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## **Minutes of the regular meeting of the Board of Regents of the University of Wisconsin System: January 10, 1986. 1986**

Madison, Wisconsin: Board of Regents of the University of Wisconsin System, 1986

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MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in the Clarke Smith Room, 1820 Van Hise Hall

Friday, January 10, 1986

8:00 a.m.

- President Lawton presiding -

PRESENT: Regents Clusen, Finlayson, Fish, Grover, Hanson, Heckrodt, Knowles, Lawton, Nikolay, O'Harrow, Saunders, Schenian, Schilling, Vattendahl and Weinstein

ABSENT: Regents Gerrard and Veneman

Upon motion by Regent Weinstein, seconded by Regent Schilling, the minutes of the regular meeting of the Board of Regents of the University of Wisconsin System, held on December 6, 1985, were approved as mailed to the members of the board.

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BUDGET REDUCTION REQUEST

Acting President Lyall made the following statement: "As you know, the Department of Administration has notified us that in order to deal with an anticipated shortfall in state revenues over the remainder of this biennium, state agency budgets must be reduced a total of \$53 million in GPR. DOA has also informed us that the UW System share of this total is \$27.4 million, and they have asked us to provide an indication of how we would plan to effect reductions of this amount in the UW budget. We have been advised to treat this as a permanent base budget reduction and not as a temporary recision.

"The \$27.4 million GPR reduction, which they have required us to phase so that \$23.5 million is a reduction in the second year, will constitute a 4.4 percent reduction in our annual GPR base budget, excluding debt service, student aid and compensation increases. Coming as it does following a number of years of prior budget recisions, it poses some very serious

problems for the education of our students, the quality of our institutions and the maintenance of our facilities.

"We have been promised by the DOA that the UW System and the state agencies will be given the necessary management flexibility, within broad guidelines, to deal with the required reductions. Flexibility in the allocation of our resources by activity and expenditure classification within the reduced budget level is essential to us if we are to manage these trusts responsibly.

"To manage permanent base cuts of this magnitude, we must balance considerations of access, quality and fees to reach an equitable plan. Responsible management of these cuts requires that students be able to count on obtaining the necessary courses for their degree programs and that they be able to complete their degrees in reasonable time; that we keep good faith commitments to our faculty and academic staff, including the promised allocations of catchup and the observation of due process and the advance notice provisions in the regents' policies and the administrative code; and that we honor the faculty and staff governance processes where significant academic program adjustments are required. All of these considerations make planning for the cuts complicated and especially important if we are to maintain quality and educational opportunity for our students.

"The paper that you have before you, reflecting the results of consultation with the chancellors, outlines the best plan we have been able to devise on short notice for managing the prescribed cuts. There is also a draft resolution for your consideration. If approved, the resolution will initiate our efforts to cope with this situation and will provide a basis for more detailed planning as the state's revenue situation clarifies.

"Our general plan is to effect roughly two-thirds of the required reduction through administrative and program cuts and expenditure deferrals and to seek authorization to cover the remaining one-third through a fee increase. We reluctantly include a fee increase in the plan, but we see no other way to avoid significant reductions in access and in quality for our students. The average fee increase required for undergraduate residents would be \$70 per year or \$35 a semester. Inevitably, all budget reductions fall directly or indirectly on our students. A cutback in hours the library can be kept open, a reduction in the availability of course sections, and lengthening of the time it takes to obtain a degree are all hidden costs that fall ultimately on the student. We believe that the outlined plan strikes the most equitable balance among these various ways to pay for the required reductions."

Referring to Table 3 (EXHIBIT A), Dr. Lyall pointed out that the reduction for the remaining six months of the 1985-86 fiscal year amounted to \$3.8 million, while the total for 1986-87 amounted to \$23.4 million. The table showed that, although instruction constituted 54.8 percent of the total base budget, the proposed reduction for that category would be 46.5 percent--less than a proportional share. After addition of revenue from the tuition increase, instruction would actually take only 30 percent of the total cut. Libraries, learning resources and media, student services, and the portion of physical plant pertaining to instructional classrooms also would receive less than their proportional shares of the cut. On the other

hand, the categories of research, extension, teaching hospitals, farm operations, auxiliary enterprises and utilities would take more than their proportional shares of the reduction. Because 75 percent of the total base budget was instruction-related, Dr. Lyall noted that choosing to protect the instructional mission in this way put an extraordinary burden on the non-instructional portions of the budget. In that regard, she referred to a table which showed that the UW System historically allotted a greater percentage of its budget to instruction than did peer institutions around the country, despite cuts in the UW System budget during the past six years. In sum, research, public service, auxiliary enterprises and utilities, which constituted 25 percent of the base budget, would take 58 percent of the cut, while instructional categories, which constituted 75 percent of the base budget, would take 42 percent of the cut. Each institution had been asked to manage the details of these reductions in a way that would provide minimal disruption of educational opportunities for current and future students.

Acting President Lyall then referred to attachments 2 and 3 (EXHIBITS B and C) which showed where the proposed fee increase would place system institutions relative to their peers. UW-Madison currently had the lowest resident undergraduate fees in the Big Ten and would remain below the median of that peer group with the proposed increase. For university cluster institutions, the current resident undergraduate fee was second lowest among midwest states and would remain under the median of that group after the proposed increase.

Calling attention to Attachment 5 (EXHIBIT D), Dr. Lyall noted the tuition increases pending as a result of the compensation plans approved this year. For doctoral cluster resident undergraduate students, the current fee of \$1,255 would be increased by \$126 for the compensation plans and by an additional \$77 to generate the amount needed now. The total increase of \$203 would amount to a fee of \$1,458--\$140 below the median for the peer group. For university cluster resident undergraduates, there would be an increase of \$97 for the compensation plans plus an additional \$66, for a total increase of \$163. The total fee would be \$1,240--\$300 below the median of the peer group.

Emphasizing that fee increases were not considered a desirable way of covering costs, she stated that exceptional efforts were made to absorb as much as possible of the budget reduction from administrative and program areas before turning to a fee increase.

Dr. Lyall then stated as follows: "It has also been suggested by some that we might delay the implementation of faculty and staff catchup adjustments as a way of meeting the required cuts for the UW System. I believe this would be an enormous mistake--one that would deal a significant and permanent blow to the quality of the entire university system. We meant it when we made catchup our top priority in the recent biennial budget process in order to save the UW System from the erosion of its faculty base, the base on which the quality of the institution critically depends. In approving catchup, the state demonstrated its commitment to maintaining a top-quality university. To undermine that commitment would deal a fatal blow to our ability to sustain quality in the system at any size. We are



prepared to downsize if we must, but we must not downgrade public higher education in Wisconsin. To do so is to sell off cheap a major investment that the people of Wisconsin have made in a key asset for their future.

"The UW System is willing to step up and manage its fair share of the revenue shortfall, but we must have the flexibility to manage it in ways that do the least damage to the students currently in the system and to Wisconsin citizens generally, and we have presented a plan that we think does just that.

"Let me indicate briefly what the implications of these cutbacks will be for students, faculty, staff and the administration of our institutions. Assuming that the \$3.7 million in fees is released to us for the second semester of this year, we will be able to sustain courses and access for currently enrolled students through the second semester. In 1986-87, however, even under the plan we have proposed, administrative cuts will entail a reduction of services ranging from shorter library hours to slower processing of financial aid requests, to less frequent cleaning and reduced maintenance of buildings. Faculty will have to work with reduced budgets for copying and preparing class materials, fewer library books, reduced opportunities for participation in professional meetings, and larger classes. Students will find it harder to enroll in the courses and course sequences they need to complete their degrees on time; they will have to contend with shorter library hours, longer waiting times for student counseling and advising services, and larger classes in many subjects. And of course, they will be asked to pay more for their education.

"We will do our best to manage the administrative and program cuts to minimize the number of necessary layoffs. We will manage as much of any personnel reduction as possible by not filling vacancies, but I cannot promise you that layoffs will not ultimately become necessary. If layoffs do become necessary, we will carefully observe the required notice periods and procedures.

"The \$10 million in proposed cuts in academic programs will unavoidably constitute a real reduction in educational opportunity for students. The chancellors estimate that even with the plan outlined above, it may be necessary to close the equivalent of 600 sections throughout the system to meet these reductions.

"Ultimately, all these reductions fall on our final clients, the students and citizens of Wisconsin, whether through reduced access to offerings, longer times required to complete a degree, reduced services, less research both basic and applied, reduced capacity to extend university services to the community, larger classes, or direct fee increases. Inevitably, these effects come full circle to affect the state's economic health and development efforts as well. There are indeed no free lunches and no free budget cuts, but we believe that we have presented here a feasible, fair and equitable plan for absorbing the cuts that we have been asked to take by the Department of Administration."

Adoption of Resolution 3446 was moved by Regent Weinstein and properly seconded.

Resolution 3446: That, upon recommendation of the Acting President of the UW System, the Regents direct and approve the following steps by the Board of Regents, UW System Administration, and the Institutions, as initial measures to cope with the projected withdrawal of \$27.5 million from the GPR allotment to the UW System for the remaining 18 months of this biennium (\$3,876,000 in 1985-86 and \$23,482,100 in 1986-87):

1. Institutional budget reductions in all budget activities with special efforts to minimize the adverse effects on the GPR budget for instruction and instruction-related activities.
2. Deeper than proportionate cuts in the administrative budget, coupled with generation of utility savings and better use of recurring program revenue funds.
3. A tuition increase in 1986-87 of \$9.4 million, necessary to cushion the impact of the budget cut on the quality of education.
4. A series of other management steps and negotiations with the state to phase the reduction and to cope with long-term costs and other base reallocation demands.
5. The Regents require maximum management flexibility to cope with these cuts in a way that addresses goals of student access, instructional quality, economic development and protection of the state's investment in facilities.
6. The Regents affirm their commitment and urge the state to continue its commitment to completion of the three phases of salary catchup in the 1985-87 biennium for faculty and academic staff. This step is vital for preservation of educational quality.
7. The Regents urge the state not to consider any cuts to the student financial aid grant programs such as WHEG or the undergraduate minority retention grant program.

Noting that in this type of situation there were no desirable alternatives, Regent Weinstein inquired as to the effect on enrollment if tuition were not raised.

It was Acting President Lyall's estimate that enrollments would have to be reduced by about 3,000 students to make up for the proposed \$9.4 million in tuition increases. To make up the whole \$27 million cut, enrollments would have to be reduced by 9,000 students.

Regent Weinstein asked whether it therefore was anticipated that enrollments would decrease by 6,000 if tuition were increased to raise \$9.4 million.

