

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Green Bay, Wisconsin

Held in the Niagara Room, Student Union

UW-Green Bay

Friday, October 9, 1992

9:00 a.m.

- President Steil presiding -

PRESENT: Regents Davis, Dreyfus, Flores, Gelatt, Grebe, Grover, Gundersen,
Hempel, Hirsch, Krutsch, Lubar, Lyon, Schilling and Steil

ABSENT: Regents Barry, Budzinski and Nicholas

Approval of Minutes

Upon motion by Regent Dreyfus, seconded by Regent Hempel, the minutes of the September 11, 1992, meeting of the Board of Regents were approved as distributed.

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Introduction of Parliamentarian

Regent President Steil introduced Mr. Robert Andersen, UW System Director of Budget Planning, and a registered parliamentarian. Mr. Andersen has been designated to serve as parliamentarian at Board of Regents meetings.

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REPORT OF THE PRESIDENT OF THE BOARD

Appreciation to UW-Green Bay

Regent President Steil expressed appreciation to Chancellor Outcalt and to UW-Green Bay for the gracious hospitality that had been extended during the Board's visit.

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Election of Vice President Pro Tempore

Regent Lubar was nominated by Regent Krutsch to serve as Vice President

Pro Tempore for this meeting. The nomination was seconded by Regent Dreyfus, and Regent Lubar was elected unanimously.

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Report of the Educational Communications Board

A written report was provided by Regent Davis, Regent member of the Educational Communications Board.

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Report of the Vice President of the State Board of Vocational, Technical and Adult Education

A written report was provided by Regent Barry, Vice President of the State Board of Vocational, Technical and Adult Education.

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Report on Legislative Matters

A written report was provided by Acting Vice President Ward.

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Student Affairs Officers Committee

Regent President Steil announced that he and President Lyall will appoint a statewide committee of student affairs officers to follow up on the resolution adopted by the Board in September on repeal of UWS 17.06(2), Wisconsin Administrative Code. The resolution provided for the creation of a systemwide committee to advise whether substitute rules are needed to address discriminatory conduct on UW System campuses.

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Fall 1992 Campus Tour

Regent President Steil reported that the September 28 and 29 fall campus tour had been very successful. Regents Gundersen, Hirsch, and Krutsch toured the Marshfield Agricultural Research Station, UW Center-Marshfield/Wood County, Joliam Holsteins (a high-tech dairy farm in Humbird), UW-Eau Claire, UW-Stout, and UW-River Falls. For the first three stops, they were accompanied by UW-Madison College of Agricultural and Life Sciences Dean Roger Wyse and by Cooperative Extension Dean Ayse Somersan.

Stating his strong support for visiting the fine universities of the UW System, President Steil commented that there is no better way to gain understanding of both the strengths and concerns of each unique campus and no better way to demonstrate Regent interest in each campus to faculty, staff, students and community leaders.

Thanking Regents Gundersen, Hirsch and Krutsch for taking the time to participate in the tour, President Steil also expressed appreciation to the chancellors, their staffs, Vice President Paul Brown and Special Assistant

Patricia Takemoto for their work in arranging the tour.

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Governor's Higher Education/Business Partnership Week

Regent Steil reported that in September all 26 campuses of the UW System and UW-Extension, joined with the VTAE and independent colleges in hosting the Governor's Higher Education/Business Partnership Week. More than 1,000 business leaders and managers participated statewide. Local officials also attended in some instances, as did legislators. Media coverage was extensive and favorable.

Partnership Week, Regent Steil observed, did much to put a "human face" on university researchers: those who expand, teach, and share knowledge for the public good--and audiences responded positively. A survey of participants at UW-Madison, for example, found that 95 percent regarded the event as worthwhile, while 90 percent plan to follow up on a contact which they made there. Forty percent of those surveyed had never before been on the campus.

At UW-Oshkosh, keynote speaker Eugene Goodson of Oshkosh Truck made this observation: "The problems of society are so huge that the best minds are needed to solve the problems. Universities are great resources that need to be tapped."

Concurring fully with that statement, President Steil expressed gratitude to Governor Thompson for proposing the program, and to the Regents and university personnel who took part in it. He considered the result to be well worth the statewide effort.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Approval of Nonpersonnel Actions

Presenting Resolution 6223, President Lyall noted that this month's listing contains no legal services contracts or exceptional items.

Upon motion by Regent Schilling, seconded by Regent Flores, the following resolution was adopted unanimously:

Resolution 6223: That the report of nonpersonnel actions by administrative officers to the Board of Regents and informational items reported for the record (copy on file with the papers of this meeting) be received for the record; and that actions included in the report be approved, ratified and confirmed.

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UW-Green Bay Presentation: Environmental Sciences

Chancellor Outcalt introduced Donald Larmouth, Dean of Arts, Sciences and Graduate Programs, who lauded the Environmental Sciences Program as one

which has national and international recognition.

Professor Robert Wenger, Chair of the Natural and Applied Sciences Department, explained the reason for the Environmental Sciences Program's popularity: the enormous environmental problems being faced throughout the globe; and recognition of environmental science as an important academic and intellectual endeavor. After having been a forerunner with this program for the past 20 years, schools from all over the country are seeking UW-Green Bay's advice to establish their own programs.

The program, Professor Wenger continued, is grounded in science, quantitative skills, computer skills and communication skills and is interdisciplinary in nature. An internship is required, with many undergraduates having an opportunity to engage in research in environmental science in their junior and senior years. The number of majors has increased threefold in the last four years and there is also a master's level program.

Environmental science is an important component in the general education program, and faculty are often called upon to lend their expertise to environmental problems in the area, the region, the nation and internationally as well. The faculty's research is strong in water quality and waste management and involves chemists, physicists, biologists and mathematicians who also attract research dollars.

