

Minutes
Business, Finance, and Audit Committee
Board of Regents of the University of Wisconsin System
December 7, 2006

The Business, Finance, and Audit Committee met with all Regents invited at 11:03 a.m. in room 1820 Van Hise Hall, UW-Madison. Present were Regents Pruitt, Connolly-Keesler, Burmaster, Rosenzweig, and Smith. Regents Bartell, Bradley, Crain, Cuene, Davis, Loftus, Mc Pike, Salas, Semenas, Shields (nominated), Spector, and Walsh were also present.

a. 2007-09 Unclassified Pay Plan Request

Regent Pruitt emphasized the importance of a solid pay plan to the UW System's goal of recruiting and retaining the best faculty, academic staff, and academic leaders. This is needed to provide a quality educational experience for UW System students. The evidence is clear that the UW System's best and brightest are targets of other universities, private and public, from other states. The pay plan request reiterates the Board's call for domestic partner benefits. This is an issue of competition and fairness. UW-Madison is the only Big 10 University that does not provide this benefit.

President Reilly reviewed data and firsthand testimony presented at the November Business, Finance, and Audit Committee meeting. At the end of the current fiscal year, UW faculty will be 8.5 percent behind their peers, academic staff will be 12 percent behind their peers, and senior academic leaders will be 16 percent behind leaders at peer institutions. To reach the median of their peers by 2008-09, UW unclassified faculty would require a 7.35 percent pay plan in each year of the next biennium. The gap for academic staff and academic leaders is even greater.

President Reilly noted that at the November Committee meeting UW-Madison Vice Chancellor Darrell Bazzell reported that full professors at UW-Madison rank last among 12 peer institutions in terms of compensation. Of UW-Madison's 2,200 faculty members, 116 received outside offers last year. The campus was able to retain only about half of those, in part by drawing upon some of the state funding set aside to recruit and retain high-demand faculty.

President Reilly commented that Professor Sudevan, Chair of the UW-Stevens Point Psychology Department, reported how his award-winning department has lost four or five faculty members in recent years to other universities that offered lesser teaching loads and bigger salaries. Applications for positions have dropped and candidates have declined interviews after learning about the campus' relatively low salaries.

President Reilly remarked that Rita Cheng, Provost and Vice Chancellor at UW-Milwaukee, stated that the campus makes every effort to pay market salaries, but salaries still lag behind. Salary offers often are \$5,000 to \$10,000 behind market value. In the past biennium, about 20 percent of recruitment offers were turned down with salary being an issue.

President Reilly reported that Tisa Mason, Dean of Student Life at UW-Whitewater, remarked that UW-Whitewater lost a director of a center that serves students with disabilities to a more competitive offer at a Wisconsin technical college. It took three searches to replace the position, and now the campus must invest additional time in training the new employee.

President Reilly noted that the last time the UW System made any appreciable progress in improving its competitive advantage with faculty and academic staff salaries was the 1999-01 biennium when the UW System had a 5.2 percent pay plan increase each year of the biennium. Since that time, the gap has increased each year until the current year in which the UW System will make a modest dent in the gap which will be 8.5 percent for faculty by the end of this fiscal year. The UW System has not recovered from the zero, 1 percent, and 2 percent increases of the past three fiscal years.

President Reilly stated that the UW System is mindful of the state's fiscal realities, as well as the shared desire to keep tuition increases to no more than the rate of inflation. In light of this the UW System has proposed a 5.23 percent salary increase in each year of the coming biennium. If the UW

System sustains that percentage increase this coming biennium and next, the UW System could reach the median of our peers by the close of the 2009-2011 biennium.