In response, Dr. Lyall expressed the commitment to make a good faith effort to maintain opportunities for students currently in the system, although they would inevitably encounter longer waits for student services and more difficulty in getting courses, which might translate into a longer time before graduation.

Regent Schilling asked if any previous budget cuts had been permanent base reductions, and Associate Vice President Arnn replied that in the second year of the 1981-83 biennium, there was a three percent recurring cut that resulted in surcharges which ultimately were made permanent.

Regent Grover inquired as to the number of positions which would be lost as a result of the budget cut.

In reply, Dr. Lyall said the Department of Administration's guidelines indicated that positions would not be taken until 1987 or later.

Regent Saunders asked about the prospect for increased workloads, to which Dr. Lyall responded that faculty and staff would have to take on additional responsibilities to handle some of the cutbacks. She noted, however, that faculty workloads were already close to the maximum required by peer institutions and that it therefore would be difficult to increase workloads substantially without damaging retention efforts.

Regent Nikolay expressed concern that to make the proposed reductions would amount to an admission that there was fat in the budget which could be cut. "I think that the Legislature has an obligation to raise sufficient tax dollars to support the institution that we feel the State of Wisconsin deserves."

Regent Lawton did not interpret the proposed resolution as admitting there was fat in the budget, and Regent Nikolay pointed out that meant the university would be cutting into the marrow.

Regent Hanson noted there were no reductions proposed for the capital budget.

It was explained by Regent Fish that cuts from the operating budget were required because the capital budget involved bonding authority, while money could not be borrowed to operate state institutions.

Regent Clusen asked if it was the institutions' preference to increase tuition rather than limit enrollment, and Dr. Lyall replied that the chancellors were unanimous on the need to raise tuition.

Regent Grover asked how the argument could be made that there would be fewer class sections if no positions were to be lost.

It was explained by Dr. Lyall that vacancies would go unfilled but that the UW System had not been asked actually to give back positions until 1987-88.

Regent Grover then inquired as to whether the reduction would be spread proportionately among all system institutions and whether reductions in the various expenditure categories would be made with symmetry.

Dr. Lyall indicated that each institution would absorb a proportional share of the cut but that the amount taken from the respective categories might vary by institution.

Regent Finlayson asked if there was movement afoot to take funding from the catchup increase to help reduce the deficit.

Responding in the affirmative, Dr. Lyall emphasized that to do so would be a major mistake because it would damage the permanent base of quality in the UW System. "After that, it would make little difference what size we are. We would be of mediocre quality."

Because of the importance of this issue, Regent Finlayson suggested that it might be advisable to strengthen the wording in Paragraph 6 of the resolution.

Regent Lawton added that he and Dr. Lyall had been talking with state officials about the need to preserve catchup pay and that they had the Governor's support in this matter.

While he thought there should be flexibility for institutions to implement the budget cuts, Regent Schilling was concerned about whether the board should provide more guidelines. As an alternative, he suggested that reports on how the institutions planned to implement the cuts be submitted to the board before the plans were put into effect. Noting that media had reported a diversity of approaches, he expressed concern about the possibility that one institution might cap enrollments while another did not or that an institution could elect to make across-the-board cuts, even though money did not get into the budget by across-the-board appropriations.

Noting that legislative action was required to approve the budget reduction, Dr. Lyall suggested that once action had been taken, a report could be made to the board on how the individual institutions proposed to handle their portions of the cut. It was her feeling that it might make sense for some institutions to reduce enrollments somewhat, while others which were not under enrollment pressure might find different alternatives more advisable.

Regent Schilling commented that it would be unfortunate if it appeared to the Legislature or the public that this reduction was not going to harm the UW System. "I suspect other state agencies are going to lay people off. The Department of Transportation is probably going to build fewer roads; the DNR is probably going to plant fewer trout; but we are going to have more students. And that is very difficult, I think, to justify, without calling it a reduced-quality education." He felt capping some enrollments would be inevitable.

Expressing support for flexibility in making the budget cuts, Regent Fish considered it difficult to impose more rigid controls because of the differing missions and needs of the various institutions. Therefore, he

said that he would be content with a report as requested by Regent Schilling, but that he would be in favor of allowing the institutions to determine how to make the reductions.

Noting that revenue estimates to date had been less than accurate, Regent Fish asked if, should the deficit be less than currently projected, the budget reduction could be reduced so that a tuition increase might be averted. He did not wish to see tuition raised only to have these funds diverted to other state purposes.

Dr. Lyall agreed that an assurance of that kind would be very helpful, and she expressed willingness to attempt to find out if such an understanding could be reached.

Regent Heckrodt observed that the budget reduction attempted to cover a deficit which had not yet occurred and that a three percent error in projections was not large compared to the size of the overall state budget. Pointing out that the tuition raise would mean an increase in the ratio of fees to GPR in covering instructional costs, he expressed concern that the ratio would remain at that level in the future. While he agreed that tuition had to be raised in order to maintain the current level of quality, he suggested that it be in the form of a surcharge for one academic year, "so as to indicate that we are not happy with it and that we hope to rescind it so we can get this ratio back in balance again. I think our study committee is going to address this problem and make recommendations as to what it should be. But I don't like tinkering with it at this time."

It was explained by Dr. Lyall that there was reluctance to treat the tuition increase as temporary because the university had been told the cut was going to be a permanent base reduction. She suggested, however, that if a promise could be obtained that tuition-increase revenue would be returned if it were not needed, consideration could be given to making a surcharge instead of a permanent increase.

Regent Weinstein expressed concern about giving institutions the option to reduce enrollment. "If campuses decide they would like to cut enrollment in the short run, in the long run it could cost GPR dollars." It had been his understanding that the purpose of this plan was to raise tuition and not to reduce enrollments at this time. In addition, he felt such enrollment reductions would preempt consideration of the issue by the Regent Study Group on the Future of the UW System.

Stating that permanent budget cuts meant giving up positions permanently, Regent Grover commented that, "If we are going to vote for this tuition increase, it seems to me that others ought to bear some of the burden, and it ought to be in positions." He requested a report on positions given up by each institution and by system administration.

Suggesting that it might be most useful to provide that information in a report to the board after legislative action on the budget reduction, Dr. Lyall emphasized that there would be positions left unfilled or frozen and that there might well be layoffs in addition.



Noting that what was planned was not a true hiring freeze, Regent Clusen asked if the institutions would decide which positions must be filled and which would go unfilled.

Replying in the affirmative, Dr. Lyall explained that each institution would be given an amount of savings to produce. In taking a certain amount from salaries, each would have to determine which positions to leave unfilled, as well as whether layoffs were required.

In response to a question by Regent Clusen about the effect of proposed cuts in student services, Dr. Lyall indicated there would be reductions in such services as counseling, advising, and administration of financial aids, although the effort would be made to minimize cuts in those areas.

Noting that the resolution included an appeal to the state not to reduce financial aid available through WHEG and other state-funded programs, Dr. Lyall remarked that such aid was essential to cushioning the impact of a tuition increase.

Regent Saunders requested that information about increased workloads be included in the report to be made to the board, and Dr. Lyall said that type of information would be provided.

Regent Nikolay asked if no one was willing to fight the reductions--"to tell the Legislature 'we have passed a bare-bones budget, and we can't make any cuts without drastically affecting the quality of the educational system in the State of Wisconsin. Do you want us to reduce it to a second-class institution?'"

Expressing support for Acting President Lyall's plan, Regent Lawton stated that there would be "ample opportunity to fight if catchup gets attacked. I will go to the mat with them on that, and I hope that everyone here will."

Regent Vattendahl said he also would support the resolution. Even though working men and women could not afford this kind of tuition increase, he felt the university was better able than the Legislature to devise a plan to deal with the system's share of the deficit. Since so large a percentage of the university's budget was composed of salaries, he pointed out that if the cuts did not come from salary reductions, it would be necessary to eliminate positions. Although it had not yet been determined which positions these would be, he observed there was no doubt that there would be fewer people working for the system and fewer students as a result. "We are winding up, unfortunately, with the cart before the horse, having to do it because of budget cuts instead of sound, scholastic reasoning. But I think it is much better for the university if this Board of Regents approves of a format for biting this bullet than to say to the Legislature, 'You caused the problem, you solve it.'"

Expressing agreement with Regent Vattendahl, Regent Weinstein said, "We ought to make it clear to the world that there is no free lunch and there are no free budget cuts. There will be fewer people on these campuses."



Regent Schilling remarked that this discussion highlighted his concern that the board and the system were allowing the priorities of other people to make educational policy decisions through the back door, rather than facing the fact of fewer resources in the future for higher education and deciding what to do about it. It was his hope that through the Regent Study Group "we get ahead of this game instead of always picking up the pieces after the resources go down and the enrollments go up."

Regent Clusen suggested that the resolution make some reference to the possibility of enrollment caps.

It was Regent Lawton's interpretation that the resolution was broad enough to encompass all possibilities.

Regent Schenian thanked the board for its concern about the impact on students of the tuition increase. Although he had come to his position on the board with the hope of decreasing tuition, he was willing to support the increase since other sacrifices were being made. "I agree with everyone else here that we had better take it out to the streets of the state, saying that this is really going to affect the quality of the system, and we had better start fighting for it. Unless we go out and talk to the citizens of the state, I don't think they are going to recognize what is really happening."

Put to the vote, Resolution 3446 was adopted, with Regent Nikolay voting "No."

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CONSIDERATION OF PROPOSED LEGISLATION: SB170 & AB229 (academic staff collective bargaining); SB115 & AB179 (faculty and academic staff collective bargaining)

The Board of Regents heard testimony from 39 persons on the subject of this legislation. The time for each statement was limited to three minutes, with opportunity also to provide written remarks. The testimony, which occupied a four-hour period, alternated among supporters of the legislation, opponents of the legislation, and those appearing for information without taking a position.

(The list of testifiers is attached as EXHIBIT E. Copies of written statements are on file with the papers of this meeting.)

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The board recessed for lunch at 1:20 p.m. and reconvened at 2:00 p.m.

For the purpose of discussion, Regent Schilling moved the following resolution, and the motion was seconded by Regent Finlayson:

The Board of Regents believes it important to communicate to the university communities and their external publics its position on collective bargaining for faculty and academic staff. The Board of Regents reaffirms its belief that collective bargaining is incompatible with the shared governance traditions of the University of Wisconsin and is not in the best interests of the public.

