

**Board of Regents  
Business, Finance, and Audit Committee Agenda  
June 7, 2012  
UW-Milwaukee  
Student Union**

**JOINT MEETING OF THE BUSINESS, FINANCE AND AUDIT COMMITTEE AND THE CAPITAL PLANNING AND BUDGET COMMITTEE** (Student Union, Ballroom West)

The Joint Meeting of the Business, Finance, and Audit Committee and Capital Planning and Budget Committee was called to order at 2:55 pm by Regent Michael Falbo. Regents Charles Pruitt, Gerald Whitburn, Jeffrey Bartell, Edmund Manydeeds, John Drew, Katherine Pointer, and Gary Roberts were in attendance. Regents David Walsh and Mark Bradley were absent at the time of the roll but joined the meeting shortly thereafter.

- **UW-Milwaukee Presentation: “Building a Better Wisconsin, Construction Underway and Beyond.”**

Christy Brown, UW-Milwaukee Vice Chancellor for Finance and Administrative Affairs, addressed the significant capital planning and construction projects currently underway on the Milwaukee campus, as well as key findings in the Master Plan 2010. She reiterated Chancellor Lovell’s statement from the morning Board session indicating the goal for UW-Milwaukee is to make it the “best place to work and learn”. Vice Chancellor Brown said the Master Plan is transformative for UWM and will promote the goals of the Growth Agenda for UW System. She continued by stating the proposed activity would act as a catalyst for economic development, advancing research and knowledge, and building a better Wisconsin. Ms. Brown also emphasized how many of the projects add value due to the partnerships between the UW-Milwaukee and the area businesses for research and development, commercial opportunities, and community access and outreach. Two key findings from the 2010 Master Plan were a substantial space deficit and the lack of critical space needs; i.e., classrooms, laboratories, STEM supporting facilities, and student life space. She also pointed out that UW-Milwaukee is a land-locked campus. Vice Chancellor Brown highlighted five current projects in the Milwaukee Initiative: Northwest Quad Purchase, Joseph J. Zilber School of Public Health, School of Freshwater Science, Children’s Center, and Kenwood IRC. She concluded by highlighting future capital projects such as the Integrated Research Center, Innovation Park, Northwest Quad Redevelopment, and the Student Union.

The joint meeting was adjourned at 3:20 pm.

**Business, Finance and Audit Committee** (Student Union, Union Fireside Lounge)

The Business, Finance, and Audit Committee meeting was reconvened and called to order at 3:25 pm by Regent Mark Bradley. Regents Charles Pruitt and Gerald Whitburn were present. Regent Michael Falbo was absent.

**a. Operations Review and Audit**

**1. Program Review of Policies Related to the Reporting of Crimes Against Children**

UW System Office of Operations Review and Audit Director Elizabeth Dionne presented a summary of the recently completed program review of UW System policies and procedures in place to ensure a safe environment for children and young adults participating in University sponsored programs. Director Dionne first stated the objectives of the audit, reviewed the procedures used in obtaining and gathering appropriate

information and data, and highlighted the results. She noted the rapidly evolving landscape surrounding higher education and crimes against children and acknowledged that all UWSA employees are mandatory reporters under state law. A variety of procedures have been implemented to ensure the welfare of youth. Ms. Dionne illustrated the wide diversity currently existing in program-specific policies and practices and commented on the need for consistent policies to further mitigate risk. Director Dionne denoted 3 categories (risk identification, education/awareness, and clarification of policies and procedures) in which the Office of Operations and Review commented. Under the Risk Identification category, one comment focused on a revised criminal background check policy. Much discussion ensued, however, highlights included 1) expanding the category of said individuals to include formerly grandfathered employees, volunteers, select contractors, and third parties, 2) the need for a standardized national criminal background check and the standard being applied consistently in instances of similar risk, and 3) exploring cost saving opportunities related to the process. The discussion on Education/Awareness included comments concerning a two-level educational approach determined by access to vulnerable populations and consideration of options for a reporting process. And lastly, the Committee focused on the clarification of Policies and Procedures which included the need for a child safety and welfare policy and a “children in the workplace” policy. In the discussion following the formal presentation, comments were made by members regarding expectations, urgency, flexibility, and the need for understanding the costs of implementation. Director Dionne requested Committee endorsement of the recommendations and said the internal audit group would present a status update to the Committee in approximately six months.

