

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in room 1820 Van Hise Hall

Friday, August 25, 2000

9:00 a.m.

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- President Smith presiding -

PRESENT: Regents Alexander, Axtell, Barry, Benson, Boyle, Brandes, DeSimone, Gottschalk, Gracz, James, Krutsch, Mohs, Olivieri, Randall, Schneiders and Smith

ABSENT: Regent Marcovich

APPROVAL OF MINUTES

The minutes of the June 8 and 9 meetings were approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Welcome to new Regents

Regent President Smith welcomed to the Board Regent Phyllis Krutsch, of Washburn, and Regent Lolita Schneiders, of Menomonee Falls, who were appointed by Governor Thompson to succeed Regents Emeritus San Orr and Virginia MacNeil.

Regent Krutsch said she is very pleased to return for another term on the Board. (She also served on the Board from 1990-1997). She looks forward to contributing to this engaged and effective Board.

Regent Schneiders stated her appreciation for the appointment. Noting that she had served 16 years in the State Legislature, she said that she values the UW System highly and is pleased to have a part in its future.

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Reports on the June 16th and August 18th meetings of the Educational Communications Board

Written reports of the June 16 and August 18 meetings of the Educational Communications Board were provided to the Regents.

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Reports on the July 12th and August 9th meetings of the Hospital Authority Board

Written reports on the July 12 and August 9 meetings of the Hospital Authority Board were provided to the Regents.

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Report on the July 26th meeting of the Wisconsin Technical College System Board

A written report on the July 26 meeting of the Wisconsin Technical College system Board was provided to the Regents.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Introduction to the UW System

President Lyall called attention to the new issue of Introduction to the UW System which is a useful reference document designed primarily for high school guidance counselors, potential students and parents.

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Welcome to UW-River Falls Chancellor Ann Lydecker

Ann Lydecker, the new Chancellor of the UW-River falls, was introduced and welcomed by President Lyall. Chancellor Lydecker came to Wisconsin from Bridgeport State University in Massachusetts.

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Welcome to Gary Thibodeau, Interim Senior Vice President for Academic Affairs

President Lyall welcomed Gary Thibodeau, who had retired as Chancellor of UW-River Falls and was serving as Interim Senior Vice President following the retirement of David J. Ward.

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Appreciation to Chancellor John Kerrigan

President Lyall expressed appreciation to Chancellor Kerrigan, who will be concluding his tenure as UW-Oshkosh Chancellor effective October 1. Richard Wells, Provost of Indiana State University, has been appointed to succeed him and will take office on that date. President Lyall commended Chancellor Kerrigan for his strong leadership at UW-Oshkosh during the past 10 years. In that time, he has brought the campus fully into the community and built many positive relationships with community and business leaders. With his guidance, she noted, the campus has grown both academically and physically. He plans to continue working with the UW System for the rest of the year on international activities.

Stating his thanks to the campus, community and colleagues, Chancellor Kerrigan expressed appreciation to the UW-Oshkosh students for the friendship and education they had given him and to the faculty and staff for the excellent education they offered.

He thanked the 52,000 UW-Oshkosh alumni, the private sector, and the thousands of friends of the university for the financial support, knowledge and great skill that they contributed to UW-Oshkosh. The community, Chancellor Kerrigan emphasized, has given UW-Oshkosh an edge of excellence that would not otherwise have been possible.

Chancellor Kerrigan expressed appreciation for the inspirational leadership provided by System Presidents Katharine Lyall and, before her, Buzz Shaw. He added his special thanks to UW System staff for their guidance and assistance over the years.

Thanking his colleague chancellors, as well as the 20 other chancellors with whom he served over the years, Chancellor Kerrigan observed that they epitomized the term "public servant" and wore that emblem with pride on a 24-hour a day basis.

In conclusion, he expressed appreciation for being allowed to serve in a position that he thoroughly enjoyed and to be a public servant in the best higher education system in the world.

Memorial for Tracy Roth

President Lyall reported that Chancellor Zimpher and the UW-Milwaukee community are planning a memorial commemorating the life of Tracy Roth, a 29-year-old foreman for the Findorff Company who was killed in a construction accident on August 9 on the UW-Milwaukee campus.

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2001-2003 BIENNIAL BUDGET REQUEST

Statement by Regent President Jay Smith on the UW Budget for 2001-03 and the New Wisconsin Economy

Introducing presentation of the UW System's 2001-03 budget request, Regent President Smith observed that there rarely has been a more important moment in the life of the state and of the university system. Noting that this is a time of significant opportunity, he said the Board's vision for what the university can accomplish for the state, as set forth in the budget, will be the measure by which future generations can judge how well Wisconsin capitalized on the great economic opportunity sweeping the nation. With the opportunity comes a responsibility to use every advantage of the university to contribute to the Wisconsin's economic and social progress. This will require an appropriate level of state investment and also will require that the Board build an effective case for what the university intends to accomplish for Wisconsin.

Regent President Smith pointed out that the budget was built on the principle that each initiative is an important investment in the state's future, with each investment clearly linked to a positive outcome for Wisconsin. Although people in Wisconsin are comfortable today, he said, the budget brings into focus the great capability of the UW System to help meet the growing and changing needs of Wisconsin's economy and the job requirements of the 21st century. Noting that the budget is the culmination of eight months of intensive work, he observed that the result is a thoughtful, comprehensive budget that addresses an array of needs across the state.

Regent President Smith identified two anchors to the budget request, the first of which is relevance to state needs. In that regard, Wisconsin's economy depends on the UW's success in creating educational opportunities for more citizens and bringing the state to a greater level of economic prosperity. The second anchor is partnership, including extensive cooperation among campuses, partnership with the Technical College System, and significant outreach to the campus area communities.

Stating that this budget will play an important role in meeting the needs of Wisconsin head-on, Regent Smith pointed out that Wisconsin already is advancing favorably toward the opportunities of the new economy, thanks to the vision and hard work of Governor Thompson and elected officials who have laid the groundwork for this effort.

Referring to the Wisconsin Economic Summit planned for November, Regent Smith commented that enthusiasm is building across the state for this important effort, to be convened by the UW System in partnership with state government, business leaders, labor officials, regional and statewide economic development organizations, elected officials and many others. The Economic Summit, he pointed out, brings together the large and growing desire to shape a strategic plan for Wisconsin's future. The UW budget is directly related to that effort.

Noting that he envisions a time when one in four UW students studies abroad, when high-tech businesses can look to the UW System to deliver large numbers of qualified graduates, and when adults come back to the university to educate themselves for the new economy, Regent President Smith emphasized that the budget will take the university and the state in that direction. The UW will have more and better trained graduates, more cutting-edge research to spawn start-up companies, and more service to communities and citizens.

The Regents, he pointed out, have a unique role in creating a bridge between the citizens of the state and the university, which is the state's greatest economic engine. In that role, it is fitting to ask how the university can best serve the needs of the state, and not just how the state can serve the needs of the university. This is a budget, he stated, "that elevates the needs of the state to the highest level, while at the same time it addresses our mission to provide educational opportunities for Wisconsin citizens that are accessible, affordable, innovative and of high quality."

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Presentation by President Katharine Lyall on the UW Budget for 2001-03 and the New Wisconsin Economy

President Lyall began her presentation by recalling that in 1900 the Board promoted a faculty member named Stephen Babcock to the position of assistant director of the College of Agriculture and increased his salary to \$3,000 a year. At that time the milk-testing device he had invented was saving Wisconsin farmers about \$800,000 a year - twice the annual budget of the University of Wisconsin. Ever since, she noted, the state has been investing in Wisconsin's intellectual capital and reaping rewards from the investment. The budget for 2001-03 continues that tradition of investment.

The theme of both the operating and capital budgets, is "The New Wisconsin Economy". The major elements are workforce development, technology transfer, research and business outreach, and teacher preparation - each of which are important investments in the state's economic future.

In an April 6 letter to the Board, Governor Thompson urged that budget requests be prioritized "to place the future requirements of our state and our population uppermost in your considerations". He asked the UW to focus on three key areas: technology transfer, teacher preparation, and producing skilled graduates for the state's workforce. "This is what we have done," President Lyall said. "Our campuses have reached out to

their students and their communities across the state in formulating this investment plan. In doing so, they have re-dedicated themselves to the Wisconsin Idea."

The university's most important mission, she continued, is educating students and preparing the workforce of the future. In the past decade, UW campuses have graduated a quarter of a million people, three out of four of them staying in Wisconsin and contributing to the workforce. Yet, more is being heard about the problem of "brain drain" because a decade of prosperity and growth has produced a very tight labor market in Wisconsin. In addition, the skills required for high paying jobs are expanding rapidly. Facing a flat birth rate and growing retirements, Wisconsin is projected to reach a skilled labor shortage of 100,000 workers by 2010. This is made more problematic because, although Wisconsin ranks above average in keeping college graduates in the state, the state ranks 50th in the nation in recruiting college-educated professionals from other states.

