

Minutes
Business and Finance Committee
Board of Regents of the University of Wisconsin System
June 8, 2000

Following an all-Regent meeting to hear presentations on Enrollment Management, the 2000-01 Annual Budget and Distance Education, the Business and Finance Committee met in a joint session with the Education Committee to hear reports on International Education: Collaborative Foreign Language Program and Information Technology, in the Fireside Lounge of the UW-Milwaukee Union.

The Business and Finance Committee then met in Room N440, School of Business Building, UW-Milwaukee, at 3:54 p.m. Present were Regents Marcovich, Axtell, De Simone, Gottschalk and Olivieri.

I.2.a. Approval of Minutes of the May 4, 2000, Meeting of the Business and Finance Committee

Upon the motion of Regent De Simone and the second of Regent Axtell, the Minutes of the May 4, 2000, meeting of the Business and Finance Committee were approved as presented.

I.2.b. Administrative Positions Assigned to Salary Ranges

Associate Vice President Brooks explained that Regent Policy 78-5 was adopted more than 20 years ago when the Regents were required by State law to assign certain officers and administrative directors and associate directors to State Executive Salary Group (ESG) ranges. That law was enacted at a time when the UW System did not have a uniform system of salary ranges.

The Regents complied with the statute by delegating to the System President the authority to assign officers and administrative directors to ESG salary ranges 1 through 6. Last year, approximately 75 officers were assigned to the State ESG ranges and an equal number of administrative directors and associate directors were slotted to those ranges.

This spring, the State Department of Employment Relations asked the Joint Committee on Employment Relations to sponsor legislation to change the UW System salary range assignment process from the State ESG plan to the UW System salary range plan with its 13 salary ranges. Staff are grateful that DER, the Governor and the Legislature made the changes so the UW System administers a single salary range plan for its unclassified staff. Now the new law requires the Regents to assign officers and directors to UW System's own salary range system.

The System President has reviewed proposed salary range assignments with the Chancellors. The positions are being placed in ranges based on functions performed, scope of responsibility, span of institutional influence, interinstitutional equity and market factors. The salary range assignments will be to UW System ranges as required by the new law rather than to the ESG ranges as previously required by statute.

Upon the motion of Regent Gottschalk and the second of Regent De Simone, the Committee approved Resolution I.2.b.

Resolution I.2.b.

That, upon recommendation of the President of the University of Wisconsin System, the following be approved to rescind and replace Regent Policy 78-5:

That the President of the University of Wisconsin System continue to be authorized to assign, on behalf of the Regents, the positions of associate vice presidents, assistant vice presidents, vice chancellors not identified as university senior executives, assistant chancellors, associate vice chancellors and assistant vice chancellors, to UW System salary ranges governing administrative academic staff and limited appointment positions as required by s. 20.923(5), Wis. Stats., and

That the President will assign the officer positions named above to salary ranges based on functions performed, scope of responsibility, span of institutional influence, inter-institutional equity and market factors, and

That the President shall retain the current authority to approve officer title changes and changes to salary range assignments for existing officer positions and may approve on behalf of the Regents, newly created officer positions and assign those new officer positions to salary ranges.

I.2.c. Delegation of Authority to President for Personnel Actions

Associate Vice President Brooks presented Resolution I.2.c. to the Committee for consideration. Regent Policy 87-15 explains the personnel authority that is given to the System President. The current policy is based on the maximum salary allowed in State Executive Salary Group 6 (ESG 6). That threshold was chosen because of the limits placed on the Regents for assigning certain positions to State ESG groups.

The Department of Employment Relations (DER) and the Governor and the Legislature all support having the UW System have its own salary range system adjusted each biennium on the recommendation of the DER Secretary and the approval of the Joint Committee on Employment Relations (JCOER). Once the Governor signed a recent statutory change, the UW System was no longer covered by the State ESG system. Thus, that link needs to be removed in describing the limits of personnel authority the Board delegates to the System President.

System Administration recommended that the level of personnel authority delegated to the President be based on 75% of the salary paid to the President. If this policy is adopted, the Regents will approve approximately 75 salaries. At this level, faculty recruitment efforts can be hastened by insuring inflation is not artificially forcing positions onto the Regent agenda. This Board action does not affect the ability of the Regents to act on a personnel matter if a Regent wants the President to bring that matter to the Board for approval.

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

Resolution I.2.c.

That, upon recommendation of the President of the University of Wisconsin System, the following revision to Regent Resolution 5387 (Regent Policy Document 87-15) be approved (revisions shown by strikethrough and underline):

That the President of the University of Wisconsin System be authorized to approve, on behalf of the Regents, personnel actions involving staff in or for positions other than ~~system vice presidents and chancellors~~ UW System senior executives (except as delegated under Regent Policy 94-4); and that the President be authorized to delegate such authority, with the following provisions:

That, prior to authorizing recruitment or promotion to fill any faculty, academic or limited staff position for which the planned rate of pay exceeds ~~the maximum annual salary equivalent in Group 6 of the State Executive Pay Plan~~ 75% of the salary of the UW System President, the President shall furnish the Board with a description of the position and a justification of the salary range and intended length of appointment assigned to it. Unless a Regent requests that the appointee be considered by the Board, the President may authorize recruitment and appointment, and

That prior to approving annual merit increases for faculty, academic and limited staff members whose rate of pay exceeds that stipulated above, the President shall review the list of such increases with the Board of Regents and obtain its approval.

