

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison
Held in 1820 Van Hise Hall
August 21, 2008
10:00 a.m.

- President Bradley presiding -

PRESENT: Regents Bartell, Bradley, Burmaster, Connolly-Keesler, Crain, Cuene, Davis, Drew, Falbo, Loftus, Opgenorth, Pruitt, Smith, Spector, Thomas, Vásquez, Walsh, and Womack

UNABLE TO ATTEND: None

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Welcome to New UW System Leaders

Tom Anderes, UW System Senior Vice President for Administration and Fiscal Affairs

President Reilly introduced and welcomed Dr. Tom Anderes, a Racine native, who served since 2004 as Senior Vice President for Administration and Finance at Texas Tech University. Before that, he was Senior Vice Chancellor for Finance and Administration at the Oregon University System and previously held leadership and financial management positions at the Nevada System of Higher Education and the Connecticut Department of Higher Education.

Biddy Martin, UW-Madison Chancellor

President Reilly introduced and welcomed Dr. Biddy Martin, who was to take office as UW-Madison Chancellor on September 1st, succeeding Chancellor John Wiley. Dr. Martin earned her Ph.D. in German Literature at UW-Madison. For the past eight

years, she served as Provost at Cornell University, before which she spent four years as Senior Associate Dean in Cornell's College of Arts and Sciences. A Professor of German Studies and Women's Studies, she also served as Chair of Cornell's German Studies Department.

Dick Telfer, UW-Whitewater Chancellor

Welcoming Dr. Dick Telfer as the 15th Chancellor of UW-Whitewater, President Reilly noted that he also had served as Interim Chancellor for the past year. Having started his career there more than 20 years previously as a faculty member in the College of Education, Dr. Telfer also held the position of Provost at UW-Whitewater for five years.

David J. Ward, Interim Chancellor, UW-Green Bay

Welcoming Dr. David J. Ward, as Interim Chancellor of UW-Green Bay, President Reilly noted that he had been born and raised in Green Bay, where he also began his student and academic careers. His 31-year tenure with the UW System included six years as Senior Vice President for Academic Affairs in UW System Administration. He is President of NorthStar Economics, Inc., a private economic consulting and research firm.

Lane Earns, Interim Chancellor, UW-Parkside

President Reilly welcomed Dr. Lane Earns, who would become Interim Chancellor of UW-Parkside upon the retirement of Chancellor Keating. Having spent the last 21 years at UW-Oshkosh, Dr. Earns served there most recently as Provost and Vice Chancellor for Academic Affairs. The campus he will lead has the most diverse student body in the UW System and, like UW-Oshkosh, has a focus on success of first-generation college students.

Kathleen Enz Finken, Provost and Vice Chancellor of Academic Affairs, UW-La Crosse

Welcoming Kathleen Enz Finken as the new Provost and Vice Chancellor of Academic Affairs at UW-La Crosse, President Reilly reported that she previously served as the Dean of the College of Arts and Humanities at Minnesota State University, Moorhead.

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ALL REGENTS DISCUSSION: 2009-11 BIENNIAL OPERATING AND CAPITAL BUDGETS

In opening remarks, Regent President Bradley noted that Chapter 36 of the *Wisconsin Statutes* assigns responsibility to the Board of Regents to determine the needs for higher education in Wisconsin. This is done through the operating and capital budget

requests. The proposed budgets, he remarked, are responsive both to that statutory responsibility and to the Governor's budget directions for the coming biennium, which give priority to education and growing the state's economy.

President Reilly then summarized the process for budget review, noting that a preliminary preview of the budget proposal was presented to the Board at the June meeting. Following that meeting, each Regent was provided an opportunity to receive a briefing from System Administration budget and finance staff to provide further information and to bring forward issues and questions that Regents might have. On July 31st, the Capital Planning and Budget Committee, chaired by Regent Bartell, convened a special meeting to provide additional opportunity to review the capital budget request. After a full discussion at today's meeting, a vote on the biennial budget request for 2009-11 would be taken the next day.

A formal operating budget request would then be submitted to the Department of Administration (DOA) in September to comply with the statutory deadline of September 15th. This request would be considered for inclusion in the Governor's Executive Budget Bill, which would likely be introduced in February 2009. The Joint Committee on Finance would begin deliberations in the spring of 2009, with Assembly and Senate deliberations to follow during the summer. After reviewing the Legislature's final budget bill and announcing any partial vetoes, the Governor would sign a 2009-11 state budget bill into law.

Turning to the proposed operating budget request, President Reilly noted that it represents a continuation of the Growth Agenda for Wisconsin, which he first introduced in February 2006. During the last state budget deliberations, the Growth Agenda received broad public and bi-partisan legislative support because initiatives were developed locally, with personal involvement of business leaders, regional economic development entities, students, community leaders, local elected officials and others.

The Growth Agenda for 2009-11, he continued, includes three strategic goals, reflecting broad consensus: Growing People, Growing Jobs, and Growing Communities. Under this framework:

- The UW System will seek to produce more baccalaureate degree holders, create more seats in classrooms, enroll more working adults, help prepare more young people for college, expand transfer opportunities, and keep college affordable for Wisconsin citizens.
- The UW System will help to create more well-paying jobs by addressing business needs, developing online accelerated and collaborative programs to meet regional objectives, and transforming research into leading-edge, knowledge-based jobs.
- The UW System will grow communities by engaging with them to connect university learning and resources directly to their priorities and by increasing access to education for all Wisconsin citizens.

The request for new initiatives in the 2009-11 budget seeks \$51 million of ongoing funding to support the Growth Agenda (\$37.5 million in additional state general purpose revenue (GPR) and \$13.4 million in fees). In the last biennium, \$40.9 million

(\$27.3 million of GPR and \$13.6 million of fees) was requested to support the Growth Agenda.

In putting together this request, the President explained, ideas from chancellors and others were carefully reviewed. Recognizing the economic realities facing the state, the Growth Agenda being presented to the Board had been reduced by one-third from what was originally requested, with the intention of making the proposals as cost effective as possible.

The Growth Agenda includes plans to provide access to more than 7,000 additional students, along with other initiatives that focus on enhancing the state's workforce and stimulating economic development.

Additional state investment also will be needed for costs to continue, in order to sustain current academic operations, and to cover increased utility costs and other normal inflationary factors.

The total biennial budget request of \$124.1 million of ongoing resources (\$87.8 million of GPR and \$36.3 million of fees) is quite similar to the 2007-09 request of \$120.1 million (\$85.1 million of GPR and \$35 million of fees).

Tuition rate increases also are expected to be similar to 2007-09, when they were the lowest in six years, between 5 and 6 percent per year, except at the UW Colleges, which had no tuition increase. Noting that tuition is not being set at this meeting, President Reilly indicated that a number of variables, such as inflation on utilities, possible gubernatorial and legislative changes to the budget request, pay plan increases, and veterans remission issues will affect the actual amount of tuition, which will be set as part of next year's annual budget process. Taking that into consideration, it is estimated that the tuition increase again will be between 5 and 6 percent.

With regard to pay plan, which is addressed separately from the operating and capital budgets, the President emphasized that compensation for faculty and academic staff remains a major challenge. UW faculty salaries are about 10% lower than the average at peer institutions, and there has been considerable local and national media coverage on the challenges faced by the UW in recruiting and retaining talented faculty. The pay plan increases in this biennium of 2% in July 2007, 1% in July 2008, and 2% to come in June 2009 have not helped to close the gap.

After Regent approval, a pay plan request for the UW System is submitted to the Office of State Employment (OSER) in December. That office will consider the UW's request and forward its recommendation to the Legislature's Joint Committee on Employment Relations (JCOER). That committee either approves the recommended pay plan, with the UW's request being part of a larger proposal for state employees, or sends it back to OSER for modifications. Both houses of the Legislature and Governor then must approve a new state pay plan before it can take effect.

As to other agency budget proposals affecting university interests, President Reilly noted that the Board of Regents, at its June 2008 meeting, passed a resolution requesting that the Higher Education Aids Board's 2009-11 budget include a request for additional state support for veterans' tuition remissions.

In addition, the new federal Webb GI Bill, which is to take effect in August 2009, will benefit post-9/11 veterans. While it appears that the federal benefits will hold down state costs, they will not have an impact in the 2008-09 academic year. Stating that the UW System remains committed to helping Wisconsin veterans through the Wisconsin GI Bill, the President noted that many of them served prior to September 11, 2001. The differences between the federal and state programs were being studied to see if legislative changes might be recommended in order to make maximum use of the federal program.

Turning to financial aid, he noted that, at its June meeting, the Board also passed a resolution asking that the Higher Education Aids Board (HEAB) request additional state support to increase financial aid for UW System students by at least the same dollar amount as the dollar increase in resident undergraduate tuition, thereby granting a dollar-for-dollar hold harmless increase to eligible UW students in order to preserve access for all students, regardless of their financial situation.

At its August meeting, HEAB approved inclusion of the requests for financial aid and veterans' remissions funding in its budget request to the state. It is hoped that both requests will be fully funded by the Governor and Legislature.

During the 2007-09 biennium, the UW System absorbed \$50 million in lapses -- \$25 million each from the biennial budget bill and the budget repair bill. The 2007-09 budget also called for another \$25 million in lapses in 2009-11, for a total of \$75 million over two biennia.

The Governor's priorities, however, include access to higher education for all Wisconsin citizens and implementation of initiatives that support high-skill/high-wage employment. His 2009-11 budget directives asked that state agencies not submit requests for increased general purpose revenues (GPR). However, recognizing the UW System's role as a major engine of economic growth in the state, the budget instructions included a specific exemption allowing the UW System to submit initiatives for instruction and research activities focused on economic growth -- aligning well with the Growth Agenda for Wisconsin. President Reilly and Regent President Bradley had talked with the Governor and key legislative leaders on what the UW System would propose in its budget request.

Finally, the operating budget request included \$70.2 million in program revenue authority, including gift and trust funds, room and dining charges, parking, and segregated fees. Actual rates and fee levels would be set in the annual budget next summer.

President Reilly then called on Associate Vice President Freda Harris to highlight major provisions of the proposed budget request.

