply has not, the chancellor said. These schools have given raises to their faculty and staff, hired more top researchers in

growing areas, expanded their student services and educational innovation efforts, and invested in new research areas. Because UW-Madison's revenues have been shrinking, it is not investing as much as its competitors and therefore is falling behind. Chancellor Blank acknowledged that institutions like UW-Madison do not change quickly, but this a relative decline.

This revenue slowdown has been particularly acute since 2013. Before that point, UW-Madison was actually growing at 3.8 percent and was mostly keeping up with its competition. Over the last four years, however, UW-Madison has been faced with substantial declines in state dollars combined with the freeze on tuition. Despite everything else the institution has done, these factors have reduced revenues at a rate of 2 percent each year. At a time when the competition was growing 4 percent or higher, this presents a competitive problem.

From 2002 to 2007, UW-Madison averaged 33rd in the U.S. News and World Report's rankings; from 2012 to 2017, its average ranking was 43rd. Chancellor Blank explained that these rankings look at seven to nine different components. UW-Madison actually improved some of these components, including its graduation and retention rates and the share of its alumni who give back to the university. The university should have done better in the rankings, except that it did markedly worse on two components: faculty compensation dropped from 74th in 2008 to 118th in 2016, and dollars per student dropped from 47th in 2008 to 63rd in 2016.

Chancellor Blank emphasized that UW-Madison cannot be a top ten university when its faculty compensation and dollars per student are ranked so low. The university's gains in some other areas have been swamped by these financial problems. She clarified that the university is not doing badly; it has maintained excellent outcomes in many areas. However, higher education among top-ranked universities is extremely competitive today. If UW-Madison does not keep up with other schools that are moving forward even faster, it will fall behind. To maintain excellence, UW-Madison has to catch up in revenue growth and increase its investment back into the university.

Reinvestment Strategies

Responding to the idea that UW-Madison should "cut its way" out of this problem by reducing its administrative expenses, Chancellor Blank observed that the university's Big Ten competitors spend, on average, 6.2 percent of their revenues on central administrative expenses. UW-Madison spends 3.5 percent, which is markedly less than most of the rest of the Big Ten.

Chancellor Blank allowed that there are more things the university can do to save money and be more efficient, and said the institution is working hard on that. However, UW-Madison will not gain much from cuts in central administrative services. She also suggested that there are some services that UW-Madison probably needs to be growing.

Chancellor Blank stated that, in general, the university cannot increase investment by cutting. For example, some people have suggested cutting those areas where there is low demand and shrinking numbers of students and then using that money to invest in the high-demand areas. She indicated that UW-Madison has cut substantially in a number of departments that are smaller in terms of student size and number of faculty than they were ten years ago.

However, the money from those cuts all went into filling budget holes. Making the cuts did not give UW-Madison any new investment funding.

Chancellor Blank said that Wisconsin needs its universities, and particularly UW-Madison, to attract and grow business in the state. Modern business, whether in agriculture, manufacturing, health care services, or any other industry, wants to be near big research and educational institutions. Any cluster of growth in the United States will have a big research university or multiple universities very close by. She said she would argue that UW-Madison is central to the long-term economic health of the state.

Chancellor Blank described a two-part strategy for reinvestment. First, UW-Madison needs to work with the state to strengthen and build on its 169-year partnership as a major state university. Secondly, UW-Madison must develop entrepreneurial strategies to grow revenue streams that are within its control.

Speaking about UW-Madison's partnership with the state, Chancellor Blank thanked the Regents for being very involved with the 2017-19 budget request. She underlined the importance of not just the dollar request, but also the capital budget and compensation requests. She noted that the Governor had indicated that he would propose a tuition cut to be filled with new money; however, the university would need money beyond that to reinvest. Saying she was heartened by the Governor's statements on this topic, and by what she had heard from legislators, Chancellor Blank expressed her hope that the final budget would provide additional investment money in the UW System in line with the relatively modest request that the Board of Regents had made.

Chancellor Blank noted that the state is the university's smallest revenue source at this point. In addition to asking the state for more funds to help reinvest, UW-Madison needs to be entrepreneurial and focus on growing some of the other revenue sources. She then outlined a five-part strategy for doing this:

1. Expand the summer semester: The first rollout of UW-Madison's expanded summer semester was in 2016. The school offered 71 new courses, in particular large courses that many students have to take to fulfill their requirements. More than 1,100 new students enrolled, and tuition revenues grew 21 percent. The goal will be to reach 10-percent growth in both enrollment and revenues through 2020.
2. Grow programs for professionals: UW-Madison has nearly doubled the number of courses on offer for nontraditional students, professional masters, licensing, and capstone certificates. Many of these are off campus or are hybrids between online and on-campus activities, attracting older students who are returning to get more skills and who would not normally enroll in the traditional long-term residential programs, either undergraduate or graduate.

By doubling the number of courses, UW-Madison has substantially expanded the number of students enrolled in these programs. For example, the Computer Science capstone program was designed jointly with Epic. Taught at the Epic campus in Verona in the evenings, it is

open to both Epic and non-Epic students. With 250 students enrolled in 2016, the capstone program has more than tripled in size from when it started a few years ago.