Noting that Wisconsin's per capita income is \$1300 below the national average, President Lyall pointed out that, if it were brought up to the national average, Wisconsin citizens would have seven billion dollars more per year in their paychecks. To do this, Wisconsin needs to increase the skilled work force and to create high paying, knowledge jobs that attract these workers and keep them in Wisconsin. The UW System will contribute by increasing access to a college education, offering new educational and training programs focused on high-demand, high-tech fields, and promoting new areas of research and business outreach to the state's economy.

Although 70 percent of the new jobs created in the U.S. economy require a college degree, she pointed out, Wisconsin ranks below the national average in the percentage of the population that has a college education. The UW proposes to help by expanding access to traditional college-age students and to technical college and returning adult students as well. This, she noted, will lift Wisconsin incomes. A person with a bachelor's degree earns about \$18,000 more per year than someone with a high school diploma.

This is why, President Lyall said, the UW proposes a "brain gain" strategy for Wisconsin to supplement the state's historic leadership in manufacturing and agriculture with emerging fields in high technology and global business. This strategy is embodied in the budget for 2001-03.

Governor Thompson, President Lyall noted, already is moving the state in this direction by promoting the state's lead in the biotechnology industry. He recognizes that Wisconsin can create a stronger economy by building on its greatest assets - quality of life, strong work ethic, outstanding education and health care systems, and a strong system of higher education. The last biennial budget for the UW started the university in this direction with a 3.4% increase, the best UW budget in a decade. This signaled a recognition of the university's role in shaping the state's future.

President Lyall gave several examples of how this investment already is paying off. At UW-Platteville, for example, the campus upgraded its engineering laboratories and, as a result, has enrolled its largest class ever in engineering. The investment will pay a second round of returns when UW-Platteville is able to offer engineering training in the

Fox Valley in partnership with UW-Oshkosh and UW Fox Valley. At UW-Milwaukee, information technology shortages were resolved by teaching university students how to service the campus computer network. This program trained and employed more than 300 students, many of whom are staying in high tech jobs in the Milwaukee area.

The Northwest Manufacturing Outreach Center, located at UW-Stout, serves 60 businesses in Western Wisconsin, helping them improve productivity and sales. Those businesses together are realizing gains of \$12 million annually as a result of the services they received. At UW-Madison, four strategic hires in genetics and genomics brought grants to the campus and state of almost \$11 million. State investment also allowed the UW to move much more aggressively into the distance learning business. More than 100 courses and five full degree programs now are offered over the Internet. The proposed New Wisconsin Economy Initiative will provide for doubling that number in the coming year.

Recognizing that human capital is the state's most critical resource, the major focus of the 2001-03 budget is on access, experience and opportunities for students. The budget proposes an average annual GPR/fee increase of 3.7% to carry out the ambitious New Wisconsin Economy agenda. This represents an average annual amount of \$48 million in new state GPR, an amount that would be matched by another \$55 million in university base reallocations and student fees.

With this investment, President Lyall pointed out, enrollment will go up more than 8,300 students by 2007, and 5,000 more UW graduates will be produced annually, a third of them in high-demand professional areas. These additional 50,000 graduates over the next decade will meet nearly half the projected shortfall in skilled workers. There also will be 1,000 more graduates who have experiences abroad and are better prepared to enter the global workplace. This investment also will provide more research spin-offs and companies that will create high-wage jobs. By investing \$8.50 per state citizen in these initiatives, it is possible to raise the state's overall income by \$100 million a year.

The proposed budget also includes a substantial commitment on the part of the university, which will set the pace by reinvesting \$43 million of its existing funds - 42% of the cost of the full investment plan. In addition, UW institutions expect to bring in program revenue increases of more than \$286 million, including a projected increase of \$148 million in gift and trust funds and additional increases to auxiliaries and other program revenue. Altogether, every new GPR dollar invested in the university will leverage \$2 in program revenue, thereby maximizing the state's investment.

With regard to overall operating budget numbers, President Lyall noted that the UW System is requesting a biennial increase of \$36.9 million in costs to continue and \$143 million in new initiatives for a total of \$179.9 million. This represents an average annual increase of \$48 million in new GPR funding, and an average annual increase of \$12 million in fee funding, for a total of \$60 million per year or \$180 million for the biennium.

Stating that this is a good buy for Wisconsin, President Lyall pointed out that the proposals are focused on specific outcomes and define precisely what state taxpayers will get for their investment. Second, the plan incorporates the efficiencies of a university

system by doing more through collaborative, multi-campus programs. Third, the plan links all UW institutions together to form a statewide economic network that can help sustain a state growth strategy for the next decade. Finally, the budget responds to student priorities and bolsters support for advising, libraries, facilities and other student needs.

If fully funded, the investment plan would include an average annual tuition increase of 3.2 percent, excluding pay plan adjustments that may be requested in November. The 3.2 percent estimate also does not include any changes made in the GPR/fee split of items during the budget process and assumes no base cuts to the budget and that the \$28 million provided for this year's tuition freeze will remain in the base budget.

The goal, President Lyall stated, is to keep tuition increases moderate over the next biennium and to encourage financial aid sufficient to meet students' needs.

The budget also proposes several statutory language changes to enable the UW to deliver promised outcomes with maximum efficiency. Discussions are taking place with the Department of Administration on possible ways to manage more flexibly the positions needed to execute this plan. The UW would like to retain interest earnings on tuition revenue to help moderate student costs and would like to exempt cash-funded capital projects from enumeration so that they can proceed more rapidly in accordance with donor wishes. Also requested is elimination of the sunset clause on the TAP programs at UW-Superior and UW-Parkside so that students on those campuses can count on future access.

President Lyall called on Interim Senior Vice President Thibodeau to review six initiatives that are included in the budget.

Dr. Thibodeau remarked that the six initiatives comprising the biennial budget request are distinct but interrelated. There are several themes that run throughout the budget package and give it coherence: service to students, increased access to UW universities, new terrain in teaching and research, and more partnerships among and beyond the campuses. The overall goal is to stimulate Wisconsin's economy by providing more knowledge-based workers and by promoting quality teaching, research, outreach and service. The budget is responsive to the communities in which institutions are located, to the needs of the statewide audience served by UW-Extension, and to the industries and businesses of the state.

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Business and Workforce Development

This initiative, Dr. Thibodeau explained, is a partnership of UW System campuses, Wisconsin Technical Colleges, Cooperative Education Service Area agencies, regional economic development agencies, private businesses and others. The budget is filled with collaborative initiatives that meet the needs of the people of Wisconsin and that are outcome oriented.

The initiative will add more than 1,430 places for students in new educational programs in high demand, high tech, high paying fields such as management information systems, computing and biotechnology. For example: UW-Whitewater will add 410 graduates in high tech programs such as computer end-user technology, by 2005. UW-Superior will serve 100 transportation workers per year in seminar and certificate programs and will add 70 additional majors in Transportation Logistics Management. UW-Extension's Small Business Development Center will add three new high tech start-up centers - one in Milwaukee. All are designed to provide programming and support for Wisconsin-based businesses.

In the Chippewa Valley, UW-Stout and UW-Eau Claire will provide customized instruction for area business professionals in their regional industrial parks. UW-Eau Claire also will create 60 more student openings for MIS and add 50 more openings in computer sciences/software engineering.

This \$47.4 million initiative is bolstered by another \$21 million that will come from internal reallocations, increased grants and outside contributions.

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Investing in Teacher Education and the Education Pipeline

Noting the need for exceptional quality teachers, Dr. Thibodeau added that teachers are needed who understand the power of technology and are equipped to use it in teaching, evaluation and professional growth. In Milwaukee alone, close to 1,000 new teachers are needed each year, and demand around the state continues to grow.

The quality of the state's K-12 system is reflected in its number one ACT ranking nationally. To maintain that ranking will require ongoing support, entrepreneurial initiatives and the expectation of continuous improvement. A large number of teachers in Wisconsin were educated on UW campuses, and those teachers are relied upon to train students who are prepared for a college education. \$6.9 million is requested for this initiative.

In a letter last spring, Governor Thompson asked that the UW address teacher education and improve transfer and degree completion opportunities for WTCS students. In this regard, five UW institutions will offer eight new degree completion programs in areas of high need, enabling another 350 WTCS graduates to transfer to UW institutions and complete their baccalaureate degrees.

Addressing Milwaukee's need, UW-Milwaukee will double its teacher education graduates from 200 to 400 annually, while UW-Whitewater will prepare 110 new teachers for the urban school teaching experience. Both campuses will work closely with Milwaukee Area Technical College. UW-Madison also will provide additional new teachers each year through alternative certification. In addition, UW institutions will collaborate to provide new mentoring opportunities for more than 1,000 new teachers across the state. This will help to retain good teachers in the profession.