Ms. Harris began her remarks by noting that the budget request consisted of five parts: New initiatives, cost to continue, program revenue requests, statutory language change requests, and performance measures. The Governor's budget instructions, in addition to allowing the UW to submit initiatives focused on economic growth, allowed requests for new GPR funding for cost to continue items, which are negotiated with the Department of Administration.

The budget instructions also required state agencies, including the UW System, to prepare a plan for a 10% base reduction, which would be due in November. The UW's plan would be based on 10% of its administrative activities, similar to reports often required in the past.

New initiatives in the budget are based on the Growth Agenda for Wisconsin and incorporate the Action Steps developed earlier in the year. The institutional initiatives were placed into categories tied to the goals of Growing Baccalaureate Degrees, Jobs, and Communities.

Initiatives proposed by the UW Colleges and UW-Extension, UW-Green Bay, UW-La Crosse, UW-Oshkosh, UW-Parkside, UW-Superior, and UW-Whitewater are targeted towards increasing access and baccalaureate degrees. Access would be provided to approximately 5,900 additional students, 4,500 of those online, and graduation rates would be increased through improved retention. When combined with the initiatives to grow jobs, access would be provided for more than 7,000 additional students.

Initiatives at UW-Madison, UW-Milwaukee, UW-Platteville, UW-Stevens Point and UW-Stout focus primarily on growing jobs through improved graduate education, increased external funding, establishment of new schools, research targeted towards the knowledge-based economy, expansion of collaborative engineering programs, and access for more than 1,200 additional students.

UW-Eau Claire and UW-Platteville developed initiatives focused on growing the community by addressing the state's need for additional applied behavior analysts to help people with autism and other developmental disabilities and by developing a portal to match scholarly resources with civic, non-profit, business, and community needs.

New initiative requests total \$51 million, including \$13.4 million to grow the number of baccalaureate degrees, \$20.1 million for growing jobs, \$1.5 million for growing communities, \$10 million to continue efforts to recruit and retain faculty and research and instructional staff in areas out of alignment with the market and to retain staff being sought by other institutions, and \$6 million for increasing library resources throughout the system.

The second component of the budget request is cost-to-continue funding to maintain current operations. The total request is \$73.1 million in ongoing GPR/Fee funding, components of which are: \$24.4 million for full funding of the June 2008 pay plan increase of two percent; \$19.2 million for funding of fringe benefit rate increases, due primarily to the increasing cost of health insurance; \$10.6 million for the GPR/Fee cost of utilities associated with new space due to come online in 2009-11; \$6.4 million to cover classified employee pay increases above the general wage adjustment in the Joint Committee on Employment Relations approved pay plan for 2007-09; and \$5.1 million for maintenance and custodial support for new facilities that will come online in 2009-11.

The third budget component consists of increases to the authorized level for program revenue operations, including \$27.4 million for anticipated increases in gift funds, \$23 million for anticipated increases in auxiliary operations, \$18.6 million for UW-Madison Intercollegiate athletics, and \$1.2 million for trust funds. The total ongoing program revenue increase amounts to \$70.2 million.

The fourth component of the budget is statutory language change requests, with the proposed budget including eight recommended statutory language changes and three requested technical changes. Seven of the requests had been previously submitted by the Board. The four new requests are: A request to eliminate the \$12,000 statutory cap on dual employment with another state agency; a request to eliminate reports on excess expenditures for auxiliaries and operating receipts; a request to move the threshold for reporting major expenditures to the same level as the major capital expenditures level; and a request to allow the UW to increase use of minority businesses.

The final component of the budget would consist of performance measures, with the UW System having four performance measures that must be reported to the state as part of the biennial budget request: Enrollment plans, retention to the second year, graduation rate within six years of matriculation, and contribution to the state's economy.

Noting that these four measures are cornerstones of the Growth Agenda for Wisconsin, Ms. Harris reported that the UW has been developing new accountability measures to better reflect the goals of the Growth Agenda. The goals used in the performance measures had already been exceeded in some cases and it was considered important to take some time to review those goals to ensure that they fit with the new approach to the Achieving Excellence Accountability Report and the Growth Agenda. They would be brought back to the Board in October for discussion and review.

In conclusion, Ms. Harris indicated that the UW System budget also would include requests from the State Lab of Hygiene, the Veterinary Diagnostic Lab and the Wisconsin Environmental Education Board, which would be added after approval by the boards of those entities.

In discussion following the presentation, Regent Falbo questioned approving the budget request without the updated performance goals.

Noting that the goals were set six years previously and that three of them have since been exceeded, President Reilly indicated that it would be important to consider how much higher to set them at this time. The plan would be to bring them to the Board in October for approval, after which they would be submitted to the state. This would be timely in terms of development of the Governor's budget.

In response to a question by Regent Falbo, Ms. Harris indicated that \$36 million had been received in 2007-09 for the Growth Agenda and that more than \$79 million was provided for cost-to-continue items.

Replying to a question by Regent Loftus about veterans' tuition remissions, Ms. Harris said that the impact of federal legislation was not included in the estimate because of the need for further analysis.

Regent Loftus asked if it was known how many UW student veterans served before September 11, 2001; and Ms. Harris indicated that work was under way with the Department of Veterans Affairs to make that calculation.

Regent Loftus inquired about the disposition of \$664,000 of funds that UW-La Crosse had wanted to use for financial aid. Ms. Harris replied that \$439,000 of that

amount was being used to advance the Growth Agenda, and Chancellor Gow added that legislative approval to use the funding for financial aid had not been obtained in the last session.

In response to a question by Regent Loftus about why the Growth Agenda funding was requested in the second year of the biennium, Ms. Harris explained that the attempt was to balance the two years, with most of the cost-to-continue funding requested for the first year. Tuition increases would also be about the same in each year. In addition, she noted that time would be needed to hire faculty and staff for Growth Agenda initiatives once the budget was approved.

Replying to questions by Regent Walsh, Ms. Harris indicated that the \$19.2 million increase in fringe benefit rates resulted mostly from health insurance increases and that the figures indicated for auxiliary operations, gift funds, and UW-Madison intercollegiate athletics were based on best estimates.

Regent Burmaster asked if the tuition increase would be lowered if state and federal funding for veteran's tuition benefits were increased, to which President Reilly replied that it would be necessary to analyze the impact of the new federal legislation in order to determine what effect it might have.

Regent Crain expressed her appreciation for the budget briefing and other information she had received that increased her understanding of the research infrastructure and other areas.

Regent Pruitt pointed out that the requested cost-to-continue increase was \$6.1 million less than the current biennium, and Ms. Harris explained that the fringe benefit and utility increases had been higher in 2007-09.

In response to a question by Regent Spector, Ms. Harris indicated that the amount of expected gift funds was based on historical trends. While these funds are part of the budget in a technical sense, they can be received and spent without approval by the state. On the other hand, athletic funds require approval.

President Reilly added that including such funds in the budget makes the UW's finances more transparent.

Replying to a question by Regent Loftus, UW-Oshkosh Chancellor Rick Wells explained that the institution currently has the highest number of credits to degree in the System, including two five-year programs. That number would be reduced, which also would affect graduation rates. In that regard, the national College Portrait would be helpful in showing graduation of students who transfer to and from other universities.

Regent Loftus commended Chancellor Wiley and UW-Madison on improving time to degree to 4.1 years.

Noting that credits to degree are set by faculty, President Reilly explained that the System had the goal of decreasing credits to degree without harming educational quality. The goal was to keep costs down and open up spaces for more students, and progress in that regard has been great, as evidenced by a system-wide reduction from 145 to 134 credits to degree. The focus was placed on credits, rather than time to degree, since the latter measure includes more variables.

Regent Loftus inquired about cost for taking excess credits, and Ms. Harris replied that there is an increased cost for credits that exceed 165 or 30 more than degree requirements.

Commending President Reilly, Ms. Harris and their colleagues for the budget that had been presented, Regent Bartell noted that the upcoming biennium would be challenging, given the many economic uncertainties ahead. Under such circumstances, he remarked, it would have been easy to project a higher tuition increase. He considered the proposed budget to be responsible and was pleased to see continuation of the Growth Agenda, including service to 7,000 additional students – many of them online, enhanced connections to business partners, and creative campus proposals.

Referring to funding requested for faculty and staff recruitment and retention, Regent Drew noted that the UW System is 10% behind its peers in pay – a gap that would narrow slightly to 9.4% with the pay plan increase. Lack of competitive pay is an issue that is raised often on campus, he remarked, asking about the plan for dealing with this problem.

President Reilly indicated that an analysis was being done to identify the greatest gaps, by discipline, and that the Board would discuss the matter further in November, before acting on a pay plan proposal at the December meeting. Noting the importance of a competitive compensation package, he predicted that competition would become even more intense as more baby boomers retire.

Turning to the capital budget request, President Reilly indicated that the proposed budget accomplished several goals based upon anticipated general fund support from the state:

- The system budget request prioritized institutional requests over the next three biennia.
- It sought to establish manageable expectations for timing of projects to be recommended for state funding.
- The enumerated capital projects would all be designed to maximize sustainability and energy efficiency, thereby providing long-term savings.

The proposed capital budget did not simply forward institutional requests; instead, through a process of careful review and consultation with chancellors and others, the number of projects requested for state funding was cut in half. While UW institutions had requested approximately 60 major projects supported by general fund borrowing, totaling about \$1.3 billion between 2009-11 and 2013-15, the proposed six-year system plan anticipated funding 30 projects totaling \$773 million in order to make the request as cost effective as possible.

The capital budget request for 2009-11 would seek new general fund supported borrowing (GFSB) for 12 major projects totaling \$139.7 million and would include \$24 million of program revenue supported borrowing (PRSB). Also requested was enumeration of 26 projects funded by non-state sources (\$257 million in PRSB and \$88.9

million in gift/grant funds) and \$97.4 million of GFSB previously enumerated in 2007-09 for three projects for which funds would become available in 2009. Those projects would include PRSB of \$27.8 million.

The request would include \$130 million in state-funded borrowing for the UW's share of the state's all-agency fund for maintenance, repair, and renovation. Funding of \$25 million of PRSB would augment state-funded borrowing in all-agency funds.

Also included in the request would be advance enumeration of three new major projects totaling \$233 million of combined GFSB, gift and grant funds, and PRSB. Finally, there were existing enumerations in place from 2007-09 of \$78.6 million of GFSB and PRSB.

