

Minutes
Business and Finance Committee
Board of Regents of the University of Wisconsin System
October 7, 1999

The Business and Finance Committee met in Room 1511 Van Hise Hall, Madison, at 10:32 a.m. Present were Regents Marcovich, Axtell, De Simone and Gottschalk.

I.2.a. Closed Session to Consider Trust Fund Matters as Permitted by s.19.85(1)(e), *Wis. Stats.*

Upon the motion of Regent De Simone and the second of Regent Gottschalk, the Business and Finance Committee adjourned to Closed Session at 10:36 a.m., to consider Trust Fund matters as permitted by s. 19.85(1)(e), *Wis. Stats.*

The Committee recessed at 12:12 p.m. and reconvened at 1:00 p.m. in Room 1820 Van Hise Hall in an all-Regent session to hear a report on the 1999-2001 University of Wisconsin System Information Technology Plan and Charter Schools. Details of those discussions are reported in the Education Committee Minutes.

The Committee reconvened in Room 1920 Van Hise Hall at 2:12 p.m. in a joint session with the Physical Planning and Funding Committee. Present were Regents Axtell, De Simone, Gottschalk, Gracz, James, Marcovich, Mohs and Olivieri.

I.2.b Y2K Reports: Madison and La Crosse

Tad Pinkerton, Director of the UW-Madison Division of Information Technology (DoIT), reported that UW-Madison has been working on Year 2000 compliance for several years, and found the problem less pervasive than originally feared. Noncompliant routers, switches, software, servers and personal computers have been either replaced or upgraded. Principal investigators responsible for research projects have done a good job testing and upgrading research equipment as necessary.

Assistant Vice Chancellor Bruce Braun added that building systems were inventoried and suppliers were contacted to identify and test all embedded systems within campus facilities. All essential building systems are now Y2K compliant. Staff worked closely with Madison Gas and Electric and Alliant to assure continuous power, and all utilities have tested their systems and are compliant. As a contingency, however, there will be people stationed at each of the 30 substations which are digital and will have emergency generators available, if they are needed. All hazardous waste computer systems have been rebuilt and are compliant and no problems are anticipated.

Key staff will be available mid-December to mid-January to work on any problems with noncritical systems which may occur.

UW-La Crosse Assistant Chancellor Larry Liebecki reported that UW-La Crosse began to address Y2K compliance and compatibility problems in 1995. A Y2K Web page was placed online in mid-1998 to keep campus staff, System Administration and DOA informed of progress. They found that physical plant compatibility offered a tremendous number of challenges because of imbedded computer chips in existing motors and the number of mechanical controls that are dependent upon computer chips. Building maintenance staff focused review on issues affecting life and safety of people and critical service delivery for equipment and buildings. Because of the complexity and differential age of equipment, a contingency plan has been developed to monitor and correct any problems that might develop.

Vice President Bromberg added that there will be two additional Y2K reports to the Committee. In December, there will be a report on business interruption or contingency plans, and there will be a Y2K follow-up report in February.

The Committee recessed at 2:38 p.m. and reconvened at 2:40 p.m. Present were Regents Marcovich, Axtell, De Simone, Gottschalk and Olivieri.

I.2.c. Approval of Minutes of the September 9, 1999, Meeting of the Business and Finance Committee

Upon the motion of Regent Gottschalk and the second of Regent De Simone, the Minutes of the September 9, 1999, meeting of the Business and Finance Committee were approved as presented.

I.2.d. Annual Sick Leave Report

Associate Vice President Brooks explained that sick leave is an important component of the UW System's fringe benefit package. Faculty and academic staff earn 12 days of sick leave per year. Sick leave not used is carried over into subsequent years and, at retirement, is converted to credits used to pay for health insurance premiums.

In 1987, the Legislature imposed a cap on the amount of annual unused sick leave that can be carried over—8.5 days for annual appointments and 6.4 for academic year appointments. The Secretary of the Department of Administration has the authority to grant each institution a waiver from the cap if certain conditions are met. One condition is for the Board to annually receive a report of the use of sick leave by employees of the institutions.

Faculty and teaching academic staff use an average of 1.3 sick leave days per year, and nonteaching, academic staff use 3.7 days per year. Over the eight-year period that sick leave has been reported to the Board, the variance for faculty and academic staff use has been within three-tenths of a day and for nonteaching academic staff it has been within nine-tenths of a day. All institutions have received waivers of the cap on sick leave accumulation.

Last year, the Audit Subcommittee received the Unclassified Sick Leave Audit Report. Three recommendations relating to faculty and academic staff leave reporting were included in the report. The Human Resources Office will: (1) consult with the Systemwide Advisory Committee on Fringe Benefits and the Chancellors to establish uniform administrative guidelines for sick leave reporting; (2) work with the UW Processing Center to improve the format of the annual sick leave report; and (3) work with institutional human resource officers to educate faculty and academic staff to the value of the sick leave program and the importance of accurate leave accounting.

