

Minutes  
Business and Finance Committee  
Board of Regents of the University of Wisconsin System  
September 8, 2005

The Business and Finance Committee met with all Regents invited at 12:50 p.m. in room 112 at the Washington County Fair Park, 3000 Hwy PV, hosted by UW-Extension, in West Bend, Wisconsin. Present were Regents Axtell, Bradley, Burmaster, Connolly-Keesler, Crain, Davis, Gracz, Loftus, Mc Pike, Pruitt, Randall, Rosenzweig, Salas, Semenas, Smith, Spector, and Walsh.

**a. Review of Employment Policies and Practices**

President Reilly stated that the Board's consideration of university employment policies and practices should have four main goals: 1) to restore the public's confidence that their university system is open, accountable, and a wise steward of public resources; 2) to fix those aspects of policies and practices that need fixing; 3) to employ best practices that safeguard the interests of our employees, students, stakeholders, and citizens; and, 4) to ensure that the UW System remains competitive with its peers throughout the nation, and the world.

President Reilly commented that, overall, the UW System has a solid and fair personnel system that values and respects its employees. The vast majority of university employees are dedicated, hard-working professionals.

President Reilly remarked that the UW System personnel system involves state employment policies and protections, shared governance, and other accepted academic policies and practices. Much of this is set down in state statutes, and the UW System will work with the Legislature and Governor if it is their decision to change the statutes.

President Reilly noted that the UW System takes very seriously its role and responsibility as a public institution, and will be open, diligent and accountable to its stakeholders. The UW System has asked the Legislative Audit Bureau (LAB) to analyze UW System employment policies and practices, and the UW System will work with them to provide access and assistance. The UW System has also suspended new concurrent, or so called "back-up," appointments upon further review.

President Reilly stated that the UW System is also taking immediate action in other areas. The UW System has responded to a substantive request from the Joint Audit Committee co-chairs for detailed information about "back-up" appointments. All UW institutions will seek approval from the UW System Office of General Counsel before establishing settlement arrangements, financial and otherwise, with individuals departing from "at will" appointments. Also, approval from the Office of the President will be required for any such arrangement that does not require a documented work product when a period of leave is granted.

President Reilly affirmed his commitment to a thorough, open, and honest assessment of these issues. During these important deliberations, the UW System will welcome more than 160,000 students to UW System campuses, conduct award-winning research, boost the Wisconsin economy, and step up to do as much as possible to assist the victims of Hurricane Katrina.

General Counsel Patricia Brady presented information on the fundamentals of UW System employment policies and practices, including a review of concurrent appointments and medical leave. She also reviewed the historical roots of the UW's personnel policies, some of which trace back to the turn of the century and the university's commitment to academic freedom.

Ms. Brady outlined the differences in employment terms for classified staff, who are governed by rules under the State of Wisconsin and union contracts; faculty, who have often gained tenure; and academic staff, who can serve as instructors or in other academic service roles. She also explained the differences in terms of employment that provide those who agree to serve in limited administrative roles rights to assume another position they may have previously filled

or been granted by contract. These employees serve “at will” of university leadership, and the majority of these employees gain these return rights under state statute.

Ms. Brady stated that the UW System's personnel structure is one which affords significant protections to its employees. As with any system, however, flaws may be revealed by unusual cases and inconsistent application of principles. Many employees depart from limited administrative roles in an uncomplicated manner. In situations that involve disciplinary actions, employees have rights under university rules, state statutes, and federal law.

General Counsel Brady noted that most public universities offer employees some variation of the personnel rights offered within the UW System. These policies allow the UW System to be competitive in order to attract top-level faculty, staff, and administrators.

Regent Vice President Bradley stated that the Board of Regents and the State Legislature agree that some job protections are appropriate. Many of these protections are specified by Wisconsin Statutes. The Board should focus on non-statutory discretionary protections. He asked who is responsible for setting contractual discretionary policies. General Counsel Brady answered that discretionary policies are delegated by the Board and set at the institutional level. These policies fall under the purview of the Chancellors.

Regent President Walsh stated that the review of employment policies and practices came about because of a few bad incidences. Also, much of the negative publicity is the result of the large number of academic staff that has been granted concurrent appointments. Concurrent appointments, providing job security in lieu of fixed term contracts, came about, in part, because of the need to recruit high level administrators from other states. However, mistakes were made in some instances, and the Board needs to provide better direction to the institutions.