Professor Wenger closed by saying that because UW-Green Bay was a forerunner in the environmental science field, the faculty is aging and is not being replaced because of constrained budgets. A way must be found, he said, to maintain this quality program in environmental science.

Regent Davis asked about the size of this faculty, and Professor Wenger explained that environmental science is one of the programs of the 25-faculty-member Department of Natural and Applied Science. Those who teach environmental science courses total about five full-time equivalent faculty. If supporting courses are counted, another one or two full-time equivalent faculty can be added.

Regent Davis wondered whether, with today's elaborate governance structures and program review, a new core discipline will be seen.

Professor Wenger said that UW-Green Bay departments are concentrations, and the 25 faculty members in the department of Natural and Applied Sciences are biologists, physicists, chemists, mathematicians, earth scientists and engineers who do not find it difficult to collaborate. Twenty years of experience with the program has reduced obstacles among the disciplines. In a larger context, however, the high walls between disciplines make this sort of collaboration difficult at many other universities.

Regent Gelatt asked what the difficulty was in replacing faculty, and Professor Wenger said that the primary problem is that authorizations to recruit new faculty were not given when retirements occur.

When asked by Regent Hirsch about the academic background of new students in the program, Professor Wenger said that student background and preparation in science and mathematics is quite varied. There is, however, a core of outstanding students in the sciences because of renewed interest in

environmental science.

Regent Hirsch asked if the UW System's change in admission requirements will have a positive effect in trying to accelerate students' knowledge, and Professor Wenger said it will definitely help.

President Lyall thanked Dr. Wenger for the informative presentation.

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Dwight Eisenhower Mathematics and Science Grant

President Lyall announced that the UW System Dwight Eisenhower Mathematics and Science Grant has been renewed for \$1 million, the fifth consecutive year that the UW System has received Eisenhower funding. The funds from this grant are used to support innovative programs to improve the teaching of science and mathematics in elementary and secondary schools across the state. During 1992 these funds are supporting 25 projects across the state, including a chemistry telecourse offered statewide to elementary teachers through UW-Extension, scholarships for minority teachers planning careers in teaching mathematics and science, and a project that offers K-12 mathematics and science teachers in Milwaukee an opportunity to work in business and industry to learn firsthand some of the practical applications of the materials they teach in the classroom. An additional \$3 million from the program is administered directly by the Department of Public Instruction.

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Schroeder Commission Report

President Lyall referred to this recent US House of Representatives' Report, which asserted that there are rising costs and falling quality in colleges across the country. Emphasizing that the UW System does not share that experience and compares exceedingly well with national trends, she pointed out that UW System tuition has grown much less, UW faculty teach more hours per week, UW graduation rates are higher and the UW spends significantly less of total budget on administrative overhead. Gifts and grants to the UW have grown much faster than nationally, while GPR and federal support have grown more slowly. All this has been accomplished while maintaining high access for Wisconsin high school graduates. Comparative data are shown in EXHIBIT A.

Strategic planning and sound management have kept the UW ahead of the curve in quality and access in the 1980s and are continuing to benefit students and taxpayers in the 1990s. President Lyall stated that pride should be taken in the great value and quality educational opportunity provided by the UW to the citizens of Wisconsin.

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\$10.2 Million Reduction Directive

President Lyall reported that the UW System had been notified by Secretary Klauser that state spending is running ahead of projections and, as a consequence, the state's general fund balance may fall below acceptable levels. Secretary Klauser directed all state agencies, including the UW System, to: defer hiring where possible; freeze major expenditure lines at their current levels; and place an amount equal to 1.5 percent of state

appropriations into an unallotted reserve.

The effect of these directives is to require the UW System to lapse \$10.2 million dollars from the 1992-93 GPR base--about \$80 per full-time student. This directive, she noted, places great pressure on programs and operations for the remainder of the school year, coming after the start of the academic year and in a year in which the UW System was already required to lapse \$7.7 million from supplies and expense, telephone, and federal indirect cost accounts.

Including the initial \$7.7 million lapse, the new \$10.2 million requirement, and the \$413,000 for reallocation required for financial aid, the UW System will be required to lapse \$18.3 million or about 2.5 percent of the GPR base. Because the first semester is in progress with instructional contracts in place, it is inevitable that the bulk of these reductions will fall in the second semester. The required lapse is therefore equivalent to a 5 percent reduction of activities for the second half of the school year. Because the reductions are made from the GPR portion of the budget, another result will be to increase the overall student share of instructional cost from 35.3 percent to 36 percent.

The last time that reductions of this magnitude were imposed was in 1987 through the Act 120 cuts of \$29.7 million. At that time, the university responded by cutting \$20.3 million from the base and by raising tuition another \$9 million in order to hold instructional programs harmless. While such an approach could be considered this year, President Lyall did not believe that a tuition surcharge would be wise at this time. Such a surcharge would directly substitute fees for GPR so that students would pay more but would receive no more services.

Therefore, it is her intention to apportion the \$10.2 million cut among the institutions and System Administration in proportion to each unit's annual GPR/fee base. She and the chancellors have agreed that: institutions will have full flexibility to determine how to generate their required lapse amounts; all GPR budget and program areas are available to participate in the required reduction; and institutions will make every effort to avoid layoffs. However, some nonrenewals of appointments may be necessary in order to generate the required funds.

Pointing out that these reductions cannot be made without adverse impacts on programs and services, she noted that administrative services will be slowed, some courses will be omitted or offered in larger classes in the spring semester, supplies and expense funds will be cut again, and certain student and outreach services may be reduced or delayed beyond the second semester.

Assurance had been given that these lapses are temporary and will be restored to the base in the 1993-95 biennium. If this is done, the spring 1992 program reductions will be temporary and can be restored the following year. If not, reductions will become permanent and have a more serious impact on the university's long-term ability to serve its clients well.

Regent Gundersen inquired about the possibility of protecting from cuts the laboratory modernization program which is well received and widely respected.

