

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held at UW-Madison
Union South, Varsity Hall II
1308 W. Dayton Street
Madison, Wisconsin

Thursday, February 8, 2018
1:15 p.m.

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-President Behling presiding-

PRESENT: Regents Robert Atwell, John Behling, José Delgado, Tony Evers, Michael Grebe, Eve Hall, Tim Higgins, Mike Jones, Tracey Klein, Regina Millner, Janice Mueller, Drew Petersen, Ryan Ring, Bryan Steil, Mark Tyler, and Gerald Whitburn

UNABLE TO ATTEND: None

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UPDATES AND INTRODUCTIONS

President Behling welcomed everyone and thanked Chancellor Rebecca Blank and her team for hosting the Board's February meeting.

President Behling noted that with the recent resignations of Regents Margaret Farrow and Lisa Erickson, some important committee assignments and other appointments needed to be filled. He indicated that Regent Klein had agreed to serve as chair of the Committee on Student Discipline and Other Student Appeals, and Regent Hall had agreed to serve as the Regent member of the Wisconsin Technical College System Board. President Behling thanked his colleagues for agreeing to take on these additional duties.

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UPDATE ON RESTRUCTURING OF UW COLLEGES AND UW-EXTENSION

In November 2017, the Board of Regents approved a proposal to restructure UW Colleges and UW-Extension, allowing President Cross to proceed with planning and

implementation to join the 13 two-year campuses with the four-year comprehensive and research institutions.

At that time, President Behling also asked President Cross to make the restructuring a standing agenda item for the Board's next six meetings so that the Regents could be regularly updated. The Board heard President Cross's first report at its December meeting. The Regents also approved a resolution giving President Cross the authority to determine which of the four-year institutions would offer the UW Colleges Associate of Arts and Sciences Degree Online, subject to the approval of the Executive Committee.

The Board's Executive Committee met on January 3, 2018, and approved a resolution that expanded the availability of the Associate of Arts and Sciences degree in the online format to all of the four-year institutions as a Collaborative Online Degree Program. The resolution also authorized UW-Milwaukee to offer the degree in the Flex format.

President Behling announced that the Board would now hear a second report from President Cross and his team.

President Cross said he was pleased to report that the UW System is making significant progress in its ongoing planning and implementation of the reorganization of UW Colleges and UW-Extension. He thanked the many people involved for their valuable contributions and commitment to this process, particularly Karen Schmitt, UW Colleges Provost and Vice Chancellor; Carleen Vande Zande, UW System Interim Associate Vice President of Academic Programs and Educational Innovation; and all of the provosts on each of the campuses.

President Cross indicated that the initial feedback from HLC was very complimentary of the UW System's extensive submission, and the HLC is now initiating the second phase of their review. He then introduced Vice President Rob Cramer to lead the next restructuring update.

Primary Objectives

Vice President Cramer suggested that it would be useful to first touch on the primary objectives of the restructuring: access, affordability, and opportunity for students. He emphasized that it is important to keep these objectives in mind because the restructuring is a large, complicated effort. At the end of the restructuring process, the UW System's ability to achieve these objectives will be key to measuring its success.

Higher Learning Commission Update

The primary focus of the UW System's work into mid-January was its submission to the Higher Learning Commission (HLC) of the Change of Control and Structure Application to integrate UW Colleges with the four-year comprehensive and research institutions, as well as the restructuring of UW-Extension.

Regarding the application, which is available online, Vice President Cramer noted that the institutional statements and other planning assumptions are a point-in-time snapshot of the

project. The application to the HLC proposes a two-phase approach which includes a series of steps to move from the current structure to the new structure after June 2020.

In the first phase, Vice President Cramer stated that ensuring student support services is a priority. UW Colleges will work with the other institutions to provide services. In the second year, many of these services will transfer from the two-year to the four-year and research institutions.

Other functions, such as information technology and human resources, are being maintained centrally to provide services in 2018-19 to the two-year campuses while planning takes place to identify where they can be expanded to other UW institutions, consistent with the 2020FWD goal of standardizing, consolidating, and streamlining non-instructional services.

Vice President Cramer said the HLC review process will not be completed until June 2018. The UW System's submission is currently in a panel review period, and the HLC Institutional Action Committee will then meet at the end of March.

Steering Committee Update

Vice President Cramer reported that the Steering Committee has met three times and will next meet on February 16. The first three meetings focused on providing background for the HLC submission and pressing issues such as curriculum for 2018-19. He indicated that the committee will now begin focusing on regionally-identified issues, student services, employee services, and the project timeline. The HLC submission will be the reference point for this work, he said, as the UW System will be following the proposal and planning activities that it contains.

Regional and Functional Team Updates

Vice President Cramer next displayed a slide with the restructuring's project structure, listing the nine restructuring teams reporting to the Steering Committee. He noted that Vice President Henderson will be leading the UW System Administration/UW-Extension Restructuring Team.

