

MINUTES OF THE
REVENUE AUTHORITY AND OTHER OPPORTUNITIES WORKING GROUP
OF THE
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

UW – Extension
Pyle Center, Room 226
Thursday April, 2004
10:00 A.M.

- Regent Axtell presiding -

PRESENT: Regent Emeritus Steil, Regent Pruitt, Senior Vice President Olien, Associate Vice President Harris, Assistant Vice President Richards, Chancellors Markee and Shepard, Interim Chancellor Greenstreet, Assistant Vice Chancellor Krogman, A.S.R. Kathleen McGinnis, F.R. David Trechter, and S.B.P. David Hay

ABSENT: Regent Gracz

RECOMMENDATIONS FOR BIENNIAL BUDGET DOCUMENT

Senior Vice President Olien began the meeting by outlining the group's agenda. He said the group would look at a cohort tuition, GPR FTE, and blanket resolution covering performance bonds, loan forgiveness, and the nursing shortage. Senior Vice President Olien added that the group would hear a presentation regarding student voter registration from United Council. He then turned to Associate Vice President Harris who began discussing items acted on previously by the group that deal with the 2005-07 biennial budget. She told the group that this summary will be used by Regent President Marcovich in his talks with the State as the 2005-07 budget process begins. She stated that the summary outlines two principles endorsed by the group that would require a request for GPR funding and/or changes to statutory language. Associate Vice President Harris stated that there is a need for the State to substantially invest in higher education in order for the UW System to remain competitive with its peers. She added that the group has found nothing that will replace continued loss of base GPR funding and that along with the loss of GPR positions, it has become impossible to provide a quality education for students.

Regent Axtell asked if this summary is separate from the group's final report and Associate Vice President Harris replied that the summary pertains only to the 2005-07 budget and will only be used by Regent Gottschalk and Regent President Marcovich. She added that each group Chair would bring their summaries to the entire Board the next morning. Regent Axtell asked whether or not the summary should state that the group examined a broad range of possible revenue solutions, but that none emerged which would immediately impact revenue for the 2005-07 budget. He then asked whether Risk Management should be included in the summary as

possibly providing some positive impact for the 2005-07 biennium. Associate Vice President Harris replied that a number of items could possibly impact the 2005-07 budget, including Risk Management savings and if the Board of Regents is granted additional authority in tuition-setting, among others. She stated that among these items, there is nothing that will replace GPR support. Chancellor Markee said he thinks it would be helpful for 2005-07 if campuses had the ability to manage by their budgets, not by positions and that it wouldn't cost the state any money, but would help campuses address enrollment and other issues more efficiently. Associate Vice President Harris responded that the *Operating Efficiencies* group is requesting that the Board of Regents be able to create GPR positions and that this group could also reinforce that argument. Senior Vice President Olien stated that a third bullet could be added to the summary and said that the position control system for the UW does take away valuable resources and is an outdated and nationally discredited system. He added that it is a political device that increases costs, rather than a tool to help campuses perform efficiently. Associate Vice President Harris said she agrees with Chancellor Markee's suggestion and that they would work together on wording to add to the summary on this topic. F.R. Trechter noted that it is important to state that the group truly has explored endless possibilities for increasing revenue. Regent Axtell suggested the group first finish the FTE issue and Associate Vice President Harris summarized Chancellor Markee's amendment as "Campuses should be controlled by budget issues rather than position limits". Regent Axtell asked if the group was comfortable with the amendment and the group was.

Turning back to F.R. Trechter's concern, Regent Axtell replied that the summary could include a statement that while there are no specific, quantifiable revenue enhancements to affect the 2005-07 budget, there are two areas that might produce some additional revenue at some point; Risk Management and tuition. Regent Pruitt agreed that the summary couldn't simply say GPR is needed, but that areas of possibility should be mentioned. He stated that he would add non-resident tuition and per-credit tuition options to the list. Regent Axtell stressed that these additional items be labeled as possible, unquantifiable sources of revenue. Associate Vice President Harris again said that while these items could generate revenue, they would not require a specific budget request for additional funding or changes to statutory language; instead, they are things the UW can take care of itself. F.R. Trechter stated that he views all these items as marginal sources, not things that can replace a significant portion of the GPR lost.