Additionally, the Board of Regents wishes to provide specific guidance to System Administration and to the universities on its particular opposition to the following aspects of the proposed enabling legislation. The Board of Regents believes that in any legislative consideration of collective bargaining for faculty and academic staff:

The Board of Regents, not the Department of Employment Relations (DER), should represent the state as the employer.

A clear choice should be provided between the present system of shared governance and collective bargaining rather than creating collective bargaining as an addition to existing faculty and academic staff rights in Wisconsin statutes and Regent rules.

Effective dates should be deferred until completion and implementation of the legislatively mandated study of academic staff.

Necessary appropriations should be incorporated for additional costs associated with collective bargaining.

Regent Fish then moved to amend the resolution by striking the last five paragraphs, and the motion was seconded by Regent Hanson.

Speaking in opposition to the amendment, Regent Clusen said discussion with President Designate Shaw indicated his interest in having the board set forth its views on how to improve the legislation in the event that passage became probable. "I share the feeling that this would be a protection to us and would make clear the kinds of actions that we think should be taken."

Regent Heckrodt reported that he had been asked by Regent Veneman, who could not attend this meeting, to register his opposition to the legislation on the basis of his strong feeling that collective bargaining was not in the best interests of the UW System and that its disruptive effect would seriously impact the ability of the system to maintain the high quality of education for which it was so widely respected.

Expressing his own opposition to the legislation, Regent Heckrodt noted that it would undermine the board's authority by making the Department of Employment Relations the bargaining agent. He further stated his support for Regent Fish's proposed amendment.

Regent Weinstein asked if there would be an opportunity to amend the bills as they went through the legislative process, to which Vice President Bornstein replied that the bills had been referred to the Joint Committee on Finance, which probably would hold a hearing. There also would be an opportunity for debate on the floors of both houses.

In response to a question by Regent Nikolay, Mr. Bornstein said the legislation had been recommended for approval by the Assembly Labor Committee and the Senate Government Operations Committee.

Observing that several regents had previously expressed the desire to have the board's legislative positions spelled out in greater detail, Regent Clusen commented that in the absence of clear guidance from the board, system administration could be put in the difficult situation of trying to negotiate without a regent position to put forward.

Regent Grover suggested that if the resolution were adopted, it might be appropriate to make subsequent motions with regard to specific advice for changing the bills.

Put to the vote, Regent Fish's amendment was approved with Regents Clusen, Schenian and Vattendahl voting "no."

The proposed resolution, as amended, read as follows:

Resolution 3447: The Board of Regents believes it important to communicate to the university communities and their external publics its position on collective bargaining for faculty and academic staff. The Board of Regents reaffirms its belief that collective bargaining is incompatible with the shared governance traditions of the University of Wisconsin and is not in the best interests of the public.

Regent Grover moved to amend the resolution by striking the words "academic staff," and the motion was seconded by Regent Clusen.

Speaking in opposition to the amendment, Regent Fish expressed concern that the result might be classified status for the academic staff, since it might well be easier for the state to treat them as classified staff than as a separate bargaining unit. "I would perceive that if we do this, they will move academic staff not into collective bargaining but into classified service where there already is representation."

Referring to the lengthy academic staff study which had been conducted by the board, Regent Schilling noted that some academic staff were management, some were in positions similar to classified staff, and others were closer to faculty. Expressing concern about short-circuiting the efforts already under way as a result of that study, he said, "I would like

to try to work problems out among ourselves, in terms of job security and better grievance procedures, rather than just throwing it to the Legislature as a collective bargaining issue, because I don't think it is just that." He therefore opposed the amendment to remove academic staff from the resolution.

Regent Nikolay favored the amendment because of his view that collective bargaining for faculty and academic staff should be treated as two separate issues.

Stating that she was opposed to the amendment, Regent Hanson remarked that the effect would be to confirm the belief of some academic staff that they were treated as second-class citizens.

It was Regent Heckrodt's understanding that to vote for the amendment was to recommend collective bargaining for academic staff.

Regent Nikolay indicated his belief that there would be a subsequent resolution which dealt separately with academic staff.

Regent Grover pointed out that academic staff had been increasingly employed for teaching in place of tenure-track faculty. "So you have a growing clientele that is very much involved in the education of our children--not having faculty rights and not having teaching assistant rights to bargain--that find themselves wandering in the Mojave Desert." Therefore, it seemed to him sensible to vote separately on faculty and academic staff collective bargaining, given their separate placement within university governance.

Regent Finlayson opposed the amendment on the basis that it would send the wrong message about the board's view of academic staff. Supporting the statement made by Regent Schilling, she said efforts resulting from the academic staff study should be allowed to reach fruition.

Regent Weinstein favored the amendment because he did not think the considerations involving faculty were the same as those involving academic staff.

Regent Clusen agreed, stating that she could not support the current bill to permit collective bargaining for faculty, but that she wished to have the opportunity to vote for the right of academic staff to choose collective bargaining.

- Vice President Fish presiding -

Regent Lawton felt the amendment would convey to academic staff the message that the board was willing to work for the protection of faculty but not of academic staff.

- President Lawton presiding -

Regent Finlayson commented that the amendment would diminish the strength of the sentence in the resolution which reaffirmed the belief that collective bargaining was incompatible with shared governance traditions and not in the best interest of the public.

After a call for the question, the board decided on a voice vote to end debate.

The amendment to delete the words "academic staff" from the resolution failed on a roll-call vote, with Regents Clusen, Grover, Nikolay, Schenian, Vattendahl and Weinstein voting "Aye" (6) and Regents Finlayson, Fish, Hanson, Heckrodt, Knowles, Lawton, O'Harrow, and Schilling voting "No" (8).

Speaking on the main motion, Regent Vattendahl commented that objections to collective bargaining based on the unique nature of the academic setting were the same kind of specious arguments used against unionization of the auto industry in the 1930s and unionization of the steel industry in 1919. "The right to join unions and bargain collectively over wages, hours and working conditions must be a basic right. I know of no country in this world with a democratic government that does not permit, and in most cases encourage, free trade unions and collective bargaining. It goes hand in hand with democracy." To those who argued that faculty and academic staff should not be allowed to choose whether or not to bargain collectively because they might make the wrong choice, he responded with the comment by Benjamin Franklin that "people who choose security over liberty don't deserve either." Those who suggested waiting for several years, he felt, were simply advocating a delaying tactic. He observed that instead of discussing the fundamental right to make a determination on whether or not there should be collective bargaining, many opponents related some of the problems that might result from a labor agreement--the same kind of arguments that were used by industries over the years. "If we would get rid of the notion that collective bargaining is a totally adversarial endeavor and come to realize that what has happened in this country through collective bargaining is resolution of countless numbers of problems and issues, and if we put faith in the strength of our people and the strength of the system, then we would obviously have offered this right to faculty and staff."

One of the arguments against collective bargaining, Regent Vattendahl continued, was that others not in the union were swept up into the results of collective bargaining. "It is absolutely true. We have literally millions of people in this country that were swept up into decent wages, decent working conditions, decent pensions, and decent medical coverage." Noting the frequent assumption that unions were only concerned with monetary benefits, he emphasized that unions were concerned with the entire spectrum of employee welfare. With reference to the implication by one speaker that a major problem in the United States was union-caused high wages, he said it must be remembered that if the working-class people were not afforded a decent wage, they could not pay the taxes that provided salaries for university and other public employees. With respect to the currently pending bills, Regent Vattendahl said they were clearly flawed in his mind by exclusion of UW-Madison and the designation of DER as the bargaining agent. However, he stated, the remedy was to amend the legislation rather than to defeat it.

Regent Schilling spoke on behalf of Regent Saunders, who had been unable to stay for the entire meeting. It was Regent Saunderson's position to oppose collective bargaining for faculty on the basis that faculty were



management. However, he was neither for nor against collective bargaining for academic staff, because he felt there was insufficient information to decide that issue.

Put to a roll-call vote, Resolution 3447 was adopted, with Regents Finlayson, Fish, Hanson, Heckrodt, Knowles, Lawton, O'Harrow and Schilling voting "Aye" (8) and Regents Clusen, Grover, Nikolay, Schenian, Vattendahl and Weinstein voting "No" (6).

Noting the board had taken no position on amending the bills, Regent Weinstein asked what would happen if it became clear that the legislation was going to pass.

Regent Lawton indicated his understanding that the sense of the board was to press for the changes identified in the original motion.

Regent Fish said he would be opposed to voting on ways to change the legislation because he felt it would weaken the statement of opposition in the resolution just passed by the board.

It was suggested by Regent Nikolay that preparations be made to have amendments introduced on the floor if the Joint Committee on Finance recommended passage, since it was his belief that the Legislature was intent on approving the legislation this year. When it became clear that such a bill was going to pass in Illinois, he noted, President Designate Shaw had worked in the Legislature to make the provisions as acceptable as possible.

It was Regent Fish's understanding, however, that the regents in Illinois took no position other than to oppose collective bargaining. When it became evident the legislation was going to pass, Dr. Shaw negotiated to extract the best possible bill.

In response to a question by Regent Nikolay, Regent Lawton said he and Dr. Shaw would be responsible for organizing the amendment effort, if that became necessary.

Regent Clusen asked why there was reluctance to identify objectionable features of the legislation, since the board had already taken a position as being opposed to the whole idea of collective bargaining.

In Regent Hanson's view, the reason was to avoid sending legislators a mixed message. Working to change the bills, she felt, implied lack of opposition to what the legislation intended to accomplish.

Now that a position had been taken on the pending bills, Regent Schenian suggested that the board turn its attention to resolving the complaints made by some of those who testified. "I hope that we as regents, system administration and the campuses make it a top priority to take into consideration these grievances about the current system and try to correct what is wrong as soon as possible."

Regent Lawton added that much work was being done on both faculty and academic staff governance.



Regent Vattendahl agreed that, having taken a position against collective bargaining, the board should not at the same time make a statement of what was wanted in the legislation if it should pass. As to existing problems, he felt that while shared governance might work well in academic decision-making, in the area of grievance procedure it only permitted people to say, "please, master," before saying, "yes, master."

Regent Lawton referred to a chapter on shared governance in The History of the University of Wisconsin, which "makes it very clear that shared governance with bargaining imposed on top of it isn't going to work; governance is going to be destroyed."

Pointing out that criticisms of governance were quite non-specific, Regent Fish noted that, during testimony, several speakers said governance worked well at their institutions, but they heard there were problems elsewhere. "I certainly hope that the people who are objecting to something will be more definite about what the grievance is so that we can correct it, rather than making just a general statement that it's not working as well as it should."

Regent Weinstein observed that there unquestionably was a serious problem regarding academic staff. "If people think they have a problem, then they do have a problem. There is nothing new about what was said today, and I don't think we have made much progress. We need to address that with urgency."