In addition to good teaching, Dr. Thibodeau noted, success in education depends on an environment of support. UW-Extension will address the problems of dealing with troubled youths and families by helping communities strategically address their needs in this area.

Another model program included in the budget is the STEPS (Science, Technology and Engineering Preview Summer Camp) program at UW-Stout. The proposal is to expand this successful program, which provides science and technology pre-college experiences for seventh grade girls, to four other UW campuses. This would boost the number of students reached through the program from 160 to 800.

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Madison Initiative, Phase II

Stating that it is necessary to maintain UW-Madison's place at the forefront of American research universities, Dr. Thibodeau noted that UW-Madison ranks fourth in the nation in federal research support, bringing in more than \$240 million annually, a great boon to the state's economy.

Phase II of the Madison Initiative will focus on four key areas: student learning, economic development, strategic faculty hires, and maintaining affordability. The campus will focus on emerging areas such as e-commerce, biotechnology, environmental technologies for pollution control, tech transfer solutions for state businesses, and assistance for firms in the area of international trade and finance.

The initiative will provide new programs for students, smaller classes and new seminars for freshmen, stronger international programming, and expanded certificate and master's degree options in high demand fields.

Complementing the requested \$18 million GPR investment and \$10 million in tuition revenue will be another \$20 million in private matching funds that has been committed to the Madison Initiative for 2001-03 by UW-Madison's private foundations. This, Dr. Thibodeau remarked, represents a remarkable reaffirmation of private support for higher education.

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Green Bay Learning Experience

Dr. Thibodeau explained that this initiative focuses on improving second year retention rates from 69% to 80%, and six-year graduation rates from 47% to 65%. The campus will do this by providing a more personalized learning environment for students and by increasing the number of faculty members on campus.

In response to Regent feedback, UW-Green Bay amended its EM-21 plan to maintain the present enrollment and to reduce the fees that the students voted to assess themselves from \$300 to \$200 over the biennium to provide nearly \$900,000 in matching funds for this \$3.7 million GPR initiative.

Under this plan, UW-Green Bay will offer an interdisciplinary public baccalaureate option, providing strong faculty interaction and mentoring as well as more internships for students. The initiative will allow the university to develop depth in high demand programs in Environmental Sciences, Human Biology, Business, Teacher Education, Computer Science and Human Development.

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Milwaukee Idea, Phase I

Dr. Thibodeau remarked that, as the state's great urban center, Milwaukee deserves a vibrant, urban university. The Milwaukee Idea is an exciting approach that has engaged the community to an unprecedented extent in university planning. The intent is to transform UW-Milwaukee into the nation's premier urban research university.

The Milwaukee Idea focuses on education, the economy, and the environment as elements that are vital to the city's quality of life, and is a critical element of the state's "brain gain" strategy. UW-Milwaukee will enroll an additional 4,715 FTE students if funding is provided, or 2,802 FTE above the EM-21 target approved in June. This enrollment increase will come from new partnerships with UW Colleges, including the creation of six sites for adult degree completion opportunities, from a strengthened articulation program with Milwaukee Area Technical College, from increased use of technology and e-learning, and from hiring of faculty who will open up new disciplines in high demand areas. The plan includes teacher education initiatives previously described (see Page 9).

Another aspect of the initiative is to work closely with area businesses to provide student training, faculty research and university outreach that will improve the regional economy. In the international area, the campus will double the number of students studying abroad, as well as assisting state businesses in increasing their export markets.

As Chancellor Zimpher points out, UW-Milwaukee is seizing the moment to position itself nationally among major urban research universities, to increase its national visibility and academic reputation, and, with that, to bring more outside funding, both federal grants and private gifts, into the university. At the outset, the state's biennial GPR investment of \$24 million would be augmented by \$5 million from UW-Milwaukee's endowment income, a figure expected to grow quickly as the campus launches a new capital campaign. The university intends to double its extramural grant and contract funding to \$42 million annually.

Stating that it is appropriate for the state to capitalize on the potential of UW-Milwaukee, Dr. Thibodeau noted that Milwaukee is the place where many of the state's international businesses are located and where much of the state's growth in the workforce will occur.

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Maintaining Quality Higher Education

Describing this initiative, Dr. Thibodeau noted that, to prepare students and meet the needs of constituents, the UW needs to have the facilities, libraries, student support, and student opportunities that are fundamental to a university experience. Many of the items in this initiative were requested by students themselves.

One of the most vital elements is to complete the funding for libraries that was begun in the current biennium. The proposed funding of \$3.7 million biennially will allow the UW to keep up with the acquisition of books and periodicals that can be used by all campuses. The system is doing an excellent job, Dr. Thibodeau noted, of sharing educational materials among campuses, but additional materials are needed to share.

The initiative also will double the available study abroad scholarships, permitting at least 750 more UW students to have international experiences. In addition, it will permit campuses to offer four languages - Japanese, Russian, Portuguese, and Mandarin Chinese - that are crucial to expanding Wisconsin's global economy but could not be offered in a traditional way at each campus.

Noting that a portion of the funding will go to student advising, Dr. Thibodeau said that students who get the right advice about what major to choose, what career options are open to them and which courses they can take are much more likely to finish their degrees faster and be more satisfied with their university experience.

Finally, Dr. Thibodeau continued, this initiative addresses a long-overdue need for UW campuses - funding for preventive maintenance. Physical plant operating budgets have not increased since 1984, and new buildings, as well as reconfigured space have come on line in recent years without additional funding for preventive maintenance. A major portion of this \$42.8 million initiative will go toward preventive maintenance of facilities. Over the long run, this will reduce the deferred maintenance bill in the capital budget. Buildings and equipment will last longer, be safer, operate with more efficiency and provide more pleasant environments in which to study and work.

In summary, Dr. Thibodeau concluded, \$179 million in new GPR and fee funding over the biennium is being requested for the six new initiatives and costs to continue. For this investment, the state will get a host of specific products and services. "We believe", he said, "that there is no better time for the state, which is enjoying good economic growth, to put resources into the university."

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The Capital Budget for 2001-03

Presenting the capital budget request, President Lyall stated that this proposal plays a role in the New Economy strategy. Included are initiatives voted on and brought forth by students, as well as facilities at various campuses that fit with the UW's economic development goals.

By statute, she explained, the Capital Budget includes major remodeling and construction projects over \$500,000, regardless of funding source. In addition, the Building Commission administers a GPR bonding program for maintenance and renovation of all state facilities. The Department of Administration has asked the UW to delay its request for those "All Agency" funds until later in the fall when information will be available from the new facilities management database on long-term funding needs for deferred maintenance and renovation.

In accordance with the Board's directive, the President noted, the capital budget focuses on renovation and renewal of existing facilities. Sixty percent of UW facilities are more than 30 years old and require significant modernization to provide environments conducive to learning. There also are some unique needs for additional space where remodeling alternatives do not exist. Non-GPR sources will be used to offset state costs in some of those cases.

Ten carry-over projects totaling \$183 million were approved for planing in the last biennium and are ready for construction during 2001-03. About \$41 million of that total will come from gifts, grants and program revenues.

Nine new projects funded in whole or part by GPR are recommended for design and construction during 2001-03. These projects total approximately \$112 million, of which about \$32 million would come from gifts, grants and program revenue. About 85% of the GPR requested for the new projects will be used to renovate and extend the useful life of existing buildings, including \$15 million to continue the system-wide classroom/technology improvement program. Only about \$11.7 million will be used for new space, and those dollars are concentrated on just three projects which also include significant remodeling.

There are seven major projects, totaling about \$70 million, that would be funded entirely by gifts, grants and program revenue. Five of those projects address facility needs for self-supporting activities. The other two are academic/research facilities for UW-Madison.

As part of the long-range planning process, 12 GPR projects are recommended for planning and design during 2001-03. Costs are yet to be determined for two of them. Estimates for the others are about \$224 million, of which \$50 million is non-GPR funding. All of these have been ranked using the Regents' criteria, and will form the basis for the 2003-05 Capital Budget request.

There are two projects, President Lyall continued, that will come forward from Governor Thompson via the Building Commission. These are not included in the UW request, but they will substantially benefit teaching, research and outreach programs, as well as the long-term state economy.

The Governor's Agriculture Initiative is a four-year, \$34.5 million program to provide appropriate agriculture education and research facilities at UW-Platteville and UW-Madison. This investment reinforces the important role that agriculture plays in the state's economy.

The second initiative, BioStar, is a ten-year, \$317 million program, funded half by GPR and half by non-GPR funds. It is designed to replace and supplement biotechnology-related facilities at UW-Madison. GPR bonding would be about \$32 million per biennium for five biennia. UW-Madison already has received a pledge of \$80 million in non-GPR funds from the Wisconsin Alumni Research Foundation. This program emulates Governor Thompson's successful WISTAR and HealthStar programs to bolster education and leverage research in fields important to the state and nation.

