

RECORD OF THE SPECIAL MEETING OF THE UNIVERSITY OF WISCONSIN SYSTEM BOARD OF REGENTS

Thursday, May 7, 2020
3:00 p.m.

By WebEx Teleconference

-President Petersen presiding-

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The audio recording of this meeting's open session is available at: [May 7, 2020 Webcast](#)

CALLING OF THE ROLL

[Recording: 00:02:07]

PRESENT: Regents Robert Atwell, Scott Beightol, Héctor Colón, José Delgado, Michael Grebe, Eve Hall, Mike Jones, Tracey Klein, Becky Levzow, Edmund Manydeeds, Andrew Petersen, Cris Peterson, Jason Plante, Carolyn Stanford Taylor, Torrey Tiedeman, Karen Walsh, and Olivia Woodmansee.

UNABLE TO ATTEND: None.

WELCOME AND INTRODUCTIONS

[Recording: 00:03:25]

President Petersen began the meeting by extending early congratulations to the Class of 2020, including Regent Torrey Tiedeman who will earn his degree from UW-Madison. The UW institutions are expected to award about 20,000 degrees at all levels in the upcoming weeks, leading to a total of about 36,000 degrees awarded overall in 2019-20.

Noting that this year's graduating class will not mark the day in the traditional way, President Cross said it is nonetheless an event for students and their families to celebrate. He also commended the many faculty and staff who went the extra mile in difficult circumstances to make sure these students were able to graduate as planned.

President Cross welcomed Dr. Michael Alexander, who started his new role as the Chancellor of UW-Green Bay on May 1. He previously served as Provost and Vice Chancellor for Academic Affairs at UW-Green Bay. He holds a Master of Music degree in Instrumental Conducting from UW-Milwaukee and a Doctorate of Musical Arts in Orchestral Conducting from UW-Madison. In 2004, he was interim conductor of the Green Bay Youth Symphony.

Chancellor Alexander said, "I'm very honored to work for the students, faculty, and staff at the University of Wisconsin-Green Bay. I look forward to working with fellow chancellors, the Board of Regents, and UW System to help move the university and the System forward."

UPDATE ON THE UW SYSTEM PRESIDENTIAL SEARCH PROCESS

[\[Recording: 00:07:25\]](#)

Vice President Grebe, chair of the UW System Presidential Search Committee, reported that virtual interviews with semi-finalists were completed in April. He indicated that the committee would proceed with finalist interviews following reference checks in the weeks ahead, and that they would do so in a way that respects the safety and health of the candidates and the committee members. He concluded that the committee expects to name a new president in the next month or so.

President Petersen noted that the search for a new chancellor at UW-Stevens Point is also underway, with the search committee chaired by Regent Walsh currently in the process of identifying candidates.

DECLARATION OF CONFLICTS

[\[Recording: 00:09:06\]](#)

Before considering action items on the open session agenda, President Petersen asked whether any Board members wished to declare any conflicts of interest as per Regent Policy Document 2-4, "Ethics and Conflict of Interest Policy for the UW System Board of Regents."

Regent Jones recused himself from discussing or voting on Resolution 11428, "Approval of a UW-Madison Clinical Trial Agreement with Sanofi US Services, Inc."

APPROVAL OF CAPITAL PLANNING & BUDGET REQUESTS

[Recording: 00:09:38]

President Petersen called upon Alex Roe, UW System Senior Associate Vice President for Capital Planning and Budget, to provide an overview of capital planning project requests.

AVP Roe said the first request was for an increase of \$3,808,000 to the budget for Phase II of the UW-Eau Claire Towers Hall Renovation project, which would modify the HVAC system in Karlgaard residence hall to address condensation build-up issues which began following Phase I renovations. She indicated that the costs of the proposed mechanical solution will be partially offset by residual contingency funding from a previously approved budget increase for this project.

Regent Atwell moved to adopt Resolution 11424. The motion was seconded by Regent Delgado.

Responding to a question from Regent Colón about how capital projects are prioritized, AVP Roe explained that the Towers Renovation project was included in the 2015-17 capital budget and received approval by the Board, the Governor, and the Legislature. She indicated that System Administration staff are currently working with the campuses to develop the 2021-23 capital budget, which is expected to come before the Board within the next few months.

President Petersen noted that it is not unusual for previously approved projects to continue coming before the Board as they move through the design and construction process.

The motion to adopt Resolution 11424 was approved on a voice vote.

Authority to Increase the Budget for the UW-Eau Claire Towers Hall Renovation Project

Resolution 11424 That, upon the recommendation of the Chancellor of UW-Eau Claire and the President of the UW System, the UW System Board of Regents authorizes increasing the budget for the Towers Hall Renovation project by \$3,808,000 Existing-Program Revenue Supported Borrowing for a revised estimated total project cost of \$42,777,000 Existing-Program Revenue Supported Borrowing.

Noting that the Board previously approved the demolition of the UW-Madison Gymnasium/Natatorium Replacement project site at its April meeting, AVP Roe introduced

the next request for approval to construct the new building. She indicated that this project is on schedule and on budget, with construction scheduled to begin immediately following demolition and abatement activities in early Winter 2021.

AVP also noted that the funding source information was updated to reflect a \$2.2 million reduction in program revenue supported borrowing and an equivalent increase in gift funding for this project.

Regent Jones moved to adopt Resolution 11425. The motion was seconded by Regent Beightol and approved on a voice vote.

Authority to Construct the UW-Madison Gymnasium/Natatorium Replacement Project

Resolution 11425 That, upon the recommendation of the Chancellor of UW-Madison and the President of the UW System, the UW System Board of Regents authorizes construction of the Gymnasium/Natatorium Replacement project for an estimated total cost \$121,047,000 (\$85,901,000 Program Revenue Supported Borrowing and \$35,146,000 Gifts).

President Petersen indicated that Item 8., related to the UW-Madison Kohl Center Addition and Replacement project, had been removed from the agenda.