Fourteen functional teams have been established to date, including athletics, bursars, facilities and property, finance, financial aid, HLC, human resources, information technology, libraries, procurement, registrars, student information systems, student recruitment, and student visas. Vice President Cramer explained that these teams are comprised of representatives across the UW System who are sharing their expertise, experience, and knowledge to help the System move forward through the restructuring project.

Vice President Cramer then shared comments from some of the regional and functional teams about this large, complicated effort.

UW-Madison / UW-Extension Cooperative and Conference Centers

From the outset, planning for the transition of Cooperative Extension to UW-Madison has been guided by principles consistent with the outreach mission of both institutions to act in partnership with each other – and with all of the many individuals, organizations, and offices who have existing relationships with Cooperative Extension – so that the process of transition remains transparent, constructive, and efficient.

Members of the UW-Madison/Cooperative Extension planning team are meeting continually with county officials, agricultural consortia, and other interested parties to share information, invite questions, and respond to concerns.

Similarly, members of the UW-Madison/Cooperative Extension planning team meet regularly with representatives of all involved shared governance groups, as well as institutional leaders, to ensure transparency and informed engagement as the complicated issues of the transition are identified and addressed. Throughout the process there has been a consistently high level of positive dialogue and cooperative effort, which supports the overall objective of realizing new opportunities for the state of Wisconsin through the combined efforts of Cooperative Extension and UW-Madison.

UW-Milwaukee / UW-Washington County / UW-Waukesha

UW-Milwaukee's New School/College Taskforce is focused simultaneously on three difficult tasks:

- 1) Developing a formal process for approval of a new school and college that would include faculty, staff and academic programs from UW-Waukesha and UW-Washington County;
- 2) Developing an organizational chart that thoroughly reflects the structure and integration of the new school and college within UW-Milwaukee, including its relationship with existing schools and colleges; and
- 3) Drafting a separate organizational chart that delineates the staffing needs outside of the new school and college but within UW-Milwaukee's existing organizational structure, in order to support expansion of operations at UW-Milwaukee resulting from the joining of these three campuses.

The UW-Milwaukee taskforce is comprised of representatives from shared governance and administrators from the three campuses, as well as members of the UW System restructuring team.

UW-Oshkosh / UW-Fox Valley / UW-Fond du Lac

All faculty from the UW-Oshkosh, UW-Fond du Lac, and UW-Fox Valley campuses met in January and broke into academic departments to discuss their own shared governance needs as part of the larger issues the three institutions are tackling. The regional team has identified key activities to target with their systems using one-time recruiting funds that were recently

distributed. The regional team has also developed a timeline of events for how the HLC submission will inform key critical path activities that are being synthesized within each group at the regional level, to ensure that items from July 2018 are prioritized within the project flow.

UW-Platteville / UW-Richland / UW-Baraboo/Sauk County

UW-Platteville has identified tenure as an area of concern and focus, with the faculty reviewing its bylaws to support the restructuring project and the tenure process. Along with a number of other institutions, UW-Platteville has also noted that finding time when members of the campuses can get together and meet on these issues can be a significant constraint.

UW-Stevens Point / UW-Marathon County / UW-Marshfield/Wood County

UW-Stevens Point recently conducted a joint program with UW-Marathon County and UW-Marshfield/Wood County which explored new opportunities for serving students and offering new programs, and identified pressing questions from the restructuring and better ways to serve the communities.

UW-Whitewater / UW-Rock County

UW-Whitewater's main focus has been on governance and curriculum. The HLC application for the Bachelor of Applied Arts and Sciences degree is also on the radar. A concerted effort is being made to identify those issues and concerns that are most pressing, and also to meet with various community groups such as the county board and city councils.

Financial Aid Functional Team

Vice President Cramer noted that the functional teams have been meeting often. Highlighting the financial aid group in particular, he said the team has already developed a timeline outlining key activities between now and September 2020 to inform planning throughout the course of the project.

New Decisions

Vice President Cramer indicated that the Steering Committee has made a number of decisions to-date which informed both the HLC submission and addressed some of the pressing points in this project. Examples include recruiting and outlining steps for proposing new names for the institutions.

Vice President Cramer concluded by thanking again the many people who are working on this project, saying he has been uniformly impressed by their commitment and dedication in making the restructuring successful.

Discussion

President Behling opened the floor to questions for Vice President Cramer.

Regent Mueller thanked Vice President Cramer for his update. Recalling her previous concerns that there were no initial revenue or expenditure estimates, Regent Mueller requested more details about the financial impact of the restructuring at future meetings.

Vice President Cramer said the UW System would be able to provide this information. He noted that the submission to the HLC included budgets for the next two years based on forecasts, and that this information was also available online.