Altogether, nearly two-thirds of funding for the requested projects would be derived from non-general fund revenues, with program revenues and gift and grant funds making up most of the request and GFSB making up just 37% of the request for new major projects.

In conclusion, President Reilly pointed out that the capital budget is an area where decisions could have an immediate positive impact on Wisconsin's economy. Using a standard economic multiplier, the total proposal would translate into a \$1.7 billion economic impact statewide, and more than 20,000 jobs in Wisconsin.

The President then called on Associate Vice President David Miller to highlight major provisions of the proposed capital budget.

Mr. Miller began his remarks by pointing out that most university buildings, constructed in the 1960's and 1970's, were becoming obsolete and in need of significant renovation or replacement. Many were built inexpensively for a 30 to 40-year life span and in a manner which did not lend itself to renovation.

Turning to a chart on total state supported borrowing for all construction over the last four biennia, he noted that the amount of bonding authorized for capital projects had declined from \$445 million in 2001-03 to \$393 million in 2007-09. If the 2001-03 amount had kept pace with construction inflation, the equivalent amount would be \$605 million in 2009. While the amount allocated for UW major projects increased from \$150 million in 2005-07 to \$218 million in 2007-09, the all-agency maintenance fund was reduced by \$75 million because the overall amount of state borrowing declined.

The UW's capital budget request was built on a target of \$512 million in total state borrowing – a significant increase over 2007, but less than the inflation-related amount. The request would be for \$237 million in borrowing for major projects of which \$140 million would be new borrowing and \$97 million already enumerated for release in 2009.

Stating that long-range planning is the backbone of capital budget prioritization, Mr. Miller reported that the System office received \$550 million of funding requests for new state bonding for 2009-11 alone. Of that amount, the capital budget recommended \$140 million in 2009-11 and \$155 million in 2011-13 for the highest priorities, with institutional priority rank as a key criterion in making that determination.

The projects in the budget request would impact only about 2.1% of the 56.5 million square feet of space owned and operated by the UW System, about the equivalent of a half bath in an average home.

In terms of practical impact, Mr. Miller explained that the request would result in a one-time base increase in debt service support of about \$28.8 million on 20-year bonds. Program revenue bonds of \$24.5 million would receive no state support, as program revenue operations would pay the debt service. Finally, \$89 million in cash contributions to major projects in the budget would save the state and university \$7 million annually or \$140 million over 20 years.

Noting that the state and university can take pride in projects that have been built, Mr. Miller cited as two recent examples of award-winning buildings: the UW-River Falls Student Union, which demonstrated how architecture could breathe life into a campus; and the UW Madison Microbial Sciences Building, which provided an example of architecture fostering leading-edge academic collaborations.

The budget proposal also contained \$10 million in funding to continue a successful classroom improvement program. Of the UW's 1,600 general assignment classrooms, 34% need technology improvements and 36% need remodeling. Since the program began in 1995, 461 classrooms have been upgraded, reducing the percentage without core technology from 81% to 30%.

Turning to the request for maintenance, repair, and renovation, Mr. Miller pointed out that the UW System faced a growing backlog that must be addressed. In that regard, he noted that, in 2003, about 70% of the institutions' priority requests were funded, while this biennium only 22% would be funded. While more than \$200 million would be needed in 2009-11 to make any reduction in the backlog of deferred maintenance, the budget would request \$130 million to address the most critical needs.

In conclusion, Mr. Miller remarked that the budget would request an aggressive, but responsible and reasonable amount of state support and provide a framework for the UW System's six-year plan. The most critical challenges going forward would be dealing with the very expensive and yet undetermined cost of heating plant infrastructure and finding ways to meet campus needs at a faster pace than anticipated by current planning.

President Reilly expressed his gratitude to Ms. Harris, Mr. Miller, their staffs and campus colleagues for their hard work in developing the budget requests. Noting that the current state process for capital projects was not working well, he expressed the need to work with the state to construct a process that better meets building needs and he thanked Regent Bartell for his leadership in that area.

In discussion following the presentation, Regent Smith inquired about the role of gift funds in the priority-setting process. Mr. Miller replied that, while there currently was not a specific requirement for gift funding, a significant portion of gift money is an important factor in the establishing priorities and that discussion of the matter would continue.

Regent Bartell, chair of the Capital Planning and Funding Committee, added that it is necessary to address the issue of worthy projects that are not funded because of bonding and process limitations. At a special meeting on July 31st, the committee heard helpful input from chancellors and others; and he thanked the chancellors and campuses for their assistance in constructing the capital budget.

Regent Loftus inquired about proposed projects that would include segregated fee funding. Mr. Miller indicated that the UW-Platteville Williams Field House project would include an annual \$70 segregated fee increase. In addition, projects at three other campuses would go through the student approval process this year and come to the Board after that as supplemental capital budget requests.

Regent Loftus remarked that it is helpful to set forth the fee impact of projects and asked if there is a prohibition against use of fees for maintenance. Mr. Miller explained that segregated fees cannot be used for maintenance of space constructed with GPR funds. However, an exception was made for health services space at UW-Madison; and, if a building was constructed with segregated fees, they could be used for maintenance as well.

Regent Crain asked if the process was seen as broken by others outside of the university.

Replying that the university is impacted more than others, Regent Bartell explained that that statutory procedures and rules are not consistent with modern construction techniques. Because it can take a decade to construct a building, cost estimates become outdated and new approvals are needed; and the process for contracting needs to be revised. The Governor, Legislature, Department of Administration and Building Commission should all be involved, he said, in making the needed changes.

Mr. Miller added that the Building Commission was aware of the need for improvements and has used a waiver process for a number of projects.

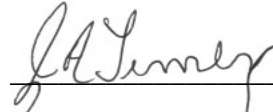
President Reilly pointed out that that the problem is exacerbated by the large number of buildings constructed in the 1960's and 70's that soon would need renovation or replacement. In addition, he noted that those who give significant gifts for building projects do not want to wait for years to see construction move forward.

Indicating that statutory changes would be needed, Mr. Miller explained that the current process requires project costs to be projected before enough information is available to make accurate estimates. Those estimates then must be approved as budget increases.

Given the great need for capital projects and lack of adequate funding mechanisms, Regent Walsh remarked that difficulties would continue going forward and noted that the comprehensive universities could not be expected to fully finance projects with gift funds.

The discussion concluded and the meeting was adjourned at 11:56 a.m., upon motion by Regent Davis, seconded by Regent Vasquez.

Submitted by:


Judith A. Temby, Secretary

MINUTES OF THE REGULAR MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison
Held in 1820 Van Hise Hall
Friday, August 22, 2008
9:00 a.m.

- President Bradley presiding -

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MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison
Held in 1820 Van Hise Hall
August 22, 2008
9:00 a.m.

- President Bradley presiding -

PRESENT: Regents Bartell, Bradley, Burmaster, Connolly-Keesler, Crain, Cuene, Drew, Falbo, Ogenorth, Pruitt, Smith, Thomas, Vásquez, Walsh, and Womack

UNABLE TO ATTEND: Regents Davis, Loftus, and Spector

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Approval of Minutes

Upon motion by Regent Crain, seconded by Regent Cuene, the minutes of the June 5 and 6, 2008 meetings of the Board of Regents were approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Thanks to Holden Weisman

President Reilly thanked Holden Weisman, who had served for the past two years as a program assistant for the Office of the Board of Regents and the Office of General Counsel, for all the excellent work he had done on behalf of the Board; and he congratulated him on beginning graduate studies in September at the UW-Madison Robert La Follette School of Public Affairs.

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Remarks by President of the Kern Family Foundation

President Reilly introduced Mr. Jim Rahn, President of the Kern Family Foundation, of Waukesha, which leads and financially supports efforts to teach more science, technology, engineering and mathematics in Wisconsin's middle and high schools. These efforts, he remarked, also support the goals of the Growth Agenda for Wisconsin.

The Foundation is funding an innovative curriculum called Project Lead the Way, which is designed to help students build necessary skills for high-wage, high-tech 21st century careers. Over the summer, the Foundation partnered with 4-H in UW-Extension to offer Project Lead the Way Gateway Academies for middle school students. For the first time, students applying to UW campuses may have one or more of their Project Lead the Way courses count towards their three science units required for admission. Ten UW institutions had already agreed to count those courses and three others were in the final stages of their review process.

Noting that Wisconsin faces an important challenge in creating the needed brain trust in science, technology, engineering and math, President Reilly recalled that the UW System Engineering Task Force found a lack of students who are well enough prepared in these areas to succeed in that demanding field.

Thanks to the Kern Family Foundation's partnership with the UW, President Reilly said, more students will get the training they need to meet the challenges ahead with confidence and success.

Mr. Rahn began his remarks by noting that a great challenge for Robert Kern's company in Waukesha was finding the talent needed to meet the needs of world-wide customers. That led Mr. and Mrs. Kern to create the Foundation in order to help enlarge the pipeline of students trained in Science, Technology, Engineering & Math (STEM) disciplines.

The Foundation is thrilled by its partnership with the UW in Project Lead the Way, he stated, pointing out that the university is leading the country by offering admissions credit for these courses. In that regard, he expressed appreciation to President Reilly, Regent Davis, Regent Burmaster, and Chancellor Wilson for their leadership and support.

This year, the Foundation joined with 4-H to offer summer camps in a number of locations. These Gateway Academies encouraged many young people to develop an interest in STEM fields.

In conclusion, Mr. Rahn remarked that today's economic challenges are best faced by preparing young people in STEM disciplines, which will keep Wisconsin competitive in the global community.

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Resolution of Appreciation: Chancellor John Keating

Regent Connolly-Keesler presented the following resolution:

Resolution 9526: **WHEREAS**, John P. (Jack) Keating dedicated more than ten years in service as the fifth Chancellor of the University of Wisconsin-Parkside, from 1998 to 2008; and

WHEREAS, Jack's leadership has grown campus enrollment to 5,000 students, and in the process, has established UW-Parkside as the most diverse institution within the UW System; and

WHEREAS, through his commitment to developing academic and professional excellence, Jack piloted efforts to re-emphasize the value of faculty research, and establish international student and faculty exchange agreements; and

WHEREAS, Jack initiated growth strategies to improve the campus infrastructure, which included an expansion for the Sports and Activity Center, a multimillion dollar project to expand the Student Union and Communication Arts Building, and the construction of a new residence hall; and

WHEREAS, he encouraged UW-Parkside students to engage with the community by creating civic partnerships and collaborating with schools, community leaders, and local organizations, most notably through the Center for Community Partnerships, the Wisconsin Campus Compact, and the creation of the Dean for Community Engagement and Civic Learning position; and

WHEREAS, Jack has developed UW-Parkside into a mechanism of economic development for southeastern Wisconsin, harnessing the resources of the institution to serve the unique needs and priorities of the local business community;

BE IT THEREFORE RESOLVED that the Board of Regents of the University of Wisconsin System hereby offers thanks and commendation to John P. Keating for his many life achievements and for his service as Chancellor of UW-Parkside.