President Reilly reminded the Board of one of the key planks of the UW System's "Growth Agenda for Wisconsin," which is to ensure broad access to higher education by keeping tuition low. The traditional General Purpose Revenue (GPR)/Fee split for this 5.23 percent pay plan would require an additional tuition increase of 2.6 percent in each year of the biennium, along with \$33 million in GPR. The UW System is asking the state to demonstrate its commitment to access and quality in higher education, by investing in faculty and staff, without asking students to bear part of that burden through additional tuition increases. The UW System has proposed modest tuition increases of 3 percent, and 1.96 percent for the coming biennium. The resolution specifically requests that the Office of State Employment Relations allocate sufficient GPR funds in the amount of \$48 million to the compensation reserve for this pay plan to avoid burdening Wisconsin families and students further with the higher tuition increases seen in recent years.

President Reilly remarked that another part of the resolution is a reiteration of the Board's call for domestic partner benefits. This is an issue of competition, retention, and basic human fairness. The lack of benefits for domestic partners has resulted in the recent loss of a prominent faculty researcher who had obtained \$3.5 million in grants for the UW-Madison. UW-Madison is the only Big 10 University that does not provide domestic partner health benefits for its employees. The UW System asks for the support of the Governor and the Legislature to allow what other leading universities and many leading Wisconsin businesses provide.

President Reilly stated that the UW System's "Growth Agenda for Wisconsin" calls for increased access, greater student success, and sustained economic prosperity for the entire state. UW System faculty and staff are the bedrock of that Growth Agenda. UW System's superb faculty and staff deserve competitive pay for their work. This pay plan proposal will not get them there in the coming biennium, but it will at least get them about halfway there in the next two years.

Louise Robbins, President of the UW-Madison Public Representation Organization of the Faculty Senate (PROFS), said the organization strongly endorses both the pay plan request and the call for domestic partner benefits. Hiring and retention have been increasingly difficult for many departments. For example, Ms. Robbins' Department of Library and Information Studies' salaries in 2004-05 averaged 24.2 percent below those of peer institutions. UW-Madison's top-ranked Sociology Department has lost most of its first choice recruits to other universities. Also, there were 116 outside offers reported in 2005-06, twice as many as just five years ago; the two previous years also saw in excess of 100 outside offers. She urged the Board to be aggressive in its efforts to secure the 5.23 percent pay plan increase and the ability to offer domestic partner benefits, noting that it is far easier to maintain excellence than it is to regain it once it is lost.

Regent Vice President Bradley, noting that Ms. Robbins' department's salaries fall 24.2 percent behind the peer average, asked whether other departments also fall that far behind their peers. Ms. Robbins stated that about four UW-Madison departments fall more than 20 percent behind peers.

Regent Loftus asked whether this pay plan request is asking for funding from GPR or from tuition. Associate Vice President Freda Harris stated that former pay plan requests have asked for funding from a combination of GPR and tuition. This resolution asks that the pay plan be funded through GPR. She added that this is not an add-on to the previously submitted biennial budget request. It is a request to set aside funds in the compensation reserve to cover the UW System's pay plan.

Regent Spector and Regent Davis asked for clarification on the biennial budget request that the Board previously submitted and the pay plan request. Ms. Harris reminded the Board that the biennial budget request sets the base line amount requested by the UW System and it included a request for \$10 million in recruitment and retention funds. The pay plan request asks that \$48 million per year be set aside in the compensation reserve to cover compensation over and above what is needed from the base.

Regent President Walsh stated that the Board is required by Wisconsin Statutes to submit the pay plan request. The pay plan request conveys what the UW System needs; however, it is up to the Board to follow up on this request with the decision makers to ensure that it is heard. He also contrasted the

current more positive situation in which the UW System finds itself compared to prior biennial budget base cuts of \$250 million.

Regent Pruitt asked how the pay plan request would be allocated. President Reilly noted that as long as the pay plan is above 2 percent the allocation would not be made across-the-board. In this case, the 5.23 percent increase would be distributed based on one-third solid performance, one-third merit and market factors, and one-third on a combination of these factors.

Regent Smith asked if the marriage amendment to the Wisconsin Constitution would prevent the university from offering domestic partner benefits. UW System General Counsel Patricia Brady said she hoped the amendment would not be interpreted in that manner. Regent Crain commented that the Board needs to provide more evidence of the need for domestic partner benefits. Regent Davis agreed, stating that the Board should do a better job of listing concrete examples of how this policy has harmed the UW System. President Reilly noted that the UW System has used both data and anecdotal evidence to show the need for domestic partner benefits.