3. Set market-based tuition for professional schools and nonresident students: The Board has allowed UW-Madison to charge tuition equivalent to what other schools charge their students for professional or out-of-state experiences, helping UW-Madison provide the same quality of educational experience as those other schools.
4. Grow alumni support: UW-Madison is currently in the midst of a \$3.2-billion alumni campaign, “All Ways Forward.” They have already passed the halfway mark thanks to extraordinary participation by 155,000 alumni donors. There has been substantial fundraising growth in gifts as a result of this campaign. Chancellor Blank said that in 2012, the year before she came to UW-Madison and opened the campaign, the university took in \$290 million in gifts. In 2015, gifts were almost \$600 million.

Chancellor Blank clarified that gifts are not all spendable income. Some are bequests, which the university hopes not to see for several decades. Most gifts come as endowments and are paid out over time, resulting in long-term revenue for the university. For example, the \$50 million in scholarship matching by Ab and Nancy Nicholas brought in a total of \$100 million in scholarships for undergraduates, athletes, and graduate students. This \$100 million endowment will pay out at 4.5 percent, which means \$4.5 million each year in new, spendable financial aid dollars to make UW-Madison more accessible and more affordable.

5. Grow research funds: Chancellor Blank mentioned actions UW-Madison is taking to turn around the trend of declining research investment, such as the UW2020: WARF Discovery Initiative, which allows interdisciplinary teams to submit proposals for new projects that have the promise of substantial funding after doing some front-end work. The initiative funded 28 of these proposals in hopes of generating a number of new interdisciplinary projects on campus. UW-Madison wants to provide better support to help UW scientists compete for big, complex interdisciplinary grants, which can be hard for one faculty member to put together.

Big interdisciplinary centers can also bring in substantial research money. The day before the Board meeting, UW-Madison celebrated the opening of the Wisconsin Crop Innovation Center. This facility in Middleton, which was received as a gift from Monsanto, is unlike any other available to research universities in the country. It has climate controls and special equipment for genetic crop research, which will allow UW researchers to develop healthier, more environmentally-friendly plants for food, medicine, and fuel.

Chancellor Blank indicated that these are the sorts of opportunities that UW-Madison needs to both take advantage of and proactively seek. The university must ask itself which areas need to hire more faculty and bring in more research dollars to be on the frontlines of science.

Chancellor Blank indicated that the worrisome trends she had highlighted are quite recent and therefore reversible. UW-Madison must be entrepreneurial and build revenues it can

leverage, but will also need the state to join in that effort. She noted that, as the university generates more and more of its own revenues, it becomes different from other state agencies. UW-Madison has to have more management flexibility and more control over its operations to allow it to do the things it must as an entrepreneurial and only partially state-funded agency. The UW System must ask the state for some long-sought flexibilities, she suggested.

Reinvestment Priorities

Chancellor Blank stated that, at the end of the day, money alone is not sufficient to create a great university. She pointed to some liberal arts colleges that receive huge donor gifts but do not look any different 15 or 20 years later. If money is going to make a difference, the question is how to use it. Universities need the right programs, vision, and leadership that knows how to spend money effectively in order to move the institution forward. She then discussed the three investment priorities that are important for building UW-Madison:

First, UW-Madison needs to build faculty strength. This involves growing faculty in areas where there is expanding student demand, such as engineering, nursing, computer science, and business. The university has to be strategic about how it hires people, building research clusters in areas that require one or two more people, to consolidate its research strengths.

The university also needs to re-establish competitive compensation. UW-Madison's full professors make substantially less than professors at other institutions. At other Big Ten public universities, average faculty and staff compensation over the past six years grew 2.5 percent per year. UW-Madison's faculty and staff compensation grew an average of 0.8 percent per year (zero percent for four years, and 1 percent for two years). Chancellor Blank observed that even if the UW System receives the two 2-percent raises included in the Board's 2017-19 budget request, it will still fall behind if the competition's compensation continues to grow at 2.5 percent.

UW-Madison also needs to reinvest in educational quality, which is an area that changes rapidly. Chancellor Blank said that students are driving this change because they learn in different ways than faculty over the age of 40 would have learned. The university has to provide the sort of opportunities that will take advantage of those students' skills and abilities, which includes expanding some innovative educational technologies. She emphasized the importance of making sure that UW-Madison is an inclusive and diverse campus that serves all of its students well.

Chancellor Blank also highlighted the need to create new opportunities for out-of-the-classroom experiences. These experiences include internships, career services, and study abroad, all of which can enhance career opportunities.

Finally, accessibility and affordability are important at any major public university. Chancellor Blank stated that this is true nowhere more than in Wisconsin, which has substantial relatively low-income populations in both rural and urban areas of the state. She indicated that keeping financial aid as high as possible is important. UW-Madison's efforts to raise institutional aid are important in this area, as is its partnership with the state.

It is also important to keep student debt affordable. Only 50 percent of UW-Madison's students graduate with debt, and those with debt default at a very low rate compared to the national average. That suggests that their debt load is appropriate and that the jobs they get are allowing them to repay it at a reasonable rate.