AVP Roe presented the final capital project request seeking authority to increase the budget of the UW-Whitewater Heating Plant Boilers Fuel Retrofit project by \$2.6 million in general fund supported borrowing in order to accept bids. As a result of the cancellation of UW-Whitewater's current contract for inexpensive steam, this project would install new fuel/oil burners, associated control systems, and other modifications necessary to return the plant to full capacity to provide heat to university facilities.

AVP Roe reported, "In our new COVID-19 world, extra precautions are being taken by DOA, particularly at our heating plant sites, to ensure that our staff are safe during these projects."

Regent Tiedeman moved to adopt Resolution 11426. The motion was seconded by Regent Walsh and approved on a voice vote.

Authority to Increase the Budget for the UW-Whitewater Heating Plant Boilers Fuel Retrofit Project

Resolution 11426 That, upon the recommendation of the Chancellor of UW-Whitewater and the President of the UW System, the UW System Board of Regents authorizes a budget increase of \$2,600,000 General Fund Supported Borrowing for the Heating Plant Boilers Fuel Retrofit project for a

revised estimated total cost of \$9,537,000 (\$6,554,000 General Fund Supported Borrowing and \$2,983,000 Program Revenue Supported Borrowing).

APPROVAL OF CONTRACTS

[\[Recording: 00:19:29\]](#)

President Petersen called upon Laurent Heller, UW-Madison Vice Chancellor for Finance and Administrative Affairs, to provide an overview of three UW-Madison contracts submitted for the Board's consideration.

The first contract presented by Vice Chancellor Heller was a four-year fee-for-services agreement to allow the UW Fundus Photograph Reading Center to interpret retinal images from patients participating in clinical trials related to a Genentech study of diabetic macular edema, a degenerative eye disease. He noted that this agreement is a continuation of a long-standing relationship between the Fundus Center and Genentech, Inc.

Regent Levzow moved to adopt Resolution 11427. The motion was seconded by Regent Jones and approved on a voice vote.

Approval of a UW-Madison Fee for Services Agreement with Genentech, Inc.

Resolution 11427 That, upon 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 fee for services agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Genentech, Inc.

Vice Chancellor Heller summarized the second contract as a five-year master services agreement between the Statistical Data Analysis Center (SDAC) in the UW School of Medicine & Public Health's Department of Biostatistics and Medical Informatics to provide statistical data analysis services for clinical trials conducted by Sanofi US Services.

In response to a question from President Petersen, Vice Chancellor Heller indicated that this would be the first agreement between the SDAC and Sanofi.

Regent Beightol moved to adopt Resolution 11428. The motion was seconded by Regent Stanford Taylor and approved on a voice vote. (Regent Jones abstained from voting.)

Approval of a UW-Madison Clinical Trial Agreement with Sanofi US Services, Inc.

Resolution 11428 That, upon 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 master clinical services agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Sanofi US Services, Inc.

The final contract presented by Vice Chancellor Heller was a three-year agreement for campus vending services with Compass Group, Inc. Explaining that this is a continuation of an existing agreement, he indicated that the previously negotiated terms remain very favorable with UW-Madison receiving a 39% commission on soda, coffee, and snack items. The existing agreement has generated about \$640,000 per year and more than \$2 million over the last five years. Noting that UW-Madison is seeking to include healthier items in its vending services, Vice Chancellor Heller said the new terms were updated accordingly.

In response to questions from President Petersen, Vice Chancellor Heller stated that the length of the agreement will be three years with two optional one-year extensions. He indicated that UW-Madison is not concerned about initiating a multi-year agreement in the face of the COVID-19 pandemic due to the limited exposure risk and the possibility that low-interface sales transactions like vending machines may perform better in current conditions.

Regent Peterson moved to adopt Resolution 11429. The motion was seconded by Regent Woodmansee and approved on a voice vote.

Approval of a UW-Madison Contractual Agreement with Compass Group USA

Resolution 11429 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Madison and Compass Group USA.

TEMPORARY SUSPENSION OF THE ACT/SAT REQUIREMENTS IN REGENT POLICY DOCUMENT 7-3, "UW SYSTEM FRESHMAN ADMISSIONS POLICY"

[\[Recording: 00:26:53\]](#)

Regent Grebe moved to adopt Resolution 11430. The motion was seconded by Regent Klein. President Petersen opened the floor to discussion.

Regarding the exemption of UW-Madison from the temporary suspension of the ACT/SAT requirement, Regent Stanford Taylor expressed concern that some students may be disadvantaged due to their exam make-up dates being cancelled.

President Petersen noted that ACT or SAT scores are one part of UW-Madison's holistic admissions process.

Chancellor Blank stated that UW-Madison staff are working with all students to complete their applications. She noted that most students seeking to enroll in Fall 2020 already had their test scores to meet the February 21st application deadline.

Regent Woodmansee asked how UW-Madison plans to handle next year's applicants for the Fall 2021 semester.

Chancellor Blank said it is likely that arrangements will be made for those students to take their exams this fall. If that is not possible, she said UW-Madison will revisit the policy so as to not disadvantage next year's applicants.

President Petersen indicated that the Board would welcome an opportunity to revisit the policy in the future if UW-Madison does need to make that alteration.

Following the discussion, Resolution 11430 was approved on a voice vote.

Approval of Temporary Suspension of ACT/SAT Requirements in Regent Policy Document 7-3, "UW System Freshman Admissions Policy"

Resolution 11430 That, upon the recommendation of the President of the University of Wisconsin System, the Board temporarily suspends the requirement in Regent Policy Document 7-3, Sections I.C. and II.B. that all freshman applicants provide an ACT or SAT score as part of their application. The suspension of this requirement applies to all freshman applications to UW System campuses, except applications to UW-Madison, for the 2020-2021 academic year and the 2021-2022 academic year.