Regent President Walsh asked whether there is any statute that prevents the UW System from investigating an employee who has been charged with a felony before a court conviction. Ms. Brady answered that there is no statute that prevents an investigation. Chancellor Wiley, noting the three highly publicized cases of convicted felons still being paid, stated that all three cases were immediately investigated by UW-Madison. However, roadblocks arise, such as witnesses or evidence being unavailable, until the trial is complete.

Regent Pruitt asked what precludes the UW System from terminating an employee after a conviction in a court of law. General Counsel Brady indicated that employees are contractually due a hearing before termination. Constitutional problems could also arise, specifically with the 14<sup>th</sup> Amendment, regarding automatic termination upon conviction.

Regent Rosenzweig asked whether the Board can make a policy stating that a conviction in a court of law is cause for termination. General Counsel Brady stated that the UW System must be careful not to violate discrimination laws and that cause for termination exists only if the conviction has a direct correlation to the duties of the position.

Regent President Walsh stated that Federal law is clear on the rights of people convicted in a court of law, and the UW System cannot take away a person's right of appeal. The difficult part is the gap of time between the initial charge and the court conviction.

Regent Gracz, citing an example from the City of Milwaukee, affirmed that the public does not have the patience for an appeals process to run its course. The gap between the initial charge and court conviction is very difficult.

Regent Salas noted that the Board should take all actions allowable by law to ensure that employees convicted of crimes do not further harm the UW System's students and staff.

Regent Loftus stated that the use of return rights for limited appointees had exceeded the original intent. As a result of a phone survey, the UW System found that none of the institutions queried reported that they provide concurrent appointments for administrators without faculty credentials. Associate Vice President Alan Crist affirmed that the institutions queried do not provide this type of appointment as a matter of policy; however, some institutions provide for reassignment on a case-by-case basis. The UW System is different in that it is written into university policy. The policy states that limited appointees become eligible for concurrent

appointments after one year of employment. Many concurrent appointments are for one year; however, if the appointee came from the Academic Staff and their prior contract provided two years, the concurrent appointment could be longer than one year.

Regent Rosenzweig remarked that concurrent appointments are important for recruiting employees from other states; however, their use must be limited to high level administrators. She stressed that the Board must curtail the use of these kinds of terms of employment. The Board must take a strong stand on the proper use of employment policies, and be advised that the Legislature may attempt to change related state statutes. Associate Vice President Crist stated that the policy is very clear if the appointee comes from faculty and the policy acts as an important tool in recruiting from other states.

Regent Davis asserted that the Board must tighten up the policies that are currently in place. Campuses should be given specific criteria for dealing with employees in transition between limited and concurrent appointments. General Counsel Brady noted that current policies allow up to a year for instructors to transition back to the classroom. Appointees are supposed to report the preparatory or research work that they are doing. University policies do not allow appointees to do nothing during this transition.

Regent Rosenzweig and Regent Connolly-Keesler, noting that it is customary for faculty members who have left administrative positions to have one year to transition back into the classroom, asked whether the Board could set policies in dealing with this situation. Ms. Brady affirmed that the Board has broad authority to set policies, but the Board should work with the institutions' systems of shared governance because these groups have statutory authority regarding personnel rules.

Regent Salas commented that the Board should take action now to restore public confidence in the UW System. The Board should not wait for the report from the Legislative Audit Bureau. The Board should provide better direction and work with the institutions' shared governance to develop criteria for improving employment policies.

Regent Spector stated that the public understands that some job security is necessary in order to compete with other institutions and recruit talented faculty members. The Board should focus on providing direction to prevent the abuse of employment policies, centralize contract settlements, provide guidance on transition periods, and ensure that appointees are working during their concurrent appointments.

Regent Davis stated that the Board needs to focus quickly on what needs fixing. Regent Crain added that the direction given from the Board needs to be clearly articulated. All Regents agreed that the Board should act quickly and strongly.

The Business and Finance Committee with all Regents invited recessed at 2:20 p.m.

The Business and Finance Committee reconvened at 2:30 p.m. in room 114 at the Washington County Fair Park. Present were Regents Pruitt, Connolly-Keesler, Loftus, Randall, Rosenzweig, and Smith. Regent President Walsh was also present.

**b. Approval of the minutes of the June 9, 2005 meeting of the Business and Finance Committee**

Upon the motion of Regent Randall, and the second of Regent Connolly-Keesler, the minutes of the June 9, 2005, meeting of the Business and Finance Committee were approved as presented.