With no further questions, President Behling thanked Vice President Cramer for his report.

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HOST-CAMPUS PRESENTATION BY UW-MADISON CHANCELLOR REBECCA BLANK: “UW-MADISON’S PARTNERSHIP WITH WISCONSIN”

President Behling said the Regents would next hear from their host, UW-Madison Chancellor Rebecca Blank.

Introduction

Stating that there were many good things happening around campus, Chancellor Blank said she would briefly discuss them before focusing on a bigger issue.

Chancellor Blank reflected that this is a year when UW-Madison has been focused on expanding revenues through entrepreneurial efforts of its own, with the new revenues coming in being used to make investments.

Chancellor Blank noted that this is the first year since she arrived at UW-Madison that the university has not been dealing with budget cuts – and it is also a year when the demand for UW-Madison is higher than it has ever been. Preliminary numbers indicate that undergraduate applications in 2017-18 went up 20 percent.

She observed that this year is also when the number of outside offers to faculty appears to finally be back to normal, after several years of extensive efforts by other universities to raid UW-Madison’s best faculty.

Concluding that this is a year “when it feels like we are actually moving forward,” Chancellor Blank stated that, as usual, UW-Madison’s students, staff, and faculty have all achieved some amazing things – including an “absolutely great” Badger football season. (She said this was the cue for Regent Higgins to pass around his copy of the Wall Street Journal article which named the Badgers the most-admired football team in Division I for the fifth year in a row.)

Chancellor Blank indicated that all Regents had received a “Points of Pride” publication listing many of the amazing things that are happening at UW-Madison, and encouraged them to look through the list at their convenience.

Moving on, Chancellor Blank observed that at this moment there is a real debate about the role of universities in our society. She referred to news reports from a couple months prior, about a survey in which a substantial number of people suggested that colleges and universities actually have a negative effect on society. She pointed out that these reports are coming out despite the fact that all economic data suggests only those with two- and four-year college degrees are going to have a chance at finding jobs with decent wages and low opportunities for unemployment.

Speaking specifically about UW-Madison, the state’s flagship university, Chancellor Blank acknowledged that the institution has received its share of criticism over the years, and that some of it was certainly justified. However, she pointed out that UW-Madison attracts higher quality students than any other school in Wisconsin, public or private; that it is among the best research universities in the country; and that it regularly ranks among the top public universities in the United States.

What It Means for Wisconsin to Have One of the Top Public Research Institutions in the Country

Noting that there are many other good schools in the state, including the other UW institutions, Chancellor Blank posed the question, “What does it matter to the state of Wisconsin that it has within it one of the best public research institutions in the country?” She then offered five answers to this question.

Access to a World-Class Education for Wisconsin Students

First, UW-Madison provides access to a world-class education for Wisconsin students. Chancellor Blank stated that Wisconsin students can earn a degree from one of the top-ranked public institutions in the nation for only \$10,533 in tuition and fees per year.

The only higher-ranked public university in the Big Ten is the University of Michigan, where a Wisconsin resident would have to pay more than \$47,000 in tuition and fees. Alternatively, students can attend the University of Minnesota given the states’ reciprocity agreement, but it would cost \$4,000 more per year – and the institution is ranked well below UW-Madison.

Chancellor Blank explained that this access to excellence is important in terms of keeping the best students in Wisconsin, and emphasized that UW-Madison is committed to making it possible for any student who can be admitted to be able to attend.

UW-Madison guarantees a minimum of 3,600 Wisconsin students in every freshmen class; in 2017-18 there are more than 3,700 resident freshmen. Chancellor Blank said UW-

Madison's admission rate among in-state applicants has typically been about 66 percent, compared to well below 50 percent for out-of-state applicants.

Stressing that it is particularly important to keep the best students in the state, Chancellor Blank said that fifty years ago places like Wisconsin could just assume the top students out of high school were going to come to the flagship university. Today's students, particularly those from middle or higher income families, do a national search for colleges rather than automatically attending the flagship university. She noted that once students leave the state for college, they are much more likely to take their first jobs outside the state and establish their careers elsewhere.

UW-Madison has started the Wisconsin PRIME Program to keep the state's best students in Wisconsin. Chancellor Blank explained that the PRIME program targets high school students in Wisconsin who have top grades and an ACT score of 30 or higher. The goal is to reach 800 students using high-touch recruiting to communicate why a top student would want to attend UW-Madison.

Recently Chancellor Blank had lunch with some of this year's PRIME candidates; she indicated that they had a wonderful conversation about why they choose to attend UW-Madison and stay in Wisconsin. Saying the program is "on the right track," Chancellor Blank reported that the share of applicants with ACT scores higher than 30 rose by 7 percent last year. Data for the current year will be available soon.

Chancellor Blank suggested that the more of these excellent students UW-Madison attracts and keeps in Wisconsin, the easier it will be for Wisconsin's businesses to recruit those students into jobs.