UW-Madison must pursue creative strategies to expand access. Chancellor Blank said that the institution had just finished updating transfer agreements with all of the two-year schools and with the larger technical colleges, such as the nearby Madison College. For many students, starting at a nearby two-year school is necessary due to financial constraints – they need to stay close to home and cannot come to UW-Madison for a full four-year residential experience. The transfer agreements make clear what students need to do at those two-year schools for automatic admission into UW-Madison.

Transfer agreements that lay out these requirements and work consistently across the entire System are important, but may not be enough to help everybody make the leap. First-generation students often need additional support. When neither parent has a four-year college degree, these students do not receive the family advising that others may receive. These students are often from low-income families, are more likely to start at a two-year school in order to live at home, and are more likely to drop out. Chancellor Blank indicated that first-generation students are a substantial part of the Wisconsin population who need more skills, and the university wants to provide them with the opportunity to come to UW-Madison.

To that end, she announced the Badger First-Generation Transfer Promise program, to bring a world-class education into reach for more first-generation Wisconsin students. She said that UW-Madison will prioritize this program if it receives new investment dollars from the state. With this funding, the Promise would guarantee that any first-generation student who completes the transfer requirements would receive financial aid to fully cover tuition for one year at UW-Madison. If that student is also Pell-eligible, tuition would be covered for two years at UW-Madison.

Chancellor Blank noted that all first-generation transfer students at UW-Madison in 2015 had unmet need and were three times more likely to be Pell-eligible. For this low-income population, the Promise could make a difference in the opportunities available to them. The Promise will give first-generation students in the state a path to a low-cost and world-class education at one of the best public universities in the country and the world.

Chancellor Blank said that the Badger First-Generation Transfer Promise is an example of what UW-Madison can do when its revenues are growing at the same rate as other institutions'; when it can reinvest; and when it can work in partnership with the state and entrepreneurially on its own to grow the quality of the institution.

Discussion

President Millner said she was very pleased to hear Chancellor Blank's strategies, both in partnership with the state and also independently, for addressing UW-Madison's decline in the

research rankings. She then asked Chancellor Blank to explain what constitutes a cluster hire and why that is such an important component of interdisciplinary research.

Chancellor Blank said that “cluster hire” is a term used by many universities, but operates differently in different places. At UW-Madison, cluster hires begin with a call for departments, schools, colleges, and groups of faculty to submit proposals in areas of substantial scientific interest, where the university is missing faculty in one or two key areas. The proposals needed to explain which faculty are already on campus, what additional faculty are needed, and how the university could build a stronger and richer environment in a particular area with two, three, or four new hires spread across different departments.

UW-Madison has done a number of these cluster hires in the past, and they were often effective ways to move new and exciting research areas forward. Chancellor Blank explained that supplementing areas of research with key new hires sets the university up to compete for some of the bigger interdisciplinary proposals around those areas of research.

Regent Petersen referred to conversations held in the Education Committee’s meeting that morning regarding admissions. The committee learned that UW-Madison currently has its largest incoming freshman class, reflecting a recent change in its in-state admissions from 3,500 to 3,600 freshman students. He noted that UW-Madison had been very aggressive in marketing to Wisconsin’s best and brightest high school students.

The Education Committee also heard that the Wisconsin high school graduation rate is declining, and had some discussion about the challenges that may create for the other four-year campuses if UW-Madison is required to admit 3,600 or more students each year. Noting that some of the two-year institutions are the biggest transfer providers to some of the four-year institutions, Regent Petersen asked Chancellor Blank to comment on how the new first-generation transfer program would impact the situation discussed by the Education Committee.

Chancellor Blank said the 3,600 commitment is for freshmen admissions in the fall, but a better number for the situation discussed by the Education Committee might be how many students UW-Madison is admitting at any point over the year and from any source.

In terms of the effect of the Promise program, Chancellor Blank suggested that it may not result in large increases in the number of transfer students coming to UW-Madison. She noted that many students attending two-year schools have reasons why they need to stay at home. There is hope that the program would have some impact on the margin, however, as there has been some decline in the number of first-generation students transferring into UW-Madison in recent years. Chancellor Blank expressed concern about that trend, saying the very top students coming out of two-year schools should be considering applying to UW-Madison.

The Promise program is an effort to encourage students with the requisite skills and ability, and who have gone through the two-year program, to believe that they can apply to and afford UW-Madison. Almost all two-year first-generation transfer students do have financial need – this program would ease that a little, though there still would be costs for housing and

other expenses. It would serve as encouragement and motivation for a group of students who often do not receive that encouragement from other places.

Responding to a question from Regent Grebe, Chancellor Blank affirmed that the average time-to-degree for undergraduates at UW-Madison is 4.07 years, or four years and three weeks. A substantial number of students undertake double majors, study abroad, or have internship experiences, which can put them behind a semester and may require them to take some summer courses before they can finish their degrees. Regent Grebe commended Chancellor Blank on the improvements made in this area.

Regent Grebe asked about the chancellor's mention of revenue growth in conjunction with performance. Chancellor Blank reiterated that money alone does not create a great institution – the money has to be spent effectively. The investments UW-Madison wants to make require money, but having money does not guarantee that an institution is making the right investments. An effective strategy requires both the ability to generate new revenues and a vision for how those revenues are going to create excellence.