The resolution was adopted by acclamation with a standing ovation in honor of Chancellor Keating.

Regent Connolly-Keesler presented the Chancellor with a plaque containing the resolution, and President Reilly presented him with a UW System medallion.

Chancellor Keating expressed his appreciation for the opportunity to lead UW-Parkside for the past 10 years, during which time he had made thousands of friends and was privileged to serve a unique population of students.

He thanked the Regents for consistently valuing quality education and commended them for recognizing each campus as a unique entity, which is an important strength of the UW System. He thanked his wife, Pam, for her support; his fellow Chancellors for being respected colleagues who always try to find consensus; and his System colleagues for being there to help and not control. He

urged maintenance of the sense of trust that allows campuses to be semi-autonomous, with oversight at the Board and System levels.

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Resolution of Appreciation: Chancellor John Wiley

In introductory remarks, Regent Walsh noted that John Wiley arrived at UW-Madison in 1964 and received his Ph.D in 1968, after which he went to work at Bell Labs. He returned in 1975 and joined the faculty. In 1989, he was appointed Dean of the Graduate School; then Provost; and then in 2001, he was named Chancellor.

During nearly 20 years of leadership on campus, Regent Walsh remarked, Chancellor Wiley had been very much a part of building the university, having raised \$757 million and presided over \$1.75 billion in new building projects. While the sciences benefited from such new facilities as the Microbial Science Building and the Wisconsin Institutes for Discovery, the arts benefitted as well from the Chazen Museum and the School of Music, among other projects.

A leader in promoting the university's highly successful research mission, Chancellor Wiley has pointed out that, of 12,000 universities in the world, 4,000 of which are in the United States, 650 do research and 20 do 53% of that research. UW-Madison ranks in the top five every year. That UW-Madison is helping prepare Wisconsin for the new economy, with that ranking and 385 new businesses created from university research, is a message that the Chancellor takes to business, alumni and others.

A second message that he conveys is that those states with higher per capita incomes have more tax revenues and more degree holders – the basis of the Growth Agenda for Wisconsin.

Noting that, as part of his legacy, John Wiley will continue that dialogue, along with a broader discussion of the future of higher education in Wisconsin, Regent Walsh presented the following resolution.

- Resolution 9527: **WHEREAS**, John D. Wiley served as the Chancellor of the University of Wisconsin-Madison from 2001 to 2008, a culmination of more than 30 years of service at the institution; and
- WHEREAS**, he worked to keep the university accessible and affordable, advocating for additional need-based scholarships and establishing a number of transfer programs to provide more avenues for students to access a UW-Madison education; and
- WHEREAS**, John has steadfastly supported and expanded research efforts that helped to sustain UW-Madison's reputation as a world-class institution, including the creation of the Wisconsin Institutes of Discovery and the Great Lakes Bioenergy Research Center; and
- WHEREAS**, John led in the creation of a master plan to guide campus facilities and infrastructure for the coming decades and oversaw a period of tremendous growth, such as the opening of a new Health Sciences Learning Center, the West Campus Cogeneration Facility, the

Microbial Sciences Building, and the revitalization of the southeast campus region; and

WHEREAS, through his leadership in the creation of the East Campus Mall, the development of an arts and humanities district, and his support for arts programs including the Chazen Museum of Art, John has been an unwavering advocate for the arts on the UW-Madison campus; and

WHEREAS, under John's guidance, UW-Madison has forged vital partnerships, such as the Wisconsin Partnership Fund for a Healthy Future and the historic transfer agreement with the College of the Menominee Nation, and has maintained mutually beneficial relationships with the state's business community; and

WHEREAS, he worked tirelessly to develop additional sources of philanthropic support for the university, including spearheading a successful \$1.5 billion Create the Future capital campaign and encouraging numerous substantial private donations;

BE IT THEREFORE RESOLVED that the Board of Regents of the University of Wisconsin System hereby offer thanks and commendation to John Wiley for his many life achievements and for his service as Chancellor of UW-Madison.

The resolution was adopted by acclamation, with a standing ovation in honor of Chancellor Wiley.

Regent Walsh presented the Chancellor with the resolution mounted on a plaque, and President Reilly presented him with a UW System medallion.

Chancellor Wiley began his remarks by expressing agreement with Chancellor Keating's commendation of the UW System, stating that it is the best system of higher education in the country.

He cited the issue of who should pay for a bachelor's degree as one that warrants ongoing serious attention. In that regard, he noted that, while the degree is worth half a million dollars to the holder, it also is worth a considerable amount to the state in terms of increased tax revenues and reduced impacts on health costs and the prison system, among other impacts.

In Wisconsin, the cost burden has shifted. While the state used to pay two-thirds and the student one-third, the proportion is now about half and half. Although he did not know the answer to what the student and state shares should be, he did know that it was the right question to ask. The private school model, he emphasized, cannot educate the number of students that Wisconsin needs to educate.

In conclusion, he remarked that it had been a great honor to have served as Chancellor of the University of Wisconsin-Madison.

President Reilly commended Chancellor Wiley and Chancellor Keating for having led with integrity and intelligence. Their positive influence, he said, would continue to be felt in the decades ahead.

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Wisconsin Technical College System Board Report

A written report was provided.

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Biennial Budget Request and Meetings with Governor and Legislators

Regent President Bradley commended President Reilly, his staff, and the chancellors for presenting a biennial budget proposal that is in accord with the Board's goals as expressed in the Growth Agenda for Wisconsin.

In recent weeks, Regent President Bradley, Regent Vice President Pruitt and President Reilly had met with the Governor and his staff to give them an advance briefing on the budget request. It was received with understanding but also with recognition of difficulties in terms of revenue on the part of the state. They also met with legislative leadership from both parties, who also appreciated the briefing and the goals of the proposed request. Those meetings included Representatives Mike Huebsch and Steve Nass and Senator Scott Scott Fitzgerald on the Republican side, and Senators Russ Decker, Mark Miller and Kathleen Vinehout, and Representative Jennifer Shilling on the Democratic side.

Chancellors Telfer and Gow hosted Representative Nass on their campuses; and Regent Opgenorth had been meeting with candidates from his district. In addition, Regent President Bradley planned to meet with State Auditor Jan Mueller later in the day.

Indicating that the meetings had been very constructive, Regent President Bradley noted that many questions were asked and answered, and that the importance of continued state investment to meet shared state goals was explained.

In September, Regent President Bradley, President Reilly, and Kris Andrews planned to travel to Washington, D.C., to meet with the Wisconsin congressional delegation, to continue a dialogue about common goals and funding.

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Discussion of Issues at November Meeting

Regent President Bradley noted that the Board's calendar included a one-day meeting in November to devote to in-depth discussion to important and complex issues, without pressure to take any action at that time. He proposed looking at the following two issues:

- The "graying" of faculty and staff. Noting that this presents a great challenge, he reported that over half of the faculty are age 50 and older and over one-third are 55 and older. Their pending retirements will have a considerable impact on educational quality and student access.
- Professional doctorates, requests for which have been increasing and sometimes required by accrediting bodies. Examples of these degrees, which do not include the research focus and

dissertation requirements of traditional Ph.D's, are doctorates in pharmacy, audiology, and physical therapy. More proposals are anticipated in the future.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Legislative Council Special Committee on Building Wisconsin's Workforce

President Reilly noted that he and other UW colleagues had testified earlier in the week before the Special Committee on Building Wisconsin's Workforce, which also is a goal of the UW System and is integral to the basic principles of the Growth Agenda for Wisconsin.

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Public Accountability Reporting

President Reilly reported that he recently collaborated with President Emeritus Katharine Lyall on an editorial that had run in several state newspapers, addressing the UW System's longstanding leadership position in public accountability reporting that provides students, lawmakers, and taxpayers the information necessary to evaluate the return they receive on their educational investments.

Noting that the UW was the first higher education system to provide such a report, having done so since 1993, President Reilly indicated that it now is being revised to better align with the goals and action steps of the Growth Agenda for Wisconsin.

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Meetings with Student Government Leaders

President Reilly reported that, along with Regent Thomas and Regent Opgenorth, he had met with student government leaders from across the UW System. Stating that he appreciates their great work, he added that he looked forward to continuing to work with them in the times ahead.

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Recognition of Associate Vice President Ron Singer

President Reilly expressed appreciation to Ron Singer, Associate Vice President for Academic and Student Services, who would soon retire after 35 years of service to the UW System, first at UW-Parkside as a faculty member and academic leader and then for seven years with the UW System Administration. His expertise and many contributions will be much missed.

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2008 Regents Academic Staff Excellence Awards

Regent Connolly-Keesler, chair of the Regent Committee that selected the award recipients, began her remarks by indicating that, with these awards, the Board recognizes the dedicated work, vital

services and outstanding contributions of the UW System's academic staff. Each recipient receives a \$5,000 stipend to support their professional development or other activities to enhance a university program or function.

Nominations were submitted by the UW institutions, and the winners were selected by a Regent Committee composed of Regent Connolly-Keesler, Regent Davis, Regent Smith, Regent Vasquez, and Regent Womack.

The committee used the following criteria in making its selections:

- Excellence of performance: performance that consistently and substantially exceeds in quality the expectations for the position, has set superior standards of excellence, and has resulted in important and significant contributions to the department and institution.
- Personal interaction: Performance that consistently and substantially demonstrates ability and willingness to work positively and effectively with others.
- Initiative and creativity: Performance that consistently and substantially demonstrates an innovative approach to the job.
- Outstanding achievement: Performance that consistently and substantially has resulted in important and significant contributions to the departmental unit and the university, and has resulted in distinction in the profession – campus-wide, system-wide, statewide, nationally or internationally.