Out-of-State Talent Recruitment

Chancellor Blank said a second contribution UW-Madison makes is out-of-state talent recruitment: UW-Madison brings more highly-skilled young adults into Wisconsin from outside the state than any other institution – an enormous advantage in a skill-deficit state that needs more of these people. UW-Madison has almost 20,000 graduate and undergraduate students on campus who come from outside Wisconsin.

Chancellor Blank indicated that the institution is choosing these students from a growing pool of out-of-state applicants. In 2017 there was a 20 percent overall increase in applications to UW-Madison, with Wisconsin applications rising by 6 percent, Minnesota applications rising by 17 percent, and nonresident applications rising by 30 percent. She explained that much of this has to do with UW-Madison's movement to the Common Application. The expectation of a greater impact in the second year of using the Common Application has been carried out in the preliminary data.

Stating that UW-Madison is extremely selective in its out-of-state admissions, Chancellor Blank noted that the university admits less than half of out-of-state applicants – far below the

admission rate for Wisconsin residents. The nonresident admission rate has been steadily decreasing as the number of out-of-state applicants has increased.

Over the next five years, UW-Madison will look to expand its freshman class by tapping into this deep pool of talent. Chancellor Blank emphasized that this would in no way lessen UW-Madison's commitment to Wisconsin students. She indicated that in a time when the number of Wisconsin high school students is stagnant or declining, the growth of high-skilled people in the state in part will need to come from attracting more people from out-of-state – so expanding nonresident enrollment is both smart for the university and good for the state.

Out-of-state students, including international students, bring more diversity to the student body, which helps improve the educational experience for Wisconsin students and everyone else. She added that this prepares students to better compete for top jobs in global companies where the ability to work with a very diverse group of colleagues is often highly valued.

With regard to the question of whether UW-Madison keeps talent in Wisconsin, Chancellor Blank said that there are opportunities for businesses to recruit from the University of Wisconsin. Wisconsin companies are much more likely to be able to recruit an engineer who attended school in Wisconsin for four years than someone who arrived in the state for the first time for a job interview.

UW-Madison regularly surveys students after graduation and has found that, of nonresident undergraduates who go on to work (rather than graduate school), 22 percent have a job in Wisconsin. Chancellor Blank observed that this is a very good retention rate, and suggested that it says something about the extent to which UW-Madison's talent pool is in turn feeding into the state's talent pool.

Chancellor Blank concluded that the university cannot force people to stay in the state after graduation, but it can work in partnership with businesses to help Wisconsin industries recruit them. Karl Scholz, Dean of the Colleges of Letters & Science, reported to the Research, Economic Development, and Innovation Committee earlier that day on how his college is creating partnerships for UW-Madison's liberal arts undergraduates.

Discoveries and Innovations that Save Lives and Drive the Economy

Chancellor Blank said that UW-Madison also drives discovery and innovation. The flagship university is not only the biggest research entity in the state, but is also the sixth biggest research entity in the country. She gave three reasons as to why this is good for Wisconsin:

First, Wisconsin residents benefit from UW-Madison's research work, whether it involves modern dairy herd management or more effective cancer treatments. Much of the early knowledge and innovation from this research feeds through and benefits state residents and businesses first.

Chancellor Blank noted that this aspect is an important attraction for businesses considering coming to Wisconsin – for example, UW-Madison is currently in a number of

conversations with Foxconn about potential research partnerships. Foxconn has also expressed interest in UW-Madison's work on artificial intelligence, engineering, and the research and development of automated vehicles, and the university's world-class cancer research.

UW-Madison research also provides industry partnerships that help Wisconsin businesses stay on the cutting edge of technologies in their field. Chancellor Blank explained that companies, particularly those based in the U.S., want to be located near research universities because their comparative advantage in the world economy is in staying on the front edge of technology and innovation.

Finally, university research also spurs startup businesses. Chancellor Blank indicated that UW-Madison is working hard on strengthening this pipeline. The university has identified 362 Wisconsin startup companies based on UW-Madison discoveries – and that number continues to grow every year.

Bringing Revenue into the State, Creating Jobs, and Building the Tax Base

Chancellor Blank said that a fourth effect UW-Madison has on the state is to bring in revenue, creating jobs and building the tax base.

UW-Madison brings \$1.1 billion dollars into the state in federal and private research funding, which is primarily spent in Wisconsin to hire people, create jobs, and buy materials. Based on its research enterprise alone, UW-Madison is one of Wisconsin's largest employers and a major source of jobs and spending, largely funded by revenues from outside the state.

UW-Madison also brings another \$300 million into Wisconsin from out-of-state tuition revenue, which is spent on jobs and services. Chancellor Blank added that there are also large amounts of donor dollars that come to UW-Madison from out of the state.