Regent Hirsch asked whether there had been consideration of holding harmless the supplies and expense budget which already had been cut severely

over time. Additional cuts, he felt, would severely impact educational services to students, such as laboratories and computer access.

President Lyall replied that she had discussed with the chancellors whether to identify parts of the budget that would be held harmless from reductions. The conclusion was that each chancellor should identify in his or her local circumstances where reductions can be made with the least damage to programs and services.

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REPORT OF THE EDUCATION COMMITTEE

Regent Davis, Chair, reported for the Committee.

Consent Agenda Items

Presenting Resolutions 6224 to 6234, which were approved unanimously by the Education Committee, Regent Davis moved their adoption by the Board of Regents as consent agenda items. The motion was seconded by Regent Grover and carried unanimously. It was noted that Regent involvement was requested in the selection of a Dean of Education at UW-Milwaukee (Resolution 6226).

With regard to Resolution 6227, Regent Gundersen expressed the view that candidates should be board certified, rather than board certified or eligible. Regent Davis explained that the purpose was to provide flexibility since the department is a mixture of clinicians and scientists.

Report on Industrial and Economic Development Research Fund

Resolution 6224: That the report on projects undertaken in the UW System during fiscal year 1991-92 that were supported by Industrial and Economic Development Funds be received and approved for transmittal to the Joint Committee on Finance, in accordance with s. 36.25(25)(c), Wis. Stats.

Report on Integrated Agriculture Program

Resolution 6225: That the report on projects undertaken in the UW System during fiscal year 1991-92 that were supported by the Integrated Agriculture Program be received and approved for transmittal to the Joint Committee on Finance, in accordance with s. 36.25(27), Wis. Stats.

Authorization to Recruit Dean, School of Education, UW-Milwaukee

Resolution 6226: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean of the School of Education, University of Wisconsin-Milwaukee.

Authorization to Recruit Professor or Professor and Chair, Department of Neurology, Medical School, UW-Madison

Resolution 6227: That, upon recommendation of the Chancellor of the

University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for an Associate Professor or Professor and Chair, Department of Neurology, Medical School, University of Wisconsin-Madison, at a recommended salary range that exceeds the Executive Salary Group 6 maximum.

Named Professors, UW-Madison

Resolution 6228: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Paul P. Carbone, Professor of Human Oncology and Director of the UW Comprehensive Cancer Center, be appointed Wattawa Bascom Professor in Cancer Research, Medical School, University of Wisconsin-Madison effective immediately.

Resolution 6229: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Gerald J. Thain, Professor of Law, be appointed Consumer Law Professor, Law School, University of Wisconsin-Madison effective immediately.

Resolution 6230: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Y. Austin Chang be reappointed Wisconsin Distinguished Professor, Metallurgical and Materials Engineering, College of Engineering, University of Wisconsin-Madison, for the period January 1, 1993 through December 31, 1997.

Named Professor, UW-Parkside

Resolution 6231: That, upon recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, Chong-Maw Chen be reappointed Wisconsin Distinguished Professor, Biological Sciences, University of Wisconsin-Parkside, for the period January 1, 1993 through December 31, 1997.

Named Professors, UW-Madison

Resolution 6232: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Allen C. Filley be reappointed William T. "Bill" Graham Wisconsin Distinguished Professor of Entrepreneurial Studies, School of Business, Wisconsin-Madison, for the period January 1, 1993 through December 31, 1997.

Resolution 6233: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, John R. Nevin be reappointed Wisconsin Distinguished Professor, School

of Business, Wisconsin-Madison, for the period January 1, 1993 through December 31, 1997.

Resolution 6234: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Urban Wemmerlov be reappointed Kress Family Wisconsin Distinguished Professor, School of Business, University of Wisconsin-Madison, for the period January 1, 1993 through December 31, 1997.

Occasional Research Brief 92/7: Trends in Faculty Teaching Assignments

The Committee discussed ORB 92/7, Trends in Faculty Teaching Assignments. The data are for faculty supported by GPR/fee funds and exclude faculty supported by program revenue funding. The conclusion of the ORB was that overall systemwide total weekly contact hours, consisting of both group and individual instruction, have been stable over time. President Lyall listed a number of initiatives that she intends to take in order to understand better what is behind the numbers and trends. These initiatives include asking the institutions to discuss their data and trends with their own faculty; asking System Administration to work with the institution to examine distribution of teaching loads among institutions with similar missions; asking System Administration to learn more about comparative teaching loads at other institutions nationally; and asking the institutions to examine their use of release time for faculty for administrative duties.

In Committee discussion, it was noted that the threshold issue of whether faculty are teaching an appropriate amount of time is not addressed by the data. The Education Committee work plan will include considering the mix of the three-fold faculty charge of teaching, research, and public service.

In discussion at the Board meeting, Regent Krutsch expressed her agreement that the emphasis should be on the appropriateness of teaching work loads, rather than on trends over the years. It was her sense that any change likely would have occurred before 1981, although data for earlier years are not available.

President Lyall noted that the Joint Audit Committee of the Legislature had scheduled a hearing on October 29, 1992, to consider a request by Representative Schneider to audit faculty work loads. A similar audit had been conducted about five years previously.

President Steil noted that he recently had the pleasure of visiting with UW-Parkside Professor Chong-Maw Chen, who had just been reappointed Wisconsin Distinguished Professor of Biological Sciences. When asked if he engaged in teaching in addition to his research, Professor Chen spoke enthusiastically about his teaching of freshman Biology.

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Regent Davis noted that, at the September meeting, the Committee discussed a work plan for this year consisting of a series of discussion papers that will prepare for Enrollment Management III and planning for the years 1995-2000.

The first of these papers, discussed at the October 8 meeting, concerned the history and context of enrollment management. This will be followed in December by a paper on changing demographics.