I.2.d. UW-Milwaukee Presentation: Student Technology

Joe Douglas, Director of Information and Media Technology at UW-Milwaukee, reviewed that, as part of the biennial budget, the Board of Regents had supported UW-Milwaukee's request for funding for Information Technology student training programs. Through a video which was written, directed, produced and edited by Student Technology Services (STS) students, he provided an informative look at STS, an independent department, composed entirely of students currently enrolled at UW-Milwaukee. STS is responsible for delivering technology and media-related services to the campus community.

STS is not merely staffed by students, it is entirely managed by students, and employs 279 students from virtually every academic major at UWM. Students begin in entry level positions and work their way up to intermediate and advanced positions, and are encouraged to change jobs each year, moving into other departments to learn and practice new skills. The empowerment STS students acquire on the job is reinforced through a carefully tailored internal training curriculum, ensuring that each student employe is competent in both technical and life skills.

When they reach graduation and assume positions in the outside workforce, empowered STS students already possess: management skills in leadership, customer service, communication, recruiting, evaluation, strategic planning, projects, teamwork, negotiation and budgeting, and an extensive work history that includes 3-5 years of experience in a diverse and professional workplace.

STS contends that there are not enough graduates with technical degrees to fill the available jobs requiring technical proficiency. By building partnerships with business, STS can fill this gap with technically proficient and technology enabled summer cooperative placements and graduates.

The STS Business Partnership program includes three levels of investment:

- (1) An *Initial STS Partners Investment* which signals support for the program. Each investment of \$2,000 enables STS to train one student for a year;

- (2) The *Student Development Investment* is a direct investment in STS students by making available annual stipends to offset the cost of tuition and books; and
- (3) The *Program Development Investment* is financial support designated to expand the breadth and depth of the STS program.

Among the benefits received by the STS Business Partners, are increased efficiencies in the hiring process through access to the pool of STS employees, realized savings on costly hiring and recruiting and an increase in the retention rate of new employees.

The goal for the program is to expand to the Milwaukee Public Schools and Milwaukee Area Technical Colleges. Longer term goals are to expand the program throughout the UW System and to the entire Wisconsin Technical College System.

Isaac Monteagudo, STS Manager-Elect, and Cilali Mendieta, manager of the Campus Computer Lab, commented on the experience they've gained from their involvement with STS. Students involved in the program, regardless of their major, are building professional portfolios which will give them an edge in the job market upon graduation.

The Committee members were in agreement that this is a vital program and were supportive of its expansion.

I.2.e. Trust Funds—Request for Principal Expenditure

Treasury Manager Mills explained that the College of Letters and Science has requested funds from the Clyde C. Strumreiter bequest to be used to support significant refurbishing projects including the renovation of a section of South Hall.

Current Regent policy requires that all quasi-endowments greater than \$50,000 be identified as designated endowments, and only the income from the trust is made available for expenditure. If an exception to this restriction is desired, a request must be approved by the Board. The policy allows university officials to request the use of principal when they feel it is in the best interest of the institution, and is consistent with the original gift instrument. In this case, the bequest has no restriction on the use of principal, but does restrict the use of the funds to the College of Letters and Science.

Upon the motion of Regent Olivieri and the second of Regent De Simone, the Committee approved Resolution I.2.e.

Resolution I.2.e.

That, upon recommendation of the President of the University of Wisconsin System, and the Chancellor of the University of Wisconsin-Madison, the principal and income balance of the Clyde C. Strumreiter bequest be made available for spending.

I.2.f. Report of the Vice President

Acting Vice President Durcan distributed copies of the newly-released 1998-99 Legislative Audit Bureau A-133 Audit. Of over \$700 million in Federal program revenue, only \$62,000 of costs (or less than 0.01%) were questioned.

Regent Marcovich commended staff, noting that, in the past several years, the reports have consistently been impressive.

Acting Vice President Durcan reported that legislation had recently been approved, allowing senior citizens to audit classes at no charge. A resolution to bring Board policy into compliance with State Statutes will be presented at the September meeting.

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

Regent Axtell questioned Vice Chancellor Torphy on the status of the two publicized embezzlement cases at UW-Madison. Vice Chancellor Torphy noted that both cases were more accurately described as a diversion of funds and were not the result of improper accounting practices at the University. Acting Vice President Durcan added that a letter had been sent to all State financial institutions reminding them of UW System policies regarding the establishment of University bank accounts and the need for a corporate seal.

Regent Gottschalk referred to a recent article in *The Chronicle of Higher Education* that discussed the use of venture capital funds by higher education institutions. The Committee asked staff to revisit the issue and present additional information at the September Board meeting.

The Business and Finance Committee adjourned at 4:44 p.m.

Donita R. Zintz, Recording Secretary