The chancellor observed that these figures are particularly striking because most people think of the UW institutions as public entities – but public entities are largely state-funded and do not bring in additional revenue. With only 15 percent of its revenue coming from the state, Chancellor Blank said that UW-Madison is much more like a private company – except that there are very few companies in Wisconsin that bring and spend \$1.4 billion in the state. These dollars generate significant activity, jobs, and tax revenues; for every \$1 received from the state, the university generates \$24 in economic activity.

To give Regents a sense of the state-wide impact of UW-Madison's research dollars alone, Chancellor Blank displayed a map showing that their impact goes far beyond Dane County – funds are spent all over the state to purchase equipment, supplies, and technology from Wisconsin-based businesses.

Service to the State: The Wisconsin Idea

Chancellor Blank provided a final reason why UW-Madison is good for Wisconsin: the service the university performs for the state. More than 100 years earlier, one of her

predecessors coined the phrase “The Wisconsin Idea” to embody the commitment that UW-Madison has to the state around it. The university’s boundaries are not those of the campus, but those of the state.

Chancellor Blank noted that UW-Madison started Cooperative Extension programs before the federal government did. The university started the first public radio station in the country, which celebrated its 100th anniversary just last fall. UW-Madison also initiated some of the earliest public weather forecasting for farmers and became the birthplace of weather satellite technology.

Today, the College of Agricultural and Life Sciences is deeply involved with almost every agricultural group in the state. The School of Medicine and Public Health places medical students in rural Wisconsin communities every year to help address the physician shortage. The School of Veterinary Medicine provides guidance to veterinarians, farmers, and pet owners across Wisconsin, and cares for police dogs across the state. The Wisconsin Center for Film and Theater Research created the Northwoods Tour, which took a trio of archivists across the state to share technology and expertise with local historians and families who wanted to digitize artifacts from historic posters to home movies.

Chancellor Blank added that the university looks forward to welcoming Cooperative Extension back to UW-Madison, which will only strengthen and expand these efforts. Saying that the reintegration was on track to happen as smoothly as possible, she thanked the Regents for providing this opportunity.

How UW-Madison Will Continue Moving Forward

In talking about all that UW-Madison has done for Wisconsin, Chancellor Blank emphasized that this was not meant to take away from the many ways that other excellent institutions of higher education serve their students and the state – Wisconsin’s colleges and universities are “all partners in one of the best public higher education systems in the country.” However, she indicated that UW-Madison has some unique features which have been important to Wisconsin’s past economic and civic success, and which need to be valued.

Chancellor Blank noted that there is no economically successful area of the country which does not have a major research and educational institution in its midst. For UW-Madison to continue providing value to the state, the flagship university needs to retain its reputation and its quality – and making sure that happens is her highest priority as chancellor.

Chancellor Blank then briefly addressed how UW-Madison intends to keep moving forward.

Six-Point Strategy to Bring in New Investment

Chancellor Blank stated that one of UW-Madison’s biggest problems over the last decade has been a lack of dollars for investment. The Business and Finance Committee heard a

presentation on this topic from Vice Chancellor for Finance and Administration Laurent Heller earlier that morning.

UW-Madison has not been growing nearly as fast as its peers; in fact, its actual revenues decreased in 2013 and 2014. Partly as a result of this trend and being faced with budget cuts, UW-Madison started a number of initiatives to become more entrepreneurial and generate new investment revenues for itself. Chancellor Blank reported that these six strategies are finally beginning to show some results, and as a result UW-Madison has some new investment revenues this year.

As an aside, Chancellor Blank noted that this does not mean UW-Madison wants to break ties with the state. She indicated that the state remains an incredibly important partner for the university, particularly in the funding of capital projects.

Chancellor Blank also indicated that the Regents had each received a copy of UW-Madison's "Budget in Brief," which lays out where its revenues come from and what they are spent on.

Chancellor Blank then briefly summarized UW-Madison's six investment strategies:

- 1) **Expanding the summer semester.** Keeping students on campus provides greater flexibility in their educational experience – allowing them to take a semester abroad, complete an internship, or finish their degree sooner – while also generating some additional revenues for the university.
- 2) **Growing programs for professionals.** This would include a number of master's-level programs, some online and some in residence, in order to serve the state and the region effectively.
- 3) **Setting market-based tuition** for out-of-state students and the professional schools. Chancellor Blank thanked the Regents for being close partners on this initiative.
- 4) **Growing alumni support.** UW-Madison is in the midst of its major "All Ways Forward" campaign, which is nearly three-fourths of the way to its \$3.2 billion goal thanks to record participation by more than 170,000 alumni and friends. (Chancellor Blank noted that this is largely endowment income, which pays out at a certain rate but builds for the long term, ultimately providing a larger base of revenue.)
- 5) **Exploring student mix and numbers.** The goal is to expand nonresident undergraduate enrollment while still maintaining a strong commitment to Wisconsin students.
- 6) **Growing research funds.** UW-Madison's research dollars declined for two years, before turning the corner and increasing over the last two years. Chancellor Blank suggested that this was the result of a number of actions the university has taken to invest in its research enterprise.