The original policy decision for Enrollment Management I was based on the understanding that resources were not keeping up with enrollments, in which case the Board would choose quality over access. It is expected that, by the end of Enrollment Management II, the goals of Enrollment Management I and II will be achieved--that is, to restore the student/faculty ratio to 17 to 1 and to increase budgetary support per FTE student. However, some of the freed resources have been diverted to long-term commitments such as compensation and will not be available when enrollment pressures increase after 1995.

Ms. Rosemary Hinkfuss, representative to the Wisconsin Assembly from the Green Bay area, appeared before the Committee. She expressed concern that a number of qualified high school students from the area were denied the opportunity to utilize the post-secondary enrollment options program at UW-Green Bay because of enrollment management, even though spaces did appear later in classes. In her opinion, if there is an empty seat, a qualified student should be enrolled. She also noted that Green Bay is the state's third largest city, the Fox River Valley is the fastest-growing area of the state, and UW-Green Bay is not able to meet the needs of the area--particularly the needs of place-bound professionals. The Committee assured Representative Hinkfuss that the issue of resource reallocation is part of the Committee's work plan and asked for her support for resource reallocation decisions in the Legislature.

Professor Gloria Toivola, representing The Association of University of Wisconsin Professionals, stated that enrollment management is particularly difficult for part-time students and older students. It was pointed out that these issues will be addressed in the Committee's work plan.

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1992 Fall Enrollments

President Lyall presented the Committee with an update on preliminary fall enrollments which showed that enrollments systemwide will be within the target range for this year. President Lyall expects to meet the 1995 UW System targets on schedule.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Regent Gelatt, Chair, reported for the Committee

Consent Agenda Items

Presenting Resolutions 6235-6237, which had been approved unanimously by the Business and Finance Committee, Regent Gelatt moved their adoption by the Board of Regents as consent agenda items. The motion was seconded by Regent Schilling and carried, with Regent Davis abstaining from the vote on Resolution 6235.

Approval of Gifts, Grants and Contracts

Resolution 6235: That, upon recommendation of the President of the University of Wisconsin System, the gifts, grants and contracts presented at this meeting (copy on file with the papers of this meeting) be accepted, approved, ratified and confirmed; and that, where signature authority has not been previously delegated, appropriate officers be authorized to sign agreements.

Nellie Ebbers Bequest

Resolution 6236: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the bequest of the late Nellie Ebbers, of Sheboygan Falls, Sheboygan County, Wisconsin be accepted; and that the Trust Officer or Assistant Trust Officer be authorized to sign receipts and do all things necessary to effect the transfer for the benefit of the Mc Ardle Laboratory, University of Wisconsin-Madison.

(In disposing of the residue of the estate the Will provides:

SIXTH: All the rest, residue and remainder of my property, both real and personal, wherever situated, I give, devise and bequeath to MC ARDLE LABORATORY RESEARCH [CANCER], UNIVERSITY OF WISCONSIN, Madison, Wisconsin.)

\$266,502.00 has been received from the estate.

Anonymous Bequest

Resolution 6237: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the anonymous bequest be accepted; and that the Trust Officer or Assistant Trust Officer be authorized to sign receipts and do all things necessary to effect the transfer for the benefit of the University of Wisconsin-Madison.

(Article Two of the Will states:

All the rest, residue and remainder of my property and estate, real and personal, of whatever nature and wherever situated, I GIVE AND DEVISE as follows:

1) One-half to the UNIVERSITY OF WISCONSIN at Madison,

Wisconsin, for the Integrated Liberal Studies Program to use as the Director and Faculty of the Program deem best but, if the Integrated Liberal Studies Program has been or is discontinued, whatever funds remain at that time shall be transferred to the University of Wisconsin at Madison for the Memorial Library for use in collection development in the Humanities.)

The Integrated Liberal Studies Program will receive approximately \$76,000.

Tuition Policy

At a portion of the Committee meeting to which all Regents were invited, presentations on tuition policy were made by five panelists. Mr. James Morgan, President of the Wisconsin Taxpayers Alliance, commented on the anticipated fiscal environment for the 1993-95 biennium and on state budget priorities and trends. Mr. James Mingle, Executive Director of the State Higher Education Executive Officers, shared his national perspective of public higher education tuition and financial aid concerns. Mr. Richard Kennedy, Vice President for Government Relations and Secretary of the University of Michigan, discussed the experiences and perspectives of a midwestern public university with a high tuition/high financial aid approach. Mr. Brian Williams, Academic Affairs Director, United Council of UW Student Governments, provided the Board with his group's viewpoint; and Chancellor Schroeder of UW-Milwaukee, shared a UW System chancellor's view of current and prospective tuition policy.

President Lyall reported on the updated tuition policy paper, noting that, in September, the Regents had reviewed and discussed a number of tuition policy alternatives and narrowed the items for further consideration. The paper presented at this meeting provided additional information on the surviving options and eliminated options that would result in double-digit tuition increases during the biennium. The Board of Regents was asked to decide the principles which would be incorporated in the System's 1993-95 biennial budget request that will come to the Board in November.

President Lyall presented a number of recommendations on the tuition principles to be incorporated, and Regents discussed the proposed principles. Ms. Gloria Toivola, President of TAUWP, also spoke after the Business and Finance Committee reconvened.

It was moved by Regent Gelatt, and seconded by Regent Hirsch, that Resolution 6238, which was approved in Committee, be adopted by the Board of Regents.

Resolution 6238: That the Board of Regents affirms the following guidelines for tuition policy:

1. Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
2. As a matter of fiscal and educational policy, the

state should, at a minimum, strive to maintain its current GPR funding share (65%) of regular budget requests for cost-to-continue, compensation and new initiatives, and fully fund tuition increases in state financial aid programs.