CHANGES TO 2020 BOARD OF REGENTS MEETING SCHEDULE

[\[Recording: 00:30:52\]](#)

President Petersen announced the following changes to the Board's 2020 meeting schedule:

- In compliance with the CDC's social distancing guidelines, the Board's next regular meeting on June 4-5, 2020, which was originally scheduled to be held at UW-Milwaukee, will instead be held virtually.
- The location of the August 2020 meeting will be changed to UW-Green Bay. (UW-Green Bay was originally scheduled to host the April 2020 meeting, but requested a deferral after its former chancellor announced his departure.)

President Petersen explained that if necessary due to social distancing requirements, Resolution 11431 would authorize the Board President to make additional changes to the locations of the August 2020 meeting and the October 2020 meeting, which is currently scheduled to be hosted by UW-River Falls.

President Petersen said Resolution 11431 would also authorize the Board President to shorten the two-day meetings in June, August, and October to one-day meetings, if the Board's business allows. He noted that this authorization requires a suspension of the Board's bylaws, which do not normally allow for a two-day meeting hosted by one of the campuses to be changed to a one-day meeting.

Regent Woodmansee moved to adopt Resolution 11431. The motion was seconded by Regent Walsh.

President Petersen affirmed that, despite preparing these safeguards in advance, the intent of the Board's leadership is to meet in person as soon as feasible.

Resolution 11431 was approved on a voice vote.

Approval of Changes to the UW System Board of Regents Regular Meeting Schedule for 2020

Resolution 11431 That, upon the recommendation of the Executive Director and Corporate Secretary, the Board of Regents approves changes to the regular meeting schedule for 2020 to include (1) changing the location of the June 2020 meeting from UW-Milwaukee to a virtual meeting, and canceling one day of the previously-scheduled two-day June 2020 meeting if in the judgment of the Board President, the Board's business can be conducted in one day; and (2) changing the location of the August 2020 meeting to UW-Green Bay.

The Board of Regents further authorizes the President of the Board of Regents to change the location of the August and October 2020 meetings, if necessary due to social distancing requirements related to the COVID-19 pandemic, and cancel one day of the previously-

scheduled two-day meetings in August and October 2020 if the Board's business can be conducted in one day.

IMPACTS OF COVID-19 ON THE UW SYSTEM CAMPUSES

[\[Recording: 00:33:26\]](#)

President Petersen invited President Cross to provide an update on how the UW System is responding to the enormous challenges presented by the COVID-19 pandemic.

Observing that the University of Wisconsin is one of the most significant and influential institutions in the state, President Cross said the UW System institutions will be delivering a world-class education in Fall 2020 – but what that looks like will be shaped in part by the actions and decisions of federal and state policymakers, the chancellors, the next System President, and the Board of Regents.

Stating that the COVID-19 pandemic may prove to be a catalyst for changes in higher education, President Cross said the economic devastation it has caused will almost certainly result in the demise of a number of colleges and universities. He warned, “I do not believe we have UW institutions at imminent risk for that fate – but their ability to recover, stabilize, and strengthen depends on some significant actions that I see as critical to the future of the UW System.” He added that some of these actions are existing initiatives that must be accelerated due to the current fiscal crisis.

President Cross urged the Board to consider what the UW System will look like beyond COVID-19 as it faces some critical and difficult choices.

Estimated Financial Impact of COVID-19 for the UW System Institutions

[\[Recording: 00:37:02\]](#)

Vice President for Finance Sean Nelson reported that the net amount of refunds for housing and dining across the UW System for the spring semester was about \$62.3 million. Refunds are to be issued by the closed of the semester.

Approximately \$156 million in revenue loss from housing, dining, and other campus-related revenue sources (e.g. parking refunds, athletics, summer tuition, gifts/grants, research) is projected through the summer semester, including an estimated \$94 million (approximately 60%) at UW-Madison.

Vice President Nelson said UW institutions also incurred about \$10.7 million in out-of-pocket expenses for additional technology, income continuation for students, travel abroad

repatriation, deep cleaning of facilities, PPE supplies, overtime, online test proctoring, and other needs as a result of COVID-19.

The UW System's share of the 5% reduction in state funding for FY20 represents 65% of the total reduction for the state, or about \$45.8 million of the \$70 million total cut for all state agencies. In contrast, Vice President Nelson noted that the UW System accounts for about 15% of the state's total operations, according to the Legislative Fiscal Bureau.

In total, Vice President Nelson said the UW System is expecting approximately \$212.3 million in revenue losses and additional expenses through the summer semester.

Vice President Nelson said the estimated revenue loss through summer 2020 for all institutions, excluding UW-Madison, is \$95.7 million. This includes refunds for housing (32%), dining (13%), and parking (9%), the reduction in state funding (29%), and other losses (12%) such as summer tuition, camp/clinic/conferences, grants, research, athletics, and more.

Although one of UW-Madison's strengths is its diverse revenue streams, Vice President Nelson said no revenue source has been spared in the current crisis. The estimated revenue loss for the flagship university is \$118 million, including losses in research funding (24%), state appropriations (19%), and endowments/gifts (15%); refunds for housing (14%), parking (8%), and dining (6%); lost revenues from summer classes (10%), athletics (9%), and other auxiliary programs (8%); and additional expenses (5%).

Vice President Nelson said the \$2 trillion Coronavirus Aid, Relief, & Economic Security (CARES) Act signed in March 2020 included \$30.75 billion in appropriations for education stabilization. Of this amount, \$14.24 billion went to the Higher Education Emergency Relief Fund. The UW System will receive a combined total of \$95.7 million in federal funding, including \$47 million designated for emergency grants to students and \$48.7 in direct aid to institutions.

Vice President Nelson reported that there is an estimated \$163.6 million exposure to the UW System through the Summer 2020 semester before expense reductions and cost savings, which are expected to total \$65 million. About two-thirds of anticipated savings will come from UW-Madison, which expects to reduce costs by about \$42 million.

He indicated that expense reductions include salary savings from hiring freezes, furloughs, and layoffs; reduced travel costs; lower utility costs; renegotiated contracts; spending freezes; reduced costs for summer programs and special events; debt refinancing through the Department of Administration; and the deferral of capital projects financed with cash, or shifting to borrowing.