Regent Axtell asked whether Legislative action is needed on the non-resident proposal the group forwarded and Senior Vice President Olien replied that it is not, that the Board of Regents has full authority over non-resident tuition. Associate Vice President Harris agreed, but said that one piece related to UW – Platteville's non-resident program will need to be changed to allow the Board to set tuition for non-resident academic classes, something being worked on outside the group. S.B.P. Hay asked whether the UW should be spreading the message that if the current Governor overrides the Board's authority over non-resident tuition as former Governor McCallum did, it will cause severe damage. Associate Vice President Harris replied that the UW does need to do this since it would create another huge revenue loss, but she also thinks Governor Doyle and the Legislature understand this issue. She said that what does need to be communicated better is how non-residents are a benefit for resident students and the state as a whole. S.B.P. Hay asked whether something about how the Board's flexibility in setting non-resident tuition needs to be preserved should be added to the biennial budget summary paper and Associate Vice President Harris replied that it could be added, even though the *Operating*

Efficiencies group will also be asking for the Board to receive full authority over all tuition-setting. Senior Vice President Olien said that he agrees with Regent Pruitt's earlier comment that this summary needs to serve as a good stand-alone document so it is key to note that non-residents create space for Wisconsin residents, that the state gets money if non-residents come, but loses money if they don't. He added that he thinks Secretary Marotta and the Governor both understand the need to preserve access to the UW but that this needs to be spelled out for all Legislators. Regent Axtell questioned whether this needs to be included in the summary and Senior Vice President Olien replied that if the non-resident issue is mentioned in the summary, then this should also be included as background so the topic is understood. Interim Chancellor Greenstreet said that providing a brief review of areas explored and that these will help, but not replace lost GPR is good, but that what the UW could do, in regard to access and quality, with revenue from the group's recommendations and what it won't be able to do without them should also be noted. Regent Axtell said it would take awhile to incorporate all these amendments into the document and Senior Vice President Olien said that Regent President Marcovich wanted the summaries by the next day. Associate Vice President Harris said only this summary needs to be finalized at this time; Regent Axtell asked whether she could revise it by the next day and Associate Vice President Harris replied that she could. She added that the group never discussed what specifically would happen to access and quality, other than the general conclusion that the UW's ability to educate students would decline as well as the quality of students. Interim Chancellor Greenstreet replied that he thinks it would be good to allude to these problems. F.R. Trechter said that data on the decrease in the number of students from lower income levels could be included. Senior Vice President Olien asked if with the \$5 million loss due to the decrease in non-resident students campuses had to decrease the number of course sections offered and Chancellor Markee replied absolutely. Senior Vice President Olien suggested the issue be stated more positively, that approval of the resolution is critical to offering the appropriate number of course sections. He said this is an important issue to focus on since it is easily understood. S.B.P. Hay brought up how Financial Aid is currently being funded through Auxiliary funds and asked whether it should be mentioned that Financial Aid should consistently be supported by GPR instead, saying that this is an access issue of another sort. Associate Vice President Harris replied that it could be added that Financial Aid is needed to provide access for all and that it needs to be stably supported through GPR.

To recap the amendments, Associate Vice President Harris summarized them as being:

- The group looked for alternative sources of revenue to GPR, but that no quantifiable source was found for 2005-07.
- Areas which could bring possible sources of revenue include tuition, Risk Management, non-resident tuition, and restricted per-credit tuition programs.
- The Board of Regents should have flexibility in setting non-resident tuition in a manner that supports resident students.
- With unexpected increases in non-resident tuition, fewer non-resident students enroll, causing a severe revenue loss.
- Revenue from non-residents is critical to maintaining access and increasing the number of course sections available to students; the \$5 million loss caused by the decrease in the number of non-residents resulted in fewer course sections offered.
- Financial Aid is needed to provide access for all and should be funded by GPR, a sustainable source of funding.

Regent Axtell added that the group discussed efforts to increase Federal Financial Aid and Associate Vice President Harris reminded the group that Chancellors are also already working on increasing gift revenues. F.R. Trechter suggested that the group approve the summary with the suggested amendments and then the revised version could go to Regent Axtell, the group's Chair, for final approval.

Regent Axtell asked for a review of resolutions passed by the group and Associate Vice President Harris provided the following list:

- Non-resident tuition
- Per-credit tuition
- Federal Relations
- Risk Management
- Cohort tuition (to be taken care of next)
- Blanket covering performance bonds and loan forgiveness (to be taken care of next)

Associate Vice President Harris also listed the following topics that the group discussed throughout previous meetings:

- Discussion of Financial Aid with the *Partnership with the State* group that did not occur.
- UW – Platteville's plan (which is moving forward after being approved by the Board).
- Updated on the progress of the Risk Management study.
- Retention issues.
- Conclusion that GPR funding for the UW must be stabilized.
- Chancellors are already working on increasing gift and grant funding sources.