It was noted by Acting President Lyall that board review of academic staff conditions resulted in more than 20 specific recommendations. The ones addressed to system administration had been implemented, with establishment of an academic staff representatives group which met regularly with system administration, and establishment of a professional development program for academic staff. In addition, an academic staff governance bill had been passed by the Legislature in the last session. The institutions were assessing the recommendations directed to them, with a requirement to report back on how they would be implemented. The system also was in the midst of a legislatively mandated study of academic staff titles and pay ranges, which was expected to be completed by June. "So I think there are some very clear steps that have been taken. I do not wish for a moment to suggest that we have solved all the problems of the academic staff; we have not. I would hope that we would keep working on this problem but not throw the academic staff away into bargaining or some other precipitous move until we have had a chance to complete some of these activities."

Regent Finlayson felt there had been tangible improvements. "Personally, I am getting more and more positive remarks from academic staff. I think they are aware of what is going on, and I think they believe things are going to get better soon."

RESPONSE TO RECOMMENDATIONS OF THE STRATEGIC DEVELOPMENT COMMISSION

Presenting the proposed response, Acting President Lyall noted that it had been provided to the board as a draft at the December meeting. Since there were no suggested changes, it was her intention to transmit the document (EXHIBIT F) to the Department of Administration as constituting the UW System response to those recommendations.

Regent Schenian asked if there would be a response to the system report.

Noting that the Department of Administration had asked all agencies affected by the SDC recommendations to provide a response, Dr. Lyall said it was not clear at this time what form the reaction to these reports might take.

- - -

At 2:55 p.m., the following resolution, moved by Regent Weinstein, and seconded by Regent Nikolay, was unanimously adopted on a roll call vote, with Regents Clusen, Finlayson, Fish, Grover, Hanson, Knowles, Lawton, Nikolay, Schenian, Schilling, Vattendahl and Weinstein voting "Aye" (12), and no regents voting "No."

Resolution 3448: That the Board of Regents recess into closed session to consider personnel matters, as permitted by s. 19.85(1)(c), Wis. Stats., to consider personal histories, as permitted by s. 19.85(1)(f), Wis. Stats., and to confer with legal counsel, as permitted by s. 19.85(1)(g), Wis. Stats.

- - -

In closed session, the board considered honorary degrees for UW-Milwaukee and UW-Madison, appointments to the UW-Madison Board of Visitors, and appointment of a vice chancellor for UW-River Falls.

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CLOSED SESSION ACTIONS

The board arose from closed session at 3:10 p.m. and announced adoption of the following resolutions:

Resolution 3449: That, upon the recommendation of the UW-Madison Chancellor and the Acting President of the University of Wisconsin System, the following appointments be made to the UW-Madison Board of Visitors for terms ending April 30, 1988:

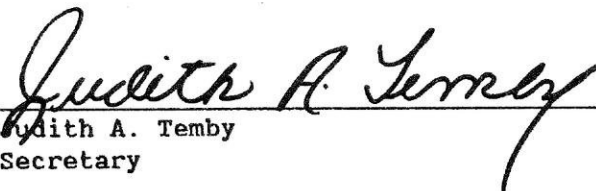
Laura O. Beane, of Fort Atkinson,  
to succeed F. Anthony Brewster

Betty E. Vaughn, of Madison,  
to succeed Dale R. Clark

Resolution 3450: That, upon the recommendation of the UW-River Falls Chancellor and the Acting President of the University of Wisconsin System, Nancy C. Parlin be appointed Vice Chancellor of the UW-River Falls, effective March 1, 1986.

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The meeting was adjourned at 3:10 p.m.

  
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Judith A. Temby  
Secretary

January 27, 1986

Table 3

## GPR REDUCTION AND ALLOCATION OF PROPOSED FEE REVENUE

	1985-86 ANNUAL BUDGET (GPR/FEE'S)		1985-86 GROSS GPR REDUCTION	1986-87				
	AMOUNT*	% OF TOTAL		GROSS GPR REDUCTION	% OF GROSS GPR REDUCTION	ADDITIONAL FEE REVENUE	NET REDUCTION	% OF NET REDUCTION
Instruction	411,150,695	54.8%	847,328	10,918,155	46.5%	6,664,400	4,253,755	30.2%
Libraries, Learning Resources and Media	50,614,778	6.7%	156,549	1,527,846	6.5%	932,600	595,246	4.2%
Student Services	34,410,534	4.6%	93,010	766,694	3.3%	468,000	298,694	2.1%
Physical Plant (Excluding Utilities)	70,912,778	9.5%	170,648	2,187,022	9.3%	1,335,000	852,022	6.1%
Sub-Total	567,068,785	75.6%	1,267,535	15,399,717	65.6%	9,400,000	5,999,717	42.6%
Research	37,481,117	5.0%	21,968	1,264,852	5.4%		1,264,852	9.0%
Extension & Public Service	32,731,599	4.4%	135,958	767,692	3.3%		767,692	5.4%
Teaching Hospitals	3,578,836	0.5%		116,314	0.5%		116,314	0.8%
Farm Operations	4,408,922	0.6%		79,663	0.3%		79,663	0.6%
Auxiliary Enterprises	3,528,347	0.5%	67,324	153,862	0.6%		153,862	1.1%
Physical Plant - Utilities	42,109,900	5.6%	2,200,000	2,200,000	9.4%		2,200,000	15.6%
General Operations & Services	58,558,569	7.8%	183,215	3,500,000	14.9%		3,500,000	24.9%
Total	749,466,075	100.0%	3,876,000	23,482,100	100.0%	9,400,000	14,082,100	100.0%

\* Excludes Student Aid, Debt Service and State Lab of Hygiene.

EXHIBIT A

1/9/86 RA  
NETREDUC  
0396A

Attachment 2

1985-86 ACADEMIC YEAR FEES  
SURVEY OF BIG 10 PUBLIC UNIVERSITIES

		UNDERGRADUATE			GRADUATE		
		RESIDENT	NONRESIDENT	SEGREGATED	RESIDENT	NONRESIDENT	SEGREGATED
ILLINOIS	Freshman - Sophomore	1,314	3,942	530			
	Junior - Senior	1,560	4,680	530			
	Graduate				1,842	5,526	530
INDIANA(1)		1,598	4,515	63	1,668	4,566	63
IOWA		1,304	3,830	--	1,546	3,996	--
MICHIGAN	Freshman - Sophomore	2,180	7,268	51			
	Junior - Senior	2,436	7,820	51			
	Graduate				3,688	7,916	51
MICHIGAN STATE(1)	Freshman - Sophomore	1,890	4,950	95			
	Junior - Senior	2,093	5,130	95			
	Graduate				2,196	4,536	86
MINNESOTA	Freshman - Sophomore	1,634	4,493	273			
	Junior - Senior	1,656-2,290	4,555-6,298	273			
	Graduate				2,279	4,558	273
OHIO STATE		1,704	4,416	--	2,238	5,388	--
PURDUE		1,314	4,520	315	1,314	4,520	315
WISCONSIN		1,255	4,323	135	1,810	5,659	135

(1) Fees are assessed on a per credit basis. Fifteen credits used for undergraduate and 12 credits for graduate full time calculation.

02540

Attachment 3

COMPARISON OF 1985-86 AVERAGE UNIVERSITY CLUSTER FEES/TUITION  
TO OTHER MIDWEST STATES  
(STATE AVERAGES - INCLUDING SEGREGATED FEES)

<u>STATE</u>	<u>UNDERGRADUATE</u>		<u>GRADUATE</u>	
	<u>RESIDENT</u>	<u>NONRESIDENT</u>	<u>RESIDENT</u>	<u>NONRESIDENT</u>
ILLINOIS	\$1,424	\$3,517	\$1,502	\$3,744
INDIANA	1,548	3,596	1,581	3,465
IOWA	1,242	2,998	1,386	3,308
MICHIGAN	1,540	3,699	1,677	3,562
MINNESOTA	1,519	2,619	1,329	2,216
OHIO	1,756	3,785	2,273	4,220
WISCONSIN	1,304	3,937	1,640	4,735

Source: Survey of Tuition & Fee Rates, Council for Postsecondary Education,  
State of Washington, Tables V-VIII.

0262D/2  
1/7/86

NOTE: 1985-86 Peer Data for UW-Milwaukee is not yet available, but in 1984-85  
UW-Milwaukee ranked 11th of 15 (Texas included) for undergraduate  
resident tuition.



## Attachment 5

UNIVERSITY OF WISCONSIN SYSTEM  
SIMULATION OF 1986-87 FEE/TUITION SCHEDULE

	1985-86 Fee/Tuition Rates	Increases Required to Fund Biennial Budget Increases and Approved Compensation Plans		Projected 1986-87 Fee/Tuition Rates Based on Biennial Budget	Increases to Generate \$9.4 Million Additional Revenue		Total Increases Required		Projected 1986-87 Fee/Tuition Schedule Including Increases to Generate \$9.4 Million Additional Revenue
		%	Amount		%	Amount	%	Amount	
<u>Doctoral Cluster</u>									
<u>Resident Students</u>									
Undergraduate	\$1,255	10.0%	\$126	\$1,381	6.1%	\$ 77	16.1%	\$203	\$1,458
Graduate	1,810	10.0	181	1,991	6.1	110	16.1	291	2,101
<u>Nonresident Students</u>									
Undergraduate	4,323	10.0	432	4,755	1.8	77	11.8	509	4,832
Graduate	5,659	10.0	566	6,225	1.9	110	11.9	676	6,335
<u>University Cluster</u>									
<u>Resident Students</u>									
Undergraduate	1,077	9.0	97	1,174	6.1	66	15.1	163	1,240
Graduate	1,455	9.0	131	1,586	6.1	89	15.1	220	1,675
<u>Nonresident Students</u>									
Undergraduate	3,710	9.0	334	4,044	1.8	66	10.8	400	4,110
Graduate	4,550	9.0	410	4,960	1.9	89	10.9	499	5,049
<u>University Centers</u>									
<u>Resident Students</u>									
	1,024	11.0	113	1,137	6.1	62	17.1	175	1,199
<u>Nonresident Students</u>									
	3,525	11.0	388	3,913	1.8	62	12.8	450	3,975

These are preliminary estimates of increases required in 1986-87. Budget changes resulting from changes in enrollment projections, fee revenue allocations and shifts in student mix will probably cause some differences between the final 1986-87 fee schedule and these estimates. The estimates assume that the budget reductions will not force significant enrollment reductions. That contingency would boost the fee/tuition rate increases above these estimates.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Requests to Speak at the January 10, 1986, Meeting  
on the Subject of Proposed Legislation  
SB170 & AB229 (Academic Staff Collective Bargaining)  
SB115 & AB179 (Faculty and Academic Staff Collective Bargaining)