Vice President Nelson concluded that the estimated net financial loss for the UW System through Summer 2020 is \$98.6 million. Looking ahead, he said all UW institutions remain open and are being vigilant and proactive in monitoring cash flow and available reserves.

Vice President Nelson also noted that the UW System is still waiting for information from the State on the revenue outlook for FY21. He said the FY21 annual budget will be presented to the Board of Regents on June 4th, as will any additional information regarding FY20.

President Petersen indicated that because the UW System currently does not have all the information needed for Regents to discuss specific, competitively sensitive issues related to finances and enrollments, the Board would forego its planned closed session and instead address those matters at a later date. He then opened the floor to questions from the Regents.

In response to a question from Regent Klein, Vice President Nelson said the estimated savings include some measures that have already been implemented, such as furloughs, and other anticipated savings.

Regent Delgado asked Vice President Nelson to identify potential issues that could result in significantly higher costs or lower savings than anticipated. Vice President Nelson said the decline in state revenues is a large concern, as any cut in state support for FY21 would create a significant exposure across all UW institutions.

Noting that smaller institutions may not have the margins to accommodate significant reductions, Regent Delgado asked if any UW campuses are currently at greater risk or require special attention from the Board. Vice President Nelson said all the campuses have been doing well in their scenario planning efforts for FY21 and in making adjustments to respond to the current crisis.

Regent Beightol asked when the Board can expect to receive information about state revenues for FY21. Vice President Nelson said the exact timing is unknown, but the UW System will not receive those figures prior to presenting the annual budget to the Board in June. He indicated that he would return to the Board to provide updates as more information becomes available.

Regent Beightol asked whether there have been any impacts to summer enrollments to date. He also asked what contingencies are planned if summer enrollments are lower than anticipated. Vice President Nelson said campuses have not reported declines in summer enrollment thus far, but it may be too soon to know. He added that campuses are deeply engaged in scenario planning and determining contingencies moving forward, which may include the use of reserves.

Regent Tiedeman asked Vice President Nelson to comment on the impact to the UW System's SWIB investments. Vice President Nelson said it was a rough quarter, but there has been a slight rebound.

President Cross highlighted that the UW System's travel savings are expected to total \$20 million through summer 2020.

Chancellor Perspectives on the Impacts of COVID-19

The Chancellors of four UW institutions – UW-Madison, UW-Milwaukee, UW-Parkside, and UW-Eau Claire – shared their first-hand experiences of how the COVID-19 pandemic is impacting their campuses.

University of Wisconsin-Madison

[\[Recording: 00:59:13\]](#)

Chancellor Rebecca Blank said UW-Madison's goal has been to finish the spring semester as strongly as possible. She reported that 8,000 classes were moved online in 12 days, 7,300 students were moved out of residence halls, and accommodations were made for 600 other students who could not leave immediately. In two days, UW-Madison will confer almost 9,000 degrees in a virtual commencement ceremony.

Chancellor Blank said UW-Madison is estimating about \$120 million in losses in its best-case scenario, which assumes fall operations are close to normal. She indicated that losses would continue to mount if athletics and conferences do not return.

Stating that the \$20 million reduction in state appropriations for FY20 is a particularly big hit, Chancellor Blank expressed concern about what the next annual and biennial budgets will look like. Noting that the UW System took a disproportionately large hit with two-thirds of the state's FY20 budget lapse being taken out of higher education, she stated her hope that any future budget adjustments will take that into account.

Chancellor Blank said a number of cost-cutting measures have been implemented, including redirecting investments planned for next year to help cover some of the one-time losses. Other measures include freezes on hiring, salaries, and travel activities; reductions in purchasing; and deferring or altering infrastructure projects.

Most recently, UW-Madison announced the implementation of progressive furloughs equivalent to 2.3% to 4.6% income reductions over the next three months. Chancellor Blank reported that members of her executive team are also taking voluntary 15% pay cuts.

For larger operations with reduced workloads under the pandemic, such as athletics, housing, and facilities, Chancellor Blank said UW-Madison is seeking approval for a work-

share program that will keep employees on the payroll part-time and allow them to seek unemployment benefits for the hours they are furloughed. Other units that are ineligible for the work-share program will be subject to targeted furloughs.

Chancellor Blank reported that UW-Madison's cost-cutting measures will result in savings beyond Summer 2020. Indicating that summer enrollments are currently slightly ahead, she attributed this to many summer internship and job opportunities being cancelled.

Chancellor Blank said UW-Madison will not know until the middle of August what will happen with fall enrollments, but predicted that a fully-online fall semester could prompt many students to take a gap year and result in much larger losses for the campus. She indicated that applications, acceptances, and deposits are currently looking close to normal, except for international students which have decreased slightly.

Chancellor Blank said the next phase is to focus on how to reopen a campus that has 65,000 people during normal operations. She also highlighted ways that UW-Madison is trying to serve the nation, state, and community during this crisis through research, training, health care, engineering, and extension to families and businesses across Wisconsin.

In response to a question from Regent Beightol about the estimated \$29 million loss in research at UW-Madison, Chancellor Blank explained that many of these funds are likely to be deferred until research activity can resume rather than be cancelled. She added that some federal funding has been diverted to special projects related to COVID-19 research, and that UW-Madison hopes to be awarded some of these funds.

Vice Chancellor Heller noted that many grants disburse funds only after expenses are incurred, so the current delays do not necessarily mean a loss in revenue. He also noted that UW-Madison has continued moving forward with new research contracts, including those recently approved by the Board.

Responding to a question from Regent Walsh about UW-Madison's planned investments that have been put on hold, Chancellor Blank said these included initiatives to enhance research, education, and diversity, as well as an initiative to raise faculty compensation, which currently lags behind that at peer institutions.

Regent Klein asked Chancellor Blank to discuss UW-Madison's preparations for either an online or in-person Fall semester. The chancellor reported that a variety of taskforces are working on questions related to housing, testing, workflow and space needs for converting large lectures into smaller groups, and procedures for public spaces frequented by students and staff.