### **c. Review of Employment Policies and Practices – Continued**

The Committee continued their earlier discussion regarding the Board's review of employment policies and practices. The Committee agreed to incorporate the suggestions of the full Board into a set of recommendations to be considered for implementation.

Regent Pruitt stated that the UW System needs to remain competitive and retain the ability to attract talented employees; however, the Regents must ensure that no one will be paid for not working, and people will be paid at a rate commensurate with their current job, not any prior one. He also suggested that the transition period for former administrators that return to the classroom be limited to one semester.

Regent Loftus stated his support for the President's suspension of the practice of granting administrative concurrent appointments. He suggested that it should remain in effect until lifted by the Board of Regents.

Chancellors from a number of institutions commented on the suspension of concurrent appointments. Chancellor Sheppard noted that it would not be a problem at UW-Green Bay. Chancellor John Keating agreed, noting that UW-Parkside previously stopped the practice of granting concurrent appointments at a certain level of director.

UW-Oshkosh Chancellor Richard Wells noted that many appointees are currently defined as "at will" employees; however, if appointees were to sign fixed length contracts with no concurrent appointments, directors would need cause for termination. This provides directors with less flexibility regarding termination. He added that the Board should be cognizant of institutional shared governance. Chancellor Doug Hastad indicated that the current personnel rules have worked very effectively for UW-La Crosse and its employees.

Interim Chancellor Vicki Lord Larson noted that the suspension of "back-up" appointments is cause for concern at UW-Eau Claire due to their current search for a new Chancellor. It would be difficult to recruit an external candidate unless job security is offered.

President Reilly noted that there is also currently a search for the UW Colleges and Extension Chancellor. The search committee for this position, and for other specific instances, may need to come before the Board when negotiating job security. Regent Connolly-Keesler asked that the compensation packages offered to Chancellors, including salary and benefits, be presented to the Board for review.

UW-Madison Chancellor John Wiley commented that setting a broad policy governing all situations would be difficult. For example, for certain key positions the appointing authority must have the ability to terminate an appointee at will. Chancellor Keating agreed that it would be difficult to set up general systemwide policies since each campus has different personnel needs.

Campus representatives noted that while universities across the country do offer some job security for employees, the UW's policies appear to be extensive in comparison. UW-Stevens Point Chancellor Linda Bunnell indicated that the UW System uses the practice of concurrent appointments more than many institutions. UW-Milwaukee Vice Chancellor Sherwood Wilson agreed; however, he indicated that he had never worked "at will" until his current appointment. Vice Chancellor Wilson noted that he was recruited from out-of-state and there is a large risk in moving across the country into a position with little security.

Regent Rosenzweig shared her deep concern with the citizens of the state and legislators over the criminal activity of UW System employees. The Board must direct the UW System to determine and establish policies and procedures to regain the public trust.

Regent Connolly-Keesler and Regent Pruitt expressed their concern over criminal activity of UW System employees. They stated that any employee charged with a felony should be immediately investigated and reported to the Board.

Regent President Walsh asserted that there can be a long period of time between the charge, trial, conviction and sentence. The UW System already has clear direction regarding

investigating the allegation, informing the Board, disciplining employees, and handling appeals. The Board needs to clearly communicate to the public that criminal cases will be investigated immediately and that the Board will be informed immediately.

Regent Loftus indicated that the UW System should clearly communicate that UW policies follow legal requirements. This is especially important so that during the next budget cycle the Governor and Legislature can be assured that these issues are in the past. Regent Rosenzweig noted that the Board should communicate that it is then up to the Legislature to act to change the law, if they so choose.

Regent Loftus asked for a copy of the current policies regarding sick leave. He stated that the Board needs assurance that sick leave and vacation time are being used properly.

Regent Connolly-Keesler asked about the UW System's policies regarding sick leave. Associate Vice President Crist indicated that the UW System currently does not have a policy that states when a health care professional's letter is required for the use of sick leave. Regent Connolly-Keesler asked that the UW System Administration, in consultation with UW institutions, develop a revised sick leave policy that specifies the time period after which a health professional's certification for use of sick leave will be required.

Regent Pruitt asked about the current policy of paying employees that are in the process of reverting to a concurrent position. General Counsel Brady stated that the current policy states that these appointees should be paid between 82 percent of their current administrative salary and the average rate of other professors of similar rank from their department.

Chancellor Wiley remarked that UW-Madison is a meritocracy. UW-Madison needs flexibility to pay above average professors at a rate higher than the average rate of other professors of similar rank from their home department.