Chancellor Blank reiterated that these entrepreneurial efforts are beginning to show results and have generated some new investment dollars to spend this year. She then highlighted five of the university's highest priorities which these dollars will be spent on in order to invest in the future of UW-Madison.

Building Faculty Expertise with Cluster Hire Initiative

The first investment priority is to run a cluster hire initiative. Reminding Regents that UW-Madison's last cluster hire initiative took place 15 years earlier, Chancellor Blank explained that a cluster hire is the joint hiring of three faculty in the same year who are all recruited to work on a scientific issue of substantial interest, but from different disciplinary perspectives. Cluster hires allow a university to build strength in key research areas – today's advancements come not just from hiring more people in a single department, but rather by hiring people from different perspectives who work together on a common problem.

The cluster created 15 years ago advanced UW-Madison's neuroscience research, moving the field closer to better treatments for neurological problems caused by diseases like Parkinson's and spinal cord injuries. Over those 15 years, that cluster hire produced 17 new patents, a startup company dedicated to translating research into the marketplace, and \$33 million in grants and donor gifts.

In fall 2017, UW-Madison solicited proposals for the first of its new cluster hires from faculty and research centers, and received 48 proposals involving 150 faculty. Chancellor Blank indicated that an announcement would be made very soon about funding for six of those proposals. By hiring top faculty and major researchers, she predicted that UW-Madison's research endeavors will grow both in terms of federal funding as well as societal interest.

Seeding New Research Projects with UW2020

The second investment priority is to seed new research projects with UW2020, a partnership with the Wisconsin Alumni Research Foundation (WARF). WARF has provided some increased funding for this initiative to provide seed money to (typically younger) faculty with great ideas which need to be developed to a certain point before they can apply for research grants from the federal government or elsewhere.

Over the last two years UW-Madison has funded 49 of these projects, including a virtual dairy farm that gives farmers a low cost way to try out different management techniques. The effects can already be seen after these research projects have matured over just two years; the projects have received more dollars in additional funding from the federal government and other sources than was given them to start with. Chancellor Blank suggested that this initiative would return an enormous amount back to the university by growing its research enterprise.

Retaining and Supporting Faculty with Competitive Pay

Turning to the third investment priority, Chancellor Blank spoke about the concerns of all UW chancellors regarding the underpayment of their staff, particularly professors. UW-Madison's full professors make about 13 percent less than professors at public peer institutions.

She observed that the difference is even greater when comparing with compensation at private institutions.

Chancellor Blank emphasized that a great university cannot consistently underpay its staff, because it will soon lose them and be unable to hire others. UW-Madison has been able to increase payments to faculty through merit and equity increases over the last several years, but the university's ability to provide these increases is limited so only a certain number of faculty receive them each year.

Though she indicated that the 4-percent pay increase approved by the state for the next year would certainly be useful, Chancellor Blank warned that this was not a problem the university can solve in any one year. Rather, it will take a number of years of investment and a series of state decisions to raise pay on a regular basis.

UW-Madison's peers have an average rate of increase in pay of about 2.5 percent per year, compared to an increase of 0.3 percent over the last 6 to 7 years at UW-Madison. Chancellor Blank said UW-Madison cannot remain a competitive institution after not giving pay increases year after year. She concluded that the university is working on this issue, but needs the state to be a partner.

Attracting Top Graduate Students with Better Support

Chancellor Blank stated that not only are UW-Madison's faculty underpaid, its graduate student stipends are far below where they need to be. She explained that graduate students weigh a number of factors when they decide what school to attend. UW-Madison's lower stipend rates clearly make the university less competitive, and have led to the loss of some top graduate students.

Chancellor Blank noted that attracting strong graduate students is key to attracting and retaining great faculty, who want to partner with graduate students. UW-Madison's fourth investment priority will be to substantially raise graduate stipends for this year's teaching assistants. While this will help bring UW-Madison closer to where it needs to be, Chancellor Blank indicated that, as with faculty pay, this is not a one-time solution but something the institution must keep working on year after year.

Expanding Undergraduate Access with Badger Promise and Bucky's Tuition Promise

Finally, Chancellor Blank spoke about resident student access to UW-Madison. She reiterated her goal for every Wisconsin student admitted to UW-Madison to be financially able to attend.

At the Board's February 2017 meeting, Chancellor Blank had announced the unveiling of Badger Promise, a guarantee of free tuition for first-generation students who transfer into UW-Madison from one of Wisconsin's two-year schools. Today there are 139 Badger Promise students on campus. About one-quarter of these students are from rural Wisconsin high schools; about one-half are from under-represented groups of color; and about one-third are Pell eligible,

meaning they come from very low-income families and will actually receive two years of free tuition and fees.