In conclusion, President Lyall pointed out that the Capital Budget sets the foundation for the UW's brain-gain efforts by providing appropriate facilities to support academic and strategic goals. In summary, it recommends \$366 million for construction of major projects, of which \$223 million, or 61%, would be GPR and \$143 million, or 39%, non-GPR.

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An Investment for Wisconsin

President Lyall thanked the Chancellors for forging this commitment to Wisconsin's economic growth and to the students' economic futures. Noting that many good ideas were deferred out of recognition of the many competing claims for state funds, she pointed out that the overall request for a GPR increase of 3.7% is responsible and responsive. She also thanked the Regents for their thoughtful input in putting the budget together.

She thanked the Governor, his staff and state legislative leaders for their support and feedback as the budget was prepared. The President felt state leaders understand that an important context for this budget is the brain gain strategies of surrounding states. The request for a 3.7% annual increase appears moderate when compared with increases that neighboring states have given their higher education systems during the past four years.

She also expressed appreciation for the strong support of campus initiatives by business leaders, students, and others. Stating that the university takes its responsibility to the state very seriously, she noted that "Wisconsin has been good to its university, and the university, in turn, has paid off handsomely for Wisconsin". "That is why we are confident that the university can have a major impact on Wisconsin's economic future and why we are willing to be held accountable in very specific ways for the state's investment in us."

Stating that at its core the budget is about students, she noted that the university's role is to nurture the state's intellectual future. In close partnership with the state and communities, the University of Wisconsin System can help the state take full advantage of the challenges that lie ahead.

Noting that many traditional industries have moved their production facilities out of the state and the country, Regent DeSimone stated his strong support for the New Wisconsin Economy program and for moving the state forward through research and new technology jobs.

Regent Axtell stated his strong support for the international programming contained in the budget. Two years ago, he recalled, Governor Thompson accepted the report of the Council on International Education and called it his W-3 program - Wisconsin Works Worldwide. This budget, Regent Axtell said, responds to what the Governor requested through such initiatives as the global studies program at UW-Milwaukee, the collaborative language program, and funding for more study abroad opportunities for economically deserving students.

He felt that the quickest and most efficient way to globalize the mind of a young person is for them to spend time abroad. Last year, about 114,000 American students participated in semester abroad programs - an all time high number. At the same time, however, 500,000 foreign students came to study in the United States, showing that others value studying abroad more than people in the United States do. In the UW System 2% to 4% of the students study abroad, compared to 40% of students in private colleges. Noting that Regent President Smith said he would like to see a goal within ten years of having 25% of UW students experience a study abroad program, Regent Axtell stated his complete support for making that a specific and realistic goal.

Turning to the Milwaukee Idea, Regent Axtell expressed his support for the investment of \$2 million in GPR and a total of \$7 million for a wide array of international programs, including a new Bachelor of Global Studies degree. He felt UW-Milwaukee's international programming has the potential to become equivalent with schools like Thunderbird in Phoenix, Arizona, which is considered the number one graduate school in international business. UW-Milwaukee also plans internships and a system-wide program to encourage other campuses to internationalize their curricula, and he commended the university for leading this effort. UW-Milwaukee also will provide a much-needed reference resource by cataloging all international courses, faculty and other resources within the UW System. In addition, the university will assist Wisconsin businesses in expanding overseas. These initiatives, Regent Axtell noted, support the concept of the Economic Summit and will promote the state's economic future.

With regard to the UW-Green Bay Learning Experience, Regent Axtell said he would vote in favor of this proposal, but was troubled that it may not conform with a fundamental policy of the Board. Over the years, he noted, UW-Green Bay has been under-funded. It has the highest student/faculty ratio (22/1) in the system, and its expenditure per student is one of the lowest in the system. He was impressed that the Chancellor and faculty deliberated at length on how to reposition the campus and consulted extensively with the community and student body. Finally, he pointed out that the campus clearly is a gem within the system and has dedicated staff.

While the Chancellor describes the new identify as a baccalaureate interdisciplinary university, others describe it as a liberal arts type school. This, Regent Axtell felt, presents a problem in terms of duplicating the missions of other campuses.

UW-Superior is marketing itself successfully as a liberal arts campus, and every other four-year campus in the system offers a liberal arts degree. There is no problem, therefore, in obtaining a good liberal arts education anywhere in the state. He pointed out that the UW System's mission calls for each institution to strive for a select mission, the purpose being to avoid unnecessary duplication. It seemed to him that this proposal moves toward more duplication and less differentiation. To approve it, he remarked, would be to make an exception to the Board's policy, which may lead to more exceptions in the future. The quandary is heightened, he thought, by the requested expenditure of \$3.8 million in the biennium and \$1.4 million in the third year to help make this exception.

While he would vote for the proposal out of a sense of obligation to Green Bay and the Fox River Valley, he urged the Board to respectfully direct that the Chancellor continue exploring the institution's unique strengths and attempt in the years ahead to create a truly special mission and therefore conform with established policies.

Stating his support for both the UW-Green Bay and UW-Milwaukee plans, Regent Mohs observed that the chancellors at those institutions are exceptional leaders and have the ability to carry out the plans in an effective way for the UW System and the state.

Expressing her support for the overall budget, Regent Brandes commented in favor of the UW-Green Bay plan. Rather than a duplication of other UW campuses, she saw the plan as a very different approach that fills a gap in the UW's offerings and would appeal to students who might otherwise attend a very good private school. She felt it would increase student access by offering a program the UW System currently does not have.

Regent Benson spoke in strong support of the educational pipeline initiatives and in particular the mentoring program for new teachers. Noting the reform of teacher education that had been recently completed, he expressed gratitude to President Lyall, System staff, the Chancellors, the Governor and his staff and all the others who collaborated to accomplish it. There is in place a whole new way of preparing teachers and strengthening their practice throughout their careers, and mentoring new teachers is an important element of that reform. This initiative, he emphasized, will provide even better teachers, and there will be better learning for students. Mentoring also will help retain teachers who might otherwise become discouraged and leave the profession. In conclusion, he indicated that this initiative responds to what the Governor asked the UW to do regarding teacher education.

Speaking in favor of the Madison Initiative, Regent Mohs noted that Phase II will enhance state economic development by creating capstone degrees and certificate programs for working professionals, expand transfer of university research to the private sector, establish campus centers to share expertise with Wisconsin citizens and businesses, create a new center to study the effect of chemicals on the environment and develop technologies for pollution control, give more students study abroad experience, provide undergraduate seminars, make better use of technology, and continue hiring new faculty in interdisciplinary clusters in high demand fields.

Emphasizing the importance of this initiative, Regent Mohs said it is essential to keeping the UW's flagship campus in a first rate position. He commended Chancellor Ward for all he had done to make the Madison Initiative possible, including on-campus achievements and innovative fund raising. He also expressed appreciation to the UW Foundation, WARF and donors for giving money for these programs.

Turning to the preventative maintenance initiative, Regent Mohs noted that the requested investment is \$22.5 million. If this need is not addressed, he pointed out, the result will be costly deterioration of facilities.

Regent Mohs stated his belief that the Board should begin a discussion of race-based initiatives. Speaking about the Lawton grants and Advanced Opportunity program funding in the budget, he noted that the Lawton grants are a source of support for qualified minority students after all other sources have been exhausted. It is a retention program aimed at helping minority students continue their studies by relieving them of some financial concerns as long as they continue to make satisfactory progress in their studies. The current average grant of \$1,308 is proposed to increase to \$2,000 and eventually to \$2,434 by 2003. Currently, there are 1,872 recipients. The proposal would increase the number of sophomore - senior students by 235 recipients and add 534 freshmen. Funding for freshmen and increased grants, he was advised, would be a useful tool in recruiting poor but qualified minority students. In 1999, he pointed out, over \$10 million was expended on programs aimed at helping minority/disadvantaged students, not including the Lawton grants or Advanced Opportunity Program.

Need-based scholarships and grants have been an important tool in increasing accessibility to academically qualified students, Regent Mohs stated, while race-based scholarships and grants diverge from the policy of helping the most needy and also diverge from the long-standing policy that students should be treated equally regardless of race, religion or national origin. Noting that other institutions around the country have struggled with this issue both legally and in terms of policy, he said the trend is against granting race-based scholarships and grants and toward granting of scholarships based on need.

With this trend in mind, he had considered the matter and decided to support these programs for two reasons. First, it was his understanding that scholarships based on race were never expected to be available indefinitely, but only to "get over the hump". The question of where that hump is, he commented, is one that should be deliberated openly. Ultimately, he predicted, race as a factor in scholarship programs will be eliminated, and funds will be awarded entirely on the basis of need or merit. He was confident, however, that no future Board would terminate funds to any students currently receiving aid, and that adequate notice would be given before making any modifications. The second reason he supported increases in the Lawton and Advanced Opportunity programs is that availability of minority scholarships sends a powerful signal about the depth of the institution's commitment to admitting and retaining minority students.