Regent Salas commented that the compensation of non-tenured positions deserves attention as well as compensation of tenured positions. President Reilly confirmed that the pay plan request includes non-tenured as well as tenured positions.

Regent Bartell commented on the UW System's deficiency behind peer median compensation and asked whether the requested 5.23 percent would be spread across all unclassified categories. President Reilly answered that the increases would be spread across all unclassified categories. Associate Vice President for Human Resources Al Crist added that although the unclassified categories would reduce the gap between peers, academic leaders and academic staff would remain further behind faculty members since they are currently further behind.

Upon the motion of Regent Smith, and the second of Regent Connolly-Keesler, the Committee unanimously approved Resolution I.2.a.

Resolution I.2.a

Whereas, pursuant to s.230.12(3)(e) Wis. Stats., the Regents are charged with the responsibility to recommend to the Director, Office of State Employment Relations, a proposal for adjusting compensation and employee benefits for faculty, academic staff, and senior academic leaders for the 2007-09 biennium; and,

Whereas, the Director shall submit a proposal for same, which shall be based upon the competitive ability of the Board of Regents to recruit and retain qualified faculty, academic staff, and senior academic leaders, data collected as to rates of pay for comparable work in other public universities, recommendations of the Board of Regents, and any special studies carried on as to the need for any changes in compensation and employee benefits to cover each year of the biennium; and,

Whereas, the Board of Regents in their operating budget requested \$10 million over the biennium to address critical recruitment and retention needs for unclassified staff, and

Whereas, the Board of Regents has considered those factors and concluded that to recruit and retain faculty and academic staff a salary increase of 7.35% each year is needed; and,

Whereas, the Board of Regents is cognizant of the difficulty of funding the needed pay plan in the current fiscal climate, and

Whereas, a 5.23% increase each year over two biennia will close the gap between median faculty salaries and faculty peer median salaries, and

Whereas, traditional funding of a 5.23% increase would require a tuition increase of 2.6% each year and \$33 million of GPR, and

Whereas, a 5.23% increase would require approximately \$48 million per year from the compensation reserve, and

Whereas, the Board of Regents is committed to holding increases in tuition to no more than inflationary increases for the 2007-09 biennium.

Now, therefore be it resolved;

That upon the recommendation of the UW System President, and pursuant to s. 230.12(3)(e) Wis. Stats., the Board of Regents directs the UW System President to notify the Governor and the Legislature that the UW System has identified a need for a 7.35% salary increase each year of the 2007-09 biennium for faculty, academic staff, and senior academic leaders in order to obtain competitive salaries by the end of the biennium. The Board directs the UW System President to transmit to the Director of the Office of State Employment Relations, currently available information on unclassified salaries for UW System peer institutions and related economic indices, and request that the Director recommend to the Joint Committee on Employment Relations a salary increase of 5.23% each year provided sufficient funds are placed in the biennial budget to address current critical recruitment and retention needs for unclassified staff.

Further, the Board of Regents directs the UW System President to recommend to the Director of the Office of State Employment Relations that:

Tuition not be used to fund any portion of this pay plan request, but rather sufficient funds be allocated to the compensation reserve for this purpose.

The UW System be authorized to increase the academic staff salary ranges and faculty minima by the full amount of the pay plan each year; and,

The salary ranges for senior academic leaders assigned to salary group one (Vice Chancellor/Provosts at non-doctoral institutions) and salary group two (Vice Presidents) be adjusted by the full amount of the pay plan each year.

The Board of Regents endorses state group health insurance for domestic partners of all state employees and encourages the Governor and the Legislature to amend state statutes to provide that benefit.