3. Nonresident students should pay a larger share of instructional costs than resident students, and at least the full cost of instruction when the market allows.
4. Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
5. Tuition increases should be moderate and predictable.
6. The resident undergraduate tuition rate increase should not exceed 10%.
7. GPR financial aid and graduate assistant support increases should be kept commensurate with general tuition increases.
8. General tuition revenue (to cover regular budget increases under the standard 65% GPR and 35% Fees split) should continue to be pooled systemwide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.
9. When considering tuition increases beyond the regular budget, evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.

This policy replaces Resolution 5650.

Parliamentarian Robert Andersen advised that, as a motion to amend something previously adopted, the resolution would require a two-thirds vote or a majority of the entire membership of the Board.

Regent Gundersen asked that the minutes of the Business and Finance Committee meeting reflect the facts regarding disposable income and tuition affordability which were provided to the Regents by Executive Assistant Fredi Bove.

Put to the vote, Resolution 6238 was adopted unanimously.

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Administrative Cost Study

President Lyall presented to the Business and Finance Committee a study on administrative expenditures for the UW System and some comparisons to national averages for public four-year universities. It showed that the UW

System spends 40 percent less than peer institutions on institutional support and ranks 47th among the 50 states in institutional support costs. At the same time, factors such as information demands, unfunded state and federal mandates, growing government regulations, and growing demands by students and parents have increased the demand for administrative and support services.

President Lyall concluded that, while the UW System is operating efficiently, there is need for greater flexibility and need to recognize the increased costs associated with unfunded mandates and demands for additional services. She indicated that the UW System institutions will participate in the National Association of College and University Business Officers benchmarking study which will provide comparative information both among UW institutions and external comparisons with institutions in other states.

The Committee expressed its interest in seeing results of those benchmarking studies.

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Unified Budget--Necessary Statutory Language Changes

Associate Vice President Sell outlined for the Business and Finance Committee the required statutory language changes necessary to implement a partially unified budget.

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Computer Utility Implementation Report

Senior Vice President Bornstein and Senior Consultant William Hogue, presented to the Business and Finance Committee the UW System Computer Utility Implementation Study Report. The Steering Committee recommended consolidating UW System Administration and UW-Madison administrative mainframe operations at UW-Madison and eliminating redundant application systems.

It was moved by Regent Gelatt and seconded by Regent Lyon that Resolution 6239, which was approved by the Business and Finance Committee, be adopted by the Board of Regents.

Resolution 6239: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents:

accepts the report and recommendations of the UW Implementation Steering Committee for a UW Administrative Computing Utility to begin planning immediately for a consolidation of System Administration and UW-Madison mainframe administrative computing in a single-site at UW-Madison and to reassess the UW and DOA utility options in approximately two years; and

directs System Administration and UW-Madison to work jointly with the DOA and other appropriate parties to develop common measurement criteria as a basis for an accurate evaluation of UW and DOA computer utility costs, service and customer satisfaction so that comparable data are available for Board of Regents review at the recommended time of reassessment.

Regent Gelatt pointed out that this matter is likely to be the topic of some public discussion because the state has moved aggressively in consolidating the computing resources of other state agencies and because the time period set forth in the resolution may be longer than what the Department of Administration would prefer.

Stating his opposition to the motion, Regent Hirsch felt the internal consolidation specified in the resolution is a first step toward setting up a UW computer utility rather than joining the state utility. He did not consider that to be in the best interest of the UW System for two reasons. First, it would reinforce the perception that the UW is not a cooperative participant in state government. Secondly, given the investment of time and money in the state utility, he predicted that at some time in the future the university would almost certainly be mandated to join the state utility. Therefore, he did not believe it would be wise for the UW to invest scarce resources in its own consolidation.

Speaking in support of the resolution, Regent Gelatt commented that consolidation of the two Madison area UW computing facilities should have been done a long time ago for the sake of efficient operation. This action does not preclude joining the DOA utility in the future.

Regent Lubar also supported the approach set forth in the resolution. He considered it wise for the university to combine those operations that can be brought together efficiently. He did not believe it wise, however, to combine computer functions with the state utility if the only rationale is that there is excess capacity on the state utility. In business, he had seen situations where, in the pursuit of short-term economy, consolidations resulted in loss of control over the ability to obtain information.

Noting that the state utility is unable to take on the UW computer operation at the present time, President Lyall commented that in two years it would be possible to assess the operation and determine whether joining the state utility could save money and well serve the needs of the UW System. If so, she thought the university should be open to participating. In the meantime, she urged the Board to approve the recommended internal consolidation, which would improve the ability to obtain data efficiently and would not preclude joining the state utility later.

Drawing an analogy with the technology of air conditioning, Regent Dreyfus noted that, when central air systems caused individuals to lose control of the temperature of their environment, they resorted to window air conditioners to regain control. If a single large utility does not meet individual needs, he predicted that people would find a way to circumvent the system, particularly given the rapid pace at which computing technology is changing. He urged that the Board approve the internal consolidation to solve the existing problem and reconsider consolidation with the state at a future time.

Regent Davis noted that his business, which has a very large data processing operation, had decided not to centralize but to move to much more distributed local area networking. Quality is an issue as well as cost, he pointed out, in terms of access and ability to make priority judgments as one of many clients of a super-utility. If the state utility proved cost effective and to the benefit of the university and the people of the state, he felt that the UW System should join it, but that it is premature to make a

decision at this time.

Regent Flores asked how the two-year time frame for reassessment would fit into the Department of Administration's timetable.

Regent Gelatt replied that the department would prefer that the decision be made in a year or less, although all of the large state applications will not be on line until later this year. Thus, the earliest time a comparative cost study seems possible is early in 1993, at which point there will not have been a long track record of up time and quality of service. He suspected, however, that the issue would be readdressed before two years have passed. At this time, the System Administration computer could not be joined with the state utility for technical reasons, which can be corrected by the proposed internal consolidation.