Noting that California is funding an \$1.8 billion increase for need-based grants, he observed that, after eliminating racial preferences, people came together and designed a program to help all needy students. This gave him hope that there are ways to get past some of the racial division in today's society.

Noting that the budget contains an important emphasis on expanding educational programs for working adults, Regent Boyle remarked that this type of programming is not a new phenomenon for the UW. In 1885 the State Legislature appropriated \$17,000 to establish the Farmers Institute, the outcome being a more diversified agricultural economy and emergence of the state as a leader in dairying. In 1890, the first series of Mechanics Institutes was held in Racine, with the purpose of teaching practical applications to the work force. In the early 1900s, Governor LaFollette provided the university with \$10,000 to improve the standards of the work force. As these examples indicate, the state has provided early and continuous funding for working adult education, and this budget proposal asks for a continuation of that commitment.

Much has been said, Regent Boyle continued, about Wisconsin's challenge in expanding and improving its work force to meet the needs of the new economy. This budget meets that challenge with a commitment to provide expanded programs for working adults using new technology to address the needs of the state. The Board's challenge, he said, is to communicate that this is an investment in the people of the state and is designed to substantially improve the economy by providing a better-trained work force.

Regent Barry concurred with Regent Mohs' comments on preventive maintenance and with Regent Brandes' comments in support of the Green Bay Learning Experience. UW-Green Bay's proposal, he said, is not just for a liberal arts college, but for a program that will provide a market niche that will appeal to students. Noting that the campus has a large amount of capacity, he felt that, while work could be done to sharpen the program's focus, the initiative will provide a marvelous opportunity for an increased student count with that market niche.

With respect to the Capital Budget, Regent Barry noted that the university system has 1,800 classrooms, almost half of which are 20-30 years old and at least one-fifth of which are 50 years old. About 85% of those classrooms are still in the chalk and blackboard stage. Today, he said, there is an expectation on the part of students that these classrooms be upgraded with modern equipment and technology.

Recalling the concerns in Dane County about the future of the Coliseum complex when UW-Madison proposed to build the Kohl Center, he noted that, despite these concerns, the Coliseum found new flexibility and market opportunities when the Kohl Center was completed. With this experience in mind, he urged that the proposed UW-Green Bay arena be retained in the budget for planning and that the Chancellor do more in collaboration with the community so that there is better understanding of this new facility.

Concerning collaboration with the Wisconsin Technical Colleges, he expressed support for laddering opportunities with the UW, but cautioned against a blurring of the respective roles of the UW and the technical colleges. Both systems, he said, need to be

in the business of providing opportunity, and the challenge for both is to provide good advising that will work to the benefit of the students.

Regent James commended UW-Platteville for its proposal to provide engineering education in the Fox River Valley.

With regard to the Green Bay Initiative, she referred to comments provided by UW-Green Bay that the university felt should be expressed, noting that UW-Green Bay had done an outstanding job of involving students, faculty, staff and community members in the planning process. Five major points that the university considers at the heart of this initiative are: 1) High-impact first contact, which gives new students a strong start that will be the key to retention; 2) personalized learning plans, which acknowledge that one size does not fit all students; 3) competency-based general education, which will provide a foundation for future learning; 4) active and integrated learning where students learn by teaching and doing; and 5) putting learning to work in professional practice.

Stating her understanding that UW-Green Bay would be one of about 80 colleges in the United States to offer this type of education, Regent James cited widespread support by the business community, faculty, students and others. She thought Chancellor Perkins should be commended for his efforts to make UW-Green Bay a magnet for talented students outside of Wisconsin, as well as within the state. She felt the university deserved the Board's backing for identifying this market and being ready to move forward.

Referring to Senior Vice President Thibodeau's statement that human capital is the state's greatest resource, Regent Gracz commented that the budget does much to address development of this resource. In that regard, he noted particularly the Milwaukee Idea and collaboration with the technical colleges. Many people in the Milwaukee area, which has the densest population in the state, start out at the technical colleges and move on. With enhanced ability to transfer credits from the technical colleges and with UW-Milwaukee's collaboration with the UW Colleges, he saw a great many positive results coming from the greater Milwaukee area, which will enhance the reputation of the entire UW System.

Regent Alexander expressed concern about the size of the budget increase as it relates to tuition increases. Considering possible compensation proposals, the potential increase could be over 9% at UW-Madison and 6-7% for the rest of the System.

On the other hand, he felt the Board should be pleased with the potential return on investment made by students and taxpayers. UW-Milwaukee will make a major leap forward in providing access to students in the metropolitan area. In the Central Wisconsin Initiative, UW-Stevens Point is taking leadership in facilitating transfer from UW Colleges and Wisconsin Technical Colleges. With respect to the Green Bay Learning Experience, he commended Chancellor Perkins for the process that was employed to bring students, faculty, staff and the community together in support of the program.

Speaking about the importance of advising, Regent Alexander noted that time to degree is a factor in measuring the university's success and that good advising is an

important part of reaching that goal. Undergraduates who have not declared majors have a special need not only for academic advising but career advising as well. This budget, he noted, sets in place new positions for cross-college advising of undergraduates.

Finally, Regent Alexander said he shares Regent Mohs' belief that one day there will be no need for scholarships based on race or other characteristics. Until then he felt the university should take pride in efforts to expand opportunities to people who in the past have not had them. Commenting that an increase in Lawton Grants is overdue, he said he is proud of the proposed funding and happy that the UW is making this commitment to expand opportunity across the System.

Regent Brandes stated that, when the time comes to discuss Regent Mohs' comments on race-based scholarships, she will vigorously oppose eliminating race as factor in making these awards on the basis that race continues to be a factor in this state as evidenced by the economy and by insufficient minority enrollment on UW campuses. While California may have reached the level where there is no need to recognize race as a factor in decisions, she felt Wisconsin has not yet reached that level of inclusion. Until it does, she will oppose any effort to eliminate race as an important factor in decisions.

Regent Krutsch commented that it is difficult for new Board members to take office shortly before action on a biennial budget. She encouraged changing the date of appointment to September so that Board members who had been involved for the previous two years could complete consideration of the budget request.

In discussing the budget, she thought everyone should keep in mind the fact that the UW System is a jewel and is acknowledged as such nationally. It is a considerable accomplishment for a relatively small and not very wealthy state to have a world-class research institution. She also was impressed with the way the budget has been conceptualized in terms of being more responsive to the state's needs, of working collaboratively, and of student-centered thinking.

With respect to the Green Bay proposal, Regent Krutsch considered it very positive that the faculty, students and community have engaged in a constructive process of examining what they do and how to do it better, keeping in mind time to degree, credits to degree and other issues that affect tax dollars, affordability for families, and how far financial aid goes for students. She also considered it positive that the program is tied to specific improvements and outcomes. It is important, she emphasized, to acknowledge as a Board and a System responsibility for these important factors as well as student/faculty ratios and other concerns. She also felt that UW-Green Bay's initiative would provide more choice and options, and that this would be positive for the UW System as a whole.

With respect to teacher education, Regent Krutsch commented that she would like to see more alternatives in ways to work with school districts and to train teachers. Her sense was that there are many talented people who might be wonderful teachers, but who do not want to go through a two and a half year process to become certified. She hoped it would be possible for UW institutions to do more of this, by way of market-based

programs. With regard to UW-Milwaukee's proposal, she concurred with the importance of educating good teachers to improve Milwaukee schools, but wondered if doubling the number of students in any major might not affect quality. She thought it important to continue looking at that decision to make sure that it is a wise one.

Stating support for the library funding proposal, Regent Krutsch noted that it is an important matter and is at the heart of the basic mission to search for truth.

While she agreed with the importance of improving student advising, Regent Krutsch suggested that there be creative thinking about how to use technology to improve the process. For example there could be interactive software to look at student aptitudes, interests and careers. There also could be creative ways to think about developmental advising to help students consider what they want to do in life, rather than just what they want to major in, so that programs could be put together with their life goals in mind.

With regard to specific outcomes, Regent Krutsch commented that it will be important to follow through with audits and other accountability measures so that the Board can perform its oversight role effectively.

Stating support for the requested flexibility measures, Regent Krutsch also felt that increased nimbleness is needed at the institutional level in terms of how decisions are made. Flexibility from statewide control, flexibility in terms of what the System and Board require of campuses, with specific outcomes in mind, and flexibility at the campus level, she said, all are important if the UW is to be as nimble as possible.

Commenting first on the Green Bay Learning Experience, Regent Olivieri said he was pleased that the enrollment reduction was eliminated from the proposal. He had come to the conclusion that the initiative should be supported and saw it as an investment in what UW-Green Bay has always used as its mark of distinction - an interdisciplinary approach to education. The current faculty/student ratio and support per student, he noted, is not conducive to an interdisciplinary approach. It seemed to him that there is no need to change the mission of UW-Green Bay in order to support the initiative that is proposed.