Regent Axtell asked Regent Gottschalk whether the specific items above could be used to help write an Executive Summary for the group's final report. He added that the group had a rough version of a summary for the 2005-07 budget paper, and that it states that the group found areas of potential, but nothing concrete. F.R. Trechter asked about the differential tuition topics the group had previously discussed and Regent Axtell responded that the per-credit and non-resident resolutions covered this area. Associate Vice President Harris added that the group is not recommending differential tuition for programs or institutions as a way to increase revenue for the UW System as a whole, only for individual campuses. Regent Pruitt asked Regent Gottschalk if the group should be concerned with outside threats to the UW's revenue authority such as the TABOR plan and Regent Gottschalk replied that the group shouldn't concern itself with that issue. He added that the Business and Finance committee is dealing with TABOR and that they've been advised by the Legislature that no action is necessary at this time.

COHORT TUITION RESOLUTION

Moving on to cohort tuition, Regent Axtell said the group needed to pass a specific resolution. Associate Vice President Harris told the group the resolution before them was a revised document encouraging campuses to explore cohort tuition programs individually. Regent Axtell added that the proposal endorses restricted and conditional cohort programs, for non-resident and professional students. He suggested the group review the resolution and vote on it. Senior Vice

President Olien asked whether the UW could have cohort tuition programs without stable GPR funding because if GPR declines a cohort program couldn't be supported. Chancellor Shepard replied that he thinks the resolution is safe because other than UW – Madison, it would only allow campuses to experiment with cohort tuition for non-residents who aren't supported with GPR funding. Assistant Vice Chancellor Krogman suggested that some hard numbers be put in the fifth and sixth points to better get the point across about non-resident tuition increases and the loss of revenue the UW has experienced related to these tuition increases. Regent Pruitt suggested inputting figures to show how non-competitive the UW's non-resident tuition is in relation to its peers. Regent Axtell asked if there was a motion to approve the resolution as amended, Senior Vice President Olien put it into motion, Chancellor Shepard seconded the motion, and the group unanimously approved it.

GPR FTE POSITIONS RESOLUTION

Associate Vice President Harris began the GPR FTE resolution discussion by saying that since 1994-95, the UW has lost around 600 GPR FTE, while increasing enrollments by around 10,000 students. She added that campuses are concerned about decreases in state funding and can't hire people to instruct students due to caps on GPR FTE imposed by the state. Associate Vice President Harris suggested this resolution be added to the group's recommendations to highlight both the loss of GPR FTE and the need to be able to create GPR FTE as needed. Chancellor Markee added that while the loss of GPR FTE and the reduced number of course sections offered are significant problems to note, the group should also note the growth in size of course sections. Since the resolution couldn't be found at the time, the group moved on to other topics and decided to come back to this topic later.

BLANKET RESOLUTION

Regent Axtell told the group this resolution regarding performance bond and loan forgiveness programs is not an endorsement. Senior Vice President Olien added that it states only that the group believes the Board of Regents should further examine the issues. Regent Axtell said he thinks both are interesting ideas but that the group can't come up with specific recommendations on future actions. Chancellor Markee suggested adding a couple sentences to the paragraph on loan forgiveness requiring that this program be only for those staying in the state of Wisconsin after graduation, that a task force be developed to deal with program costs, how the loans will be repaid, and how retention and graduation rates will be affected. Associate Vice President Harris replied that the resolution only called for further study of the programs and Chancellor Markee replied that adding these points will make the resolution much more conversational. He also added that the program should focus on low- and middle-income families. Regent Axtell suggested wording such as, "Caveats for the loan forgiveness program would be...". F.R. Trechter said he thinks something should go in the first paragraph regarding how issues such as increasing retention and access and decreasing time-to-degree could be addressed by these programs. S.B.P. Hay agreed that this would help build the argument that these programs would benefit the state as a whole. Regent Axtell asked if there was a motion to approve the amended

resolution, F.R. Trechter moved to forward the motion, Interim Chancellor Greenstreet seconded the motion, and the group unanimously approved it.