Regent President Walsh asserted that specific criteria should be used to determine the appointee's rate of pay. These criteria should include the salary rate of other faculty members of the same rank in the department, previous salary as a faculty member, length of time served as an administrator, and other factors normally considered when setting faculty salaries.

Regent Pruitt commented that UW institutions should be required to seek approval from the UW System President for any settlement involving the termination of a limited appointee. Such settlements should also be reported to the Board of Regents.

Regent Loftus suggested a reorganization of UW System Administration that would have an internal auditor report directly to the Board of Regents and to the UW System President. The Committee agreed to consider this issue at next month's meeting.

The Committee directed UW System Administration to draft a resolution that reflected the proposed changes discussed to be presented to the full Board the next day.

#### **d. UW-Extension Presentation: The Wisconsin Entrepreneurs' Network**

Vice President Debbie Durcan introduced Erica Kauten, Director of Small Business Development Centers at UW-Extension, who provides leadership for the network of 13 campus-based Small Business Development Centers. The Committee previously heard from representatives from the Wisconsin Alumni Research Foundation and WiSys Technology Foundation, Inc. The new Wisconsin Entrepreneurs' Network (WEN) is set up to cultivate and promote entrepreneurship and boost Wisconsin's long-term economic gains.

Ms. Kauten briefed the Committee on WEN, a gateway to statewide services for entrepreneurs. UW-Extension, through WEN, helps entrepreneurs in Wisconsin seeking guidance on development and technology transfer to gain access to the resources they need to begin and grow their businesses. WEN provides expanded services through four regional directors. Working with educational and government agencies, WEN offers a range of technology and market tools, and efficiently uses state and federal dollars to maximize services in Wisconsin.

Ms. Kauten reviewed the product development process used by WEN and small businesses to bring their products to market. The process begins with finding help and resources for the entrepreneur. The process continues with assessing product feasibility, developing a business plan and helping to answer financing questions. The process ends with training the workforce.

Ms. Kauten mentioned another tool called the Resource Navigator which is available on the WEN website. This tool, wenportal.org, helps entrepreneurs locate appropriate services and providers. The number and type of providers will eventually expand and include private-sector resources.

Regent Smith asked about the current funding level of WEN. Ms. Kauten noted that the State of Wisconsin currently funds \$1 million. Also, many organizations within the state offered to commit funding. The administration for this program is less than 9 percent.

Chancellor Keating stated that the partnership between UW-Parkside and WEN has had a dramatic effect on the institution. For example, WEN has partnered with The Center for Advanced Technology and Innovation (CATI), which promotes business development, workforce development and technology innovation.

#### **e. Committee Goals and Plan for 2005-06**

Due to the extended conversation on the review of employment policies and practices, the Committee tabled this topic to the next meeting of the Business and Finance Committee.

#### **f. Midwest Higher Education Compact Student Exchange Program**

Assistant Vice President Lynn Paulson noted that this highly flexible program allows member states and institutions to include programs in which it has unused capacity and desires to increase enrollments. Since only programs with unused capacity would be included, no Wisconsin residents would be displaced.

Regent Randall expressed concern that participation in this program could lead to a brain drain rather than a brain gain with more Wisconsin students, particularly from the Milwaukee area, going to other states. Many students from Milwaukee public schools are being recruited to attend college at the Minnesota and North Dakota State systems. The statistics show that many of these students do not return to Wisconsin upon graduation. The UW System should seek out programs that encourage high school students from Southeastern Wisconsin to attend college within the state.

Assistant Vice President Paulson remarked that each institution would identify only the specific programs it wishes to include. Also, the UW System could withdraw from the program at any time in the future, if it so chooses.

Regent Connolly-Keesler reiterated that institutions could gear the program only towards disciplines that have unused capacity. Regent Pruitt noted that the UW System would likely see a net gain in students over North Dakota State University, for example, because of the higher quality of institutions within the UW System. Also, students participating in the program would pay 150 percent of the rates paid by Wisconsin residents.

Upon the motion of Regent Smith, and the second of Regent Pruitt, with Regent Randall and Regent Loftus voting against the resolution, the Committee approved Resolution I.2.f.