<u>Proponents of Legislation</u>	<u>Opponents to Legislation</u>	<u>Informational Report</u>
1. Bill Brown President, TAUWF	Theodore Bratanow UW-Milwaukee Faculty	Sally Davis UW-Madison Acad. Staff Comm.
2. Ed Muzik Exec. Secretary, TAUWF	Frank Cassell Chair, UW-Milwaukee Univ. Comm.	David Brown & Steve Myrah UW-Madison Acad. Staff Assn.
3. Joanne Elder UW-Madison Acad. Staff	Paul Sager Chair, UW-Green Bay Univ. Comm.	Paul Hensen Chair, UW-Green Bay Acad. Staff Comm.
4. Barbara Meyer UW-Madison Acad. Staff	Barbara Hug UW-Ext. Univ. Comm.	Elmer Hamann Chair, UW-Milwaukee Acad. Staff Comm.
5. Mel Gleiter UW-Eau Claire Faculty	Joanne Gruber-Hagen Chair, UW-Ext. Acad. Staff Comm.	
6. David Newby Pres., Dane County Labor Council	John Lavine Regent Emeritus	
7. Douglas Lueck UW-Milwaukee Academic Staff	James Eagon, UWC-Fox Valley UWC Acad. Staff Advisory Comm.	
8. Vern Haubrich, UW-Madison Pres., United Fac. & Staff	James Lorence, UWC-Marathon County; Chair, UWC Senate Steering Comm.	
9. Robert Nielsen, Wash., D.C. Asst. to President for Colleges & Unions, AFT	Byron L. Barrington UW Center-Marathon Co.	
10. Catherine Conroy Regent Emeritus	Kerry Trask UW Center-Manitowoc Co.	
11. Daryl Holter Lobbyist, Wis. AFL-CIO	Theresa Rozga Chair, UWC-Waukesha Steering Comm.	
12. Arnold Cantor, Exec. Dir. Professional Staff Congress, CUNY	Linda Ware UW Center-Marathon Co. Steering Comm.	

<u>Proponents of Legislation</u>	<u>Opponents to Legislation</u>	<u>Informational Report</u>
13. Joe Douglas, New York, Natl. Ctr. for Study of Collective Bargaining in Higher Edn.	Russell Jacobson UW-Whitewater Faculty	
14. Al Blocher UW-Stevens Point Faculty	Peter Hoff Chair, UW-Parkside Univ. Comm.	
15. Ken Opin Lobbyist, Wis. Federation of Teachers	H. Edwin Young UW-Madison Faculty	
16.	Millard Susman Chair, UW-Madison Univ. Comm.	
17.	Arlen Christenson Exec. Dir., PROFS UW-Madison	
18.	Donald K. Smith UW-Madison Faculty	
19.	Barbara Lozar UW-Eau Claire Faculty	
20.	Mary Lou Reeb UW-Madison Acad. Staff	

## EXECUTIVE SUMMARY

### UW SYSTEM RESPONSE TO RECOMMENDATIONS OF THE STRATEGIC DEVELOPMENT COMMISSION

The final report of the Strategic Development Commission contains several recommendations directed to UW System efforts in economic development, concerning instructional, research, and public service missions. Summarized below are the four recommendations from Part I of the report and the UW System response to them. In addition, the report contains two other recommendations on demographics research and agricultural research, the responses to which are in Part II of this document.

The basic thrust of the Strategic Development Commission report is the need for better communication between industry/business and the university. We wholeheartedly endorse this view; the introduction to the report lists a number of long-standing and recent efforts in this direction.

#### Part I: Recommendations Directed to the UW System

Recommendation 1: This recommendation proposes that a study be conducted to evaluate the best means to make available the resources of the business and engineering programs to the businesses of the state.

UW System Response: The System is now conducting, with representatives of the business community, a strategic planning evaluation of our business programs and could conduct a similar review of the engineering programs in 1987-89. In the meantime, the Engineering Deans in the System are meeting quarterly to better coordinate their efforts in reaching out to business and industry.

Recommendation 2: A variety of structural and management issues are proposed for study, such as the appropriate enrollment levels, missions, and roles for the Governor, Legislature, Board of Regents, etc.

UW System Response: The Board of Regents has created a special committee on the Future of the UW System to study these issues and others of concern to the Regents. The Committee will report in December, 1986. We note that the newly established Governor's Expenditure Commission and the Select Committee of the Legislature will address some aspects of these issues as well.

Recommendation 3: The Commission recommends the creation of a world-class manufacturing technology center in the UW System.

UW System Response: Further academic review will take place internally. The Engineering Deans are studying the appropriateness of a Systemwide center of this type and how it might fit with existing programs at UW-Madison and UW-Milwaukee.

Recommendation 4: A series of specific steps is proposed to improve industry/business-university relationships.

UW System Response: Many of these specific recommendations already have been implemented throughout the UW System. Additional efforts to improve the relationship between the university and business and industry are under way. Other means recommended to improve the UW System's usefulness in economic development are under study by our institutions and will be evaluated by the July, 1986 deadline proposed in the report. Details on each of these responses are provided in the full document.



UW SYSTEM RESPONSE  
TO RECOMMENDATIONS OF THE STRATEGIC DEVELOPMENT COMMISSION

Introduction

The final report of the Strategic Development Commission contains several recommendations directed to UW System efforts in economic development related to the instructional, research, and public service missions. It also recommends a broad study of the System's structure and management. Recommendations of the Commission are addressed individually in the pages to follow. The University System has been and continues to be eager to work closely with industry and business to enhance Wisconsin's economy. Such efforts can be summarized as follows:

- The institutions of the UW System are actively and extensively engaged in four main categories of economic development assistance to Wisconsin business and industry: product evaluation, technology transfer, technical and managerial assistance, and public/private partnerships. In addition, of course, the University carries on both basic and applied research of long-term benefit to the state economy.
- University activities undertaken through formally organized centers, consortia, institutes, and programs throughout the System include:
  - four strategically located product evaluation and entrepreneurship centers and annual venture capital seminars dedicated to evaluating new products and offering assistance in business start-ups;
  - four technology transfer organizations and twenty-two industry specific consortia serving both "high-tech" and more traditional industry. These organizations (1) assist in developing a joint research agenda useful to Wisconsin industry, and (2) disseminate those research results to Wisconsin industry;
  - forty programs provide technical and management consultative assistance designed to help increase the survival rate of existing businesses, with a special focus on the state's small businesses and entrepreneurs;
  - twenty public/private joint ventures are in progress with Technology Development Fund assistance specifically to link university research expertise to existing industry in Wisconsin.
- Other specialized university resources include more than half a dozen specialized professional/technical libraries carrying domestic and international journals in a wide range of specialized fields, providing assistance with background material for patent searches, and publishing a number of special newsletters and bulletins designed to alert business and industry to new developments and research in their fields.



- University expertise and interaction with Wisconsin business is drawn from a wide range of departments and disciplines including engineering, computer science, agriculture, genetics, economics, chemistry, applied technology, hotel and restaurant management, tourism, textiles, graphic arts, industrial management, and business. Just as there is no agreement on a single economic development or research agenda within Wisconsin business and industry, so there is no single department, office, or school that can coordinate all UW System resources. The need to match this wide diversity of expertise with an equally diverse range of business and industry problems requires more and better channels for information and improved mechanisms for matching needs with resources.

It should be noted that the UW System is an educational institution with a primary mission to teach, undertake research, and share the fruits of these activities with all segments of the Wisconsin community. Wisconsin business and industry is one of these segments; the services and activities described below directed to business compete for scarce resources with the demands of students, agriculture, public service needs and a variety of other competing claims on the university community.

The greatest long-term economic development impact from university efforts derives from its provision of well-educated graduates for the state's labor force. It should also be noted that the UW System itself is a major employer, customer, and contributor to the economic base of many communities throughout the state. UW institutions employ 27,000 Wisconsin citizens statewide and make total expenditures of more than \$600 million annually with more than \$1 billion of economic impact when multiplier effects on state business are taken into account.

State funds provide 40% of the total UW System budget; the rest is provided by fees, external grants and contracts, and auxiliary operations. In 1984-85, UW System faculty and institutions brought more than \$150 million in external grants and contracts for training and research into Wisconsin to be spent on local goods and services. In effect, every state tax dollar in the UW System is leveraged two and a half times by other funds.

One theme of the SDC report is the need for better communication between industry/business and the University. Recent efforts have been aimed particularly at improving statewide access to information to complement the close industry/business-university relationships at the local level. Currently, such coordination is provided through the University Industry Relations Center at UW-Madison, by the Office of Research and Industrial Technology Transfer at UW-Milwaukee, the Center for Innovation and Development at UW-Stout, the Technology Transfer Program of UW-Extension at Whitewater, the Extension Small Business Development offices, the programs of UW-Extension to provide continuing education in business and engineering, and other programs at the campuses, and through the UW System participation in Wisconsin for Research, Competitive Wisconsin, Forward Wisconsin, and other industry and business organizations in the state. The UW System University Relations Office is also engaged in an effort to improve the flow of information to and from industry by: (1) providing coordination between resource units to reduce unnecessary duplication, (2) channeling information on growing needs of the Wisconsin economy to appropriate units within the university, (3) conducting informational meetings and seminars targeted to industries that have a need for specific university resources, and (4) soliciting from business leaders in the state recommendations on how we can improve services to them.

PART I. Recommendations Addressed to the UW System

RECOMMENDATION 1

"A study should be conducted to determine the most effective ways to capitalize on the business and engineering resources of the University of Wisconsin system. The study should evaluate such specific items as levels of support, access of students to programs, and unnecessary duplications of programs. It should specifically analyze the means by which the many business and engineering resources of the U.W. system can be most readily made available to the business community throughout the state.

"The study should be directed by the UW system administration and the Board of Regents, and the study group should include representatives from the private sector.

"While the study is being completed, the business and engineering programs should work more closely together in a cooperative effort to avoid unnecessary duplication of highly specialized, expensive programs; to stimulate faculty interchange through vehicles such as joint research, combined symposia and conferences; and to cooperate with major service efforts involving Wisconsin industry to ensure that the best and most efficient resources are made available to the private sector."

Response

UW System Administration is currently conducting a strategic planning effort for business programs during 1985-87. A similar study of engineering and technology programs could begin in 1987-88.