NURSING IN THE STATE OF WISCONSIN

Regent Axtell told the group the paper regarding the expansion of nursing programs in the UW System was written by Budget Planner Kristen Hendrickson, who would review it with the group. Budget Planner Hendrickson highlighted the following points from her paper:

- The state of Wisconsin and the nation face a severe shortage of nurses.
- Without additional GPR support, UW institutions have tried to increase capacity in nursing programs.
- UW – Madison has collaborated with UW – La Crosse and Gundersen Lutheran Hospital to establish a BS Nursing program. UW – Madison has also reallocated money to increase access to its Nursing School and has applied for federal training grants for web-based instruction.
- UW – Milwaukee has increased enrollments to the College of Nursing, created an Accelerated Second Degree program, negotiated a contract with Aurora Health Care for additional support, partnered with UW – Parkside and UW – Washington County to increase access, and expanded the Nursing PhD program to include an on-line option.
- UW – Oshkosh has begun an Accelerated Degree program by partnering with Affinity Health System.
- Constraints faced by UW campuses include lack of resources, faculty, clinical sites, and facility space and laboratory equipment.

Regent Axtell told the group it also has an extensive document from UW Hospital's Dean Katherine May which is a very comprehensive argument outlining the same issues as Budget Planner Hendrickson's paper. He suggested that Budget Planner Hendrickson extract some important points from Dean May's paper and add them to her own paper. Regent Axtell said the most important issues to include are:

- Brain gain – 90% of nurses educated in Wisconsin stay in the state, entering into high-quality, high-paying jobs. Increasing access will lead to an increased number of highly educated individuals living in the state, thereby improving the economy.
- Revenue enhancement – Collaboration with the private sector as a way to receive a significant amount of monetary support is essential. Because this collaboration leads to enhanced revenues, this issue should be dealt with by this group.
- Wisconsin Center for Nursing – A Center should be created to help raise funds from private sources to support further expansion of UW nursing programs.
- Attack a major state crisis – There is a growing population, an aging nursing workforce, and few nursing educators.

Regent Emeritus Steil told the group the UW is uniquely positioned with the need for an increased number of nursing educators. He added that this is an unusual situation in that in a few years, the state will face a crisis. Regent Emeritus Steil also said that revenue enhancement must come from the private sector and help both public and private schools. He said the UW should become the facilitator of programs with the private sector. Regent Gottschalk added that the UW

has the physical capacity to train nurses if there were faculty available and that this point should be tied to the need to eliminate the UW's position control system. Chancellor Markee stated that Southwestern Wisconsin has many new hospitals and UW – Platteville could partner with a UW campus that provides a nursing degree, working almost like a satellite school, even if it would be just for a few students. Senior Vice President Olien agreed, saying the concept of using the facilities of one campus and the instructional knowledge of another is not new, similar to the UW – Madison and UW – La Crosse collaboration.

Regent Axtell told the group Regent Emeritus Steil set up the separation of the UW Hospital and can offer an extensive amount of background information and knowledge. Regent Emeritus Steil stated that the UW Hospital might not exist today if it wasn't its own authority. Regent Pruitt said he doesn't think the group should lose Regent Gottschalk's point about tying this issue to position control. Senior Vice President Olien suggested including a nursing example in the position control portion of the group's report. Assistant Vice Chancellor Krogman said nursing is also a prime candidate for some type of loan forgiveness program in order to "grow our own" nursing faculty members. A.S.R. McGinnis explained to the group that the state used to have Diploma R.N. schools that closed long ago. These schools provided a three-year program that didn't give a Bachelor's degree, but allowed graduates to become R.N.'s. She said these schools closed because hospitals began only hiring those graduates with Bachelor's degrees. A.S.R. McGinnis stated that many students went through the Diploma R.N. schools and that now, she guesses there are many fewer nursing graduates each year in the state. S.B.P. Hay said the proposed Center for Nursing should enforce the idea that the nursing shortage is a problem for the entire state, which would help facilitate fundraising efforts. Regent Gottschalk stated that he thinks those proposing the Wisconsin Center for Nursing are only looking for an endorsement from the UW, but that it would actually be set up by that group. Chancellor Shepard added that since this is a rural state and if distance education were provided for nursing to place-bound individuals, they would also likely stay in those rural areas that need nurses the most. Regent Axtell asked if anyone in the group had any problems with the topic and said that the group would have to vote blindly on the language of a final recommendation. Senior Vice President Olien said he is very comfortable with this process and editing things as a group beforehand. Regent Axtell asked if there was a motion to approve a future resolution on the topic of nursing, Regent Pruitt moved to forward the motion, Chancellor Shepard seconded it, and the group unanimously approved it.