Stating that the committee was impressed by the quality and achievements of all of the nominees, Regent Connolly-Keesler remarked that they represent the great accomplishments and commitment of academic staff across the UW System and that they should take pride in their nominations, which acknowledge the value their institutions place on their many contributions to the UW System.

Janie Spencer, Executive Director of the UW-La Crosse Alumni Association

Presenting the award to Ms. Spencer, Regent Smith indicated that she had been integral to the growth and development of the UW-La Crosse Alumni Association over the past ten years. A graduate of UW-La Crosse, she became executive director of the Alumni Association in 1998.

Since that time, she has increased Alumni Association membership by over 400% and has overseen the creation of a number of programs, including the Alumni Travel Program and the Alumni Ambassador Program. She also served on a number of committees, including the Multicultural Recruitment Committee and the Affirmative Action and Diversity Council.

Through her leadership, the first multicultural alumni advisory board was formed. She also brought structure and prominence to the annual Multicultural Alumni Award, which is part of the Distinguished Alumni Awards program and worked hard to bring diversity to the Alumni and Foundation boards, while reaching out to multicultural and diverse students at UW-La Crosse as well.

A leader in the community as well as on campus, Ms. Spencer has served as President of the Rotary International, Director of the Children's Miracle Network, and as a member of Big Brothers, Big Sisters and the Greater La Crosse Area Chamber of Commerce.

Among her many achievements as Executive Director of the Alumni Association are:

- Increased membership revenue by 400% and Alumni Association assets by 75%;
- Recruited an enthusiastic, 34-member Board of Directors to advise the Association;
- Established a volunteer committee to assist with recruitment of members, marketing, and member benefits;
- Developed new partnerships with Go Next for an alumni travel program, American Insurance Administrators for short-term medical insurance, and Liberty Mutual Insurance for auto and home insurance;
- Engaged alumni and students in the life of the university through association-sponsored programs and events;
- Created new alumni clubs in places such as Tokyo and Taipei, as well as in programs, such as ROTC, Residence Life staff, Theatre Alumni, and Silver Eagles.

Ms. Spencer has been the recipient of a number of awards, including the Multicultural Alumni Award, the Graff Distinguished Alumni Award, the Rada Distinguished Alumni Award and the Athletic Wall of Fame Award.

Thanking the Board and UW System for the award, Ms. Spencer recalled that, in taking the position with the Alumni Association, it had been her intention to make a positive difference for UW-La Crosse.

The Alumni Association, she remarked, creates lifetime connections to UW-La Crosse, which needs its alumni and their involvement more than ever. Among their contributions are the following:

- They volunteer for boards and committees.
- They provide internships and job opportunities for students.
- They support the Centennial Campaign.
- They help to recruit the best students; and
- They serve as ambassadors for UW-La Crosse.

As to those who had been of critical importance in her career development, Ms. Spencer thanked the Alumni Association Board of Directors, who she described as an “all-star cast of loyal, committed alumni who give not only their time and talent, but also their treasure to the institution. This special group of volunteers has mentored me, supported me, challenged me, and taught me more than I could ever have imagined.” She also thanked her colleagues at the Cleary Center – the Advancement Division, composed of the Alumni Association, the Foundation and University Relations – all of whom work very hard to advance the institution; and her family and friends, all of whom had been very supportive.

In conclusion, Ms. Spencer said that it was an honor to accept the award on behalf of the board and staff who work so hard to make UW-La Crosse a great place for students and alumni.

Kathleen Kelly Shanovich, Pediatric Nurse Practitioner at UW-Hospital and the UW-Madison School of Medicine and Public Health

In remarks before presenting the award, Regent Womack began with a quote by John Wooden that a person “can’t live a perfect day without doing something for someone who will never be able to repay you.”

That philosophy, she noted, applies to Ms. Shanovich, who is a “talented, creative and energetic nurse practitioner who has worked tirelessly to enrich the lives of underserved children with asthma and to promote optimal care of childhood asthma in Madison and throughout the state.”

In that regard, she established a teaching program for children with asthma and their families – greatly improving on a program that formerly was fragmented and inconsistent. More than 40 children have benefited from this program so far, with many more to do so in the future.

Ms. Shanovich also runs a research project to investigate the effectiveness of a computer-based educational program for low-income children with asthma and helps to recruit subjects for other asthma-related research studies at UW-Madison.

In summary, she is recognized as an outstanding clinician and children’s advocate who has had a significant positive impact on the care of children with allergic diseases and asthma. When she first joined the program in 2002, she saw the need to make changes to the clinic to improve the experience of a visit for children and families. To make the atmosphere more comfortable for children, she updated clinic rooms and art work to make them child-friendly, with toys available for the children. She wrote and continues to update educational materials to provide current information in a patient-friendly format.

Under Ms. Shanovich’s direction, innovative programs were developed to screen underserved populations for undiagnosed asthma and to improve the quality of emergency department asthma treatment. School-based programs have screened about 400 underserved children for asthma in the past year.

In conclusion, Regent Womack noted Ms. Shanovich’s personal philosophy is to “choose to make a difference” and to value “thinking outside the box”.

Expressing appreciation for the award, Ms. Shanovich, recalled that her journey in caring for culturally diverse families with asthma brought her from a position as a school nurse at Midvale Elementary School in Madison to the University of Wisconsin as a nurse practitioner, caring for children and families through the Pediatric Allergy Program and as an asthma researcher in the Department of Industrial Engineering.

In her role at the UW, she continued her close ties to the Madison Public Schools, with the support of Freddi Adelson, Health Services Coordinator for the school district, and recognized the importance helping both children and adults with asthma in Dane County. Through the Dane County Asthma Coalition, which she founded and co-chaired with Sally Zirbel-Donisch, an emergency department asthma treatment program was established at all four hospitals in Dane county.

She also coordinated asthma screenings of children at the Dane County Neighborhood Child Health Clinics, resulting in an increase in identification of asthma from under 4% prior to the screenings

to 10% since the screenings began. She hoped to meet the needs of these under-insured children by establishing asthma clinics at UW Hospital, with ongoing case management by school nurses in the Madison Metropolitan School District. Funding for the clinics will be provided in part by grants from the Madison Rotary Foundation and Epic Systems. Salary and personnel support from the American Family Children's Hospital, the Department of Pediatrics, and the National Institutes of Health also made implementation of these programs possible.

Thanking her family, colleagues and friends for their support, she recognized especially her husband, Ron, and children Patrick, Ryan and Kate for their support; her physician mentors and teachers, Jim Gern, Rob Lemanski and David Gustafson; her mother, Lucille, and her sisters, Pat, Mary and Janie; her nursing peers; the Childhood Origins of Asthma research staff; members of the Dane County Asthma Coalition; and all the children and their families in Madison and Milwaukee who had taught her so much about the profession of nursing.

UW-Extension Wisconsin Nutrition Education Program

Presenting the first Regent's Academic Staff Excellence Award for a program, Regent Vasquez indicated that the Wisconsin Nutrition Education Program (WNEP) is a major educational effort within Cooperative Extension, composed of two federally funded nutrition education programs for low-income residents – the Expanded Food and Nutrition Education Program and the Food Stamp Nutrition Education Program. WNEP provides community-based nutrition education programs in 64 Wisconsin counties, through partnerships among federal, state, and county governments, as well as more than 750 local community agencies.

More than 150 academic staff employees provide nutrition education programming to limited-income families, children and adults. Three-quarters of these colleagues, who use the title of nutrition educator, work out of county Extension offices to present workshops, lessons, home visits and educational programs on a wide variety of nutrition, food safety and food budgeting topics.

For more than 20 years WNEP advanced the Wisconsin Idea by providing such education. During the past five years, WNEP colleagues have achieved more than 317,000 educational contacts per year, helping individuals and families change their behaviors and improve their nutritional well-being. Twenty-five percent of the program participants were parents of infants or children; 51% were school-age children; 11% were older adults; 6% were adults without children, and 7% were preschool children. Learners are taught in school classrooms, after school programs, Women, Infants, and Children Program clinics, family resource centers, senior dining sites, food pantries and other free meal sites.

WNEP works with diverse learners in urban, suburban and rural areas. Twenty WNEP educators are bilingual and offer classes in either Spanish or Hmong. One-fifth of the educators are from racially and/or ethnically diverse backgrounds. Because the educators live in the communities in which they work, there is a high level of trust between them and the neighbors they teach.

WNEP has received state and national recognition for teaching and program excellence, having been selected by the U.S. Department of Agriculture Cooperative State Research Education and Extension Service to provide national direction on program management documentation of impacts and curriculum development.

With rapidly rising costs of food, the academic staff in this program play an active and critical role in building community capacity to address hunger and food insecurity. In short, WNEP makes a

positive difference in the lives of its participants and, by extension, in the quality of life in their communities.

Regent Vasquez then introduced Beverly Phillips, State Coordinator for the WNEP, to receive the Academic Staff Excellence Award on behalf of the program.

Ms. Phillips began her remarks by thanking the Board, on behalf more than 150 WNEP colleagues, for the honor represented by the award. The program, she said, provides knowledge and skills that enhance the quality of life for limited-resource families, youth and adults in 64 of Wisconsin's 72 counties. For example, 86% of learners in six urban counties who participated in a series of nutrition education lessons indicated that they improved their daily diets as a direct result of what they learned.

In 2006-07, WNEP's community-based nutrition educators made more than 317,000 contacts with individuals and families. The program is successful because of the trust-based relationships created within communities by academic staff who have deep understanding of and respect for cultural differences.

She then introduced several of those educators, including:

- Kazoua Moua, a nutrition educator in Dane County, representing 120 nutrition educators who do such work as teaching hand washing to preschoolers, teaching fifth graders about fruits and vegetables, talking to men at a job training center about the importance of whole grains, and teaching safe food handling to senior adults --"sometimes all in the same day."
- Tonya Evans, Nutrition Program Coordinator for Racine and Kenosha counties, representing about 40 county coordinators who lead the local county-based programs.
- Shelly King-Curry, Nutrition Program Specialist, representing the state-based specialists who support the work of colleagues around the state;
- Laurie Boyce, Family Living Program Director; Yvonne Horton, Cooperative Extension Associate Dean and Associate Director; and Richard Klemme, Cooperative Extension Interim Dean and Director.