Further, the Board of Regents adopts the 2003-05 pay plan distribution guidelines for 2007-09 if the pay plan exceeds 2% each year. However, the Board suspends those pay plan distribution guidelines if the authorized amount for an unclassified pay plan is 2% or less in any year, and directs that in such instance the pay plan percentage be distributed across-the-board to all those who have at least a solid performance rating, with any unused funds distributed by the Chancellor to address critical salary needs.

Further, the Board of Regents directs that any and all recruitment and retention funds that may be provided in the biennial budget shall be distributed to correct market needs and salary compression with due regard to establishing average salaries as close to peer group medians as possible.

The Business, Finance, and Audit Committee recessed at 12:25 and reconvened at 12:30 p.m. in room 1920 Van Hise Hall, UW-Madison. Present were Regents Pruitt, Connolly-Keesler, Burmaster, Randall, Rosenzweig, and Smith. Nominated Regents Falbo and Shields were also present.

b. Approval of Minutes of the November 9, 2006 Meeting of the Business, Finance, and Audit Committee

Upon the motion of Regent Burmaster, and the second of Regent Rosenzweig, the minutes of the November 9, 2006 meeting of the Business, Finance, and Audit Committee were approved as presented.

Upon approval of the minutes, with no objection from the Committee, Regent Pruitt changed the order of the agenda items.

d. Consideration of Salary Adjustments for Senior Academic Leaders to address Recruitment and Retention Challenges for Chancellors at UW-Green Bay, UW-Oshkosh, and UW-Parkside

President Reilly stated that last February the Board endorsed a new process to periodically conduct a review and assessment of individual chancellor's salaries, taking into consideration the evaluation of the performance of the chancellor in his or her current position, to determine whether there is a need for an adjustment in the salary due to competitive market factors and equity reasons. Among the goals of the "Growth Agenda for Wisconsin" is to achieve competitive compensation for all university employees, including senior academic leaders.

President Reilly noted that business and community leaders in each of the Chancellors' respective communities have stated their strong support for competitively compensating the Chancellors to ensure their continued leadership at the university. Chancellor Keating has successfully increased enrollment and improved connections between UW-Parkside and the Racine and Kenosha communities. Chancellor Shepard has actively worked to demonstrate the university's value to growing economic development in Northeastern Wisconsin. Chancellor Wells is highly regarded in Oshkosh for expanding partnerships among the university, and the public and private sectors.

Regent Burmaster gave her support for the resolution, noting that even with these increases the three Chancellors will still be below their peer median. President Reilly agreed that this action would still leave the Chancellors below their peer medians.

Regent Pruitt stated his support for the resolution, commenting that these are three of the true innovators in the UW System. These three academic leaders mean so much to their campuses, but also to their regions. Regent Rosenzweig agreed with this comment.

Regent Shields (nominated) noted his support for the resolution. He commented that the students he has talked to have had nothing but positive remarks about the three Chancellors.

Upon the motion of Regent Rosenzweig, and the second of Regent Smith, the Committee unanimously approved Resolution I.2.d.

Resolution I.2.d.

Whereas, pursuant to ss. 20.923(4g) and 36.09(1)(j), Wisconsin Statutes, the salaries of UW System senior academic leaders must be set within the salary ranges established by the Board of Regents, and based upon a formula derived from the salaries paid by peer institutions to their academic leaders, and

Whereas in addition, section 36.09(1)(j), Wisconsin Statutes, authorizes the Board of Regents to increase chancellors' and other university senior academic leaders' salaries to address salary inequities or to recognize competitive factors in the periods between pay plan adjustments, and

Whereas at the February 2006 Board of Regents meeting the Business, Finance and Audit Committee endorsed the recommendation that the President of the UW System periodically perform a review and assessment of individual Chancellors' salaries to determine whether there is a need for an adjustment to recognize competitive factors or correct salary inequities among senior academic leadership, as allowed by law, and

Whereas the Board of Regents affirms that leadership is critically important to the performance of our institutions and the students and citizens they serve and therefore places a high value on recruiting and retaining our outstanding senior academic leaders.