Chancellor Blank stated that UW-Madison has been doing this effectively for 169 years, and would continue to do so with any new investments. She also affirmed that there would be some way for the Regents, the university's stakeholders, and the public to assess the effectiveness of UW-Madison's investment.

Referring to Regent Petersen's concern about first-generation transfer student tuition, Regent Grebe questioned whether it could disadvantage the other UW institutions if UW-Madison provides free tuition to the designated transfer students.

Chancellor Blank noted that the updated transfer agreements include a slightly higher GPA requirement to qualify for automatic admission to UW-Madison. The new GPA is slightly higher than the GPA requirements written into agreements for some of the other four-year schools. While the free tuition guarantee is important for improving access to UW-Madison, students still have to be academically ready to attend the university. She suggested that for this reason alone, there still will be many people not looking to transfer to UW-Madison.

Regent Grebe also asked Chancellor Blank how she would reconcile the need for more competitive tuition rates with this proposal for free tuition, even for a small number of students.

Chancellor Blank answered that while she has advocated for competitive tuition for professional schools and out-of-state students, UW-Madison's in-state students have always received substantial subsidies for tuition. She said that there are reasons to subsidize first-generation transfer students in particular, given what this population offers to the state and what challenges they face. She reiterated that every first-generation transfer student in 2015 had some degree of unfilled economic need. This population also presents an opportunity to enhance skills and grow the economy in Wisconsin.

Regent Tyler asked whether one of the reasons UW-Madison is not receiving an increased share of research dollars could be that the institution is not generating the outcomes sought by funding agencies.

Chancellor Blank said she did not think that was a concern, as UW-Madison's faculty are very successful at obtaining multiple grants year after year. She indicated that this is a sign that the funding agencies are seeing what they want from UW-Madison research. Instead, Chancellor Blank said the issue is about losing faculty, finding replacements, and figuring out how to provide the new hires with the same level of support. She noted that the big money is increasingly in big interdisciplinary projects, which are hard to put together and require some degree of institutional support. Cluster hires are important here, and many of UW-Madison's competitors have been doing those very effectively in the last five years.

Regent Klein mentioned an article in the *Milwaukee Journal Sentinel* from November 2016, which suggested UW-Madison has not kept up with other universities in the pursuit of classified research. She asked Chancellor Blank to comment on this.

Regent Klein also stated that she thought UW-Madison had been very entrepreneurial in seeking funds for reinvestment. She asked Chancellor Blank to comment on how UW-Madison will act on the faculty compensation and dollars-per-student metrics to move back up in the rankings.

Chancellor Blank said that dollars per student is simply total expenditures divided by the number of students, so growing revenues faster will cause that number to increase. Faculty compensation requires a different type of investment, starting with the Board's request to the state. UW-Madison has also been doing targeted merit increases and matching outside offers. Chancellor Blank said she hoped the university could turn that metric around over a five- to eight-year window.

As to classified research, Chancellor Blank pointed out that two of the top five schools have very little in the way of defense funding, which proves that it is not necessary to have defense funding, much less classified research funding, to be a top five research expenditure school. She acknowledged that there are schools that have substantial funding in classified and defense research, but observed that many of these schools have been doing that kind of research for decades. In many cases, the Defense Department invested in these schools in the 1960s and 1970s, building certain clusters of researchers at those schools. The Defense Department has not been investing that type of money very often anymore, making it difficult for universities to "get in the game" at this point.

Chancellor Blank explained that it is more efficient and effective to expand research by identifying and growing an area where you already have some strength, rather than trying to start something new. There are a number of areas of classified research in which UW-Madison does not have strength, and which would require enormous amounts of resources to grow. While UW-Madison does do some classified research and Defense Department contracting, she suggested that the university should continue to grow its existing areas of strength.

Following up on Regent Klein's question, Regent Farrow observed that the other 49 states are trying to enhance their overall economies at the same time that Wisconsin is. She asked if there were ways to enhance UW-Madison's image in the eyes of the public sector by fulfilling some of its applied science or research needs. She suggested that there should be more private research done in the UW institutions so that the university can have more funding and so the state as a whole can grow.

Chancellor Blank noted that UW-Madison has very strong partnerships with big-name companies in Wisconsin, including American Family Insurance and GE Health Care. She agreed with Regent Farrow that the university needs to keep growing those partnerships as another way to raise research dollars outside of federal funds.

UW-Madison is in the midst of a variety of activities meant to streamline the approval of private industry-university partnerships. Chancellor Blank indicated that the university would continue to work to make that process easier. She added that there are specific areas with opportunities that the university would try to jumpstart with investment funds.

Chancellor Blank also noted that the UW System is disadvantaged in that there are fewer Fortune 500 companies in Wisconsin compared to areas like the Twin Cities. While UW-Madison may never be at the same level of private research funding as some of its peer schools, she said the university can "absolutely" do more to grow in that area.

Referring to UW-Madison's summer school initiative, Regent Mueller observed that it may increase tuition revenues but would also increase costs; while it would help students graduate more quickly, it might not have a strong positive effect on the bottom line.