It should be noted that most, if not all business, technology and engineering degree programs are currently enrolled to capacity. In addition, an inadequate number of engineering and business Ph.D.'s are being awarded in the United States to enable significant expansion of faculty available for these programs. The UW System encourages close industry-university cooperation to partially resolve this problem in two ways: 1) industry and business should share their academically qualified personnel as adjunct faculty, research staff and guest lecturers in university programs; 2) industry and business should recognize the long term problems created when they hire away Master's and Ph.D. graduates from university teaching. The State has recently helped to alleviate this problem as well by making faculty salaries more competitive beginning in the 1985-87 biennium.

UW System studies of business, technology and engineering research efforts will look closely at ways to obtain more ongoing private sector financial support for the costs of meeting business and industry needs, including perhaps the establishment of a program revenue fee structure for rental of university incubator space and business consulting services.

A proper balance must be maintained between the public service mission and the teaching and research missions of the university. Long-term research initiated by faculty is as important to the state economy as responding to short-term concerns of business, and the most important of the University's

products is well educated students. While consulting and other direct-assistance resources of the UW System are also of undisputed value, they should not be given precedence over the University's primary mission. Within this context, the UW System's diverse programs in business, technology and engineering, as well as in other fields are being examined for better ways to serve the needs of the State's business and industry.

For example, the engineering and technology deans in Wisconsin meet regularly to discuss ways to make their programs more effective. They have asserted that one of Wisconsin's goals should be to employ more of its own graduate engineers in the state.

At the institutions, efforts are under way continually to update and broaden the resources that can benefit industry and business in the State. Recently, for example, the UW-Madison College of Engineering and Department of Statistics established the Center for Productivity and Quality Improvement and thus gained a head start in the task of redefining the basic concept of labor cost, a factor of modern business that has undergone significant changes in recent years.

Through its Center for Innovation and Development, UW-Stout conducts industry-sponsored research projects related to automation, integrated manufacturing, process improvement and quality assurance. The center also provides technical assistance to entrepreneurs in need of technical help. Industry funded professorships have also allowed UW-Stout to establish closer ties with firms in Wisconsin.

At UW-Milwaukee, the Office of Industrial Research and Technology Transfer provides a formal link between UWM and Wisconsin industry and business to facilitate cooperative research and development programs. A number of major research consortia have been formed with corporations such as Wisconsin Electric Power Company, Rolyan Medical Products, Midwest Research Microscopy, and General Electric.

UW-Milwaukee's School of Business Administration will participate in The Milwaukee Plan for Economic Development, involving business and industry, the State of Wisconsin, and the UWM Business School. Approximately \$1.2 million has been pledged to the Milwaukee Plan by 18 Milwaukee area firms, foundations, associations, and individuals. The plan consists of a three-pronged contribution to Wisconsin's economic development by the Business School through services of its Management Research Center and recently established International Business Center. The IBC will offer a wide range of services to management, along with education and degree programs, and research resources. These will help develop expertise in expanding profitable participation in international business by state firms.

Forward Wisconsin has an office located on the UW-Stout campus. The location has enabled the university and Forward Wisconsin to establish a number of areas of cooperation for the promotion of economic development in the state. Forward Wisconsin is funded in part by the state and private industry.

### Policy and Fiscal Effects

The System supports study of business and engineering programs. However, the fiscal effects stemming from the results of such studies are unknown at this time, and large-scale costly program changes can be supported by the Board of Regents only if sufficient state and private funds are made available. These academic programs already are turning away considerable numbers of students. The demand for consulting and research services from business and industry is also considerable and some requests have had to be denied due to increasing pressures on already strained faculty resources. Since these programs already are turning away students, and sufficient qualified faculty with doctoral degrees are not available to meet full demand, the solution is more than a matter of obtaining additional dollars. Issues of access, appropriate mix of degree programs, and the balance of already overcommitted faculty time between research, public service and instruction must be considered. State, federal and private dollars for updating research equipment and providing laboratory and business incubator space are a pressing need.

### RECOMMENDATION 2

"Complete a study of possible structural and management improvements in the University of Wisconsin system. Specifically included in the study should be consideration of:

- any appropriate merger of campuses
- the proper management roles for the governor, legislature, Board of Regents, president, chancellors, faculty governance, and students
- the impact of the current emphasis on maximum access and low tuition
- appropriate enrollment levels for each campus
- unnecessary proliferation of programs
- appropriate missions for parts of the system
- charter status for the system or individual campuses
- the future role of UW-Extension in economic development
- financial reporting requirements

"The Governor should appoint a committee and direct a study to define and analyze alternatives to improve the efficiency and performance of the system. Representatives from the private sector should participate in the study, which should be completed and presented to the Board of Regents, the Governor, and legislature by September 1986."

### Response

The Regents have appointed a study committee on the future of the UW System to study these issues and others of concern to the Board, including issues of management flexibility.

The issues of merger of campuses, appropriate enrollment levels for each campus, and unnecessary proliferation of programs have been studied regularly, most recently in the SCOPE Report and by the recent Legislative Select Committee headed by Speaker Loftus (1985). The Vice-Chancellors are now examining issues related to program array. UW-Madison has a special committee examining enrollment policies and UW-Milwaukee has established an Academic



Planning Committee to review resources, program array, enrollment, student demand, tuition, and other issues.

A study of the proper management roles vis-a-vis the UW System for the governor, legislature, regents, president, chancellors, faculty governance and students should be combined with study of the Strategic Development Commission's recommendation for consideration of charter status for the UW System. This study should examine the history of evolution of statutory authority of various bodies to regulate or govern the UW System, and a comparison of authorities in similar systems.

The Board of Regents' Committee on the Future of the UW System will submit its final report in December 1986.

### Policy and Fiscal Effects

Fiscal, policy and statutory changes that may be required are unknown at this time but will be presented in the December 1986 committee report and the 1987-89 budget request. Recommendations resulting from this study could include statutory changes to promote increased management flexibility and to assure that budgetary savings could remain with the UW System for other priorities.

### RECOMMENDATION 3

"Establish a world-class manufacturing technology center in the University of Wisconsin system to develop programs on applied technologies.

"The governor should appoint a task force, composed of business leaders, union leaders, and university personnel to plan the center, which should receive financial and management support from both the public and private sectors. The plan would build on the positive work already completed at the Manufacturing Technology Institute of UW-Madison's engineering school."

### Response

This recommendation requires additional academic evaluation and planning. If the result of further review is a recommendation for such a center, it would require state budget support to develop. It should also involve private sector financial support. For the latter purpose, instead of a task force, a group of sponsoring and supporting firms should be constituted to work with the UW System. Meanwhile, the Deans of seven Engineering Schools in the System have announced the creation of a Wisconsin Center for Manufacturing and Productivity, as recommended by the Commission, to help the schools work together to avoid program duplication and organize manufacturing research and development statewide, and to coordinate a referral system to direct companies to the faculty most able to provide assistance.

Manufacturing technology is addressed aggressively in instructional and research programs of UW-Madison's College of Engineering. In 1983, the Board of Regents approved a new master's degree program in Manufacturing Systems Engineering using reallocated base funds for its support.

The Manufacturing Technology Institute referred to in the recommendation is one of four IBM Corporate Technical Institutes for its technical

professional community. In June 1985 a five-day IBM Summer on Campus Program on computer-integrated manufacturing systems was held at the UW-Madison College of Engineering. The College's participation in this program is but one example of its service to a particular segment of private industry.

UW-Milwaukee is part of a consortium of engineering programs along with Marquette University, the Milwaukee School of Engineering, and the Milwaukee Area Technical College. The consortium has recently developed two proposals for a manufacturing research center in Milwaukee, which has been enthusiastically supported by leading private sector firms in the area.

UW-Stout has most of the components for integrated manufacturing in place in several departments. All or most of this expertise has been developed from base budget reallocation and private support. UW-Stout has also developed substantial interaction with many of the major manufacturers in the Twin Cities area and enjoys access to both their expertise in manufacturing and some financial support for research projects in this field. All of UW-Stout's strengths in the technical areas directly address what industry needs -- application of existing technology to solve pressing needs in industry.

#### Policy and Fiscal Effects

The System recognizes the efforts undertaken at UW-Madison, UW-Milwaukee, UW-Parkside, and UW-Stout to provide instruction and research in applied manufacturing technologies, using base funds and support from the private sector and federal grants. Further academic planning and evaluation is required to determine whether a separate "world-class manufacturing technology center" is required rather than additional state and private support for the existing programs. The establishment of a world-class center could be expected to be expensive; such cost is not within the capacity of the UW System to absorb from its existing base budget.

#### RECOMMENDATION 4

"The University of Wisconsin system administration should take immediate steps, together with the private sector as appropriate, to implement the following actions, all of which are designed to improve the system's contribution to state economic development. The system should provide a status report by June 1986."

Interim responses to individual sub-items are listed below. A more detailed follow-up report can be made in June, 1986. Those items with a fiscal effect would either have costs itemized in that report or in the UW System biennial budget request to be submitted in the fall of 1986. Fiscal effects, where they can already be estimated, are shown above under individual sub-items.

To a remarkable extent, the responses to the Strategic Development Commission's recommendations describe efforts already underway. Some are developed to the full extent of the System's resources and many are already successful. The expansion, support, and recognition of Wisconsin for Research and other efforts would do much to meet the goals listed, and improved organization within the private sector to better express its needs would



enhance access of business and industry to the university's efforts to serve the state. A mechanism to disseminate information on university resources throughout the state will enhance the success of regional and community ventures and promote better utilization of resources.

RECOMMENDATION 4(a)

"Increase the use of university-industry partnerships that are part of the University-Industry Research Program (UIR)."

Response

This recommendation describes efforts already under way to a significant extent in the system and particularly at those institutions, in areas with substantial local industry.

The University/Industry Research (UIR) program based at UW-Madison illustrates the way that interactions between private and public agencies can benefit the state. Examples of various kinds of efforts aimed at increasing and enhancing such partnerships include formation of more than 20 industrial consortia, encouragement of the use of gifts and grants to foster research and service of interest to particular private groups, offering of workshops and continuing education programs, making University facilities available for special industrial and business uses, and hosting of "day-on-campus" sessions. In addition to activities channelled through UIR, other routes to facilitate sharing the University's resources exist, particularly in the health fields, business, and agriculture.

