

*Revised October 20, 2009*  
**Minutes of the Business, Finance, and Audit Committee Meetings**  
**September 10, 2009**  
**UW-Whitewater**

The Business, Finance, and Audit Committee convened at 11:00 a.m. in Room 275 University Center, at UW-Whitewater. Present were Regents Connolly-Keesler, Falbo, Smith, Walsh, and Wingad.

**I.2.a.1. Review and Approval of Human Resources System Project Implementation.**

All Regents were invited to join the Committee to hear an in-depth presentation surrounding the project planning, scope, and budget for a new Human Resources System (HRS) to serve the needs of all campuses of the UW System. President Reilly explained that the new system will replace an aging, fragile HR/Payroll system that has outlived its useful life, with a more robust human capital management system which will enable the UW System to better manage its most important asset--its people. He acknowledged that the \$81.4 million cost is high, but reiterated that it is a necessity that needs to be addressed now because the current system is at risk of failing, which could cause huge problems statewide.

After introducing key UW people involved in the project, Senior Vice President Anderes summarized what HRS is, why it is needed, when it will be implemented, and how much it will cost. Jim Roth, CEO of Huron Consulting Group, Inc. , the University's partner in implementing HRS, addressed the Board, describing Huron's core business and his company's fiscal health. Discussion occurred regarding the uncertainty about Huron Consulting Group's stability after the company re-stated its financial statements for the last three fiscal years, and announced it is under investigation by the Securities and Exchange Commission (SEC).

Regent Bartell, whose professional background is in corporate law and securities law, stated that his review of the Huron situation indicated that it involves an arcane accounting issue, and that although the SEC never reveals the nature of its investigations, it is unlikely the SEC investigation will seriously disable the company. Nevertheless, the UW System should protect itself in the consulting contract with Huron against the possibility that the fallout from these developments causes a loss of key Huron personnel, threatening damage to the project.

Regent Connolly-Keesler expressed concern and questioned if the UW System has a backup plan in case the SEC finds something unacceptable. President Reilly responded that the UW System has sought further assurances about Huron's fiscal health, and has developed a list of proposed amendments to the contract to offer protection.

Senior Vice President Anderes outlined the items that will be included in the amendments to the contract, which include:

- UW System will identify key Huron personnel
- Huron will appropriately incentivize key personnel to remain with Huron and on UW System project
- Huron will promptly notify UW System of any departures of key personnel
- Huron will promptly replace departed key personnel, subject to UW System approvals
- Huron will fund 2- to 4-week transition period for new key personnel
- Huron will pay liquidated damages in the event key positions remain unfilled

- UW System will have the right to offer to hire key personnel in the event of material financial duress of Huron in circumstances that prevent their providing professional services

Senior Vice President Anderes stressed that it was important to stay on track with Huron to meet the 2012 deadline, and that it was in the best interest of the UW System to continue with Huron because if Huron was dropped, a new Request for Proposals would have to be submitted. If that occurred, current UW System staff who have been working on the project would leave, which would be a disadvantage to the UW System because of the work that has been done so far.

Regent Spector moved and Regent Wingad seconded the motion to revise Resolution I.2.a.1. The Committee then unanimously approved Revised Resolution 1.2.a.1.

**[Revised Resolution I.2.a.1.]**

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approve: (a) the System Administration's Project Implementation Plan for the HRS Project and (b) the FY 2010 implementation budget for that project, in each case subject to the negotiation of amendments to the existing HRS system contract with Huron Consulting satisfactory to the Regent President and the System President. It is understood that the Board of Regents will annually review the Project Implementation Plan and that its Business, Finance, and Audit Committee will receive regular reports on the status of the project and the performance of Huron Consulting's contractual obligations, beginning in October 2009, and continuing at every regularly-scheduled two-day Board meeting until implementation is complete.

**I.2.a.2. Project Status Report for Major Information Technology Projects as Required by Wis.Stats.s.13.58(5)(b)(3).** Ed Meachen, Associate Vice President for the Office of Learning and Information Technology, presented status reports on six major information technology projects underway within the UW System. Those projects include: the Student Information Systems at UW-Eau Claire, UW-La Crosse and UW-Stout, the Human Resource Project planning, the Identity and Access Management project, and the Legacy Budget System. Associate Vice President Meachen reported that all major projects are on target with respect to schedule, scope, and budget. This report is required by State statute and is to be provided to the Legislature's Joint Committee on Information Policy and Technology by March 1<sup>st</sup> and September 1<sup>st</sup> each year. Because of the timing of the September Board of Regents' meeting, and the Board's anticipated action on the implementation of HRS, the UW System notified the legislature that the report would be submitted after the September Board meeting.

Regent Connolly-Keesler moved and Regent Falbo seconded the motion to adjourn the meeting at 12:56 p.m.

Joint meeting of the Business, Finance, and Audit Committee and the Education Committee.