Chancellor Blank explained that summer courses are actually a very low marginal cost activity, as there are a number of classrooms that are otherwise empty and unused in the summer. Though many faculty do research in the summer, UW-Madison's non-faculty teachers are also often looking for additional teaching opportunities. While handling the applications, running the program, and paying the teachers does involve some costs, the university is much more likely to capture more money back in summer school.

Chancellor Blank noted that the situation described by Regent Mueller was more of a problem for some of the nontraditional programs. She indicated that one of the criteria for approving those nontraditional programs is that they be structured so that revenues are at least equal to or greater than the cost. The preference is for these additional nontraditional programs to earn enough revenues to allow departments to do some activities they otherwise would not be able to do.

Regent Mueller also stated that she strongly agreed with the need to reestablish competitive compensation. She noted that for the first time UW-Madison has been able to provide merit-based increases to some of its staff, and asked about the source of that funding.

Chancellor Blank said that the university cannot use one-time funds for the merit-based increases, because it has to be able to pay those out year after year. She indicated that UW-

Madison has seen some growth in revenues through its summer program and through some programs that had tuition increases, in addition to making \$50 million in cuts over the last two years. The university is putting some of the money freed up by cuts or new revenues into compensation, because there is such a high need and because the university cannot afford to lose faculty.

Regent Mueller also commented on using the number of “institutional support” positions as a metric for efficiency. She noted that schools have a strong incentive to code positions into any category other than institutional support, for instance academic support or student support. She suggested that it would be much more helpful to have position counts in meaningful categories showing trends over time when the Regents analyze budgets.

Chancellor Blank acknowledged that all efficiency metrics can be criticized in different ways. Noting that UW-Madison hires people when it gets new research dollars, she indicated that these “soft money” hires should not be counted against the university’s efficiency. The vast majority of new administrators hired by UW-Madison in the last year were hired to complete specific research projects.

President Cross asked Chancellor Blank to comment on which areas may see increased or decreased investment in research at the federal level, given the current political climate.

Chancellor Blank stated that the situation is quite chaotic at this time, so no one really knows anything. She suggested that the National Science Foundation probably would be in the biggest trouble, particularly in terms of social science research dollars. Chancellor Blank said she worried about this, because UW-Madison is one of the most effective universities in bringing in NSF social science dollars, given it has such an effective group of researchers in that area.

Chancellor Blank also predicted that the National Institutes of Health would continue to receive some strong support, particularly in the legislature, where a number of both Republicans and Democrats strongly advocate for the type of basic medical research that NIH does. Stating that it remains to be seen if the new administration will give any priority to defense dollars, Chancellor Blank concluded that, until the full administration team is in place, it will be hard to judge how high research will be on anyone’s agenda.

President Millner thanked Chancellor Blank for her presentation, saying that Chancellor Blank had addressed many of the reasons people across the country, and around the world, look to Wisconsin and UW-Madison with great respect.

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UW SYSTEM ACADEMIC PROGRAMS AND WISCONSIN’S WORKFORCE NEEDS

President Millner stated that a major theme of the Board’s February meeting was the UW System’s continuing efforts to meet the state’s most pressing needs, now and into the future.

This is a key priority of the 2020*FWD* strategic framework, and it drives much of what the UW System does.

Sharing a few examples, President Millner indicated that in the morning the REDI Committee had heard a UW-River Falls presentation focused on the university's Dairy Science Program and how it supports a vital Wisconsin industry through engaged learning and regional and global partnerships. In that same committee, Vice President James Henderson spoke about the UW System's ongoing efforts to build a more strategic, collaborative approach among the UW institutions to support research, community engagement, and student involvement. The Board also heard from Chancellor Blank about the extraordinary work being done at UW-Madison, in so many diverse fields, to come up with innovative and entrepreneurial solutions that have the potential to impact people's lives, both directly and indirectly.

President Millner said the Board would continue this theme by looking at academic program array, as it does each year around this time. She then introduced Jim Henderson, Vice President of Academic and Student Affairs, to tell the Regents more about that array, with a focus this year on how the UW System meets Wisconsin's workforce needs.

Vice President Henderson said he would begin the presentation by talking about the role of the university in producing graduates who are critical thinkers; well-rounded individuals with the skills of lifelong learners; and citizens who contribute to society and who are informed, engaged, volunteering, and civic partners. He said he would also discuss aspects of the university outside of degree programs that contribute to workforce development.

Before beginning, Vice President Henderson echoed President Cross in expressing his appreciation to Dr. Stephen Kolison for his work in producing a report about the program array and its relationship to workforce development.

Outlining his presentation, Vice President Henderson said he would review material related to the impact of higher education degrees, national and state trends in job demands, what the UW System has done with program array to add to workforce development, and how workforce development plays into the 2020*FWD* strategic framework.

Data on Incomes and Occupational Outlook

First, Vice President Henderson briefly reviewed some data about the economic benefit of higher education degrees in terms of median income and contributions to the tax base. In 2014, the U.S. median annual income was \$34,739 for someone with a high school diploma; \$39,572 with an associate's degree; and \$57,252 with a bachelor's degree. The U.S. Department of Education has determined that, on average, a college graduate earns \$1 million more over their lifetime than a high school graduate. Higher education degrees mean higher earnings power for individuals, as well as higher tax revenues for the state.