Now, therefore be it resolved;

That, upon recommendation of the President of the University of Wisconsin System, the annual salary for Chancellor Shepard, Chancellor Wells, and Chancellor Keating be adjusted due to competitive market factors and equity reasons per the attached recommendations, effective December 8, 2006.

e. University of Wisconsin System Audit Update

(1) Quarterly Status Update

Jane Radue, Assistant Director, Office of Operations Review and Audit, remarked that the textbook costs project is well underway. The Office is drafting the report right now; it will attempt to bring together some of the cost-saving strategies that have been adopted both in Wisconsin and other states. The anticipated completion date is March or April, 2007.

Ms. Radue stated that research has begun for the information technology oversight project. It is early in the process, but the Office expects to be able to identify some options for consideration. The anticipated completion date is March or April, 2007.

Assistant Director Radue noted that a project related to student mental health services is in the planning phase. This review will most likely be informational, focusing on policies and procedures, and identifying good practices. It is anticipated that the project will be completed by the fall of 2007.

Vice President Durcan reported that, as directed by the Business, Finance, and Audit Committee, a work group was appointed to develop implementation options for the recommendations contained in the report of the Office of Operations Review and Audit regarding segregated fees. That work group consists of four students in addition to Regent Shields and four campus administrators and is staffed by several System Administration staff members from various offices. The work group had its third meeting yesterday and has completed the initial phase of its work, developing a proposed implementation strategy for each of the audit's recommendations. The next step will be to circulate the work group's proposal among the affected constituencies, including both students and administrators. Depending upon the reactions received, the work group will reconvene if necessary before finalizing a proposal in the spring.

f. Committee Business

(1) Approval of 2007-09 Administrative Reduction Plan

Associate Vice President Harris reported that the Governor's 2007-09 Major Budget Policies document requires the UW System, along with other state agencies, to prepare a plan for a budget cut, equal to ten percent of its state operations administrative base. That amount for 2007-09 is \$14,129,700 annually.

Ms. Harris noted that the UW System's plan would achieve some savings through flexibilities recommended as part of the Regents' budget request in this, and prior, biennia. Other savings would occur through holding positions vacant for longer periods of time. Slightly more than one-third of the reductions would come from lapses of institutional funds. A major goal of the plan is to maintain the capacity to support additional enrollments and build the Growth Agenda for the state of Wisconsin.

Ms. Harris reported that the Governor's 2007-09 Major Budget Policies document reinforces the Growth Agenda as a priority for the state. The Growth Agenda seeks to increase the number of baccalaureate degree holders in Wisconsin. It also seeks to improve access to the UW System for all qualified students and keep higher education affordable for all Wisconsin people. The UW System will need to retain its base resources and receive additional state investments in order to implement the Growth Agenda. The target populations for the Growth Agenda, students from disadvantaged backgrounds and working adult students, will require a strong support system that fosters an environment in which they can succeed. That support system includes personnel, who are often characterized as administrators, to recruit, retain, and mentor these students toward graduation.

Associate Vice President Harris stated that the reduction plan notes that the UW System is productive and administratively lean. A marker of this efficiency is a December, 2005 report by the National Center for Higher Education Management Systems (NCHEMS) ranking Wisconsin as the fourth most productive states in the public higher education research sector and fifth most productive in the public comprehensive higher education sector.

Ms. Harris commented that since 1995-96, the UW System has increased enrollments by 13,298 full-time equivalent (FTE) students, while absorbing base operations reductions of \$250 million in GPR funding. Data collected from the Integrated Postsecondary Education Data System (IPEDS) show that the UW System spends 57 percent less than the national average dollars spent per student for institutional support and 28 percent less than the Midwest average in dollars per gross square foot for operations and maintenance of facilities.

Associate Vice President Harris told the Committee that, as an alternative to requiring a budget reduction in 2007-09, the resolution would have the Board respectfully ask the Governor to consider allowing the UW System to reallocate resources to further the Growth Agenda for the state. The alternative plan would allow the System to add 2,500 additional students without state support, base reallocate \$2.4 million to improve retention and graduation rates, and reallocate a staff person at each institution to support Veterans and the Wisconsin Covenant. The increased enrollment of 2,500 students is separate from the Growth Agenda recommended by the Board in August and would occur in mostly traditional age students in self-supporting programs. Enrollment growth could not occur in high demand programs without additional state funds.