He considered Regent Barry's comments on the proposed sports facility at UW-Green Bay very helpful in terms of understanding that this is a planning process with much yet to be done. He was concerned about opposition by the State Senator from the area, the County Executive, the Mayor, and other elected officials, and was pleased to hear that their concerns will be taken into account as the process continues.

With respect to Regent Moh's comments on the diversity issue, Regent Olivieri said he would support the UW's approach, which he believes is both lawful and good policy.

Speaking about knowledge economy workers, Regent Olivieri noted that the university educates students in the context of a liberal arts tradition, but also has an important role to play in terms of graduating students that are prepared to take jobs in the new economy. Noting that the UW System always has had a major impact on the state's economy, he pointed out that what is unique and laudatory about this budget is that it is a thoughtfully targeted and focused effort to articulate how the UW impacts the economy.

He thought this is an important step and is responsive to what political and business leaders are asking of the university. Noting that all UW institutions have a role in this broad-ranging effort, he said the budget recognizes the enormous impact of digital technology worldwide and the need to continue to invest in the efficient use of technology to enhance teaching and learning and to meet the needs of the state economy. He also thought it important to continue to build on Chancellor Ward's leadership in terms of the role of the Internet in higher education and to support the part of the budget that continues this long-term investment.

In terms of the UW's research institutions, Regent Olivieri emphasized the importance of supporting the second phase of the Madison Initiative. With the Milwaukee Idea, he commented, there is a unique opportunity to enhance the quality of teaching and research, as well as the role of the university in southeastern Wisconsin. The focus on education, the economy and the environment are excellent topics in areas where the university can have a very positive impact.

In conclusion, Regent Olivieri stated that the theme of the budget is exciting and timely, that it comes together very well, involving all components of the System, and that it merits the support of the Governor and Legislature.

The Board then heard statements from members of the public who had come to speak about various parts of the budget.

Winnebago County Executive Jane Van de Hay began by commending Chancellor Kerrigan for his leadership and contributions at UW-Oshkosh. She considered him a good friend and mentor to the community and to her office.

Noting that she was speaking also for the County Executive of Outagamie County, Ms. Van de Hay expressed support for preventive maintenance funding for UW facilities. She also stated support for the collaboration among UW-Platteville, UW-Oshkosh and the UW-Fox Valley to offer engineering education in the Fox Valley. This will be very helpful, she stated, to the paper industries and their world leadership in business, along with other industries who will employ graduates of the program.

Finally, Ms. Van de Hay spoke in favor of programs targeted at working adults. As a nontraditional student herself, she knew the importance of continued education, both to the students and to the economy.

Tim Sheehy, President of the Milwaukee Metropolitan Area Association of Commerce, spoke about budget proposals pertaining to UW-Milwaukee. While mindful of the state's high tax burden, the Association also is mindful that the people of the state have access to a tremendous asset in the University of Wisconsin System. Expressing support for funding the Milwaukee Idea, he felt that the UW System, now more than ever, has the opportunity to strengthen its partnership with the economy in Wisconsin and that nowhere in the state is the opportunity greater than in the Metro Milwaukee area, which is home to 39,000 businesses employing 877,000 people. This dynamic regional economy has created over 105,000 new jobs in the last decade alone. Under Chancellor Zimpher, he continued, UW-Milwaukee has engaged and responded to the business community

with a plan and budget that has the potential to leverage a great return on this investment. What is needed, he said, is an engaged partnership that delivers specific results to employers, entrepreneurs, leaders and laborers of the state. The Association and its 2500 business members look forward to working with the Regents and UW-Milwaukee to meet this challenge.

On the subject of scholarships for minority students, Mr. Sheehy noted that the Association runs the largest scholarship program in the state and one of the largest in the country. They had committed over \$150 million over the past decade, about \$1.5 million a year, to fund scholarships for financially disadvantaged students in Milwaukee. He offered to talk with the Regents at some future date about the Association's experience in providing scholarships to financially disadvantaged minority students.

Jorna Taylor, President of the United Council of University of Wisconsin Students noted first that United Council, which represents about 140,000 students system-wide, is pleased to see their priorities included in the budget request. Specifically, students support the proposed funding for libraries, academic advising, campus safety, and Plan 2008, along with other items.

However, Ms. Taylor said, there are concerns about the tuition level that will result from the budget proposal as a whole. Noting that the proposed budget increase would result in a 3.2% increase in tuition, a number consistent with the rate of inflation, it does not take into account an increase in the faculty and staff pay plan, which will be proposed later. Noting that it is essential that students have highly qualified professors in their classrooms in order to prepare them for the challenges of the new economy, she said that United Council supports a substantial pay plan increase for faculty. However, she continued, this increase should not come on the backs of students and tuition must remain affordable for everyone in the state. According to the American Council on Education, she said, there is a two percent decline in enrollment for low-income families, with every one hundred dollar increase in tuition. She asked the Board to advocate salary increases for the UW's outstanding educators to be funded by the state, not by the students.

Michelle McDonald, a student at UW-Stout, spoke about library funding, commenting that use of UW libraries by university students, government agencies, business owners, K-12 students and the general public is at the heart of the Wisconsin Idea. The \$7.3 million provided in the last biennium, she noted, had been put to good use for electronic information resources, expanded interlibrary loan programs and acquiring new journals and periodicals. Now students are asking that the remainder of the \$12 million request be provided to fill bookshelves with up-to-date materials. While much information can be found on the Internet, there remains a demand for print copies of books and for a broader array of them. For example, students are requesting more books dealing with ethnic and women's studies.

Eric Kasper, a UW-Madison student, spoke in support of funding for advising. In the last biennium, he recalled, the UW had requested \$4 million in the traditional 65%/35% GPR/fee split for this purpose. The final budget provided half of the amount requested, funded totally through student fees. This budget includes a request for the remaining \$2 million, 22.5 FTE positions, targeted to new freshmen and students who

have not declared a major. Noting that time and credits to degree are important issues, he pointed out that many students have had degree conferral delayed because they had taken courses that did not fit degree requirements or had not been advised of mandatory pre-requisite courses. Often this happens early in a student's academic career when he or she is still getting acquainted with life in higher education. Just one or two mistakes early on, he noted, can translate into one or two additional semesters in time to degree. Conversely, quality advising early in a student's academic career can reduce time and credits to degree. He concluded by urging the Board to continue giving priority in the budget to academic advising.

Ajita Talwalker, President of the UW-Milwaukee student body, spoke about the campus safety initiative included in the budget. It is a fact, she said, that students and staff face continued harassment on campuses across the state, ranging from phone calls to e-mails; from chalk writings to graffiti; from verbal and psychological abuse to hate crimes; and from sexual harassment to rape. Referring to the UW System mission statement, she said these actions detract from fulfilling the mission by: 1) Inhibiting the ability to discover and disseminate knowledge when people do not feel comfortable walking on campus; 2) failing to stimulate society by creating heightened intellectual, cultural and human sensitivities; and 3) not promoting the ability of the System to educate people and improve the human condition. For these reasons, she strongly urged the Board to support the safety initiatives included in the budget.

Tshaka Barrows, a UW-Madison student, spoke about diversity initiatives in the budget, noting that the UW is failing to attract some of the state's best and brightest students due to lack of diversity on the campuses. To interact with students from diverse backgrounds, he stated, is to gain a perspective that cannot be taught in the classroom. Emphasizing that efforts toward more diversity are being made, he said programs like the Lawton grants and the Advanced Opportunity program help the university move toward the goal of becoming more diverse and reaching its full potential as a truly excellent university system. He urged the Regents to strongly support those aid programs, as well as other Plan 2008 initiatives.

Phil Salkin, Vice Chair of the Dane County Board and Chair of the County Extension Committee, expressed his strong support for the \$2.6 million request to identify and disseminate the best research-based information on programs related to children, youth and families. UW-Extension, he noted, has a unique role as a bridge between the academic and research missions of the university and the people and economy of the state. These days, more and more people live in fast-growing cities in a complex economy that demands healthy, stable, well-educated and productive employees. Observing that UW-Extension's role has changed over the years to serve these needs, he said that Extension's increasingly diverse mission is personified by the best practices for children, youth and family partnership programs. This initiative, he continued, will provide the county and its local partners with the latest university research regarding the most effective programs and the best use of resources. As a fiscal conservative, this program appealed to him as a good investment in the people and economy of the county. It also is a vehicle for partnering the university with the county and local providers to deliver needed services.

Janet Matthews, Associate Dean, Milwaukee Area Technical College, spoke in support of the 2 + 2 program in teacher education proposed by UW-Whitewater. Her first reason for supporting the program is that it addresses the need to prepare highly trained teachers for the urban environment. One important aspect of the program is the use of technology in training teachers so that they in turn can use the technology in their classrooms. Another important element is that it addresses teaching pre-kindergarten through sixth grade. Today, she explained, more students are entering school at lower levels of development, and teachers must be more versed in developmental stages to diagnose where those students are and match instruction to meet their needs.