The joint meeting of the Business, Finance, and Audit Committee and the Education Committee convened in Room 275 University Center at UW-Whitewater at 1:46 p.m. See separate minutes.

**The Business, Finance, and Audit Committee reconvened in Room 259 University Center at 2:20 p.m.** Present were Regents Connolly-Keesler, Falbo, Smith, Walsh, and Wingad.

**I.2.c. UW-Whitewater Presentation: “Streamlining Facilities Maintenance”.** The Committee heard a presentation by Richard Van Schoon Hoven, Information Services Automation Specialist at UW-Whitewater, who described their Value Stream Mapping of the maintenance work order process. Mr. Van Schoon Hoven explained that the project scope is to review the maintenance work order process from customer request to final reconciliation—and to define value added steps in the process. Campus objectives include improving customer satisfaction, reducing lead time, improving the facilities organization’s accountability, creating a standard process, receiving accurate and complete information from customers, improving the facilities organization’s credibility, and establishing and sharing best practices between units and campuses. System-wide and campus specific lean projects are underway at all UW System institutions in connection with the Growth Agenda Action Step to improve operational excellence and efficiency.

**I.2.d. Status of Wisconsin Higher Education Grants.** Associate Vice President Freda Harris provided a brief update on this year’s Fall Wisconsin Higher Education Grant (WHEG) awards and challenges. She reported that the UW System requested additional funding for a hold harmless provision for WHEG through the Higher Educational Aids Board (HEAB) as part of the 2009-11 biennial budget. The Governor’s Budget included this funding but the increases were removed in the Legislature for the 2009-10 year. A 6.1% increase for WHEG-UW was provided in 2010-11. Due to a combination of increased student need and applicants for financial aid, WHEG-UW awards were cut-off and a waiting-list imposed on July 2, 2009. The current waiting list is approximately 3,500 students, and HEAB projects that approximately 4,900 eligible students will not receive a WHEG-UW award due to insufficient funding. This is more than a 500% increase in the number of eligible students not receiving funding over last year.

**I.2.d.2. Veterans Remissions.** Jan Sheppard, Senior Academic Planner, gave a presentation surrounding the changes in the laws regarding veterans’ remissions. Highlights of the new Federal Post-9/11 GI Bill include:

- New federal benefit for veterans with active duty service since September 10, 2001
- Benefit first available as of August 1, 2009
- Pays eligible veteran’s tuition and fees directly to the school
- Pays housing allowance and book stipend directly to the veteran
- Eligible veterans entitled to other federal veterans benefits and the Post-9/11 GI Bill benefit must relinquish their entitlement to the other benefit programs in order to claim the Post-9/11 GI Bill benefit.

Dr. Sheppard explained that there have also been changes to the Wisconsin GI Bill to capture federal Post-9/11 tuition revenue and reduce the cost to the State. Eligible students must use the federal benefits before they can use the Wisconsin GI Bill. The legislation provides for a supplemental benefit to encourage veterans to switch to the Post-9/11 GI Bill benefit. A website (<http://gibill.wisconsin.edu>) has been developed to explain the changes to the various bills.

**I.2.e.1. Approval of the Minutes of the July 9, 2009 Meeting.** Upon the motion by Regent Falbo and the second by Regent Wingad, the Committee approved the minutes of the July 9, 2009 meeting of the Business, Finance, and Audit Committee.

**I.2.e.2. Report on Quarterly Gifts, Grants, and Contracts (4<sup>th</sup> Quarter).** Vice President Durcan reported that total gifts, grants, and contracts for this period were \$1.4 billion, resulting in an increase of \$231.5 million from the comparable period of the previous fiscal year. Federal awards increased \$102.7 million, while Nonfederal awards increased \$128.8 million. As the vast majority of the increase occurred at UW-Madison, the Committee agreed to invite Dean Martin Cadwallader of the Graduate School to a future meeting.

**I.2.e.3. UW-Madison Contractual Agreement with Pfizer, Inc.** Upon the motion of Regent Connolly-Keesler and the second of Regent Wingad, the Committee unanimously approved a three and one-half year Data Analysis agreement between UW-Madison and Pfizer, Inc. The agreement is expected to generate over \$1 million over the life of the contract. Work will be conducted by the Department of Biostatistics and Medical Informatics under the direction of Dr. Marian Fisher.

**[Resolution I.2.e.3.]**

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual Data Analysis Research Agreement (CP-690,550) between the University of Wisconsin-Madison and Pfizer, Inc. from the effective date through January 31, 2013.

**I.2.e.4 UW-Madison Contractual Agreement with Amgen, Ltd.** Upon the motion by Regent Connolly-Keesler and the second of Regent Falbo, the Committee unanimously approved a three-year Data Analysis agreement between UW-Madison and Amgen, Ltd. The agreement is expected to generate over \$780,000 over the life of the contract. Work will be conducted by the Department of Biostatistics and Medical Informatics under the direction of Dr. Marian Fisher.