Put to the vote, Resolution 6239 was adopted, with Regent Hirsch voting in opposition.

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1991-92 Financial Statement

Summarizing review by the Business and Finance Committee of the 1991-92 financial statements, Regent Gelatt reported that the UW System lapsed \$4.0 million out of a total GPR appropriation of \$767.3 million, a lapse of about .5 percent. The state's forced supplies and expense lapse was \$3.2 million. Institutions carried approximately \$5.5 million of their GPO budgets forward to 1992-93, primarily in anticipation of known GPR lapses of \$7.8 million for this year, before the additional \$10 million required lapse.

Sixty-four percent of total GPO expenditures, excluding fringe benefits, were spent on the UW's primary mission: 49.5 percent on instruction; 7.4 percent on extension and public service; and 7.1 percent on research.

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Report of the Vice President

In his report, Vice President Marnocha provided the Business and Finance Committee with a status report on the recent GPR lapse requirement.

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Audit Subcommittee Report

Internal Audit Director Brunkow presented the first quarter internal audit report to the Subcommittee. He listed audits in progress and summarized the findings of audits completed so far this year.

Vice President Marnocha presented comments on the recently completed federal mandated OMB A-133 audit of federal research grant dollars. A revised financial policy and procedure paper on equipment inventory will be issued by the end of October, partly in response to audit comments that adequate systems are not in place for keeping track of federally purchased equipment. This revised policy will address the property management concerns raised by the audit.

System Administration has conducted a generally accepted accounting

practices (GAAP) training session at each institution, to address the audit concerns on a number of adjustments to the financial statements needed to convert from cash statements to the required GAAP statements. To address the timeliness of the financial statements, the systemwide financial management information system will lead to automation of these year-end processes.

In discussion at the Board meeting, Regent Gundersen noted the very small percentage of questionable expenses found on the audit of federal research grant dollars. He commended all involved for the audit's highly positive findings.

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REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

Regent Dreyfus, Chair, reported for the Committee.

Consent Agenda Items

Presenting Resolutions 6240-6247, which had been unanimously approved by the Physical Planning and Development Committee, Regent Dreyfus moved their adoption as consent agenda items by the Board of Regents. The motion was seconded by Regent Gundersen. At the request of Regent Gelatt, Resolution 6247 was removed from the consent agenda.

Put to the vote, Resolutions 6240-6246 were adopted unanimously.

UW-La Crosse: Approval of the Design Report and Authority to Construct the
Murphy Library Resource Center Addition and Remodeling Project

Resolution 6240: That, upon the recommendation of the UW-LaCrosse
Chancellor
the
construct
and the President of the University of Wisconsin System,
Design Report be approved and authority granted to
the 1991-93 Murphy Library Resource Center Addition and
Remodeling project, at an estimated total cost of \$7.6
million, from General Fund Supported Borrowing.

UW-La Crosse: Authority to Construct a Parking Lot Improvements Project

Resolution 6241: That, upon the recommendation of the UW-LaCrosse
Chancellor
from
and the President of the University of Wisconsin System,
authority be granted to construct a Parking Lot #4
Improvements project at an estimated cost of \$197,500,
Program Revenue Supported Borrowing.

UW-LaCrosse: Authority to Construct a Mitchell Hall Swimming Pool
Maintenance
Project

Resolution 6242: That, upon the recommendation of the UW-LaCrosse

Chancellor

and the President of the University of Wisconsin System,
authority be granted to construct Mitchell Hall Swimming

Pool

Maintenance project for an estimated total project cost

of

\$151,800, from General Fund Supported Borrowing -

Facilities

Repair and Renovation Funds.

UW-Madison: Authority to Lease Space - UW-Madison Medical School Wingra
Family
Practice Center

Resolution 6243: That, upon the recommendation of the UW-Madison
Chancellor

and the President of the University of Wisconsin System,
authority be granted to lease approximately 14,202

square

feet (SF) of space at 2109 South Park Street, Madison,
Wisconsin.

Lessor: SSM Health Care System d/b/a/
St. Mary's Hospital Medical Center
707 South Mills Street
Madison, WI 53715-0450

This lease covers 14,202 SF of clinic space for the 20-
year

period beginning on a mutually agreed-upon date
(approximately November 1992) and ending September 30,

2012

at an initial annual cost of \$80,000.00 (\$5.63/SF). The
rental rate will increase 2% for the second and each
subsequent year of the lease period in accordance with

the

following schedule:

October 1, 1993 through September 30, 1994	- \$ 81,600.00
October 1, 1994 through September 30, 1995	- \$ 83,232.00
October 1, 1995 through September 30, 1996	- \$ 84,896.64
October 1, 1996 through September 30, 1997	- \$ 86,594.57
October 1, 1997 through September 30, 1998	- \$ 88,326.46
October 1, 1998 through September 30, 1999	- \$ 90,092.99
October 1, 1999 through September 30, 2000	- \$ 91,894.85
October 1, 2000 through September 30, 2001	- \$ 93,732.75
October 1, 2001 through September 30, 2002	- \$ 95,607.41
October 1, 2002 through September 30, 2003	- \$ 97,519.55
October 1, 2003 through September 30, 2004	- \$ 99,469.94
October 1, 2004 through September 30, 2005	- \$101,459.34
October 1, 2005 through September 30, 2006	- \$103,488.53
October 1, 2006 through September 30, 2007	- \$105,558.30
October 1, 2007 through September 30, 2008	- \$107,669.47
October 1, 2008 through September 30, 2009	- \$109,822.86
October 1, 2009 through September 30, 2010	- \$112,019.32
October 1, 2010 through September 30, 2011	- \$114,259.71
October 1, 2011 through September 30, 2012	- \$116,544.90

The lease also provides the University an option to purchase the property at 2109 South Park at any mutually agreeable time during the term of the lease. The lease may be cancelled by either party upon giving 180 day prior notice. The Lessee is responsible for the payment of taxes should any apply to the premises. The Lessee is also responsible for the repair, replacement and maintenance of the mechanical systems in an amount up to \$500 for any single item of repair, and for the cost of water, sewer, electricity, fuel, janitorial services, rubbish removal, care of grounds and snow removal. Maintenance and custodial costs are estimated at approximately \$30,000 per year. Rental payments and other costs will be funded by the Department of Family Medicine and Practice Program revenue funds.