An important strength of the program, Ms. Phillips said, is the research-based network through which educators draw upon the expertise of specialists to inform their teaching with the most current possible information.

In conclusion, Ms. Phillips said: "As we continue to reach more learners, develop our teaching and outreach skills, and strive to meet the nutrition education needs of our growing minority populations in Wisconsin, we will carry in our hearts the pride of receiving this prestigious award."

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UW System Administration Mission Statement

President Reilly noted that the mission of the UW System and the role of the Board of Regents are set forth in the statutes, in addition to which each UW institution has its own select mission. The goal of the UW System Administration is to add value to all of those statements.

Over the past year or two, a great deal of thought had been put into codifying the core mission of the central UW System office to reflect the recent strategic planning process that created the Growth Agenda framework and Action Steps. The proposed statement had initially been brought to the Board in September 2007, after which it was decided to wait for completion of the strategic planning process before finalizing the mission statement.

The statement was developed in consultation with a number of key constituencies, including UW System Administration staff, the President's Cabinet, Chancellors and Provosts from all 15 institutions, faculty representatives and academic staff representatives from all institutions, as well as Regent leadership.

The proposed System Administration mission began with the following statement: "With the Board of Regents, the UW System Administration leads and serves the UW System institutions, as a champion of higher education and a responsible steward of resources." The statement then outlined functions undertaken to achieve that goal.

The mission statement also is instrumental to the vision for the UW System articulated by President Reilly in 2004: "The University of Wisconsin System will be Wisconsin's premier developer of advanced human potential, of the jobs that employ that potential, and of the communities that sustain it.

Upon motion by Regent Crain, seconded by Regent Falbo, the UW System Administration mission statement was adopted on a unanimous voice vote.

Update on Growth Agenda Action Steps

Highlighting progress on a number of Growth Agenda Action Steps, Senior Vice President Rebecca Martin spoke first about Step #4: Inclusive Excellence. Indicating that a final report on Plan 2008 was expected at the March 2009 meeting, she said that next steps were being framed in terms of how best to integrate excellence, equity and diversity into the core of all UW institutions. These steps would build on the goals established in Plan 2008, expanding the definition of diversity to be more inclusive of difference, including LGBTQ people, people with disabilities, and others while maintaining a focus on core issues of race and ethnicity. Campus conversations would inform development of this agenda over the next six months.

With regard to Action Step #6, New Pathways Degrees, Dr. Martin reported that work on this step would be incorporated into planning-year activities supported by the Making Opportunity Affordable (MOA) grant from the Lumina Foundation. A proposal was under development in collaboration with the Wisconsin Technical College System, the Department of Public Instruction, the Wisconsin Association of Independent Colleges and Universities, and the Governor's Office.

Initial activities would include:

- An inventory and assessment of existing campus programs for adult learners.
- Focus groups with students, admissions directors, student affairs officers, provosts, registrars, and others to identify policy barriers that inhibit college degree attainment.

The proposal for a four-year project with MOA funding would target populations of opportunity, including adults, people of color, and veterans. Areas under consideration were expected to include prior learning assessment, credit repository, and online programs.

For comments on Step #9, Operational Excellence, Dr. Martin turned to Regent Brent Smith, chair of the Business and Finance and Audit Committee, which had heard a report on progress in this area at its meeting the preceding day.

Regent Smith reported that the committee received an update on activities of the Operational Excellence Working Group, which has developed plans, based on the Administrative Process Redesign project currently under way at UW-Madison, for a series of evaluation projects employing the principles of Lean Manufacturing. These principles concentrate on speed, efficiency, and eliminating waste, which Lean defines as non-value added activities.

The first three processes to be considered would be the procurement card process, non-payroll payments for services made to individuals, and the travel expense reimbursement process. The procurement card process was under way at UW-Platteville, UW-Oshkosh, UW-River Falls, and UW-Superior. The results of the evaluation would be shared with all UW institutions as a way of sharing best practices and encouraging more streamlined, simplified, and standardized processes across the UW System.

The Working Group also suggested making more use of faculty and staff who present at outside conferences by bringing that expertise to colleagues through a UW System-funded presentation program and establishing a UW System Innovation/Efficiency Award Program, which would offer incentives for staff to prepare proposals for professional organization awards by providing modest incentive funding.

The committee also heard from representatives of UW-Madison and UW-Oshkosh about activities on their campuses.

In conclusion, Regent Smith observed that there appeared to be much momentum across the UW System for changing and improving practices to make them more efficient.

Dr. Martin thanked the provosts for their leadership in moving the Growth Agenda Action Steps forward.

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UW-Whitewater Student Chosen for 2008 Paralympics

President Reilly congratulated UW-Whitewater senior Matt Scott on having been chosen to be a member of the U.S. National Wheelchair Basketball Team that would compete in the 2008 Paralympics in Beijing, China. Mr. Scott was nominated for a 2008 Excellence in Sports Performance Yearly Award for Best Male Athlete with a Disability. Earlier this year, he starred in Nike's "No Excuses" TV commercial.

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UW-Eau Claire Women's Softball Team wins NCAA Division III Championship

President Reilly congratulated the UW-Eau Claire women's softball team for winning the NCAA Division III championship with a come-from-behind victory over UW-Whitewater. This was the seventh team title in UW-Eau Claire's athletics history and the second since joining the NCAA.

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Green Energy at UW-Stevens Point

President Reilly reported that UW-Stevens Point residence halls now use 53% green energy from renewable sources. The university had been purchasing WPS NatureWise green energy, a program offering green renewable electricity from a mixture of local wind turbines that use waste bio-gas from landfills and farms. UW-Stevens Point is the largest purchaser of renewable energy of all the UW campuses, bringing it closer to being completely dependent on renewable energy resources by its target date of 2012.

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UW-Stout Visioning Session

It was reported by President Reilly that UW-Stout recently held its 2008 Visioning Session to begin work on setting new institutional goals. Eighty-five members of the public offered suggestions to be considered in the university's strategic planning process. The last Visioning Session, held in 2001, led to goals that were included in Stout's FOCUS 2010 plan. This session will help to lay out a series of goals to be accomplished by the year 2015. This, the President noted, is one of many examples of UW institutions engaging in meaningful dialogues with Wisconsin communities.

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UW-Manitowoc Agreement with Silver Lake College and Mount Mary College

President Reilly reported that UW-Manitowoc addressed the needs of its community and students in signing an agreement with Silver Lake College and Mount Mary College to ease the transfer process for students. Students with an associate degree from UW-Manitowoc and at least a 2.0 grade point average will be eligible to fully transfer their credits for admission to the two private four-year colleges.

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UW-Green Bay Phuture Phoenix Program

It was reported by President Reilly that the Phuture Phoenix Program, which former Chancellor Bruce Shepard and his wife, Cyndie, helped to establish in Green Bay, has seen exciting growth this summer. Local philanthropist Irene Daniell Kress made the first leadership gift in a generous amount toward the \$5-million scholarship fund for the program. Her gift will help to jump-start an ongoing endowment fund to award scholarships to participants in the program who intend to enroll at UW-Green Bay. There are also five other endowed scholarships earmarked for the program.

The growth of the Phuture Phoenix Program and others, the President remarked, bode well for achieving the Growth Agenda Action Step of creating a KnowHow2Go Network and doubling the amount of private need-based financial aid in the UW System.

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UW-Oshkosh Faculty Study Chinese Business Education

President Reilly thanked 15 current and retired UW-Oshkosh faculty members who traveled to China for two weeks earlier in the summer to learn more about Chinese business education and practice. They visited a number of businesses and two universities in Shanghai to learn first-hand about issues facing the Chinese educational system.

UW-Oshkosh's College of Business hoped to pursue a cooperative agreement with Shanghai's Hangzhou Foreign Language School to guarantee admittance of five students per year to UW-Oshkosh's business program.

In today's global economy, the President remarked, it is increasingly important to reach out across the globe, especially to large, emerging economies in Asia.

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Regent History: Helen Connor Laird

Regent Cuene noted that, in the 1950's, Helen Connor Laird was one of the first women to serve on the Board of Regents. Her father, W. D. Connor was an important lumber pioneer in Wisconsin's north woods; and Ms. Laird spent a great deal of time in the same part of the north as did Regent Cuene. One of the first women graduates of the University of Wisconsin, Ms. Laird was the grandmother of Wisconsin's First Lady Jessica Laird Doyle.

2009-11 OPERATING AND CAPITAL BUDGET REQUESTS

Regent President Bradley began the discussion by remarking that budgets should reflect the meaning of an institution and that this budget succeeds in doing that. Initiatives, listed by campus, are focused on the Growth Agenda for Wisconsin goals of growing people, growing jobs, and growing communities.

The initiatives, he remarked, reflect the diversity and talents of the UW institutions and are tailored to meet differing needs of different parts of the state.

Noting that the Governor and Legislature backed 90% of the Growth Agenda initiatives in the last budget, Regent President Bradley indicated that the state would now be asked to make an additional investment for the benefit of Wisconsin's future.

In that regard, he pointed out that economically successful states are investing in higher education and that Wisconsin has one of the most and productive and efficient systems of higher education in the country.

Adoption of the following resolution was moved by Regent Falbo and seconded by Regent Smith.

2009-11 UW System Biennial Operating Budget Request

Resolution 9528: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the submission of its 2009-11 Biennial Operating Budget request, totaling an ongoing increase of \$124.1 million in GPR/Fees, including the Growth Agenda, and Estimated Cost to Continue Requests; an ongoing increase of \$70.2 million in Program Revenue Requests; Statutory Language Changes; and Performance Measures. The Board delegates authority to the UW System President to make minor changes as needed to the Cost to Continue request prior to the statutorily required September 15, 2008 submission date.

Regent Connolly-Keesler noted that adjustments in the initiatives can be made if the entire amounts of the requests were not received.

The question was put on Resolution 9528, and it was adopted on a unanimous voice vote.

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Adoption of the following resolution was moved by Regent Drew, seconded by Regent Bartell and carried on a unanimous voice vote.