**[Resolution I.2.e.4.]**

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual Data Analysis Research Agreement (AMG785 20060326) between the University of Wisconsin-Madison and Amgen, Ltd. effective from date of approval through July 15, 2012.

**I.2.e.5 Centers for Disease Control (CDC) Recommended Waiver of Certification of Medical Necessity Requirement for Faculty, Limited Appointees, and Academic Staff Use of Sick Leave.** Vice President Durcan presented an overview of the pandemic planning occurring on UW System campuses. She explained that the purpose of the revision of the

current Board policy is to encourage faculty, staff, and students to stay home, rather than go to school or work and consequently spread the virus.

Vice President Durcan stated that much planning and preparation is underway at all UW System institutions with respect to the H1N1 Virus. Chancellors and UW Health Center Directors have been issuing guidelines for faculty, staff, and students, and websites have been populated with influenza information. Senior Vice Presidents Martin and Anderes have sent key institutional administrators information about developing system-wide guidelines in three key areas: academic, financial, and human resources. Responses are due mid-month and then a set of Q&A's will be developed.

Nationally, there are large outbreaks on college campuses, and UW-Madison Health Services has reported that UW-Madison had about 200 contacts during the week prior to the Board meeting with over 90% of the contacts being for flu. Most cases have been mild and can be controlled through self-isolation, fluids, and rest. UW-Madison does not expect to cancel any large-scale events. This would only change if the severity of the illness increases, and would not be based on the number of those affected.

The committee heard from UW-Whitewater Health Services Director Ruth Swisher who reported on the activities underway at Whitewater. All campuses have key people monitoring the level of illness at their institution and have plans and processes in place to respond to the H1N1 virus. Director Swisher explained that one of the key barriers to self-isolation by employees is a sick leave policy which requires a medical excuse. The resolution presented to the Committee temporarily removes that barrier.

Upon the motion by Regent Walsh and the second by Regent Falbo, the Committee unanimously approved Resolution I.2.e.5.

**[Resolution I.2.e.5.]**

Whereas, the Board of Regents on October 7, 2005 adopted Resolution #9086 setting forth that UW institutions shall require written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 consecutive full working days, except where the use of sick leave is authorized in advance, pursuant to the Wisconsin or Federal Family and Medical Leave Acts, and

Whereas, the U. S. Department of Health and Human Services Centers for Disease Control, in its guidance for responses to influenza for institutions of higher education during 2009-2010 academic year, recommended: "Do not require a doctor's note for students, faculty, or staff to validate their illness or to return to work, as doctor's offices and medical facilities may be extremely busy and may not be able to provide such documentation in a timely way."

Now therefore be it resolved:

That, upon the recommendation of the President of the UW System, the Board of Regents adopts the following policy:

Paragraph one of Resolution #9086 is suspended for the 2009-2010 academic year for those with the flu or flu-like symptoms.

Previous Action (October 7, 2005):

It was moved by Regent Gracz and seconded by Regent Davis that the following resolution be adopted by the Board.

**Certification of Medical Necessity Requirement for Faculty, Limited Appointees, and Academic Staff use of Sick Leave**

Resolution 9086: That, upon the recommendation of the Regent Business and Finance Committee, the following additions to Unclassified Personnel Guideline (UPG) 10 is recommended for adoption:

UW institutions shall require written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 consecutive full working days, except where the use of sick leave is authorized in advance, pursuant to the Wisconsin or Federal Family and Medical Leave Acts.

Where an institution is aware of an emergency that prevents communicating with or obtaining information about the condition of the employee, such written certification shall not be required until such time as communication is possible and appropriate, given the condition of the employee.

In cases of suspected abuse of the sick leave privilege, the institution shall be authorized to require written certification from a health care provider to verify the medical necessity for the employee's absence regardless of the length of absence.

Supervisors will be provided a copy of the revised UPG 10, along with instruction and training on the application of policy by the Director of Human Resources of the UW institution or other appropriate officer, depending on the needs and organizational structure of the specific institution.

**I.2.e.6. 2009-10 Committee Priorities.** Senior Vice President Tom Anderes updated the Committee on planned agenda items and possible priorities for 2009-10, with the expectation of continuing the discussion at the October meeting.

**I.2.f. Report of the Senior Vice President.** Senior Vice President Tom Anderes provided comments on recent articles about some new textbook rental opportunities for students. In addition, UW-Oshkosh is applying for a FIPSE (Fund for the Improvement of Postsecondary Education) Grant for a collaboration of faculty to select common books for teaching, and delivery on-line. Mr. Anderes reported UW System institutions have been awarded \$44 million from the American Recovery and Reinvestment Act through August 15. He also provided an update on the recently-released Legislative Audit Bureau statewide audit of procurement cards.

Upon the motion by Regent Connolly-Keesler and the second of Regent Wingad, the meeting adjourned at 3:38 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Zayda R. Back". The signature is written in a cursive style with a large, looping flourish under the first letter of the first name.

Zayda R. Back  
Recording Secretary