Her second reason for supporting the proposal is that it serves the minority student population at MATC, many of whom are non-traditional students with jobs and family responsibilities. Importantly, these students are part of the community and feel comfortable in that environment. Hopefully, many will remain in Milwaukee and become teachers in the Milwaukee Public Schools.

With respect to her third reason for supporting the proposed program, Ms. Matthews remarked that, to truly prepare teachers for the urban environment, the preparation has to occur in that environment. Allowing students to start at MATC and bringing UW-Whitewater's classes to the Milwaukee area gives them more options and is an important step. In closing, she urged the Board to support the proposed program.

Frank Sanchez, a non-traditional student in the UW-Whitewater Teacher Education program, noted that he was a first-generation college student from a family in which the parents did not speak English and had a culture different from the vast majority of students. While he and his siblings adapted to the school environment, he felt there were limits on how much even excellent teachers can help students from another culture. Minority teachers, he commented, have a better feel for what is going through the minds and hearts of minority students. Speaking in support of the UW-Whitewater 2 + 2 program, he noted that many minority people in Milwaukee have families and responsibilities in the urban area, and it is not practical for them to come to UW-Whitewater. With this program, they could stay in an environment that is comfortable for them, enjoy the benefits of a UW-Whitewater education, and help meet the need for teachers in the Milwaukee Public Schools.

Regent Axtell noted that Mr. Sanchez not only is a non-traditional student, but has had a very successful career in investments and banking as well.

Terry Sivesind, President, Mirrus Corporation, a biotechnology company located in the UW-Madison Research Park, noted that in recent years UW-Madison, along with WARF, have become increasingly interested in promoting technology transfer to start-up companies, especially ones located in Wisconsin. The result is a very dynamic biotech industry in the state. A University Industry Relations publication lists 178 high-tech companies with some affiliation to the university, most of them created in the last decade. Referring to Governor Thompson's objective to make Wisconsin the number one biotechnology state in the country, he predicted that the facilities and programs outlined in the BioStar Initiative and the Madison Initiative will be the magnets that attract the

faculty and students who will set the pace for scientific discovery in the future. This will have a major impact on the Wisconsin economy.

Mr. Sivesind also expressed support for the Master of Science Degree in Biotechnology at UW-Madison. While many small companies could not afford a full contingent of a Ph.d. scientists, they always need experienced people who can learn quickly on the job. The new masters degree would produce that kind of employee.

Listing the components of success already in place, Mr. Sivesind cited the University Research Park, which is a great place to grow a company, the Wisconsin Alumni Research Foundation, which is one of the premier technology transfer offices in the country, more venture capital than had ever been available in the past, and the UW-Madison, which is a premier research institution. Initiatives like BioStar and the Madison Initiative, he commented, are the final pieces of the puzzle. They can help Wisconsin become a global leader in the Biotech community.

Dan Hendrickson, one of the founding partners of Silicone Logic Engineering in Eau Claire, spoke in support of the Chippewa Valley Initiative. Founded in 1996, his company grew from six to 40 engineers, and needs to continue to grow to maintain its impact in the industry. To do this, SLE and the many other high-tech companies in the Chippewa Valley need graduates of programs such as software engineering and computer science, which will expand as proposed in the initiative. He thanked Chancellor Mash and Chancellor Sorensen for their support of area industries, and he urged the Regents to support the Chippewa Valley Initiative.

Curt Szymanski, President and CEO of UCLID Software, spoke in support of the Small Business Development Center expansion proposed in the budget. The SBDC in La Crosse and the Innovation Center at UW-Whitewater had made it possible for him and his partners to start their company through assistance with intellectual property protection, market research, funding contacts, and resource mobilization tips. UCLID now has 27 employees with the possibility of having over 200 by 2002. In closing, he urged the Board to support the SBDC expansion proposal.

Debbie Weitzel, a Middleton High School teacher, spoke in support of the adult access initiatives in the budget. Like other adults, she relied on the UW for continuing education programs to advance her career, which in turn, responds to the needs of the labor market. In 1994, she had received her Master of Science in Environmental Education from UW-Stevens Point after participating in the program over the course of three summers. The program had taught her hands-on and team teaching techniques that had made her a more effective teacher. As a result of concepts and techniques she had learned, enrollment in the class quadrupled, and her students have won several prominent awards.

Non-traditional students, she noted, need courses to be delivered through new methods and with flexible scheduling that allows students to continue in their professions while they pursue a degree. For these reasons, she urged support of services to adult students.

Allison Friske, a physical therapy student at UW-La Crosse, spoke in support of funding for the new Health Science Center in La Crosse. In her first year, physical therapy classes were conducted in three cramped rooms in College Hall, where equipment constantly had to be transferred from room to room due to lack of adequate space. At the Health Science Center, an entire floor is devoted to physical therapy. There is more equipment, technology and room to work. There also is the opportunity to interact with students from other Allied Health disciplines, and students can learn to work as a team in providing patient care. Expressing appreciation for construction of the Center, she urged that continued support be provided.

Lynn Cordes, a UW-La Crosse student in the physicians assistant program, also spoke in support for funding of the Health Science Center. Noting that the PA program is ranked among the top 10% nationally, she added that it is a cooperative effort with the Mayo Clinic and Gunderson Lutheran Hospital. Having taken a course over the summer in the Health Science Center, she said she was impressed with the space and technology available in that learning environment. She was pleased that students in different Allied Health programs can take courses together, so that they can form relationships and learn from each other. Having done research at the Mayo Clinic and at Washington University in St. Louis, she commented that the Health Science Center meets the same standard of excellence as those renowned facilities. She asked the Board to maintain this level of excellence and to support the university's share of maintenance of the Center in the amount of \$1.3 million for the biennium.

David Lamers, a student at UW-Green Bay, spoke about the Green Bay Learning Experience, noting that he served as Speaker of the Student Senate, as a member of the original task force on the Compelling Idea and as student representative for the Learning Experience. Throughout the process, he had been impressed by the excitement generated throughout the campus as the university planned its future. Noting that UW-Green Bay is committed to viewing students as customers, he emphasized that the student lies at the core of what the university is trying to do. The university is proposing to improve advising, to provide mentoring from upper classmen in order to improve the transition from high school, to provide a personal approach to learning, to improve graduation rates and to make students more marketable in the work place. He thanked the Board for its consideration of UW-Green Bay's proposal.

Adam Klaus, former Chair of the Associated Students of Madison, spoke about the proposed University Health Services and Student Activity Center that is included in the Capital Budget. Development of the project dates to 1994, he recalled, when the student government identified a severe lack of space for student organizations, many of which continue to be housed in substandard space scattered around the campus. At the same time, it was found that facilities for University Health Service are inadequate and not easily accessible, with medical facilities at one end of the campus and counseling and consultation services at the other end. He explained that University Health Service is expanding its mission to include community involvement on the basis that people who are active and engaged in the community will be healthier. This goal provided a good rationale for combining space for the Health Service and student organizations in the

same facility. Noting that the project has had extensive planning and is ready to move forward, he asked that it be given priority in the 2001-03 biennium.

Mike Dean, Chair of the Associated Students of Madison, also spoke in favor of the University Health Services and Student Activity Center. Stating that the project has widespread student support, he said that in October 1999 students overwhelmingly passed a referendum to pay for almost two-thirds of the project costs. This project, he continued, is an investment in the students at UW-Madison in terms of their health and well-being, as well as in their out-of-classroom learning through involvement in student groups. Currently, he noted, there is no central location for student groups to work together, and this project creates the kind of space that is needed.

After completion of public testimony, the Board returned to Regent comments on the budget.

Regent Schneiders noted that, as a new Board member, she had not had as much time as others to prepare for this vote, but that she had no hesitation about supporting the proposed budget, which appeared to be reasonable and very cost effective. In particular, she was excited about the reinvigorated Wisconsin Idea adopted by each campus. She had visited UW-Stevens Point and was impressed with the public/private partnership being built on the university's environmental expertise and using this expertise to make the community and state better. She also was excited about the Milwaukee Idea, which opens up opportunities for the transfer of the university's expertise in the areas of education, the environment, and the economy, all of which are much needed in the urban setting.

Regent Gottschalk commended Presidents Lyall and Smith for the budget's excellent process, themes, and format. He expected it to be well-received by state decision makers. Speaking in support of fostering key industries, he noted that adequate transportation is vital to Wisconsin's economy. The budget provides for UW-Superior to increase graduates in its transportation program from 10 to 80 per year and to provide training for over 100 transportation workers through seminars and certificate programs.

Second, he continued, Wisconsin is ideally situated for development of an aquaculture industry. This is a new industry within agriculture with a proven and exploding demand for seafood products at a time when wild stocks are dwindling. The proposal also is exciting, he said, because it is a collaborative effort among UW-Superior, UW-Milwaukee, UW-Madison, UW-Extension, and possibly other campuses.