2009-11 UW System Biennial Capital Budget Request

Resolution 9529: That, upon the recommendation of the President of the University of Wisconsin System, the 2009-11 Capital Budget be submitted to the Department of Administration and the State Building Commission. The 2009-11 Capital Budget request includes the following:

1. Enumeration of twelve projects at a cost of \$139.7 million General Fund Supported Borrowing (GFSB) and \$24 million Program Revenue Supported Borrowing (PRSB).

Note: \$97.4 million of 2009-11 General Fund Supported Borrowing was advance enumerated in the 2007-09 Capital Budget and will become available on July 1, 2009 for three major projects.

2. Enumeration of sixteen projects funded by non-GFSB sources (\$257.0 million PRSB and \$88.9 million Gift/Grant Funds).
3. Advance Enumeration of three pre-design projects at a cost of \$155.5 million GFSB, \$7.2 million PRSB, and \$69 million Gift/Grant Funds for the 2011-13 biennium with GFSB

funding to become available on July 1, 2011.

4. Enumeration of \$130 million GFSB and \$25 million PRSB for UW maintenance, repair, and renovation projects through the State Building Commission's All Agency program.
5. That the Board authorizes the UW System President or designee to adjust individual project budgets as necessary in the development of the final 2009-11 Capital Budget recommendation with the Wisconsin Department of Administration.

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REPORT OF THE CAPITAL PLANNING AND BUDGET COMMITTEE

Regent Jeff Bartell, chair, presented the committee's report.

UW-Madison: Approval of the Design Report and Authority to Adjust the Project Scope and Budget and Construct the Chazen Museum of Art Project

Of the \$47 million cost of the project, it was pointed out that \$46.9 million is made up of gift funds. The project would provide a new building to display and store works of art and extend development of the East Campus Mall.

Noting that this project was an example of why the building process needed improvement, Regent Bartell indicated that the project was originally requested four years ago, before it had been possible to make designs and accurate cost estimates. Therefore, it had been necessary to go through the process again to request adjustments to the scope and budget.

The committee passed a resolution approving the design report and granting of the requested authority for inclusion in the consent agenda.

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UW-Oshkosh: Authority to Construct Facilities Management Relocation – Phase I Project

The project would remodel a vehicle maintenance facility and storage buildings that were transferred in May 2008, using \$475,000 in gift funds.

The committee approved a resolution granting the requested authority for inclusion in the consent agenda.

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UW-Platteville: Authority to Construct the Boebel Hall Remodeling – Phase I Project

The committee approved for inclusion in the consent agenda a resolution granting authority to construct this \$2.2 million project that would remodel classrooms, construct biological science labs, and address infrastructure deficiencies.

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UW-Stevens Point: Approval of Design Report and Authority to Construct Steiner Residence Hall Renovations Project

The committee was informed that this would be the second of four planned residence hall renovations, which, at a cost of \$5 million in program revenue supported borrowing, would provide an elevator, replace windows and upgrade mechanical infrastructure. Room rental costs would increase by \$273 per year for students who choose to live in the remodeled units.

A resolution approving the design report and granting the requested authority was passed for inclusion in the consent agenda.

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UW System: Authority to Construct All Agency Maintenance and Repair Projects

The committee approved for inclusion in the consent agenda a resolution granting authority to construct 12 minor projects in the all agency maintenance fund program. Two of them were UW-Madison energy conservation projects funded with program revenue to be repaid by energy savings through the fuel and utilities account, which would save the university almost \$100,000 per month in utility costs and have a five-year payback. Other projects have significant gift-funding components.

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Consent Agenda

Adoption by the Board of the following resolutions as consent agenda items was moved by Regent Bartell, seconded by Regent Falbo, and carried on a unanimous voice vote.

Approval of the Design Report and Authority to Adjust the Project Scope and Budget and Construct the Chazen Museum of Art Project, UW-Madison

Resolution 9530: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report of the Chazen Museum of Art project be approved and authority be granted to (a) increase the project scope and budget by \$15,570,000 (\$15,370,000 Gift Funds and \$200,000 Building Trust Funds) and (b) construct the project at an estimated total cost of \$47,100,000 (\$46,900,000 Gift Funds and \$200,000 Building Trust Funds).

Authority to Construct the Facilities Management Relocation-Phase I. Project, UW-Oshkosh

Resolution 9531: That, upon the recommendation of the of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Facilities Management Relocation Phase I project at an estimated total project cost of \$475,000 Gift Funds.

Authority to Construct the Boebel Hall Remodeling-Phase I Project, UW-Platteville

Resolution 9532: That, upon the recommendation of the of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Boebel Hall Remodeling-Phase I project at an estimated total project cost of \$2,200,000 (\$797,600 General Fund Supported Borrowing-Residual (New Engineering Building), \$505,767 Program Revenue Supported Borrowing-Residual (New Engineering Building and Ullsvik Center Addition and Remodeling), and \$896,633 Program Revenue Supported Borrowing-Tri-State Initiative).

Approval of the Design Report and Authority to Construct the Steiner Residence Hall Renovation Project, UW-Stevens Point

Resolution 9533: That, upon the recommendation of the of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, the Design Report of the Steiner Residence Hall Renovation Project be approved and authority be granted to construct the project for a total cost of \$4,986,000 Program Revenue Supported Borrowing.

Authority to Construct All Agency Maintenance and Repair Projects, UW System

Resolution 9534: That, upon the recommendation of the of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$17,504,500 (\$2,538,700 General Fund Supported Borrowing; \$8,565,500 Program Revenue Supported Borrowing; \$930,700 Program Revenue-Cash; and \$5,469,600 Gift and Grant Funds).

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REPORT OF THE EDUCATION COMMITTEE

Regent Judy Crain presented the committee's report.

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UW-Platteville Presentation of Campus Academic Plan

The committee heard a presentation by Provost Carol Sue Butts on UW-Platteville's academic plan. Committee members appreciated learning about the campus' academic planning and goals, which are very much mission driven.

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UW-Stout: Program Authorization of B.S. in Computer Engineering

Providing the committee with context for this agenda item, Senior Vice President Rebecca Martin recalled that the UW System Engineering Education Task Force issued a set of recommendations for conditions under which new engineering programs could be proposed, including programs that would meet regional need; utilize existing resources; and collaborate with other institutions. Documentation was provided attesting to the regional demand for the program.

UW-Stout Provost Julie Furst-Bowe spoke about other aspects of the program that would align with the Task Force's other recommendations:

- There would be collaborative relationships with UW-Eau Claire and Wisconsin Technical Colleges, including Chippewa Valley Technical College, and an emerging collaboration with UW-Platteville.
- The program would build on existing resources along with Growth Agenda funding received in the 2007-09 budget.

The program would align well with UW-Stout's mission and polytechnic designation and would help to increase the student pipeline for engineering, with a focus on women and students of color, beginning with middle-school summer programs.

The committee approved a resolution authorizing implementation of the program for inclusion in the consent agenda.

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Western Technical College: Approval of Associate of Science Degree Liberal Arts Transfer Program in Collaboration with UW-La Crosse

The committee was pleased to welcome Assembly Speaker Mike Huebsch who spoke of his strong support for the program. He thanked the leadership and faculty of both Western Technical College and UW-La Crosse for making this degree possible, noting that the real winners were the students seeking baccalaureate degrees and the state seeking a brighter economic future. Committee members were appreciative of the Speaker taking the time to express his enthusiastic endorsement in person.

Senior Vice President Martin made it clear that neither the UW System nor the Wisconsin Technical College system intended to bring any additional liberal arts transfer degrees forward.

The Western Technical College proposal used as a model the Chippewa Valley Technical College program approved by the Regents in March 2007, and it adhered faithfully to the criteria for such programs that the Board of Regents approved in February 2007.

President Lee Rasch, of Western Technical College, and Chancellor Joe Gow, of UW-La Crosse, spoke eloquently of the great work done by their faculties in a collaborative process, developing a program that drew on the strengths of both institutions.

The program would be focused on serving students in La Crosse and would not compete with other one-plus-one agreements between the UW Colleges and Western campuses in Mauston and Viroqua.

The committee also received a brief update on the Chippewa Valley Technical College (CVTC)/UW-Eau Claire liberal arts transfer program. With barely a year's worth of data available, the program seemed to be meeting its goals; and it was indicated that valuable lessons had already been learned. Enrollment targets had been exceeded, and there had been such a strong expression of interest in the program by students entering CVTC that UW-Eau Claire had been sending its entire academic advising staff to participate in CVTC's transfer orientation sessions.

Adoption of the following resolution was moved by Regent Crain, seconded by Regent Cuene and carried on a unanimous voice vote.

Approval of Western Technical College Associate of Science Degree Liberal Arts Transfer Program

Resolution 9535: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the Western Technical College Associate of Science Degree Liberal Arts Transfer Program. This degree program will be delivered in La Crosse, collaboratively between Western Technical College and the University of Wisconsin-La Crosse, utilizing courses and resources of both Systems.

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UW-Milwaukee: Charter School Contract Extensions

The committee considered renewal of three charter school contracts. A five-year renewal of the Woodlands School contract presented no issues and was approved for inclusion in the consent agenda.

The other two schools – the Capitol West Academy and the Business and Economics Academy of Milwaukee – were identified in a letter from the Department of Public Instruction as not making adequate yearly progress as defined by the No Child Left Behind Act. As this was the first time the schools did not make adequate yearly progress, there were no sanctions imposed; but committee members felt the issues should be seriously discussed, and Regent Burmaster joined the committee for that discussion.

The committee heard from Bob Kattman, Director of the UW-Milwaukee Office of Charter Schools, who commented on the situations at the schools and the challenges that they were facing.

After much deliberation, the committee decided to amend resolutions regarding those two schools with language that would spell out clearly the conditions under which the contracts of each of them would be renewed and the terms under which each would be terminated. The intention was to give both schools the opportunity to improve their student performance and make adequate yearly progress in the following year, while ensuring that educational needs of students and their families are being met. While the resolutions would provide necessary accountability for the schools regarding annual yearly progress, they would not preclude future contract extensions should either school improve its achievement of those standards.

Adoption of Resolutions 9536 and 9537 was moved by Regent Crain, seconded by Regent Thomas and carried on a unanimous voice vote.

The University of Wisconsin-Milwaukee Charter School Contract Extension for the Capitol West Academy

Resolution 9536: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the extension of the charter school contract ending in June, 2009, with the Capitol West Academy, Inc., until June 2013. If the charter school does not meet *Adequate Yearly Progress* under the *No Child Left Behind Act* in 2008-09, the contract terminates in June, 2011.