#### **Resolution I.2.f.**

Whereas, the Midwest Student Exchange Program is an interstate initiative created to increase interstate educational opportunities for students in its member states; and

Whereas, the program strives to facilitate enrollment efficiency in institutions that have capacity in existing programs; and

Whereas, attracting more nonresident students to the UW System would increase the diversity of UW System institutions and could result in a “brain gain” for the state of Wisconsin; and

Whereas, there is strong interest among UW System institutions in participating in the Midwest Student Exchange Program;

Therefore, be it resolved that the Board of Regents of the University of Wisconsin System authorizes the President of the UW System to enter into a participation agreement with the Midwestern Higher Education Compact and to appoint a representative to the Midwest Student Exchange Program Council.

#### **g. Business of the Committee**

##### **(1) UWHC Authority on Lease and Affiliation Agreements**

Upon the motion of Regent Randall, and the second of Regent Rosenzweig, the Committee approved Resolution I.2.g.(1).

##### **Resolution I.2.g.(1)**

WHEREAS, the University of Wisconsin Hospitals and Clinics Authority (the “Authority”) is a public body corporate and politic created by Chapter 233 of the Wisconsin Statutes, as amended, for the purpose of maintaining, controlling and supervising the use of the University of Wisconsin Hospitals and Clinics (“UWHC”); and

WHEREAS, the Authority leases the space occupied by the UWHC on the UW-Madison campus from the Board of Regents of the University of Wisconsin System (“Board of Regents”) pursuant to a “Lease Agreement” dated as of June 29, 1996; and

WHEREAS, an “Affiliation Agreement” between the Authority and the Board of Regents, also dated as of June 29, 1996, specifies how the Authority and the Board of Regents will continue to work together to fulfill their interrelated mission, and addresses personnel, external relations, education, research planning, financial support, networking, professional staff, insurance and other matters; and

WHEREAS, on April 16, 1997, the Authority issued \$50 million of its Variable Rate Demand Hospital Revenue Bonds, Series 1997, for the purpose of financing improvements to UWHC facilities; and

WHEREAS, on March 23, 2000, the Authority issued \$56.5 million of its Hospital Revenue Bonds, Series 2000, for the purpose of financing improvements to UWHC facilities; and

WHEREAS, on October 31, 2002, the Authority issued \$55,600,000 of its Hospital Revenue Bonds, Series 2002A, and \$12,900,000 of its Hospital Revenue Bonds, Series 2002B, for the purpose of financing improvements to UWHC facilities; and

WHEREAS, on November 19, 2004, the Authority issued \$60,000,000 of its Hospital Revenue Bonds, Series 2004 (the “Bonds”), for the purpose of financing additional improvements to UWHC facilities; and

WHEREAS, the Authority proposes to issue up to \$59,770,000 of its Hospital Revenue Bonds, Series 2005 (the “Bonds”), for the purpose of refunding the Hospital Revenue Bonds, Series 2000, and paying certain costs associated with the issuance of the Series 2005 bonds and the purchasers of the Bonds are referred to hereafter as the “bondholders”; and

WHEREAS, the Authority has informed the Board of Regents that a bond insurance company is considering issuing an insurance policy insuring the payment of principal and interest on the Bonds (the “Bond Insurer”), and the Bond Insurer is unwilling to insure the Bonds unless it receives additional assurances that unless adequate provision for the repayment of the Authority’s Hospital Revenue Bonds has occurred that the Authority’s access to UWHC facilities will not be terminated under the Lease Agreement and Affiliation Agreement; and

WHEREAS, the Authority has indicated to the Board of Regents that if the Board of Regents clarified under what conditions the Board of Regents might terminate the Lease Agreement and Affiliation Agreement, that this would be materially helpful to the Authority’s effort to obtain bond insurance and to market the Bonds and as an inducement to the Bond Insurer to insure such bonds.

NOW, THEREFORE, to the extent not inconsistent with Wisconsin law, the Board of Regents hereby resolves as follows:

1. The Board of Regents intends to keep the Lease Agreement and Affiliation Agreement in effect through their respective current termination dates of June 29, 2035, absent material deviation by the Authority from the policy objectives the Lease Agreement and Affiliation Agreement.
2. The Board of Regents will not exercise its option to terminate the Lease Agreement or Affiliation Agreement, or both, unless and until the Board of Regents, the Wisconsin Legislature, or some other party, or some combination of the foregoing, makes arrangements to adequately provide for the protection of the bondholders. The term “adequately provide for the protection of bondholders” shall mean: (i) the Board of Regents has received the consent of the Bond Insurer, or (ii) the Bonds are redeemed or defeased in accordance with their terms, or (iii) legislation has been enacted or other appropriate action has been taken such that the obligor assuming the obligations of the Authority, if other than the Board of Regents of the State of Wisconsin, (a) is a public or not-for-profit entity, (b) is bound by the covenants in the Master Indenture of Trust and 2000 Series Supplement to the Master Indenture of Trust, the 2002 Series Supplement to the Master Indenture of Trust, the 2004 Series Supplement to the Master Indenture of Trust, and the 2005 Series Supplement to the Master Indenture of Trust, and (c) is financially able, in the judgment of the Bond Insurer, to pay debt service on the Bonds.
3. This Resolution shall not be revoked, rescinded or amended without the prior consent of the Bond Insurer.