Chancellor Blank reported that UW-Madison is pleased with the Badger Promise program and hopes it will continue to provide a strong pipeline of very good students through the UW System's two-year programs. She announced a new major investment to ensure that all Wisconsin students who are admitted to UW-Madison can afford to come.

Over the last four years, UW-Madison has raised money to fund 1,000 new scholarships for undergraduate and graduate students, and is directing more institutional dollars into need-based scholarships. Chancellor Blank noted that when the institution raises tuition for out-of-state students, 20 percent of that increase must always go into financial aid. Overall, dollars available for needs-based scholarships have tripled over the last 10 years. Last year, 14 percent of UW-Madison undergraduates attended tuition-free.

Chancellor Blank said that this is not enough, however, for a variety of reasons: First, there are still many Wisconsin students with substantial need who want to come to UW-Madison but feel they cannot afford it. Second, the specifics of UW-Madison's financial aid offerings present "a very complex message," which means that many of Wisconsin's low- and middle-income families simply do not know whether they can afford to send their students.

Chancellor Blank pointed out that if families are just reading the popular press about student debt and skyrocketing tuition, their assumption will be that they cannot afford higher education. Complex financial aid forms also make it hard for families to figure out what they can possibly expect.

Chancellor Blank said she wants to simplify the message and make it very clear to Wisconsin's low- and moderate-income families that UW-Madison is doing everything it can to make school affordable. She announced a new program – very similar to those offered by many of UW-Madison's Big Ten peers – called Bucky's Tuition Promise, which will expand UW-Madison's commitment to affordability for Wisconsin students by pledging the following: UW-Madison will cover four years of tuition and segregated fees for any incoming student from Wisconsin whose family's adjusted gross annual income is \$56,000 or less. (The chancellor noted that \$56,000 is about the median income in the state of Wisconsin.)

The new program will begin next fall, and its aim is to simplify financial aid messages to people around the state, as well as to expand the financial aid available. Indicating that the university wants students to graduate on time, Chancellor Blank said the commitment will be for eight consecutive semesters for freshmen, or four semesters for transfer students.

Chancellor Blank clarified that Bucky's Tuition Promise is a minimal guarantee – students from low-income families may receive more than just free tuition and fees, as they may also need to cover living expenses. The program is meant to be an easily understandable message about the amount of financial aid available to low- and moderate-income Wisconsin families.

In talking about need-based aid, Chancellor Blank said she was not dismissing the continued need for merit-based aid. Many of UW-Madison's peer institutions lure top students away again and again by offering merit-based aid even in the absence of need. She indicated that the university is also working with a number of donors to provide substantial increases on that front as well.

Anticipating questions about how UW-Madison can afford Bucky's Tuition Promise, Chancellor Blank explained that the university already covers a substantial share of these expenses for Wisconsin families; this program simply repackages existing financial aid to make it very clear what is available.

There are also some new commitments embedded in this program: UW-Madison is redirecting some aid dollars, and is working very hard to raise money from alumni to cover additional costs. Chancellor Blank emphasized that UW-Madison is not using any state dollars in this program.

For instance, UW-Madison announced in December that it has \$10 million in matching money for need-based scholarships from John and Tashia Morgridge. When that match is complete, the university will have a \$20 million endowment which by itself will pay for the first year of the Bucky's Tuition Promise program. Chancellor Blank said the endowment will not pay for the accumulated costs over all eight years, but added that UW-Madison will be working with other donors to try and fund those expenses.

Chancellor Blank concluded that Bucky's Tuition Promise is just one of the ways in which UW-Madison is investing in its students. She observed that a great university will not stay that way very long if it is not constantly finding new ways to attract great students and provide them with an excellent education, and to retain the faculty who teach those students and also conduct world-class research.

UW-Madison has been part of Wisconsin for 170 years, and the public university's partnership with the state is central to its identity and economic future. Chancellor Blank said it is exciting to think about all the things the state and university can do together in the decades ahead.

Discussion

President Behling opened the floor to questions from the Regents.

Regent Steil thanked Chancellor Blank for her terrific presentation. With the understanding that UW-Madison will make up the difference in private fundraising, he asked what the annual cost or loss of revenue would be for Bucky's Tuition Promise?

Chancellor Blank answered that by the time the program rolls out fully, it is expected to cost just over \$3 million. She noted that 80 percent of these funds are already available as financial aid; this program will help make it clear to people what UW-Madison is offering.

Thanking Chancellor Blank for her presentation, Regent Klein made the suggestion to also resurrect merit-based scholarships like the Medical Scholars Program, or offer full-rides for Wisconsin valedictorians.