It may be desirable to expand the UIR program to other geographic locations of the state. Many of the businesses and industries in the state are not located where they can participate readily in the UIR program, or they may not be in a position, relative to size or interest, to generate the requisite interest in forming a consortia. Each of the individual UW System institutions has unique characteristics and capabilities that should be publicized and utilized. For example, UW-Stout's programs in hotel and restaurant management, tourism and hospitality, packaging, manufacturing engineering, construction are resources that are not found elsewhere in the University of Wisconsin System.

The University can serve the particular needs of private concerns both by dealing directly with individuals or firms and indirectly by using intervening or intermediary bodies, such as industrial and business associations and their publications which allows a sharing of the task of targeted dissemination of information with others who can better channel such information to users.

It must be recognized that there is a need to consider potential conflicts of interest whenever University resources are used to serve private needs. Guidelines need to be worked out to enable faculty and university units to cooperate with the private sector while still serving the essential interests of the University and not competing unfairly with private providers of similar services.

RECOMMENDATION 4(b)

"Develop a stronger program to inform UW system faculty of the research needs of Wisconsin business."

Response

With the vast diversity of resources in the University System and a similarly great diversity of needs in the private sector, it is extremely important for those who wish to benefit from the University's resources to organize to make their needs known. Two difficulties that are faced in most efforts to extend the University's resources to the private sector are the lack of a clear definition of the problem to be addressed and of a means of evaluating the program or service.

There are a number of recently instituted and already existing mechanisms to accomplish this, such as Competitive Wisconsin and Wisconsin for Research. These two agencies' efforts may be augmented by developing other mechanisms or employing other agencies in geographic regions away from the southeastern part of the state. The UW System Administration has a business liaison function within its Office of University Relations. UW-Stout has several centers that are significant for this effort, such as the Center for Innovation and Development; the Center for Vocational, Technical and Adult Education; the Safety and Loss Control Center. The UW-Green Bay's Research Institute strives to provide a means for Wisconsin businesses to communicate with appropriate faculty. UW-Platteville has advisory boards for the Colleges of Agriculture, Business and Engineering for this purpose. Similarly, UW-River Falls has an advisory council for agricultural businesses. UW-Madison's "Day on Campus" approach has been found to be very useful because it can be tailored to the needs of a clearly identified group, and it allows for immediate feedback; however, this approach is costly in terms of faculty time.

Most of the business, engineering and agriculture programs at all of the involved institutions have advisory councils of executives dealing with curriculum, research projects, and setting up internship programs with business and industry.

One way in which the State's businesses and industries could help themselves to take advantage of the resources available through the University would be through activities of the committees that the Commission has suggested. It would be desirable to appoint committees that include a total membership of five to seven persons, from the University and the business community. Each committee should have a co-chair from within the UW System. The UW-Madison School of Business could, for example, supply co-chairs and members for the printing and publishing, insurance, tourism, and wholesale trade committees.

RECOMMENDATION 4(c)

"Create a specific mechanism to encourage applied research for Wisconsin industries and suggest the role of the private sector in achieving results."

Response

Several agencies in the UW System serve this purpose, such as: the University-Industry Research (UIR) program; Wisconsin for Research; UW-Milwaukee's Office of Industrial Research & Technology Transfer and its Management Research Center; the UW-Green Bay Research Institute which encourages applied research for Wisconsin industries; UW-Parkside's Industrial Automation Research Center. UW-Platteville is creating a "Partners in Research" program that should stimulate increased activities in applied research. The University Cluster Offices of Extramural Support, typically located in the graduate schools, could be the place of first contact for local industries. A single statewide mechanism for informing industries about these contact points currently does not exist. Such a mechanism could be created by state funding and position authorization of 2.0 FTE and \$100,000 to set up an office within Extension or System Administration.

In addition to those programs aimed at applied research, skills acquired at the University are extended through academic seminars aimed at solving specific problems. A successful model has been the UW-Madison IES Water Resources Management interdisciplinary graduate practicum. Combining University and private or other public-sector resources, advanced master's students have contributed significantly to the understanding and solution of water resource problems affecting local communities. Students benefit from working on "real world" problems, and communities have benefited by receiving, at low cost, recommendations for technical and policy responses. Statistics and English are among other programs that have practica in which students apply skills acquired at the University to real-world situations. The cooperative education programs in Engineering at UW-Madison and UW-River Falls allow students to alternate experiences in the classroom with those in the workplace.

RECOMMENDATION 4(d)

"Continue funding for technical and managerial assistance for entrepreneurs."

Response

Funding for the 1985-87 biennium has been provided to the Office of Industrial Research and Technology Transfer (OIRTT) at UW-Milwaukee and the UW-Extension program in Small Business Development Centers (SBDC) has been funded through new and reallocated funds. Additional funding could be provided by the State to expand the capability of the UW-Extension's SBDC program to meet a demand that has been greater than can be responded to and to expand the successful role of OIRTT.

The UW System institutions plan to continue to provide technical and managerial assistance for entrepreneurs through the SBDC's Business Outreach programs and seminars designed for managers from business and industry. Special institutional efforts include: the UW-Eau Claire Technical Instructor Institutes that are attended by 300 business trainers each year; the UW-Parkside Technical Assistance program; the UW-Stout Center for Innovation

and Development and the Technical Service Center in its SBDC; the UW-Extension's Technology Transfer program conducted in cooperation with UW-Whitewater which has about 80 Wisconsin firms and uses a bank of 1,500 inventors world-wide to try to match and bring new invention investments to Wisconsin; and the UW-Madison School of Business Center for Business Venture Development. The UW-Madison also is working to establish a Center for Small Business and Entrepreneurship that would complement other programs throughout the UW System. Funding for the UW-Extension's Center for Product Evaluation at Madison was denied in the 1985-87 biennial budget.

RECOMMENDATION 4(e)

"Identify new funding sources to continue the good work of the University of Wisconsin Small Business Development Center (SBDC), and the UW Extension Center for Product Evaluation."

Response

The SBDC received additional funding and base reallocation mandates for the 1985-87 biennium. However, the Legislature declined to provide ongoing state funding to replace the DOD grant for the UW-Extension Center for Product Evaluation in the 1985-87 budget deliberations. UW-Extension will continue to seek additional support from public and private sources, including some support from the clients themselves.

It should be noted that these types of activities are also conducted by a number of other departments and centers at the various universities, such as UW-Milwaukee's School of Architecture and Urban Planning and its College of Engineering and Applied Science.

RECOMMENDATION 4(f)

"Provide additional market research services for entrepreneurs."

Response

There are a number of existing services. Support for such existing activities is provided through several programs such as UW-Extension's Small Business Development Centers operated in cooperation with several UW institutions statewide, and other resources available throughout the System. For example, the UW-Parkside Center for Survey and Marketing Research provides a full range of market research services. (See also the UW-Parkside response under the "Communications" section, below.)

It is important to recognize that there are boundaries to the level of involvement the university should have in market research for the private sector. Serious proprietary, conflict of interest, and unfair competition issues are likely to result if these boundaries are ignored.

RECOMMENDATION 4(g)

"Help provide low-cost commercial building space for new and emerging small businesses."

Response

This was on the Governor's list of possible items for the fall economic development bill, but was removed for lack of funding or priority. While it is not the mission of the university to provide commercial space, there is general agreement that universities play a critical role in fostering economic development through assisting the start-up of new businesses. Wisconsin for Research, involving UW-Madison, is a major effort in this area, and business incubators may be considered at the Madison research park.

Fiscal Effect

It could cost from \$500,000-\$1 million to fund incubators at the UW-Madison Research Park, where the basic infrastructure is now being put into place. At other institutions, it might additionally require construction of adequate space and funding of infrastructure costs.

RECOMMENDATION 4(h)

"Establish an economic development outreach program, the new 'Wisconsin Idea' of the 1980's, to help improve the working relationship between faculty and private industry."

Response

The economic development dimension in the existing Extension programs have been discussed throughout these responses. It is necessary to define more clearly both the needs of the private sector and the abilities of the University to assist so that expectations will be realistic and resources can be used most effectively. University Extension programs in many programs in agriculture, business, engineering, and other fields extend the latest information to the marketplace through publications, short courses and workshops, conferences, demonstrations, and a variety of other regular and special activities. Rather than create a new program, the System will make an effort to publicize more fully the existing resources.

RECOMMENDATION 4(i)

"Start a campaign to have business endow ten faculty chairs by 1990."

Response

The UW System encourages efforts to establish fully funded endowed chairs. Approximately one million dollars is required for full endowment of each chair; therefore it would cost \$10 million to meet the goal of this recommendation. Several of the system institutions are currently involved in



funding drives to create endowed chairs in areas relevant to business and industry but it is suggested that these efforts would have more chance of success with a state-funded challenge grant to match any private funding raised as a number of other states have done. The Board of Regents endorsed this concept at its September, 1985 meeting. The University System would seek and welcome the support of the state and private sector to launch such a campaign.

Because contributions to economic development are made in many different units of the University of Wisconsin System, we believe that any legislation to establish endowed chairs should not designate precisely where the positions are to be located.

RECOMMENDATION 4(j)

"Create industry-specific, UW/private sector research groups to identify and address research needs of each major industry sector."

Response

There are 20 existing UIR consortia that contribute to identifying and addressing research needs of the various industry sectors. UW-Parkside's Center for Survey and Marketing Research and UW-Whitewater's Center for Business and Management Services and a business consortia for computing are examples of such groups. Other efforts in this direction are discussed in connection with recommendation 4b. The System and its institutions, through individual efforts and in consortia of deans in engineering, agriculture and business, will continue to facilitate the creation of such groups. State and private funding support for laboratory space, equipment and faculty released time would be most helpful.

RECOMMENDATION 4(k)

"Provide private and public funds to allow long-term released time to university staff to conduct research on topics and issues of importance to the Wisconsin economy."

Response

The provision of public and private research grants to faculty and staff for research on topics and issues of importance to the economy of the state is an excellent concept. There are many research projects ongoing across the UW System with importance to Wisconsin's economic development. It would be appropriate for the Department of Development and other state and private agencies interested in economic development to create and fund a competitive applied research program that solicits proposals from UW System faculty and staff. Such a fund should use a peer review system for proposals in order to guarantee the highest quality research. A \$1-2 million state funded grant program awarding multi-year grants would be needed.

Faculty with specific research interests related to business and industry have taken advantage of the current UW System programs for faculty development



and sabbaticals to pursue their interests. For example, four UW-Whitewater faculty have used their sabbatical leaves to examine operations at J.C. Penney, Allis Chalmers, First Wisconsin and Motorola. The System welcomes any additional funding that will enable the expansion of these existing programs to facilitate more work of this kind.