Vice President Henderson indicated that the national unemployment rate among college graduates during the recession was lower than for other levels of educational attainment. People who held bachelor's degrees lost 66,000 jobs during the recession, but gained 4.7 million jobs in

the recovery. On the other hand, those with high school diplomas lost 6.3 million jobs during the recession, few of which returned in the recovery. Virtually all job growth in the U.S. since the recession has required some postsecondary education, which has an economic impact on the state and on the UW System's graduates.

Vice President Henderson then highlighted some of the occupations that have the highest projected growth between 2014 to 2024, including audiologist, biomedical engineer, forensic science technician, operations research analyst, nurse practitioner, personal financial advisor, physical therapist, and physician assistant. All of these occupations require bachelor's degrees, and all of them have huge potential for growth at the national level.

In Wisconsin, the latest long-term projection for the period from 2012 to 2022 shows that the largest portion of available jobs will require a high school diploma. Vice President Henderson attributed this to the state's large manufacturing base. However, one in three jobs will require a bachelor's degree, and four in ten jobs will require an associate's degree or higher – these are the degrees offered by the University of Wisconsin System.

The long-term workforce population in Wisconsin is expected to continue increasing, but the labor workforce will flatten out. Vice President Henderson said this was due to the state's aging population and, partially, to the out-migration of people ages 21 to 24 with at least a bachelor's degree, according to the 2014-18 strategic plan of the Governor's Council on Workforce Investment.

According to the state's Department of Workforce Development, the 25 occupations with the highest projected growth in Wisconsin from 2014 to 2024 include 11 that require a post-secondary degree – a bachelor's degree or higher. These include operations research analysts, computer system analysts, personal financial advisors, web developers, biochemists and biophysicists, real estate brokers, market research analysts, software developers, chemists, nurse practitioners, and actuaries. Vice President Henderson noted that there is some overlap between this list and the national occupational outlook.

How the UW System is Meeting the State's Needs

Vice President Henderson said that the projected highest-growth occupations in Wisconsin typically require degrees related to the STEM fields, entrepreneurship, or health care. This is consistent with the areas highlighted in the development of the 2020FWD strategic framework as requiring the UW System's attention.

Of the 20 additional degree programs authorized in 2016, 11 degrees are in the three areas of STEM, health care, and entrepreneurship. In the STEM fields, new degree programs include data analytics, computer science, microbiology, natural resources, and information science and technology. Under health care, new degree programs include health and wellness management, clinical nutrition, athletic training, and an accelerated nursing program at UW-Madison for people who already have bachelor's degrees in other areas. New entrepreneurial programs include sports management and a Flex degree in business. Vice President Henderson

said these new degree programs reflect how the UW System is being responsive to the areas of highest need in the state of Wisconsin.

The other degree programs authorized in 2016 include four in education (early childhood, special education, secondary education, and STEM middle childhood-early adolescence education), three in the social sciences (geospatial analysis and technology, social work, and urban studies), and one in agriculture (dairy science). Vice President Henderson said that these new degrees also show how the UW System is concentrating on adding specific degrees to address some of the workforce needs in Wisconsin.

Vice President Henderson also mentioned a conversation at the Board's October 6-7, 2016 meeting at UW-Eau Claire with Zach Halmstad, founder and president of JAMF, an information technology company that employs 600 people in the areas of health care and education. At that time, Mr. Halmstad told the Board, "We need people who can think freely and solve problems. The problems we are seeing today aren't the problems we had a year ago." As a UW-Eau Claire graduate who majored in music, Mr. Halmstad also said, "A liberal arts education taught me how to learn about topics I'm not an expert in. I still find that beneficial on a daily basis."

Vice President Henderson said that these comments reinforce that employers want graduates who are critical thinkers and lifelong learners. This is one of the key outcomes of what the UW System does for the workforce.

Vice President Henderson also noted other ways the UW System is helping to address some of Wisconsin's workforce needs. He specifically mentioned one of the partnerships in the STEM area, the UW System's partnership with WiSys, which helps the comprehensive universities with patent development and intellectual property. Promoting these activities also encourages entrepreneurship among faculty and increases student engagement in the discovery process.

Noting that internships have been discussed a great deal as part of the 2020*FWD* strategic plan, Vice President Henderson said that Great Lakes has awarded UW-Eau Claire a 2015-2018 Career Ready Internship Grant totaling \$326,028 to place students in STEM fields. By getting more students into STEM field internships where they can have hands-on experience, it is more likely that those students will become engaged in those companies and continue their work in Wisconsin.

In the area of health care, a WEDC grant was recently awarded to the UW-Milwaukee Research Foundation to support the development of innovative health care ventures in Wisconsin. Both UW-Madison and UW-Oshkosh have accelerated bachelor's degree programs in nursing, addressing the state's workforce needs. Finally, 66 of the 83 interns placed by the Community Health Internship Program were from the UW System, with 11 UW institutions represented.

In the area of entrepreneurship, three WEDC grants were recently awarded to the UW-Madison Law and Entrepreneurship Clinic, UW-Stout's Center for Innovation and Development,

and WARF's *Upstart* program for minority and women's entrepreneurship. Vice President Henderson also highlighted a course offered at UW-Whitewater, "Experiments in Entrepreneurship," which is available to students from any major.