VOTER REGISTRATION

United Council Director Stephanie Hilton explained to the group that there is a new voter registration project. She said they have previously tried to integrate Regents and students in the voting process and that it's critical that students get out year after year to vote. She then introduced Jessie Tolkan, Wisconsin State Campus Director for the New Voter's Project. Director Tolkan told the group the New Voter's Project is a six-state, non-partisan mobilization of voting that began last November. She stated that the group has achieved success due to work with United Council and the Wisconsin Campus Compact. Director Tolkan explained that the focus is on getting more 18-24 year olds to the polls to vote, and that there will be five to seven campus organizers throughout the UW System. She added that the New Voter's Project is set

apart by its vision and the plan already in place to reach two million students in six states, with a goal of 85,000 brand new voters in Wisconsin alone. Director Tolkan stated that two million voters will have a huge fundamental impact that Legislators will no longer be able to ignore, which means higher education issues will be positively affected. She added that the Project has a peer-to-peer element in that students themselves will be asking their peers to register and vote and an administrative element in that they are asking for campus' full support in helping students to register when receiving academic advising, moving in, purchasing books, etc. Director Tolkan also noted that her group is working with smaller schools and on getting communities involved. She stated that 18-24 year olds will be bombarded before election week with the call to vote and that if successful, this age group will become a permanent fixture in the political system. She concluded that she is looking forward to continued support from the UW.

Regent Pruitt asked how the location of registration across districts was being dealt with. Director Tolkan replied that students are encouraged to register at their campus address because for this age group, a nearby voting location is essential and because students can also be a stronger voice for their campus. Interim Chancellor Greenstreet added that from a campus perspective, a larger number of voters would positively change its relationship with Legislators. Director Tolkan added that the New Voter's Project will focus both on students and those 18-24 year olds that aren't students. S.B.P. Hay said the need for GPR should be connected to the need for voters and read a proposal he had previously drafted asking campuses to infuse voting registration into the freshman and entire campus experience. Chancellor Markee said he supported S.B.P. Hay's resolution but Chancellor Shepard suggested a wording change taking away the implication that nothing is currently being done to encourage voting registration on campuses. Regent Axtell asked whether this resolution should go to the full Board and Senior Vice President Olien replied that it could in May. Regent Axtell moved to forward the motion to approve the resolution, F.R. Trechter seconded it, and the group unanimously approved it.

GPR FTE POSITIONS RESOLUTION

Associate Vice President Harris handed out the revised resolution that covered a consistent time frame for the loss of GPR FTE and increase of enrollments. Interim Chancellor Greenstreet asked whether access should be mentioned in the resolution and Regent Pruitt agreed. Regent Axtell said the last sentence should say the working group, not the Board recommends it. Senior Vice President Olien said this is the most important resolution because it deals with the FTE cuts and will help the Governor recognize that the UW faces the same dynamics as K-12 education. He added that in Wisconsin, K-12 education is funded two-thirds by the state and isn't subject to any form of position control, while the complete opposite is true for the UW. Senior Vice President Olien also stated that Wisconsin needs to have seamless education from K-16. F.R. Trechter said he thinks along with the FTE, the UW needs the funding to support competitive salaries. Chancellor Markee asked whether requiring that there be no more position cuts and that the FTE previously lost be restored are two separate issues and that while it would be ideal to get both requirements passed, getting one or the other passed would also be helpful. Assistant Vice Chancellor Krogman suggested the group was providing an obvious fall-back for the Legislature to not approve the requirement of no future cuts by also including the requirement to restore FTE already cut. In other words, that the Legislature would simply restore old FTE, but then turn

around and keep cutting FTE in the future. Regent Axtell agreed and suggested that the wording “no further cuts be proposed” be taken out. Chancellor Shepard suggested that the loss of GPR FTE be tied to the negative impact it has on Instructional Support, as this is an issue more people, including the Legislature, care about. Assistant Vice President Richards added that GPR FTE loss also be tied to a lesser ability to attract research dollars and fulfill the mission of the Wisconsin Idea. Senior Vice President Olien warned that the resolution’s message not be watered down, but that it focus on Instruction-related items to be pragmatic. Associate Vice President Harris read a revised resolution and S.B.P. Hay said he thought with both FTE requirements still in the resolution, the UW’s bargaining power will be weakened. He also suggested that the wording on “no further cuts” be taken out. Associate Vice President Harris agreed and read a final revised resolution that she also said was not in conflict with the group’s stance that position control be eliminated. Regent Axtell asked whether there was a motion to approve the revised resolution, Assistant Vice Chancellor Krogman moved to forward the motion, Chancellor Shepard seconded the motion, and the group unanimously approved it.

CONCLUSION

Regent Axtell informed the group that it would not be meeting in May and concluded that the group did well and that he appreciates the work done by everyone. He added that he thinks the group came up with many positive, tangible suggestions. Regent Pruitt then commended Regent Axtell’s performance as Chair of the group.