Regent Burmaster expressed concern that while the Wisconsin Covenant will require university support, it would not require a dedicated staff person at each institution. The Committee agreed to revise the 2007-09 Administrative Reduction plan to reflect this concern.

Upon the motion of Regent Smith, and the second of Regent Connolly-Keesler, the Committee unanimously approved Resolution I.2.f.(1).

Resolution I.2.f.(1)

That, upon the recommendation of the President of the University of Wisconsin System, the 2007-09 Administrative Reduction Plan as required by the Governor's 2007-09 Major Budget Policies document, be accepted for transmittal to the Department of Administration.

(2) Approval of Policy on Recognition of Student Organizations

UW System General Counsel Patricia Brady presented the Committee with a proposed resolution that would allow student organizations that select their members or officers on the basis of commitment to a set of beliefs to limit participation in the organization so long as no student is excluded on the basis of

his or her race, color, creed other than commitment to the beliefs of the organization, religion, national origin, disability, ancestry, age, sexual orientation, pregnancy, marital status or parental status, or, unless exempt under Title IX, sex. Student groups would have to meet an updated set of criteria in order to be officially recognized at UW campuses. Recognition allows student organizations to communicate with the student body, use university facilities, and have access to segregated fee funds.

Ms. Brady stated that the policy seeks to provide a solution to a concern from some groups that they believe their rights to freedom of expression and association are infringed if they have to accept members who disagree with the groups' goals. This is a policy that attempts to strike a balance between the First Amendment interests of these organization and the UW System's interest as an institution in ensuring there is not discrimination against individual students.

Regent Smith asked whether the proposed policy is modeled after the North Carolina policy regarding student organizations. Ms. Brady noted that the proposed policy is based on a model used in North Carolina, where legal challenges around similar issues were ruled to be moot when a similar policy was established.

Upon the motion of Regent Connolly-Keesler, and the second of Regent Burmaster, the Committee unanimously approved Resolution I.2.f.(2).

Resolution I.2.f.(2)

That, upon recommendation of the UW System President, the Board of Regents adopts the following policy on the recognition of student organizations:

Student organizations that select their members or officers on the basis of commitment to a set of beliefs (e.g., religious or political beliefs) may limit membership, officer positions, or participation in the organization to students who, upon individual inquiry, affirm that they support the organization's goals and agree with its beliefs, so long as no student is excluded from membership, officer positions, or participation on the basis of his or her race, color, creed other than commitment to the beliefs of the organization, religion, national origin, disability, ancestry, age, sexual orientation, pregnancy, marital status or parental status, or, unless exempt under Title IX, sex.

This policy is in addition to other requirements for the official recognition of student organizations set forth in UW System or institutional policy documents, except that, to the extent that such UW System or institutional policy documents are inconsistent with this policy statement, they are superseded.

c. Approval of Criminal Background Check Policy

Associate Vice President Crist presented the Committee with a proposed resolution adopting a Systemwide policy requiring criminal background checks for all new hires prior to employment as part of the final stages of the application process. The policy was proposed following a recommendation in a letter report from the Legislative Audit Bureau (LAB) about personnel policies and practices. Such checks have been made for certain positions in the past; however, the UW System has not had a systemwide policy.

Regent Connolly-Keesler asked about the cost of the background checks. Associate Vice President Crist responded that the cost to perform background checks varies, but the total cost could be \$250,000 systemwide per year. This does not include the additional staff time to perform the checks. Current staff will perform in-state checks and the UW System is looking into contracting with a vendor for out-of-state checks.

Regent Smith asked about what objections have been raised concerning background checks. Associate Vice President Crist responded that some governance groups have voiced concern about the

cost-benefit and confidentiality of background checks, and that they would be used as a sole reason not to hire. The UW System must address these concerns through its systemwide policy.