In response to those recommendations, the Office of Human Resources consulted the Systemwide Advisory Committee on Fringe Benefits, as well as all UW Personnel and Staff Benefits Offices. This resulted in a number of revisions in Unclassified Personnel Guideline #10, the primary systemwide policy document governing sick leave reporting and use.

Work is currently underway with the UW Processing Center to improve the format of the annual sick leave report, but this process has been slowed as a result of programming demands required to bring the Payroll System into Y2K compliance.

Faculty and academic staff education was the final point raised in the audit. All institutions have been contacted and input solicited. Virtually all institutions responded and the final result of the survey was a three-pronged educational approach. First, a question and answer document has been specifically

prepared to address common questions and concerns raised by faculty and academic staff. The Office of Human Resources intends to have a broad-based distribution of this document and make it available on the Web. All institutions will be encouraged to link to this document via their web site.

Second, a question and answer document is being developed to address complex administrative questions and concerns raised by personnel and benefit administrators. All institutions will be encouraged to link to this document also.

Third, a web-based educational teaching tool is in the developmental stages to educate faculty and academic staff on the value of this important benefit and their role and responsibility to protect its integrity.

I.2.e. Report of the Vice President

(1) Annual Gift-in-Kind Report

Vice President Bromberg presented the Annual Gift-in-Kind Report for August 1998-July 1999. At its May 1996 meeting, the Business and Finance Committee directed System Administration to recommend a procedure for reporting major gifts-in-kind. On the advice of counsel, System staff may not participate in assigning monetary values to gifts-in-kind; therefore, all gifts-in-kind received by a UW System institution are reported without a value assigned to them.

As part of 1989 Wisconsin Act 50, s. 1.20.970(1m), each State agency is required to annually submit a report to the Joint Committee on Finance (JCOF) and the Department of Administration (DOA) listing in-kind contributions. The listing is provided to the Business and Finance Committee for its review prior to submitting it to JCOF and DOA.

(2) UW-Madison Contractual Agreement with MITOS, Inc.

Vice President Bromberg presented the UW-Madison contractual agreement with MITOS, Inc., for the Committee's consideration. Board of Regents policy requires Regent approval when a contractual agreement with a private, for-profit organization exceeds \$500,000.

Upon the motion of Regent Gottschalk and the second of Regent Axtell, the Committee approved Resolution I.2.e.(2).

Resolution I.2.e.(2)

That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents accepts the agreement with MITOS, Inc., entitled "Gene Profiling and Aging."

I.2.f. Additional Items Which May Be Presented to the Business and Finance Committee with Its Approval

No items were presented at this time.

The Business and Finance Committee adjourned and the Audit Subcommittee convened at 2:53 p.m. Present were Regents Marcovich, De Simone and Gottschalk.

I.2.g. Audit Subcommittee**(1) LAB Transportation Audit**

Vice President Bromberg reported that the Legislative Audit Bureau (LAB) released its review of transit system contracts with UW campuses. The program is funded by segregated fees. The audit indicates that the UW-Milwaukee contract is at a break-even point for Milwaukee Transit, but that the UW-Madison contract appears to be running at a loss for the transit department. LAB, however, notes the value of such services.

(2) Program Audit Reports

Internal Audit Director Yates indicated that the 12 major projects being conducted by the Office of Internal Audit are proceeding as planned. These include: Americans with Disabilities Act; Patents; Faculty Recruitment and Retention; Library Acquisitions; Outside Activity Reporting; Textbook Rental Management; Distance Education; Study Abroad; Class Audit Policy; Remedial Education; Student Alcohol Use Policy; and Year 2000 Issues.

The UW-Madison Athletic Department Audit is expected to be released later in October. As soon as they are available, copies will be provided to the Audit Subcommittee.

Mr. Yates summarized the program review on "Policies Affecting Students with Disabilities," which focused on the UW institutions' compliance with Regent Policy Document (RPD) 96-6, "Nondiscrimination on the Basis of Disability." He reported that UW institutions were receptive to this review. Institution staff have indicated that the report highlighted the issues currently confronting the UW System. The policy review examined the progress both the institutions and UW System Administration have made in implementing the RPD 96-6 requirements. The review found that the UW institutions have made substantial progress in implementing the requirements, such as hiring coordinators, developing practices and establishing required procedures. At the same time, improved documentation and procedural consistency are needed in some areas. UW System Administration has been instrumental in developing a data reporting system for disability-related costs, finalizing a memorandum of agreement with the Department of Vocational Rehabilitation, and ensuring the UW institutions have completed required evaluations and plans for students with disabilities. For the future, UW System Administration will need to develop operational guidelines to assist the institutions in establishing their policies and procedures and also will need to review institution procedures. Finally, recent legal interpretations suggest that existing procedures will need to be updated in order to meet Americans with Disabilities Act requirements.

The Audit Subcommittee adjourned at 3:14 p.m.

Donita R. Zintz, Recording Secretary