2020FWD Educational Pipeline Initiatives

Vice President Henderson then discussed some of the 2020FWD educational pipeline initiatives. A new collaborative research initiative focused on water issues will bring the comprehensive universities together to work on research projects that impact the state of Wisconsin. This initiative will engage more students with undergraduate research related to 2020FWD's three focus areas: STEM fields, healthcare, and entrepreneurship. It will also provide faculty from all campuses with opportunities to engage with Wisconsin businesses, and will provide students with more internship opportunities.

Vice President Henderson said that internships are a vital part of the 2020FWD strategic plan, one that President Cross had been stressing for the past couple of years. Internships play an important role in providing educational and workplace opportunities for students and increasing student success and engagement with local communities, which in turn improves the possibility of retaining talent after graduation. The UW System is working closely with the Department of Workforce Development, technical colleges, private universities, and business stakeholders to provide these internship opportunities, which present a win-win-win situation for students, employers, and Wisconsin's economy.

Vice President Henderson said the UW System is also working to move more high school students through 1+3 Bachelor's Degree Program and dual enrollment options. The 1+3 Bachelor's Degree Program is a collaboration with Fox Valley corporate partners to increase IT talent in the area, allowing students to complete their first year of college while in high school. By transferring into higher education with more credits, these students graduate faster and at a lower cost.

Vice President Henderson indicated that seamless transfer opportunities would also be a significant part of the UW System's education pipeline efforts. The System wants to increase the number and effectiveness of articulation agreements between colleges, making transfers seamless, smooth, and easily navigable at any step of education.

With the number of high school graduates declining, Vice President Henderson said it will be crucial for the System to reach out to nontraditional populations and include them in its education program in order to increase Wisconsin's workforce. Expanding degree completion opportunities, including the competency-based online UW Flexible Option program, is one way of reaching out to that nontraditional population.

The final 2020FWD initiative he discussed was 360 Advising, which can improve student success and reduce time to degree by using predictive analytics and intensive advising to provide timely support to students. 360 Advising would also increase student access to financial planning and career counseling services. Vice President Henderson emphasized the importance

of advising in getting students into programs that fit their needs, and which also match the state's workforce development needs.

Vice President Henderson concluded that the UW System is vital for the state's economy, and that changes to the System's program array are closely aligned with the state's demonstrated workforce needs. The 2020*FWD* strategic plan will reinforce the UW System's commitment to strengthening Wisconsin's economy.

Discussion

President Millner said she very much appreciated Vice President Henderson's points about how the UW System can meet workforce needs without creating new degree programs, as what the System is doing within communities is also critical.

President Millner also commented on teacher shortages in Wisconsin – both the general need for K-8 teachers, and specific needs in special education and secondary education – and asked Vice President Henderson to discuss what the UW System is doing to increase the number of students going into education training programs.

Vice President Henderson said that four new education degree programs were added in 2016, including one program focused on STEM education. The UW System is also working very closely in partnership with the Department of Public Instruction to look at some of the credential rules and requirements and arise with more flexible ways of approaching those credentials.

He indicated that there have been some very creative initiatives in different areas of the country to engage more teaching students in the STEM area, which some of the UW institutions have been looking at very closely. For example, one of the key components of the UTeach program at the University of Texas at Austin is to have really good science major students go do some demonstrations at the elementary schools. He explained that this program has been phenomenally successful in convincing these College of Science students to want to teach for a living. Some of the UW campuses are following up with this idea that UTeach has pioneered, but with a focus on how to increase that partnership.

The UW System is also working very closely with the Rural Schools Association in Wisconsin on how the university can enhance the success of RSA teachers. President Cross has initiated conversations with RSA about how to get more highly-qualified teachers who can teach dual enrollment classes, which will help with the shortage of teachers in some of the rural areas.

Vice President Henderson said that teacher education is key to the education pipeline and student success. As a mathematician and former school board member, he stated that getting good math teachers into middle schools in particular pays huge dividends, especially in getting more women and under-represented students to be successful in those areas.

Responding to a request from President Millner, Vice President Henderson said he would work on gathering information for the Regents about how accreditation requirements impact what the UW System is doing at its Schools of Education to develop teachers for the classroom.

President Millner then opened the floor to questions from other Regents.

Following up on the credentialing issue, Regent Tyler asked Vice President Henderson to also look at how the Higher Learning Commission may be hampering the university's ability to offer dual enrollment and advanced placement programs.

Vice President Henderson then responded to a series of questions from Regent Tyler about the definition and role of "demand" in program array. He explained that the figures he cited in his presentation are based on employer demand; however, when approving new programs the university considers both workforce demand and current or prospective student interest. The economics of higher education are primarily tuition-driven, which means that programs with low student enrollment are not sustainable. As programs are being proposed, the university will also look at its capacity to meet those needs within existing programs, in addition to local demand and support for the proposed program.

Referring to the high job placement rates at UW-Stout and UW-River Falls, Regent Tyler also suggested that student success outcomes after graduation be a consideration in building the program array.

Regent Higgins congratulated Vice President Henderson and Dr. Kolison on providing useful context to the annual program array report and how it relates to Wisconsin's workforce needs.