## **(2) Auxiliary Reserve Report to Joint Finance**

Vice President Durcan discussed this statutorily required annual report which is sent to the Joint Committee on Finance and the Secretary of the Department of Administration. The university must report any planned reserve accumulations which exceed 15 percent of prior year revenues, as well as the planned uses for those funds. While the planned reserve balance for the entire UW System is well below the threshold, three individual institutions do plan to exceed their threshold for fiscal year 2005-06. Those institutions are planning significant renovations and/or additions to their existing student centers.

Upon the motion of Regent Smith, and the second of Regent Connolly-Keesler, the Committee approved Resolution I.2.g.(2).

### **Resolution I.2.g.(2)**

That, upon the recommendation of the President of the University of Wisconsin System, the Auxiliary Reserves Report be accepted for transmittal to State Officials.

## **(3) Base Salary Adjustment to Recognize Competitive Factors**

Associate Vice President Freda Harris noted that this statutorily required annual report is sent to the Joint Committee on Finance, the Department of Administration and the Office of State Employment Relations no later than October 1 of each year. During fiscal year 2004-05, 195 individuals received base salary adjustments totaling \$2.2 million, an increase of \$866,000 over the prior year. A major reason for the increase in dollars is that UW-Madison increased the number of adjustments in the medical field to address an increase in competitive offers resulting from 0% and 1% salary increases in the previous two years.

Upon the motion of Regent Connolly-Keesler, and the second of Regent Randall, the Committee approved Resolution I.2.g.(3).

### **Resolution I.2.g.(3)**

That, upon the recommendation of the President of the University of Wisconsin System, the Report on 2004-05 Base Salary Adjustments to Recognize Competitive Factors Required by Section 36.09(1)(j), Wisconsin Statutes, be accepted for transmittal to State Officials.

## **(4) Quarterly Gifts, Grants and Contract Report**

Vice President Durcan reported that total gifts, grants and contracts for the twelve month period ended June 30, 2005 were \$1.2 billion. She noted that Assistant Vice President Kris Andrews will come before the Committee late this fall with a Federal Relations update.

## **h. Report of the Vice President**

Vice President Durcan stated that there has been considerable ongoing communication between the Department of Administration (DOA), the institutions, and UW System Administration on the implementation of the state's travel program. The state awarded contracts for state-wide travel services. Among the vendors are Adelman Travel Group for general

business travel and Orbitz as the sole source for internet booking. The Adelman and Orbitz contracts are to be implemented by January 1, 2006.

Ms. Durcan indicated that, effective October 17th, the use of the State's procurement card is mandatory for payment of all reimbursable airline tickets, travel agency service fees, hotel rooms and car rental. If a person so chooses, they have the option of obtaining a state issued personal liability travel card for payment of official travel related expenses. As the Board travels on state business, they are also covered by the state's travel program.

Vice President Durcan remarked that DOA has also contracted for Wisconsin hotels to be used for state and university travel. These contracts are also mandatory.

Vice President Durcan reported that the American Association State Colleges and Universities wrote to college and university presidents requesting that specific actions be taken to aid the victims of Hurricane Katrina.

Andrew Richards, Director, Business and Financial Services, UW-Milwaukee, commented that about 30 students affected by Hurricane Katrina have shown interest in attending UW-Milwaukee. Most of these students are Wisconsin residents.

Regent Randall expressed concern that the public may not understand why UW System campuses, especially UW-Milwaukee and UW-Madison, have excess capacity to serve students displaced by Hurricane Katrina. Associate Vice President Harris noted that the UW institutions that have volunteered to assist students affected by the tragedy are going above and beyond the call of duty to serve students for a limited term, one semester or possibly a year.

**i. Additional items, which may be presented to the Committee with its approval**

No additional items were presented to the Committee.

Upon the motion of Regent Smith, and the second of Regent Connolly-Keesler, the Business and Finance Committee adjourned at 5:15 p.m.

  
Eric Engbloom, Recording Secretary