Third, Regent Gottschalk referred to the Governor's BioStar proposal and introduction of a Master of Science degree in Biotechnology at UW-Madison as very exciting because they put the UW System in the forefront of an industry that is reshaping the state's economy. These are only three of many examples, he noted, of how budget initiatives will enhance the economy to the benefit of students and the state.

Stating his support for the theme and initiatives included in the proposed budget, Regent Randall said that these efforts will benefit the state's economy and the personal growth of Wisconsin citizens. In the new economy, he remarked, hardly anyone can be successful without a college degree, and the UW System is doing excellent work in providing access to those seeking a degree from its many high quality academic programs. The themes of access, affordability and accommodation, he pointed out, are woven throughout the budget request.

However, Regent Randall cautioned, there is an increase in cost which discourages some from attending college. While there are many generous financial aid programs, the mix of grants and loans has reversed, with loans now comprising most of the aid. The burden of paying off those loans deters some from pursuing their education on UW campuses. Thus, he strongly supported the budget initiatives that provide greater financial aid and access to those of modest means.

After conclusion of the discussion, the question was put on Resolution 8195, and it was adopted unanimously.

2001 - 2003 UW System Biennial Operating Budget Request

Resolution 8195: Upon recommendation of the President of the University of Wisconsin System, the biennial operating budget increase request (over a total all-funds base of \$3,054.6 million) for new Initiatives, Cost-to-Continue, and other Program Revenue funded items be approved for submission to the Governor, Department of Administration, and the Legislature:

<i>Budget Category</i>	<i>Biennial Amount</i>
GPR/Fees	\$179,874,300
Other Program Revenue *	<u>284,922,000</u>
TOTAL BIENNIAL INCREASE	\$464,796,300

which would provide for a total 2001-03 two-year budget (all funds) of \$6,574.0 million (excluding compensation increases).

* Program Revenue includes the re-estimate of the Academic Tuition Income Continuing Appropriation for fee funded pay plan in 1999-01, the \$28 million reduction in tuition (for the tuition freeze in 2000-01) that was offset by

additional GPR; and the tuition income associated with the Madison Plan, the Milwaukee Idea and the Green Bay Learning Experience. None of these items contribute to general tuition increases.

Adoption of Resolution 8196 was moved by Regent Barry and seconded by Regent Alexander.

2001-03 UW System Biennial Capital Budget Request

Resolution 8196: That, upon the recommendation of the President of the University of Wisconsin System, the 2001-03 Capital Budget request totaling \$366 million (\$222.9 million General Fund Supported Borrowing and \$143.1 million Gifts, Grants and Program Revenues) be submitted to the Department of Administration and the State Building Commission. The 2001-03 Capital Budget request includes the following major components:

1. Enumeration of ten carryover projects for a total cost of \$183.7 million (\$142.4 million GPR and \$41.3 million Non-GPR). These projects were approved for planning in 1999-01.
2. Enumeration of nine new projects requested by the campuses and recommended for construction at a total cost of \$112.4 million (\$80.5 million GPR and \$31.9 million Non-GPR).
3. Enumeration of seven projects funded entirely by \$69.9 million Non-GPR sources (\$11.9 million Gifts/Grants, etc. and \$58 million Program Revenue).
4. Planning and design of twelve projects that will become the basis of the University of Wisconsin System's 2003-05 Capital Budget.

Further, the Board of Regents heartily endorses the following initiatives proposed by Governor Tommy Thompson:

- BioStar - a ten-year approximately \$317 million program funded half by GPR and half by non-GPR funds to supplement biotechnology-related facilities at UW Madison; and

- Agriculture Initiative - a four-year program totaling \$34.5 million (\$27.5 GPR and \$7.0 non-GPR) to provide appropriate agriculture education and/or research facilities at UW Platteville and UW Madison.

Noting that this budget continues a trend of placing priority on renovation and renewal of existing facilities, Regent Schneiders stated her support for preserving valuable assets, many of them historically important, rather than emphasizing construction of new buildings. Noting her experience as a member of the State Building Commissions, she considered it good stewardship to renew and renovate whenever possible. She also supported the Governor's Agriculture and BioStar initiatives, which are excellent examples of the university partnering with the private sector and other public agencies to benefit Wisconsin's economy.

On a related matter, she applauded the effort to obtain concrete data on maintenance needs after inspections of buildings on the various campuses. With more funds allocated for each agency, including the university, it will be possible to better schedule maintenance projects in the future.

The question was put on Resolution 8196, and it was adopted unanimously.

Upon motion by Regent Gottschalk, seconded by Regent Randall, Resolution 8197 was adopted unanimously.

2001-03 UW System Biennial Operating Budget Support for Financial Aid

Resolution 8197:

The Board of Regents reaffirms its Tuition Policy Principles which state:

- Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
- 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.
- 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.

- Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
- Tuition increases should be moderate and predictable, subject to the need to maintain quality.
- GPR financial aid and graduate assistant support increases should be kept commensurate with general tuition increases.
- 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.
- 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.

and encourages the Governor and Legislature to fund state-supported financial aid programs to achieve this goal.

Adoption of Resolution 8198 was moved by Regent Mohs and seconded by Regent Gracz.

2001-03 UW System Performance Indicators

Resolution 8198: In response to Department of Administration instructions, the Board of Regents identifies the following performance indicators:

Access: percentage of Wisconsin high school graduates served by the UW System

retention: to second year

graduation rates: percentage of students who earn a degree from any UW System institution

contribution to Wisconsin Income: number of graduates times the average income of graduates (traditional aged and adult) available for the Wisconsin economy

In addition, UW System issues an annual Accountability Report tracking performance on over a dozen indicators against national and other appropriate higher education benchmarks.

Regent Olivieri asked that the Regents have an opportunity to see specifics regarding the indicators. With regard to graduation rates, he suggested also looking at credits to degree and the types of degrees involved. Since requests in the budget call for investments in producing graduates with degrees in such areas as computer science and engineering, for example, he thought graduation rate indicators should reflect progress in graduating people in those fields. He also suggested that there be a separate indicator related to credits through distance learning, given the large investment proposed for this area.

Regent Krutsch commented that time to degree, as well as credits to degree, should be part of the graduation rate indicator.

Adoption of Resolution 8199 was moved by Regent Randall and seconded by Regent James.

2001-03 UW System Amendment to Enrollment Management-21

Resolution 8199: The Board of Regents requests changes to the Enrollment Management 21 Plan that include the following:

1. The current EM 21 plan includes an increase in FTE enrollment for UW Milwaukee in which enrollment is increased from 16,720 to 18,633 (1,913 FTE). However, full funding of the UW Milwaukee Initiative will add 2,802 FTE to bring the 2006 enrollment target to 21,435.
2. The current plan also includes a 250 FTE enrollment reduction for UW Green Bay. Upon recommendation of the President of the UW System and the President of the Board of Regents, UW Green Bay will not reduce enrollment. Consequently, UW Green Bay's enrollment target in 2006 will increase from 4,107 to 4,357, to include the 250 FTE.

As a result, the total UW System growth in enrollment from the original EM3 target will increase from the current EM21 Plan's 5,303 to 8,357. This includes the UW Green Bay increase of 250 FTE and UW Milwaukee's increase of 2,802 FTE.

Regent Krutsch commented that it is important to look at retention and graduation rates in relationship to enrollment targets. President Lyall confirmed that this is part of the EM-21 Plan.

Put to the vote, Resolution 8199 was adopted unanimously.

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EXECUTIVE SESSION

At 12:50 p.m., the Board recessed for ten minutes. The Board reconvened in open session at 1:00 p.m., at which time the following resolution, moved by Regent Randall, was adopted on a unanimous roll-call vote, with Regents Alexander, Axtell, Barry, Boyle, Gottschalk, Gracz, James, Krutsch, Mohs, Randall, Schneiders, and Smith (12) voting in the affirmative. There were no negative votes and no abstentions.

Resolution 8200: That, the Board of Regents recess into Executive Session, as permitted by s.19.85(1)(f), *Wis. Stats.* To consider appointments to the UW Colleges Board of Visitors, and to confer with legal counsel, as permitted by s.11.85(1)(g), *Wis. Stats.*

The Board arose from executive session at 1:10 p.m., having adopted the following resolution:

Appointments to UW Colleges Board of Visitors

Resolution 8201: That, upon the recommendation of the Chancellor of the University of Wisconsin Colleges and the President of the University of Wisconsin System, the following re-appointments be made to the UW Colleges Board of Visitors for three-year terms, 2000-2003:

Kristin Bell Abell, representing UW-Sheboygan
Joe Freeman, M.D., representing UW-Marathon County
Ron Kaminski, representing UW-Manitowoc

Richard Kleinfeldt, representing UW-Fond du Lac

The meeting was adjourned at 1:10 p.m

Judith A. Temby, Secretary