President Cross said the UW System's Plan Ahead group is focused on five criteria for reopening in the Fall: 1) how to effectively test students, faculty and staff; 2) how to track or trace potential cases; 3) how to isolate positive cases and potential carriers; 4) how to practice separation (social distancing) in public spaces; and 5) how to properly protect students, faculty, and staff from exposure.

Regent Klein said, "It seems like we would have just an unbelievable amount of work to do, especially at Madison, to get ready to take students back on campus. Do you feel we can be ready for that moment?" She specifically asked about plans for putting students in dorms.

Chancellor Blank said that in either scenario, graduate students and others living in Madison will be on campus. She estimated that between 1/3 and 1/2 of juniors and seniors stayed in Madison after classes transitioned online during the current semester. She indicated that UW-Madison is still looking at different options for the residence halls, which may include putting fewer people in each dorm room.

President Cross said he has become more optimistic about opening residence halls in the Fall based on the advances made in testing over recent weeks.

Chancellor Blank argued that assuming students will not go out if they are not on campus is faulty. She said the question is how the risks of being on campus compare to the risks of staying at home with their family; for some students, the risks may actually be lower living on campus.

University of Wisconsin-Milwaukee

[\[Recording: 01:22:08\]](#)

Chancellor Mark Mone expressed his confidence that UWM is doing the right things to put itself on a strong footing in the future and emphasized the urgent need to resume normal operations as soon as possible.

Chancellor Mone said UWM made an early decision to go fully online and intensified efforts to train and upscale instructional staff and faculty through the Center for Excellence in Training. About 6,000 courses were transitioned online in two weeks; he noted that national surveys show between 65% to 70% of students did not like the online transition, but at UWM two-thirds of students positively rated their online instruction at 4 or 5 on a five-point scale.

Chancellor Mone stressed the importance of UWM's continuous outreach through townhalls with faculty, staff, and students and their families. He overviewed UWM's implementation of interim policies in support of students and instructors, including the option to take a pass/fail grade for spring courses.

Stating that UWM has intensified its student recruitment efforts, Chancellor Mone reported that enrollments are currently between 92% to 94% of where UWM expected to be, although he cautioned that the campus will not be certain of its numbers until the Fall semester is closer.

Chancellor Mone provided an overview of UWM's efforts to promote student support and engagement through the launch of a virtual student union that received 15,000 page views in the last three weeks, as well as new resources to connect students with virtual internship and employment opportunities, health care information, food centers or pantries, low-cost or loaner laptops, and emergency financial assistance. He reported that UWM received \$8.5 million in CARES Act funds, as well as 3,148 applications on the first day students could apply for assistance.

Looking forward, Chancellor Mone said UWM is planning for different scenarios including a hybrid online/in-person Fall semester, a completely online Fall semester, and online Fall and Spring semesters. He indicated that a detailed analysis is expected to be complete by May 25 in order for preliminary decisions to be made in early June.

Chancellor Mone said the financial impact of COVID-19 has been "catastrophic," resulting in an anticipated \$16-\$18 million operating deficit for FY20. He indicated that UWM has been undertaking efforts to mitigate those losses, including the implementation of three kinds of furloughs. Employees unable to work remotely will be furloughed through the summer, as will some other non-essential employees, which he indicated will save \$3-\$4 million. Intermittent furloughs will also be implemented across the board for all other employees (except those who earn less than \$30,000 per year, who are funded by grants, or who work in graduate teaching or research positions), with employees at higher income levels needing to take a higher number of furlough days.

Chancellor Mone noted that even if students come back to campus in the Fall, UWM will be facing additional expenses for the testing, tracking, isolation, separation, and protection of its students and employees. He projected \$50 to \$100 million in potential losses for FY21, with negligible ability to offset those losses.

Chancellor Mone concluded by emphasizing the importance of the UW System and UW-Milwaukee to help re-start the economy by meeting the state's needs in re-skilling citizens, providing new graduates for the talent pipeline, and conducting research to help solve problems. He noted that the UW System is being hit harder financially than any other state agency.

Regent Jones asked if Chancellor Mone has a sense for whether students, or faculty, would prefer to come back to campus or continue virtual learning. The chancellor answered that parents want their students to return but are concerned about safety, while the students

themselves are more confident. He indicated that the faculty are more concerned, as they are more likely to be at risk or to have vulnerable family members at home. He said that even if students are back on campus in the Fall, UWM will still need an online campus.

Regent Hall asked if any particular trends have emerged in the reactions or concerns of students of color. Chancellor Mone said the #1 issue for these students has been technology and connectivity. He indicated that UWM is trying to work with the highest-need students on providing financial assistance or hardware needed to ensure online connection.

Regent Atwell observed that he was hearing a commitment from the chancellors to an on-campus presence in the Fall. He noted that there is no riskless path, and the university will need to balance the risks of either scenario. Emphasizing the “tremendous need” for ubiquitous testing and identification of carriers in order to protect the vulnerable, Regent Atwell said he was grateful for the chancellors’ leadership and confident that the UW institutions will be thoughtful of the risks entailed in their decisions.

President Cross stated that preparing for the Fall will be hard work for all the campuses, “but there is too much at stake not to act.”

Noting the potential for a resurgence in infections and absenteeism in the Fall, Regent Beightol expressed support for leveraging the UW’s pre-existing advantages in distance learning and the relative success of its recent transition to online education to plan for hybrid teaching. Chancellor Mone said UWM is considering how to implement a hybrid semester but there are still many unknowns about how many people will be on campus and what the costs will be.

Regent Beightol indicated that restarting research activities should be a priority because of the revenue research brings in and its value to the community. Chancellor Mone said UWM is looking at what protocols are needed to get faculty and grad students back into labs – including sanitation, social distancing, oversight, and more – and how to scale those protocols to multiple buildings.

Remarking on the need to be agile if another outbreak occurs, Regent Klein asked about plans for accelerating the quality and quantity of online offerings so campuses can move between in-person and online instruction if needed.