Upon the motion of Regent Whitburn and the second of Regent Pruitt, the Committee unanimously approved Resolution I.2.a.1.

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

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents endorses the recommendations included in the Office of Operations Review and Audit’s Review of Policies Related to the Reporting of Crimes Against Children and encourages their adoption as soon as practicable.

**2. Operations Review and Audit: Quarterly Status Update**

Director Dionne continued with an update on projects the Office of Operations Review and Audit is working on along with information regarding current and/or pending activities of the Legislative Audit Bureau which may impact the UW System. Director Dionne said the Regents would soon be receiving an update on the NCAA Division III Athletics report for UW-Eau Claire. The Office is also involved in reviewing travel regulations for executive level administrators and compliance with WI Statutes involving dual employment. Director Dionne said the Legislative Audit Bureau (LAB) is starting their IT focus for their Financial Statement Audit and looking at the Human Resources System (HRS). In addition, other LAB special projects include continued performance evaluations of economic development programs, analysis relating to re-hired annuitants, and an evaluation of WiscNet and the UW System’s use of broadband services.

**b. Semi-Annual Report of Large/Vital Information Technology Projects**

UW System Senior Sr. Vice President Michael Morgan presented the status update on two major IT projects as required by WI Statutes section 13.58(5)(b)(3). These projects include Phase 2 of the HRS implementation and the Pioneer Administration Software System (PASS) Reimplementation at UW-Platteville. Sr. Vice President Morgan indicated he would go into detail on HRS later in his report but the project has been completed. He also stated the UW-Platteville People Soft project has been completed, and the appropriate reporting to the Legislature will be done. Sr. Vice President Morgan noted that both projects have been completed successfully, on time, and within budget.

**c. Committee Business**

**1. Approval of the Minutes of the April 12, 2012 meeting of the Business, Finance, and Audit**

Upon the motion of Regent Whitburn and the second of Regent Pruitt, the Committee approved the minutes of the April 12, 2012, meeting of the Business, Finance, and Audit Committee.

**2. Quarterly Report of Gifts, Grants, and Contracts (3<sup>rd</sup> Quarter)**

UW System Vice President for Finance Debbie Durcan presented a summary of gift, grant, and contract awards for the period July 1, 2011 through March 31, 2012. Vice President Durcan indicated there is much fluctuation in gifts, grants and contracts rights now, but we are still doing very well. Federal awards decreased by \$54 million and non-federal awards increased \$69 million. Total awards for the period were approximately \$1.2 billion, an increase of \$14 million compared to the prior year. Vice President Durcan said it may be interesting for the Committee to hear about the “ebb and flow” and the competitive challenges of federal research grants sometime in the future.

**3. Review and Approval of the UW-Oshkosh Contractual Agreement with Mac-Gray Corporation**

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

Tom Sonneleitner, UW-Oshkosh Vice Chancellor for Administrative Affairs, gave an overview of the RFP process and contract for laundry services for UW-Oshkosh. He indicated the campus was looking for a seven year agreement while creating goodwill and stronger relationships with their business partners. Mac-Gray is the current vendor for laundry services. All the bidding vendors were comparable in providing services and equipment, however, the decision point was based on the commission difference in fees.

Upon the motion of Regent Whitburn and the second of Regent Pruitt, the Committee unanimously approved [Resolution I.2.c.3.]

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

That, upon recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the Board of Regents approves a seven-year contract with Mac-Gray Corporation to provide Coin Operated/Debit Card Laundry Services to the University effective July 1, 2012.

**4. Review and Approval of the UW-Madison Contractual Agreement with PharmaNet, LLC,**

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

Darrell Bazzell, UW-Madison Vice Chancellor for Administration, stated this item is a fee for service contract between UW-Madison and Pharama Net, LLC, for the purpose of conducting clinical trials. It requires Regent approval because it is in excess of the \$500,000 contract threshold considered by Board of Regent policy.