Regent Hall expressed her appreciation for the presentation. Responding to a question from Regent Hall, Vice President Henderson explained that the high demand for teachers is a result of high turnover, especially in some of the rural and larger city schools where it is a challenge to attract a consistent workforce, rather than projected growth in the number of education jobs.

The UW System is in conversations with the Department of Public Instruction to look at some of the challenges of teacher certification and licensure and to see how those processes can be streamlined. Vice President Henderson said he did not think the strong demand for teachers would go away, and the Colleges of Education throughout the UW System are working hard to address this issue.

Citing the long-term projections for educational attainment, Regent Hall asked if a demographic breakdown – such as for African American, Hispanic, or Hmong populations – was available. Vice President Henderson indicated that this information likely did exist, and said he would follow up. Regent Hall suggested that this information could help drive the message of what UW institutions do for current and future workforce needs.

With no additional questions or comments from the Regents, President Millner invited President Cross to share a few comments.

Referring to a slide in Vice President Henderson's presentation suggesting that 43.7 percent of Wisconsin's future jobs will require only a high school diploma, President Cross suggested that these projections were likely built from past trends, given that 99 percent of all new jobs since 2007 have required some college education. However, he acknowledged that Wisconsin will likely always lag behind in the proportion of jobs requiring higher education due to its dominant economic sectors in manufacturing and agriculture.

President Cross also said that longer-running projections show that between 30 percent and 50 percent of the jobs that will exist in 2030 do not exist currently. How then can the UW System prepare graduates to function in the workplace for the next 50 years?

He suggested that these projections lend some credibility to the ideas expressed by Mr. Halmstad and repeated by Vice President Henderson: The System is preparing people to adjust to different jobs by giving them fundamental tools; to be critical thinkers capable of logic, communication, and entrepreneurship; and to be able to switch as needed to different jobs within a broader field. President Cross said he believed this to be the most significant transformation in the history of the world of work, and it is happening quickly. The university has to think about how to prepare students for that changing world.

Based on the UW System's analysis of Wisconsin's workforce needs during the development of its 2020*FWD* strategic framework, President Cross said one of the three most acute needs in Wisconsin appeared to be in the information technology field, ranging from coding experts to computer scientists. The second of the most acute needs is nursing, which President Cross indicated was being used as a broad classification for several healthcare-related disciplines.

Finally, the teacher demand has in the past two years become very acute, especially in rural and urban areas. President Cross said the UW System was working with Dean Alan Shoho at UW-Milwaukee and individuals at UW-Parkside to develop a program allowing students to complete the first year of their teacher education degree while still in high school.

President Cross stated that it is impossible for a public university to ignore the workforce demands of the state in which it lives, works, and serves, but it is also important to realize that this cannot be the university's only purpose. The UW System wants students to engage in self-reflection about their own values and behaviors, to become better people as a part of their pursuit of truth, and to understand how they can participate in society and the economy.

President Millner thanked Vice President Henderson and Associate Vice President Kolison. She also offered the Board's best wishes to Dr. Kolison in his new pursuits.

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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 by Regent Klein and adopted on a roll-call vote, with Regents Behling, Delgado, Erickson, 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 10818 That the Board of Regents move into closed session: (a) to consider an amended additional compensation agreement for the UW-Madison head football coach, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (b) to consider an amended additional compensation agreement and amended employment agreement for a UW-Madison associate head football coach/offensive coordinator, as permitted by s. 19.85(1)(c) and (e); (c) to consider an employment agreement and additional compensation agreement for a UW-Madison assistant football coach/defensive coordinator, as permitted by s. 19.85(1)(c) and (e); (d) 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 effect upon the reputation of such persons, as permitted by s. 19.85(1)(f), Wis. Stats.; (e) to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.; and (f) to consider an annual personnel evaluation, as permitted by s. 19.85(1)(c), Wis. Stats.

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The Board recessed at 3:00 p.m. to relocate to Varsity Hall I and reconvened at 3:10 p.m.

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The following resolutions were adopted during the closed session:

Approval of Amended Compensation Agreement, UW-Madison Head Football Coach

Resolution 10819 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 attached Amended and Restated Additional Compensation Agreement between UW-Madison Head Football Coach Paul Chryst and the University of Wisconsin Foundation, effective March 1, 2017.

Approval of Amended Compensation Agreement and Amendments to Employment Agreement, UW-Madison Associate Head Coach/Offensive Coordinator

Resolution 10820 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 attached Amended and Restated Additional Compensation Agreement between UW-Madison Associate Head Football Coach/Offensive Coordinator Joe Rudolph and the University of Wisconsin Foundation and amendments to the Employment Agreement between Joe Rudolph and the Board of Regents, effective March 1, 2017.

Approval of Employment Agreement and Additional Compensation Agreement, UW-Madison Assistant Coach/Defensive Coordinator

Resolution 10821 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 attached Employment Agreement between James A. Leonhard and the UW System Board of Regents, doing business as UW-Madison, and the Additional Compensation Agreement between James A. Leonhard and the University of Wisconsin Foundation, effective February 5, 2017.

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The meeting was adjourned at 4:50 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