UW-Stevens Point: Authority to Construct an Outdoor Running Track Resurfacing Project

Resolution 6244: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to construct an Outdoor Running Track Resurfacing project at a cost of \$249,000 from General Fund Supported Borrowing - Utilities Repair and Renovation Funds.

UW-Stevens Point: Authority to Construct a Fourth Avenue Condensate Line Replacement Project

Resolution 6245: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Fourth Avenue Condensate Line Replacement project at a cost of \$362,000 from General Fund Supported Borrowing - Utilities Repair and Renovation Funds.

UW-Stevens Point: Authority to Increase the Scope of Work/Project Budget for the Residence Halls Renovation Project

Resolution 6246: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to increase the scope of work and the project budget for the Residence Halls Renovation project by \$1,230,000, from \$2,200,000 to \$3,430,000 from Program Revenue Borrowing.

Authority to Construct McClimon Track/Soccer Field Lighting Project,
UW-Madison

In response to a concern expressed by Regent Gelatt, Resolution 6173 was reviewed to determine if Resolution 6247 would conflict with the policy on use

of gifts to reduce borrowing for this project. Resolution 6173 provided that indebtedness is to be reduced by the amount of donations given for this project at the time of bonding. Since the time of bonding was past, it was felt that acceptance of this gift would not conflict with the Resolution 6173 directive.

Put to the vote, Resolution 6247 was adopted unanimously.

Resolution 6247: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a McClimon Track/Soccer Field Lighting project, at an estimated total project cost of \$250,000 from Gift Funds.

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Funding Facilities Construction

Regent Dreyfus reported on discussion of options for funding facilities construction, particularly the option of seeking donations in support of basic academic facilities. Mr. Martin Grenzebach, of Grenzebach and Associates, a consulting firm which supervises capital campaigns and has worked with seven of the Big 10 universities, informed the Committee that only 15 to 20 percent of fund raising goes for facility construction. The prevailing attitude of donors, as described by Mr. Grenzebach, is that it is the obligation of the state to build such facilities and the donors' interest is to improve the quality of the mission. He pointed out that 2 percent of the donors provides over 90 percent of the funds in such campaigns. The Physical Planning and Development Committee, Regent Dreyfus commented, is wary of drifting into a position that will require private funding for academic buildings.

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Milwaukee Civic Center Campus Space Status Report

Summarizing consideration of this item, Regent Dreyfus noted that at the February 1992 meeting an approximately \$12 million project for space at the Grand Avenue Mall was presented. Due to funding limitations, it was not possible to enumerate the project in the 1991-93 budget. Looking ahead to 1993-95 enumeration, Mr. Robert Brandherm, head of the Division of Facilities Development, is concerned that the Grand Avenue Mall costs appear to be more expensive than if the remodeling were a state project. Meetings have been held to determine if owners are willing to sell the space.

In the meantime, Towne Realty Corporation presented a proposed lease/purchase agreement for a building at Sixth Street and Wisconsin Avenue in Milwaukee. This proposal is about \$2 million less than the Grand Avenue Mall initial proposal. Resolution 6248, approved by the Committee, provides for the issuance of Requests for Proposals. The purpose is to determine by a date certain whether there will be any additional proposals and then look at them comparatively. It was moved by Regent Dreyfus and seconded by Regent Gundersen that the following resolution be adopted by the Board of Regents:

That, upon the recommendation of the Physical Planning and Development Committee, System Administration Staff is directed to issue a Request for Proposals to provide

for a UW System Continuing Education/Extension Services facility in downtown Milwaukee for UW-Milwaukee and UW-Extension.

Stating his support for the resolution, Regent Flores offered an amendment, which was accepted by Regents Dreyfus and Gundersen, to add to the end of the sentence in Line 6 the words "in a timely manner in order to meet the timetable for the 1993-95 biennial capital budget request."

Put to the vote, the resolution as amended was adopted unanimously.

Resolution 6248: That, upon the recommendation of the Physical Planning and Development Committee, System Administration Staff is directed to issue a Request for Proposals to provide for a UW System Continuing Education/Extension Services facility in downtown Milwaukee for UW-Milwaukee and UW-Extension in a timely manner in order to meet the timetable for the 1993-95 biennial capital budget request.

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UW-Green Bay's Child Care Request for Proposals

The Physical Planning and Development Committee was advised that Requests for Proposals were mailed on July 15, 1992, to 117 child care providers, architects, and contractors. At bid opening on September 21, three proposals were received. If a favorable and acceptable response is identified, recommendation for award would be brought for action at the next meeting of the Board of Regents. The new center then could open by September 1993. It was suggested by Regent Gundersen that Regents look at General Administrative Policy Paper #38, which is the current policy on developing child care facilities.

In discussion at the Board meeting, Regent Krutsch inquired as to the type and amount of subsidies involved in the bids for the child care facility. Vice President Brown replied that this information will be known after the bids have been evaluated.

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Status Report on Proposed UW-Madison Cogeneration Study

Regent Dreyfus reported that Madison Gas and Electric and Wisconsin Power and Light will jointly spend up to \$200,000 to complete an analysis on increasing the cogeneration potential of the Charter Street heating plant. The utilities would finance the agreed-upon improvements and, in exchange, would take over operation of the heating plant for a period of seven years, selling steam and electricity to the university. The state would retain the right to reimburse the utilities for the cost of the study and implement the recommendations with others if it is determined to be in the state's best interest to do so.