The opportunity costs of released time for long-term leaves is tremendous, especially when the university system is having trouble covering its ever growing teaching commitment. A helpful state solution to the problem of taking staff from instructional responsibilities would be to allow that portion of the FTE faculty time used on the project to remain in the instructional pool for replacement, as if the person were on official leave rather than simply transferred to the research mission. This would be similar to the "A" positions used on the State PMIS System to back-fill for trainees in forestry or natural resources law enforcement.

RECOMMENDATION 4(1)

"Develop a mechanism to encourage public/private cooperation to purchase or share state-of-the-art research equipment."

Response

This kind of cooperative effort, which greatly benefits both university programs and private companies, is done now by appropriate colleges and departments. For example, UW-Eau Claire has access to a super computer worth \$17 million which is owned by Cray Research in Chippewa Falls, and UW-Platteville's Engineering Department has developed a program with representatives from the power industry to obtain state of the art equipment. The university and the state must be cautious to ensure the availability of resources for maintenance of equipment obtained from industrial sources. Another helpful approach to university-industry cooperation would be the provision of access for students and university researchers to advanced industry laboratories and equipment on an off-hours basis. The development of faculty and student expertise with state of the art equipment provides long term benefits to the state economy while reducing the need to duplicate expensive equipment.

We suggest that the governor recommend a Department of Revenue review of the possibility of creating tax incentives to industry for equipment donations.

RECOMMENDATION 4(m)

"Establish a research center in the University Research Park [UW-Madison] to facilitate technology transfer from the UW System to the marketplace. The center should conduct research under contract aimed at new products and processes. Start-up capital should be provided from public and private sources, but within seven years the center should be self-sufficient. Technology-based industries in which the UW now has a leading research capability, such as biotechnology, should be the initial focus for implementation."

Response

UW-Madison has efforts underway to transfer new technology to the marketplace that would be augmented by the provision of additional funding and position authority for the research center. Full funding of the original Regents' Biotechnology request in the 1985-87 biennial budget would help in this effort (an additional \$353,000 biennially and 2.0 positions). An example of UW-Madison's efforts is the move to focus work at the Instrumentation Systems Center to help Wisconsin companies to incorporate certain new technologies into their products. University Extension programs in agriculture, business, engineering and other fields extend the latest information to the marketplace through publications, short courses and workshops, conferences, demonstrations, and a variety of other regular and special activities.

There have been preliminary discussions about establishing a library presence at the research park as it develops, perhaps in providing some staff members to do on-site database searches and to arrange other kinds of document delivery. The information resources in the University's libraries can be of direct benefit to business and entrepreneurial research as interested parties come to the campus, as faculty and graduate students use the libraries, or as the libraries make their resources available to such places as the research park.

If funding and positions become available, the state might also consider facilitating access of business in other regions of the state through the creation of satellite centers on other UW System campuses.

RECOMMENDATION 4(n)

"Seek to establish a series of small business incubators to bring entrepreneurs together with local universities, VTAE institutes, and other small businesses for the purpose of providing management and technical assistance as well as the correct atmosphere for business development. The university should work with the Department of Development and the VTAE system to set a specific goal for new incubators and prepare needed action plans."

Response

This recommendation was discussed with the Department of Administration for inclusion in the fall economic development bill, as noted under item 4(g), but the item was not included in the bill. The university currently provides assistance to help establish and enhance small businesses through the SBDC's. The concept of creating small business incubators in cooperation with the Department of Development and the VTAE System is interesting, but it is apparent that it will demand resources that the UW System does not currently have to allocate for new programming.

RECOMMENDATION 4(o)

"Establish a joint UW-Department of Development program to rationalize, coordinate, and publicize the numerous economic development programs that already exist in the university system."

Response

The UW System will cooperate with the Department of Development to develop such a program, and to enhance the economic development efforts already underway throughout the System. Provision of 2.0 FTE and \$100,000 would fund such an office in UW System.

Part II. Other Recommendations Relevant to the UW System

Communication Section RECOMMENDATION

"The Governor should appoint a committee to analyze the need for communications via satellite in Wisconsin and determine the feasibility of a public/private effort to be the first state to own and operate a satellite to meet these needs. The committee should be headed by someone with private sector experience in the communications field and the report should be finalized by December 1985."

Response

The Governor's existing telecommunications task force should review this, if it is not already doing so. But the costs of such a system would be enormous. It should also be noted that at a recent meeting of the Minnesota and Wisconsin Vice Chancellors, it was indicated that Minnesota has unused satellite space that could be made available to Wisconsin. This should be explored.

Economic Surveys Section RECOMMENDATION

"Conduct biennial surveys and publish their results to provide up-to-date economic information to measure Wisconsin's economic progress and facilitate further planning.

"The Department of Development and the University of Wisconsin system should, in 1986, begin to conduct the surveys to help determine the level of economic well-being of Wisconsin workers and companies. The basic survey instrument would contain questions that are organized into topical areas. Examples include: (1) household composition/demographics; (2) employment, income, job search; (3) housing; (4) welfare program participation; (5) attitudes toward business or government; (6) health of individual companies and industries' and (7) attitudes on quality of life. Some basic themes running through these modules could include: (1) What is the household's income from earned and nonearned sources? (2) What kind of employment search and residential moves are the under- and unemployed making? (3) What particular public and private programs do

respondents rely on? (4) What is the general asset and debt structure of the household? (5) What are the ongoing concerns and problems of state industries? These types of questions represent a minimal effort to assess the economic well-being of Wisconsin companies and households. Their answers are not readily available in other data sources."

#### Response

A joint biennial survey effort would be fine, with the provision of permanent base funding to the DOD and UW System. However, the recommended areas of survey coverage are problematic, because many households would be unwilling to disclose information to a state agency about earned and unearned income, efforts to find a job, use of support services, participation in welfare programs, any upcoming residential moves, etc., especially in the same survey in which they are asked their attitudes toward government. Similarly, industries may be unwilling to disclose details concerning their "health." Other basic data on income and economic health are available from standard data sources, but the correlation between these data and opinions about government and business are not available.

Currently, several UW institutions do some economic development, demographic, or opinion survey work. However, all are funded on a contractual basis by outside clients, and none combine comprehensively all three types of surveys. Examples of the surveys which are or have been conducted include:

#### UW-Madison

The School of Business does various quarterly and long-term economic forecasts for Wisconsin. It has also done an analysis of the economic impact of UW-Madison. Professors from several disciplines participate in the current economic issues discussions of the Center on the Wisconsin Economy, which is now looking at contributions by the service sector to the state economy. UW-Extension and Madison have held 32 Community Economic Analysis conferences with county resource development agents, Chamber of Commerce members, corporations, financial institutions, government, press and the public. These 4-meeting conferences involve both analysis and planning. Numerous other economic surveys are conducted on the Wisconsin economy or specific sectors such as tourism, service, labor supply, etc. Assistance is rendered to county boards, the tourism sector, the state Department of Revenue, and others.

#### UW-Milwaukee

The Management Research Center of the UWM School of Business conducts surveys and forecasts under contract. Examples are: the economic impact of UWM on the Milwaukee metropolitan area; the impact of the Milwaukee Brewers on the economy of the Milwaukee area; the evaluation of the economic impact of the Metropolitan Milwaukee Sewerage Disposal System cleanup; the statewide tax neutrality study, and numerous other contract surveys. In addition, the Urban Research Center conducts surveys and analyzes data for a wide variety of local enterprises and governmental agencies.

UW-Eau Claire

Individual faculty members in the School of Business have consulted for private business to gather employment and demographic data. Students enrolled in market research courses have conducted surveys on the economic condition of Wisconsin citizens and business.

UW-Green Bay

Faculty have participated with one another and with private firms and chambers of commerce on a number of forecasts, market studies and county economy simulation models.

UW-La Crosse

The university publishes a quarterly called Economic Indicators and has studied the economic impact of UW-La Crosse.

UW-Oshkosh

UW-Oshkosh does not routinely conduct such surveys, but faculty consult with businesses concerning these matters on an individual basis.

UW-Parkside

The Center for Survey and Marketing Research is completing its second annual "Omnibus Social Survey" of the Racine-Kenosha area. It includes demographic data of use to the private and public sector on residents occupations, lifestyles, level of satisfaction with community services, length of residence, expectations of moving, and related profiles.

UW-Platteville

The institution has done some survey work on the agricultural economy.

UW-Stevens Point

The Central Wisconsin Economic Research Bureau, a cooperative effort between the communities of central Wisconsin and UW-Stevens Point, analyzes short term cyclical patterns in the regional economy through separate quarterly economic indication reports for the Stevens Point area, the Wausau area, and the Wisconsin Rapids area.

UW-Stout

UW-Stout has surveyed Wisconsin programs designed to serve workers who were laid off due to plant closings. The "Program for Independent Living" has a computerized list of subsidized housing for west central Wisconsin counties. "Annals of Tourism," a quarterly publication that serves the international market is based on the UW-Stout campus. Hotel and restaurant management staff do studies for the industry. Social Science Center for Research and Service and the business department do contract economic survey work.



#### UW-Superior

UW-Superior is initiating a monthly volume of indices and analyses of these indices over time, entitled Development Trends: Report on the Economy of Superior and Douglas County. Its Center for Economic Development has joined the Association for University Business and Economic Research with the ultimate aim of providing the types of research support recommended in the SDC report.

#### UW-Whitewater

The university published a volume entitled Economic Indicators for the surrounding six counties until this year. Private business executives concluded that they had a large number of economic data publications already available for their use, and other priorities existed for the funding.

#### UW-Centers

Richland Center faculty are doing a study of "Economic Impact on Farm Families in the 1980's," funded by a grant from the State Committee for the Humanities.

#### UW-Extension

Extension performs a number of surveys of attitudes, markets, and use of state and private sector facilities, all financed by outside sponsors. Examples include surveys on tourism, attitudes toward housing rehabilitation in older Milwaukee neighborhoods, and dairy farmers' current use of herd improvement practices.

#### Economic Development Efforts Related to Agriculture

Although agricultural research and development is not directly addressed under any of the UW System sections of the SDC Final Report, it is addressed elsewhere in the report and the university does play a strong role in these efforts. The agricultural programs at UW-Madison, UW-Platteville and UW-River Falls all work closely with and provide extensive services to agricultural businesses and farmers. The report recommends (p.37):

"Producers, manufacturers and distributors should increase funds available for research programs and market development efforts in both national and international markets for the long-run benefits of agriculture."

The University System would welcome such appropriate funding. Recently, the Wisconsin Milk Marketing Board provided \$1 million to initiate a trust for development of a proposed Dairy Research Center. It is hoped that other private sources of funding will be forthcoming.