Chancellor Blank indicated that Bucky's Tuition Promise will be a last dollar commitment and will not displace the other financial aid programs UW-Madison offers. Students who are eligible for other programs or federal Pell Grants will receive those first, and then UW-Madison will make up the difference to guarantee that the students pay nothing out of pocket for tuition and fees.

Regent Whitburn said it is critical to have a dynamic leader at the University of Wisconsin System's flagship university. Stating that Chancellor Blank is a very dynamic leader, he led the room in a round of applause.

With no additional questions or comments, President Behling thanked Chancellor Blank for her presentation.

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CLOSED SESSION – VARSITY HALL I

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

Closed Session Resolution

Resolution 10983 That the Board of Regents move into closed session to: (a) consider amended employment and additional compensation agreements for UW-Madison head football coach, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (b) consider amended employment and additional compensation agreements for UW-Madison associate head football coach-offensive coordinator, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (c) consider amended employment and additional compensation agreements for UW-Madison football coach-defensive coordinator, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (d) consider an amended employment agreement for UW-Madison head women's basketball coach, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (e) consider an amended additional compensation agreement for UW-Madison athletic director, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (f) consider two UW-Madison salary adjustments, as permitted by s. 19.85(1)(c), Wis. Stats.; (g) consider a request from UW-Madison to approve a salary range, as permitted by s. 19.85(1)(c) and (e), Wis. Stats.; (h) deliberate regarding a recommendation for dismissal with cause of a UW-Whitewater faculty member, as permitted by s. 19.85(1)(a) and (b); (i) discuss ongoing

personnel matters, as permitted by s. 19.85(1)(f); 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 confer with legal counsel regarding pending litigation (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:

Approval of Amended Employment and Compensation Agreements, University of Wisconsin-Madison Head Football Coach

Resolution 10984 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 Third Amendment to Employment Agreement between UW-Madison Head Football Coach Paul Chryst and the Board of Regents of the University of Wisconsin System, effective February 9, 2018, and the Third Amended and Restated Additional Compensation Agreement between UW-Madison Head Football Coach Paul Chryst and the University of Wisconsin Foundation, effective March 1, 2018.

Approval of Amended Employment and Compensation Agreements, University of Wisconsin-Madison Football Coach/Offensive Coordinator

Resolution 10985 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 Second Amendment to Employment Agreement between UW-Madison Associate Head Football Coach/Offensive Coordinator Joe Rudolph and the Board of Regents of the University of Wisconsin System, effective February 9, 2018, and the Third Amended and Restated Additional Compensation Agreement between UW-Madison Associate Head Football Coach/Offensive Coordinator Joe Rudolph and the University of Wisconsin Foundation, effective March 1, 2018.

Approval of Amended Employment and Compensation Agreements, University of Wisconsin-Madison Football Coach/Defensive Coordinator

Resolution 10986 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 Amendment to Employment Agreement between UW-Madison Football Coach/Defensive Coordinator James Leonhard and the Board of Regents of the University

of Wisconsin System, effective February 9, 2018, and the Amended and Restated Additional Compensation Agreement between UW-Madison Football Coach/Defensive Coordinator James Leonhard and the University of Wisconsin Foundation, effective March 1, 2018.

Approval of Amended Employment Agreement, University of Wisconsin-Madison Head Women's Basketball Coach

Resolution 10987 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 Second Amendment to Employment Agreement between UW-Madison Head Women's Basketball Coach Jonathan Tsipis and the Board of Regents of the University of Wisconsin System, effective February 9, 2018.

Approval of Amended Compensation Agreement, University of Wisconsin-Madison Director of Athletics

Resolution 10988 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 Second Amended and Restated Additional Compensation Agreement between UW-Madison Director of Athletics Barry Alvarez and the University of Wisconsin Foundation, effective May 1, 2018.

Approval of Salary: Dean Ian Robertson, College of Engineering, University of Wisconsin-Madison

Resolution 10989 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the base salary of \$346,834 for Dean Ian Robertson, College of Engineering, University of Wisconsin-Madison, be increased to \$400,000, effective February 9, 2018.

Approval of Salary: Dean Karl Scholz, College of Letters and Science, University of Wisconsin-Madison

Resolution 10990 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the base salary of \$373,700 for Dean Karl Scholz, College of Letters and Science, University of Wisconsin-Madison, be increased to \$411,070, effective February 9, 2018.

Approval of Salary Range, Interim Dean, School of Business, University of Wisconsin-Madison

Resolution 10991 That, upon the recommendation of the President of the University of Wisconsin System, the Chancellor of UW-Madison is authorized to offer a salary of up to \$475,000 for the Interim Dean of the School of Business at the University of Wisconsin-Madison.

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

Resolution 10992 That the Board of Regents adopts the attached decision and order of dismissal in the matter of Chris Henige, UW-Whitewater.

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The meeting was adjourned at 4:30 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