President Cross shared that a generous donor provided \$2 million to the UW System to develop online programs for traditional students; the System plans to work on improving the quality of online instruction over the summer. He said there has also been consideration of different options to help mitigate potential disruption from a resurgence of COVID-19 on the campuses, including shortening the academic calendar by adding more classes on Fridays and Saturdays and ending the Fall semester before Thanksgiving.

Comprehensive Institutions: UW-Eau Claire and UW-Parkside

[Recording: 01:59:48]

Chancellor Debbie Ford recognized UW-Parkside's faculty and staff for their commitment to academic excellence and student success as they transitioned over 1,600 courses and most programs and services to an online environment.

Chancellor Ford reported that prior to COVID-19, UW-Parkside was on track for its best fiscal year in five years. Now, estimated revenue losses total about \$4 million at UW-Parkside, including the state lapse. She said that CARES Act funding and projected furlough savings of \$1.5 million will cover some of the losses.

Chancellor Ford said the furloughs for UW-Parkside academic and university staff that were announced this week will cover the summer semester, while fall enrollments will determine furlough plans for FY21 academic year. Faculty, who are on nine-month contracts, will be exempt from the summer furloughs. She expressed concern about the recruitment and retention of faculty and staff going forward due to these increased workloads, furloughs and salary reductions.

Chancellor Ford reported that almost 500 UW-Parkside students have received emergency grants to cover basic needs from CARES Act funding or the UW-Parkside Foundation's Future Focus fund, with more applications being processed daily. She indicated that the campus is currently concentrating on the final weeks of the spring semester and celebrating another record graduating class that includes the highest number of master's degree students in UW-Parkside's history.

Noting that the Fall picture is filled with uncertainties, Chancellor Ford said UW-Parkside is developing scenarios for flat and reduced enrollments and is making plans for instruction, athletics, events, and community engagement. She added that all of the chancellors will need managerial flexibility and financial resources to respond, adapt, and reposition their campuses.

Chancellor Jim Schmidt observed that UW-Eau Claire is a highly residential campus in comparison with its peers; this year UW-Eau Claire had more students in campus housing than UW-Milwaukee. However, he said the campus had decided to delay long-awaited residence hall renovations for at least a year as a result of the current financial crisis.

Noting that UW-Eau Claire ranks 11th in the nation for the number of students participating in studying abroad for a semester or longer, Chancellor Schmidt shared that the international travel costs to bring students back safely during the pandemic totaled \$173,000.

Chancellor Schmidt expressed concern about the potential damage of the pandemic's disruptions to UW-Eau Claire's reputation for high-impact experiences like study abroad, student research, and internships. He shared that over 500 Blugolds recently presented their research virtually, but also noted that some experiences cannot be adapted: an estimated 1 in 5 internships have been cancelled this spring.

Chancellor Schmidt said UW-Eau Claire's partnership with the Mayo Clinic is ongoing. The campus is also teaming up with local organizations to continue research, produce PPE for health care workers, and share technology with hospitals.

Chancellor Schmidt reported that UW-Eau Claire faculty converted more than 4,500 class sections to online delivery. He also highlighted some of the pandemic's personal impacts through the stories of two students who missed out on athletic and internship opportunities, and one student who recovered from COVID-19 but lost a family member to the disease.

Although enrollments are currently even for the next year, Chancellor Schmidt said he has been getting messages from students and their parents saying they will take a gap year if classes are not back on campus in the fall.

Warning that this is not the time to move away from making investments in campus facilities, Chancellor Schmidt observed that this recession is not like the previous one because the UW System does not have the same level of state support as it did before.

Responding to a question from Regent Delgado about plans for instruction in the Fall, Chancellor Schmidt said one option is using flipped classrooms, which would include online delivery of lectures and smaller groups for in-person discussion.

Noting that the transition to an online platform within 1-2 weeks means all faculty now have exposure to those tools, Chancellor Ford predicted that future instruction will be enhanced because faculty have greater familiarity with technology.

Observing that many of UW-Parkside's students face considerable personal challenges, Regent Walsh asked Chancellor Ford about the measures that have been taken to assist the most vulnerable students with financial, family, and child care issues.

Chancellor Ford said she was initially worried about UW-Parkside's large population of first-generation students and students of color, but was pleased that most of these students have continued learning in the new digital environment. She explained that advisors and faculty have been reaching out personally to the students to learn about the challenges they are facing and to connect them with resources like emergency grants. Identifying access to technology and internet connections as one concern, she reported that UW-Parkside has provided about 60 laptops and 20 hotspots to students.

President Cross noted that Chancellors have also been asked to reach out to their campuses' Regent liaisons to provide updates on their individual circumstances.

Responding to a question from President Petersen about the needs of their local business communities, Chancellor Schmidt reported that the county, city, and Chamber of Commerce have formed a new group to plan for reopening. He said business leaders do not believe the regional economy will fully come back to life until students have returned to campus.

Chancellor Ford said she has sent notes of gratitude to local companies who are supporting COVID-19 response efforts, and there are UW-Parkside alumni involved in Abbott testing research. She said there have been regular discussions with community partners about how the university can offer support, including by making sure graduates are prepared and by utilizing the Small Business Development Centers.

President Petersen asked the chancellors about what their faculty have to say about realigning campuses productively and safely.

Chancellor Ford said UW-Parkside's current focus is on the spring and summer semesters before it turns attention to the fall. She said the administration is meeting regularly with governance leaders to get their input on those plans, with high levels of engagement in faculty senate meetings.

Chancellor Schmidt reported that faculty are being forced out of their comfort zone with new technology and are losing meaningful engagement with students over virtual channels. He proposed that UW-Eau Claire may add more small in-person discussion groups facilitated by faculty and teaching assistants.

Vice President Grebe encouraged all chancellors to think about whether the UW System should lead or follow the rest of the state moving forward. He asked if any chancellors believed the UW System should not have students back on campus in the fall.