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Study Group on Power Plants

Vice President Brown informed the Physical Planning and Development Committee of formation by the Department of Administration of an inter-agency group to study the operation of the 30 state-owned power plants, 14 of which are owned by the UW System. The report of the study group will incorporate results of the joint study of cogeneration opportunities for the Charter Street plant and will consider whether there should be a statewide policy on cogeneration.

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ADDITIONAL RESOLUTIONS

Resolution of Appreciation to UW-Green Bay

The following resolution, presented by Regent Flores, was adopted unanimously by acclamation:

Resolution 6249: Whereas, the Board of Regents is very pleased to have been invited to hold our October 1992 meetings at UW-Green Bay; and

Whereas, our visit has been enriched by the interesting presentations we have heard on the Senior Seminar program and Environmental Sciences - two fine programs which exemplify the strengths that define UW-Green Bay's special role and mission in University of Wisconsin System; and

Whereas, the warm and gracious hospitality extended by Chancellor and Mrs. Outcalt, the faculty, staff and students of UW-Green Bay, and the entire Green Bay community is very much appreciated;

Therefore, be it resolved that the Board of Regents of the University of Wisconsin System hereby expresses our gratitude to UW-Green Bay and all those involved in making our visit so enjoyable and memorable an experience.

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ADDITIONAL BUSINESS

Meeting Schedule Options

Responding to suggestions offered by Regents, Regent President Steil and System President Lyall developed a number of meeting schedule options for Regent consideration.

Option #1 would shift the Board's summer break from August to July. Because this would require delegating authority to the Executive Committee to

set tuition and approve the annual budget, Presidents Steil and Lyall did not recommend implementation of this option. Option #2 would experiment with one-day meetings, with committee meetings in the morning and the Board meeting in the afternoon. Option #3 would permit more use of the Executive Committee to act on routine items. Option #4 would schedule Board meetings every other month, with Executive Committee meetings in the intervening months.

If the Board wished to implement a change, Regent President Steil and President Lyall were prepared to recommend that: (1) the Board authorize the Secretary of the Board and System Administration to implement Options #2 and #3 on a trial basis; and (2) that the Regents formally review these revisions at the September 1993 meeting.

Regent Dreyfus moved that Options #2 and #3 be implemented on a trial basis, subject to a formal review by the Regents at the September 1993 meeting. The motion was seconded by Regent Krutsch.

With respect to Option #1, Regent Dreyfus suggested that July scheduling difficulties could be avoided by not holding Regent meetings during the week of the Fourth of July.

Given proposed changes in the responsibilities of the Board, Regent Gelatt believed the suggested changes to be ill-advised at this time. Noting that implementation of the recommendations of the Governor's Compensation Commission will give the Board a significantly increased level of responsibility, he considered it essential that the Board be very well informed at all times, with ample time to consider the issues and to provide for access by constituencies which will demand accountability of the Board.

Regent Dreyfus felt that to hold the meetings on one day would not mean a lessening of involvement by the Board, inasmuch as the current schedule actually amounts to about one day of meetings, held on Thursday afternoons and Friday mornings.

Regent Schilling noted that meetings of other Regent committees and of the Hospital Council of Trustees also are scheduled in conjunction with regular Regent meetings and tend to fill two full days. While he was sympathetic with the recommendations, he felt such a change would send an unfortunate message that Regents felt they were too busy to commit time to the Board. Those who do not have time, he commented, should not accept appointment to the Board.

Regent Gundersen expressed agreement with Regent Schilling's point about scheduling of other meetings in conjunction with Board and standing committee meetings.

Regent Lyon considered it important to differentiate between the role of corporate boards and the role of a public body like the Board of Regents. The Board's tradition of providing ample opportunity for access by clientele groups and individuals, he remarked, has served the state well and should be continued. Whether one-day meetings might curtail that access was a question which he felt should be considered. As to greater involvement by the Executive Committee, he noted that as public officials the Regents are appointed and looked upon as equals. He cautioned against moving toward a situation in which the power of one committee might undermine that equality and create divisiveness.

Regent Grebe stated his opposition to the one-day meeting option for the

reasons expressed by others. He did not object to additional delegation of routine matters to the Executive Committee, particularly if that would enable the Board to devote more time to policy issues.

Upon motion by Regent Dreyfus, seconded by Regent Grover, it was unanimously voted to indefinitely postpone the motion to implement Options #2 and #3 on a trial basis.

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At 10:55 a.m., the following resolution was moved by Regent Lubar, seconded by Regent Gelatt and adopted on a roll-call vote, with Regents Davis, Dreyfus, Gelatt, Grebe, Grover, Gundersen, Hempel, Hirsch, Krutsch, Lubar, Lyon, Schilling and Steil voting in the affirmative (13). There were no opposing votes and no abstentions.

Resolution 6250: That the Board of Regents recess into closed session to consider an initial leave of absence for more than two years for a UW-Green Bay faculty member, as permitted by s. 19.85(1)(c), Wis. Stats.; to consider a personal history concerning an honorary degree nomination at UW-Green Bay, as permitted by s.19.85(1)(f), Wis. Stats.;

and

to confer with legal counsel, as permitted by s. 19.85(1)(g), Wis. Stats.

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CLOSED SESSION ACTIONS

The Board arose from closed session at 11:25 a.m., and announced the following action:

Request for Leave of Absence for More than Two Years, UW-Green Bay

Resolution 6251: That, upon recommendation of the Chancellor of the University of Wisconsin-Green Bay and the President of the University of Wisconsin System, E. Nelson Swinerton, Professor of Urban and Public Affairs, University of Wisconsin-Green Bay, be granted a leave of absence for the period February 1, 1993 through May 31, 1996.

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The meeting was adjourned at 11:25 a.m.

Judith A. Temby, Secretary

October 27, 1992