The University of Wisconsin-Milwaukee Charter School Contract Extension for the Business and Economics Academy of Milwaukee

Resolution 9537: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the extension of the charter school contract ending in June, 2009, with the Business and Economics Academy of Milwaukee, until June, 2012. If the charter school does not meet *Adequate Yearly Progress* under the *No Child Left Behind Act* in 2008-09, the contract terminates in June, 2011.

In discussion at the Board meeting, UW-Milwaukee Chancellor Carlos Santiago noted that Mr. Kattman is a strong director for the program and asked the Board to support the university's process in bringing forth charter school contracts, appreciating the difficulty of improving performance in these urban schools.

He suggested that the Regents might wish to have a broader discussion of the role of charter schools and UW-Milwaukee's involvement in that area.

Regent Crain stated her support for discussion of the issue, noting that it was not the desire of the committee to vote against the proposed contracts.

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Report of the Senior Vice President

Annual Report and Updates on Academic Program Planning and Review

The Annual Academic Program Planning and Review Report was presented by Associate Vice President Ron Singer, who was recognized for his valuable service to the Board and the Education Committee.

The report included an update on UW Colleges planning that resulted from Chancellor Wilson's recommendations to the Board in March 2008, one of which was to seek authority to offer an

interdisciplinary baccalaureate degree in applied arts and sciences. An Entitlement to Plan Working Group, chaired by UW Colleges Interim Provost Greg Lampe, was working on a draft document, which would be shared with the provosts in early fall.

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Update on Proposed Amendments to Chapters 17 and 18, Wisconsin Administrative Code

These chapters involve student non-academic disciplinary procedures and conduct on university lands.

Senior Vice President Martin reported that there had been an extensive period of consultation with a variety of constituents and that a set of proposed draft rules would be provided to the Board in early September. The Board then would act on forwarding the proposed rules to the Legislative Council for its review process.

The goal was to have the revised rules in place for the beginning of the 2009-10 academic year.

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Consent Agenda

Adoption of the following resolutions as consent agenda items was moved by Regent Crain, seconded by Regent Walsh, and carried on a unanimous voice vote.

Program Authorization (Implementation) B.S. in Computer Engineering University of Wisconsin-Stout

Resolution 9538: That, upon recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Computer Engineering.

The University of Wisconsin-Milwaukee Charter School Contract Extension for the Woodlands School

Resolution 9539: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the extension of the charter school contract with the Woodlands School, Inc., together with amendments to the contract, maintaining a charter school known as the Woodlands School.

The Wisconsin Partnership Program UW School of Medicine and Public Health Oversight and Advisory Committee Appointment

Resolution 9540: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-

Madison, the Board of Regents approves the appointment of Dr. Valerie J. Gilchrist to the UW School of Medicine and Public Health Oversight and Advisory Committee to fill an unexpired term ending October, 2010, as one of the UW School of Medicine and Public Health's representatives on the committee.

Program Authorization (Implementation) Bachelor of Liberal Studies University of Wisconsin-Eau Claire

Resolution 9541: That, upon recommendation of the Chancellor of the University of Wisconsin-Eau Claire and the President of the University of Wisconsin System, the Chancellor be authorized to implement the Bachelor of Liberal Studies.

Program Authorization (Implementation) Bachelor's degree in Early Childhood Education University of Wisconsin-River Falls

Resolution 9542: That, upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, the Chancellor be authorized to implement the Bachelor's Degree in Early Childhood Education.

Program Authorization (Implementation) M.S. in Clinical Investigations University of Wisconsin-Madison

Resolution 9543: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S. in Clinical Investigations.

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REPORT OF THE BUSINESS, FINANCE AND AUDIT COMMITTEE

Regent Brent Smith, chair, presented the committee's report.

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The University of Wisconsin School of Medicine and Public Health: Wisconsin Partnership for a Healthy Future – Approval of the Fourth Annual Report

At a joint meeting of the Business, Finance, and Audit Committee and the Education Committee, Dr. Robert Golden, Dean of the UW-Madison School of Medicine and Public Health and Vice Chancellor for Medical Affairs, presented the fourth annual report on the Wisconsin Partnership Fund for a Healthy Future. The fund aims to advance population health through community collaboration, education and research. Total awards since 2004 totaled \$61.7 million, representing 167 grants.

The committees passed a resolution approving the report for inclusion in the consent agenda.

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Growth Agenda Action Steps: Update on Operational Excellence and Efficiency

The committee received a report which is summarized on pages 18 & 19.

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Trust Funds

Spending Policy Discussion

The committee discussed the UW System trust funds spending policy in relationship to proposals by Congress on mandatory spending rates. Earnings assumptions were reviewed in relationship to spending plans.

In response to a question by Regent President Bradley at the Board meeting, it was indicated that the spending policy provides for a disbursement rate of four percent.

Update on Private Equity Program

The committee received an update on the Private Equity Investment Program, which began in 2002 and which has been quite successful. Representatives from Adam Street Partners provided background on their firm and addressed the importance of diversification.

Quarterly Investment Report

A quarterly investment report was presented to the committee.

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Audit Update

UW Mental Health Counseling Services

Director Julie Gordon presented information on a recently completed report on UW mental health counseling services. The very timely review noted that all four-year institutions offer a variety of mental health services and that all two-year colleges will offer services within the next year. While the number of students seeking services has increased, the number of professional staff providers has not. The report indicated that, while sustaining mental health services continues to be a challenge, solutions may be best developed at the institutional level.

The President's Advisory Committee on Health, Safety, and Campus Security would be asked to facilitate a review of the audit recommendations and develop guidelines to assist the institutions.

In discussion at the Board meeting, Regent Pruitt recognized that resource issues in this area are challenging, but asked that needs in this area be addressed with a sense of urgency, understanding that resource issues are challenging.

Regent Connolly-Keesler observed that one question is how much service to offer at the campus level, recognizing that every service has a cost.

President Reilly indicated that this is one of the matters that would be addressed by the President's Advisory Committee and that resources are a central issue.

Update on Student Credit Card Debt and Credit Card Solicitation on UW Property and Follow Up Review of Occupational Health and Safety Training for UW Employees

The committee was informed that most institutions had restricted credit card solicitation on campus.

With regard to the review of occupational health and safety training, there had been limited progress by the institutions in implementing previous audit recommendations. The committee stated its interest in seeing more progress and requested a further update at the December meeting.

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Committee Business

Committee Goals and Priorities for 2008-09

Among the topics discussed were the Regents' financial oversight role, determining what financial information currently exists that may support that role, how the committee can best advance audit recommendations, and how other governing boards carry out the oversight function.

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Report of the Vice President

Vice President Debbie Durcan informed the committee that the UW's share of the state budget shortfall would be a lapse of \$25 million, part of which would be covered by campus efforts, such as holding vacancies open longer, reducing energy consumption, and filling vacancies with teaching academic staff instead of faculty.

Vice President Durcan also updated the committee on recent flooding and boiler losses. Flooding at four institutions and the boiler loss at UW-Whitewater were estimated at \$10-\$12 million, the largest loss in UW history.

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Consent Agenda

Regent Smith moved adoption of the following resolution as a consent agenda item. The motion was seconded by Regent Falbo and carried on a unanimous voice vote.

Wisconsin Partnership Program 2007 Annual Report

Resolution 9544: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin

System, the Board of Regents approves the 2007 Annual Report of the Wisconsin Partnership Program covering all activities and expenditures from January 1, 2007 through December 31, 2007.

ADDITIONAL RESOLUTIONS

2009 Meeting Schedule

Regent President Bradley noted that the proposed 2009 meeting schedule would provide for eight meetings, including two one-day meetings to discuss major policy issues. Four meetings would be hosted by UW institutions, including a meeting at UW-Milwaukee in May, when students would be present. The annual meeting would be in Madison in June.

Regent Crain asked if there had been any negative reaction to this year's meeting schedule.

In response, Regent President Bradley said that campuses enjoyed their role in hosting meetings and that the schedule has been helpful to System Administration staff, who have been trying to do more work with fewer people.

President Reilly added that he, too, had received favorable comments from chancellors, provosts and others about the schedule. Noting that the schedule allowed more time for staff to concentrate on preparation of the biennial budget proposal, he expressed the belief that the Board is better served with fewer meetings and better preparation for each one.

Upon motion by Regent Smith, seconded by Regent Falbo, the following resolution was adopted on a unanimous voice vote:

2009 Meeting Schedule

Resolution 9545: That the attached Board of Regents meeting schedule for 2009 be approved.

The meeting was recessed at 11:50 a.m. and reconvened at 12:00 p.m.

CLOSED SESSION

The following resolution, moved by Regent Pruitt, was adopted on a roll-call vote, with Regents Bartell, Bradley, Burmaster, Connolly-Keesler, Crain, Drew, Falbo, Opgenorth, Pruitt, Smith, Thomas,

Vasquez, Walsh, and Womack (14) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 9546: Move into closed session to confer with legal counsel regarding pending and potential litigation, as permitted by 19.85(1)(g), *Wis. Stats.*; to consider appointment of an Interim Chancellor for UW-Parkside, as permitted by s.19.85(1)(c), *Wis. Stats.*; and for purposes of considering personal histories, as permitted by s.19.85(1)(f), *Wis. Stats.*, related to the naming of a facility at UW-Madison.

During the closed session, the following resolutions were adopted.

Authorization to Name a Cabin at the Trout Lake Research Station the “Thomas M. Frost House.” UW-Madison

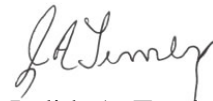
Resolution 9547: That, upon recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to name the residence cabin located at The Trout Lake Research Station, in the Town of Boulder Junction, Vilas County, Wisconsin, The “Thomas M. Frost House.”

Authorization to Appoint: Interim Chancellor University of Wisconsin-Parkside

Resolution 9548: That, upon recommendation of the President of the University of Wisconsin System, Lane R. Earns be appointed Interim Chancellor of the University of Wisconsin-Parkside, effective August 24, 2008 at a salary of \$194,146.

The meeting was adjourned at 12:35 p.m.

Submitted by:



Judith A. Temby, Secretary