Chancellor Schmidt said, "We need to be back on campus." He pointed out that the UW System is investing a lot in figuring out testing, and that "no risk" is not a realistic option.

Chancellor Ford said each campus should leverage its unique advantages and expertise with a focus on health and safety.

Noting that ubiquitous testing will be essential for having students present on campus, Regent Atwell said the business community also needs university leadership on this issue. Providing an example of factory workers waiting to be testing until after a hotspot has emerged, he suggested that the UW institutions utilize the knowledge and resources to assist their local businesses, perhaps even by serving as a testing site.

Chancellor Schmidt said UW-Eau Claire is currently exploring partnerships for beta testing.

UW-Platteville Chancellor Dennis Shields said although it is in the university's best interest to have face-to-face instruction in the fall, not all variables will be under the UW's control. Providing the example of Platteville's hospital, which has 25 to 45 beds available, he warned that if UW-Platteville brings 7,000 people back to campus and there is an outbreak, it could overwhelm the local healthcare facilities and put the entire county in danger. Chancellor Shields also noted that one-sixth of UW-Platteville's student population has applied for emergency financial aid.

Stating her support for a centralized approach to returning to campus, Regent Klein emphasized the need for proactive testing to avoid the scenario described by Chancellor Shields. She noted that the Spanish Flu's second wave killed almost 600,000 Americans in the month of October, many of them young people.

President Cross discussed the new advancements that have been made in testing options, as well as some of the methods the UW System is exploring for tracking cases and tracing contacts.

President Petersen thanked the presenters for providing the Board with a better understanding of the immediate and longer-term challenges facing the leadership, students, faculty and staff in UW communities around the state.

BLUEPRINT FOR THE UNIVERSITY OF WISCONSIN SYSTEM BEYOND COVID-19

[\[Recording: 02:55:02\]](#)

President Petersen stated, "This blueprint is the beginning of what I believe will be the transformation of the UW System to deliver on the Wisconsin Idea for the 21st century." He invited President Cross to share his new recommendations for addressing the COVID-19 pandemic.

President Cross said the financial support received from the federal government through the CARES Act will help the UW System face the unprecedented challenges presented by the COVID-19 pandemic, as will the significant changes made over the last several years to improve the effectiveness and efficiency of the System's operations. However, he said more must be done to ensure the UW System will survive and continue to provide world-class education, research, and outreach: "We must act as if our very future depends on it – because it does."

President Cross said he believes the UW System must address three main priorities to more rapidly achieve the systemwide efficiencies needed for the UW institutions to survive, all of which will involve System Administration playing a more direct role in operations at the campus level.

Recommendation #1: Refine the missions of the comprehensive universities to provide greater institutional distinctiveness and identity

President Cross stated, "Each of our comprehensive institutions cannot continue to be 'all things to all people' and be financially sustainable." He recommended that each university focus its resources on its own distinctive programs and collaborate with other System universities to serve the state's needs across other programs.

President Cross pointed to declining state investment and reduced tuition cashflow as the factors driving this need. The UW System's portion of the state budget has decreased 6% since 2007-08, and the State is now seeking a 5% lapse for the UW System for fiscal year 2020. The comprehensive universities and two-year campuses are most dependent on tuition revenue, which has been limited by more than a decade of frozen tuition rates.

Further, the state's projected demographic decline over the next 20 years was one of the impetuses for the recent restructuring of the former UW Colleges and UW-Extension. President Cross said the resulting financial pressures will force cuts to faculty and staff, making it increasingly difficult to offer a quality educational experience in all programs.

President Cross reported that UW System Administration has been working collaboratively with each comprehensive university over the last several years to develop a better understanding of projected enrollments and revenue estimates through 2026. He indicated that incremental progress has been made using predictive tools to change academic program offerings in order to create more university distinctiveness.

Due to the COVID-19 pandemic and the resulting economic crisis, President Cross said the UW System must aggressively accelerate the process for assessing each academic degree program and each administrative program or service offered at each university, while also analyzing program quality, demand, potential cost, and alignment with the mission of the university. He recommended that this work be completed over the coming academic year to be ready for implementation by Fall 2021.

President Cross indicated that this comprehensive planning and prioritization process will include identifying which, or how, academic and administrative programs or services contribute to student success, faculty excellence, and institutional distinctiveness. It will also include strategic reallocation of resources and financial stability, as well as identifying

opportunities for generating new resources to strengthen or expand existing programs or to develop new programs.

Emphasizing the need to accomplish these priorities quickly, President Cross stated, "System Administration must shift from a convener/collaborator/coordinator role to become the director-manager of the process, providing clear guidelines and mandates for this accelerated process of prioritization and evaluation."

President Cross indicated that Vice President for Academic & Student Affairs Anny Morrobel-Sosa has already been working with Provosts on this process, with a goal of evaluating and prioritizing all programs before January 15, 2021. He stated that revised or updated mission statements should be submitted to the Board of Regents in March 2021, with implementation of changes to begin in Fall 2021.

Recommendation #2: Consolidate and streamline common administrative operational functions

President Cross stated that there are currently too many variations in how UW institutions provide fundamental operational functions such as purchasing, human resources, IT, and basic business services. He indicated that these variations are inefficient, can be costly to duplicate on each campus, and can also be risky due to the increased possibility of errors.

President Cross said that replicating IT infrastructure on each campus to support administrative functions and academic programs has resulted in an overinvestment in IT systems, has created complexities that do not support the missions of the comprehensive universities, and also increases the costs of new systems and services.

President Cross said much of this infrastructure and software can be provided as a consolidated service by the UW System through UW-Shared Services, which was recently launched as part of the restructuring process to serve all UW institutions except UW-Madison and UW-Milwaukee. He indicated that UW-Shared Services has already identified functional processes that could be standardized and consolidated under a systemwide unit.

With the COVID-19 crisis, President Cross argued that the UW System must mandate that these functional areas must immediately begin transitioning to UW-Shared Services in order to realize initial savings, reduce future costs, and support services at scale across the comprehensive universities.