Regent Pruitt stated that while some governance groups have voiced their opposition to the new proposed policy, others have been supportive, and others have voiced their concern. The Committee appreciates their input.

Upon the motion of Regent Randall, and the second of Regent Smith, the Committee unanimously approved Resolution I.2.c.

Resolution I.2.c.

Whereas, the University of Wisconsin System is committed to ensuring the security of our students, faculty, staff, and all those we serve and to protecting the university's many valuable resources; and

Whereas, one practice that aids in providing a safe and secure university community is the use of criminal background checks for prospective employees; and

Whereas, Wisconsin's Fair Employment Act prohibits discrimination based on arrest and conviction record, providing that a university employer may refuse to hire an applicant on the basis of a criminal conviction or pending arrest only if the circumstances of the conviction or pending arrest substantially relate to the requirements of the particular job; and

Whereas, in pursuit of safe and secure university communities, UW System officials will continue to adhere to nondiscrimination protections that are afforded to applicants for university employment; and

Whereas, in consideration of a specific recommendation submitted to the UW System Board of Regents in the Legislative Audit Bureau's February 2006 Letter Report, System Administration officials explored various options in anticipation of the adoption of a new system-wide policy on criminal background checks for newly hired university employees; and

Whereas, under Wisconsin and federal law, university employers are currently required to conduct criminal background checks of prospective employees for certain specified jobs; and

Whereas, after considering the feedback and advice from interested parties, the UW System President has determined that the most prudent course of action is to recommend to the Board of Regents adoption of a comprehensive policy requiring all UW System institutions to conduct criminal background checks on all new hires; and

Whereas, such a policy will ensure that all prospective employees are treated consistently and equitably, and it will underscore our commitment to providing our students, faculty and staff, as well as the citizens of Wisconsin we serve, with academic communities that are safe and secure;

Now, therefore be it resolved:

That, upon recommendation of the President of the University of Wisconsin System, the attached criminal background check policy be adopted.

g. Report of the Vice President

Vice President Durcan commented on the Joint Audit Committee hearing on the LAB Audit of Personnel Policies and Practices. After the audit was outlined by State Auditor Jan Mueller and Audit Director Kate Wade, President Reilly and President Walsh had a friendly exchange with the committee, and legislators commented that the University was on the right track in making the changes that are needed.

Regent Connolly-Keesler added that the Working Group on Personnel Policies and Practices met prior to the Joint Audit Committee hearing to analyze priorities. By the April or May Business, Finance, and Audit Committee meeting, the Working Group will complete a report in order to meet the June 1 submission deadline.

Ms. Durcan stated that LAB issued a Report on Chronic Wasting Disease in November. The report primarily affects the Department of Natural Resources (DNR), but the University is a minor part of the review since the Veterinary Diagnostic Lab tests deer tissue for infection and disposes infected deer carcasses. The only criticism contained in the report is the length of time it takes to obtain testing results. There is a requirement that the DNR and the Veterinary Diagnostic Lab report to the Joint Audit Committee by April 15 regarding the time required to obtain testing results in the 2006 hunting season.

Vice President Durcan noted the Annual Gifts in Kind Report had been recently submitted to the Committee. The State Imposed Costs Report and Continuing Appropriation Report on Tuition are currently being sent.

Ms. Durcan reported that Assistant Vice President for Administrative Services Ruth Anderson has been selected to serve on the Board of Directors of Wisconsin Women in Government.

Regent Pruitt expressed that the Committee should revisit policies that have been previously approved, such as the Midwestern Higher Education Compact (MHEC) and the reduction of non-resident tuition. He stated that it would be beneficial to ensure that these policies are achieving their desired goals. Regent Connolly-Keesler added that it would be helpful for the Committee to have a better way of tracking the outcomes of these policies.

h. 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, Finance, and Audit Committee adjourned at 1:30 p.m.


Eric Engbloom, Recording Secretary