Upon the motion of Regent Pruitt and the second of Regent Whitburn, the Committee unanimously approved [Resolution I.2.c.4.]

**[Resolution I.2.c.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 agreement between the University of Wisconsin-Madison and PharmaNet, LLC.

**5. Review and Approval of the UW-Madison Contractual Agreement with Learfield Communications [Resolution I.2.c.5.]**

Darrell Bazzell, UW-Madison Vice Chancellor for Administration, gave a brief overview of the Learfield Communications contract. Learfield Communications is a marketing and media rights partner with UW-Madison Athletics. Vice Chancellor Bazzell stated this contract would extend the existing contract for 5 additional years, as well as alter the annual Guaranteed Payment amount over the terms of the contract. Regent Whitburn inquired if it was wise to commit until 2024 and Vice Chancellor Bazzell said that question was internally debated. However, based on the direction of the business trend, UW-Madison concluded there does not appear to be aggressive competition and the contract offers budgeting certainty to the Athletic Department.

Upon the motion of Regent Pruitt and the second of Regent Whitburn, the Committee unanimously approved Resolution I.2.c.5.

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

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 Second Amended and Restated Exclusive Multi-Media Rights Agreement with Learfield Communications, which will provide Learfield certain marketing and multi-media rights.

**c. Report of the Senior Vice President**

**1. Final Report on the Human Resources Project**

Senior Vice President Michael Morgan and Lorie Docken, IT Project Director, Office of Learning and Information Technology, presented the final report summarizing the implementation and total cost of the University's new Human Resource System. Sr. Vice President Morgan noted the project was completed on-time, within specification, and within budget. Director Docken's overview gave a historical perspective of the project and recognized and thanked key contributors to the project. Sr. Vice President Morgan said this would be the last report of the project portion of the HRS report, the Committee may hear more about HRS, but the HRS Project officially closes as of June 30, 2012.

**2. Status Update on the Human Resource System**

Senior Vice President Morgan said the Final Report on the Human Resources Project would serve as the status update.

**3. Status Update on University Personnel Systems**

Associate Vice President for Human Resources and Workforce Diversity Al Crist highlighted areas of recommendations with respect to the University Personnel Systems currently being developed for UW-Madison and the balance of the UW System institutions. He commented on the significant discussions regarding 1) similarities within the two systems, 2) alignment needs between the systems, 3) work group recommendations, and 4) the need for a Compensation Classification Study. Lastly he mentioned overall good practices for all personnel systems and the need for a Board of Regents "best practices" policy. Regent Whitburn asked why there was no statement regarding diversity. Associate Vice President Crist said workforce diversity is a value and expectation for the workforce, and a Regent statement should address that. However, due to the variety in the campuses, i.e., size, needs, and location, the statement would not designate how the

policy would be implemented on individual campuses. Mr. Crist indicated the process is running on schedule: Chancellor's will review the final recommendation in November and the final proposal should be brought to the December Board meeting. A brief overview of the legislative process was offered.

#### **4. Focusing the Business, Finance, and Audit Committee Agenda**

Senior Vice President Morgan asked if the Committee would have an interest in engaging in deep dive discussions on topics of interest to the members. As examples Mr. Morgan mentioned 1) cost containment efforts and reviews, 2) diversification of student bodies or recruitment of non-resident students, 3) information technology, and 4) the budget process. Although the Committee performs important, routine work, Mr. Morgan asked if there are areas the members may have an interest in exploring in depth. He suggested, if the Committee was interested, System compiling a list of detailed topics, sharing the list with the Committee, and then determining interest in follow up. Regent Bradley said it was a good idea and added he would have an interest in learning more about the economics of alternative instructional delivery and what innovative delivery mechanisms are already in place. He thought there may be opportunities to consider. Regent Pruitt suggested review of best practices or the appropriate role for the Board of Regents in intercollegiate athletics. Based on the response of the Committee, Sr. Vice President Morgan indicated he would get materials to the Committee in advance of the next meeting.

The meeting was adjourned at 4:45 pm.

Respectfully submitted,



Ruth E. Wyttenbach  
Recording Secretary