Rather than engage all stakeholders in the optimal design and action steps for each operation, as is currently being done, President Cross said UW-Shared Services should

instead immediately adopt a standardized process and implement it with the understanding that optimal design may happen at a later date.

President Cross noted that UW-Madison and UW-Milwaukee would not be required to participate given their size, although both institutions have already chosen to opt into a number of services provided by UW-Shared Services.

President Cross reported that Vice President for Administration Rob Cramer has overseen the ongoing centralization through UW-Shared Services. The target timeline to complete the design and transition of identified functions to UW-Shared Services will be June 2021, with the complete transition of IT functions by January 2022.

Recommendation #3: Create a unified strategic online education delivery model

President Cross said the future of higher education and workforce development depends on the delivery of online education. He observed that the UW System has been slow to invest in and market its online programs, having currently captured only about 5% to 8% of the online market share in the upper Midwest.

President Cross identified two different student populations for online education: traditional students who are interested in individual online courses to supplement their course load and reduce time-to-degree, and nontraditional students who are generally working adults. He noted that nontraditional students are the largest and fastest-growing segment of the population seeking higher education, both in Wisconsin and across the nation.

According to the U.S. Census Bureau, there are approximately 815,000 adults in Wisconsin with some college but no degree. President Cross said the UW System has not tapped into this market to the extent it could have, largely because the System does not have a unified approach to online education; instead each institution develops and offers its own online courses and programs.

President Cross said the UW System's current approach creates duplication, limits marketing capability, and confuses potential students: "Working adults are savvy – they recognize brand quality and they prioritize cost, convenience, and ease of use when they select where to enroll."

President Cross said that although individual UW institutions do not have the funds to provide the level of marketing needed to reach working adults, the UW Extended Campus already has capacities devoted to this population in marketing, instructional design, media development, and student support. He added that UW Extended Campus programs are revenue neutral or revenue positive, so each new program must meet market demands.

President Cross stated that several things must happen for the UW System to transition to a unified, strategic online education delivery model:

- Improving the quality, effectiveness, and efficiency of individual courses and programs available to traditional students.
- Expanding the UW Extended Campus collaborative model to serve both traditional and nontraditional students, and designating this model as the default approach to all new online degree and nondegree programs.
- Delegating responsibility for determining potential or existing market demand to UW Extended Campus, and requiring any proposed online program offering to include a recommendation from UW Extended Campus when presented for approval to the Board of Regents.

President Cross said these recommendations would not prevent an institution from pursuing its own online programming, but would make collaboration the default model and would ask UW Extended Campus to provide a campus-neutral “reality check” on program viability.

President Cross recalled that the UW System had a prior experience in the early 2000s with a failed “fee for service” approach to online support through the Center for Learning Innovations, which was established to contract with campuses to provide marketing and student support services. He noted that the Center was not well-received by the campuses, nor was the fee-for-service model, which lacked the ability to rapidly scale up with demand.

President Cross reported that UW Extended Campus operations are currently overseen by Vice President Morrobel-Sosa. The initial timeline for implementation of these recommendations is Fall 2020.

Discussion

President Cross noted that these three recommendations are coming from an exiting president, and he encouraged the Board to engage with the public and members of the faculty, staff, and administration on these issues.

President Cross said the Board has an opportunity to call for dynamic changes that will keep the UW System on course to continue to fulfill the Wisconsin Idea to serve the people of the state for generations to come. He stated, “The magnitude and scope of these decisions – as well as their quick implementation – will likely be disruptive or disconcerting to many, but unfortunately they are necessary.”

President Petersen opened the floor to discussion.

Vice President Grebe thanked President Cross for his bold recommendations and said he looked forward to discussing these ideas with his fellow Regents. He asked what the short-

term and long-term consequences might be if the UW System does not move in this direction.

President Cross said without quick adjustments, the university may need to consider much different decisions one year from now, including perhaps declaring fiscal exigency for several institutions.

Regent Beightol expressed appreciation for the thoughtfulness and urgency President Cross is bringing to the issue. Observing that the UW System has already begun to undertake many of these initiatives, he suggested that this blueprint is just accelerating the System's response to these issues in order to serve as a good steward of taxpayer resources.

Regent Walsh asked how faculty and staff input can be included in this accelerated process.

President Cross indicated that if the Board decides to pursue these recommendations, there would be an opportunity to seek faculty, staff, and community input before meeting again on this proposal. However, he warned that the process cannot be delayed long because there is too much at risk.

President Petersen said these three recommendations can be taken by the Board with insight from shared governance leaders, but there are also discussions about rational tuition policy, revenue bonding authority, and IT investments that will require the participation of the Board's statewide partners in the Legislature.

President Cross indicated that he plans to offer additional recommendations to the Board on issues like those mentioned by President Petersen.

Expressing her support for these recommendations, Regent Klein said there are great opportunities for collaboration in reviewing the UW System's program array.

President Petersen stated, "We, as Regents must now continue to consider and take transformative actions to prepare for what is most certainly going to be an uncertain and volatile future." He observed that the day's presentations would provide the Board with a stronger and more informed foundation to make necessary decisions in the months ahead.

Noting that some might ask why President Cross should present a blueprint for the UW System's future when he is retiring and will not be around to implement those plans, President Petersen said the Board appreciates his deep commitment to the university, his decades of experience in higher education, his objectivity, and his in-depth knowledge of the UW System's strengths, challenges, and vital importance to the state.

President Petersen concluded, "As stewards of this great public institution, it is our solemn responsibility to help ensure, on the other side of the COVID-19 pandemic, that the UW System remains the University of Wisconsin System that people expect, respect and admire. Our support for the priorities presented here by President Cross, in whole or in part, is the bridge to the future when his successor, whoever that might be, steps forward to lead the UW System. In a time of transition, it will be vitally important the Board offer this continuity of purpose."

The meeting was adjourned at 6:42 p.m.

Submitted by:

/s/ Jess Lathrop

Jess Lathrop
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Office of the Board of Regents
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