

08/12/14

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business and Finance Committee

Thursday, August 21, 2014
UW-Oshkosh - Alumni Welcome Center
Sodexo Grand Ballroom C
625 Pearl Avenue
Oshkosh, Wisconsin

10:45a.m. Business and Finance Committee – Sodexo Grand Ballroom C

- a. Approval of the Minutes of the June 5, 2014 Meeting of the Business and Finance Committee
- b. UW-Oshkosh Presentation: *Contingency Planning During Rapidly Changing Times*
- c. Approval of Amendment to UW-Madison Contractual Agreement with Crown Castle NG Central LLC for Distributed Antenna System for Cellular Services
[Resolution I.2.c.]
- d. Approval of UW-Madison Contractual Agreement with INC Research, LLC
[Resolution I.2.d.]
- e. Approval of UW-Madison Contractual Agreement with Chengdu Kanghong Biotechnology Co., Ltd.
[Resolution I.2.e.]
- f. Quarterly Report of Gifts, Grants, and Contracts (4th Quarter)
- g. Semi-annual Status Report on Large/Vital Information Technology Projects as required by Wisconsin Statutes 13.58(5)(b)(3)
- h. Campus-based Efficiency Reviews – UW-Platteville Case Review
- i. UW Medical Foundation Notice and Waiver Request
[Resolution I.2.i.]
- j. Report of the Senior Vice President
 - Shared Financial System Benchmarking
 - State-wide Heating Plants
 - HRS Internal Controls
 - Business Intelligence Management Systems
 - Position Recruitments
 - PR Balances Reporting Process

UW-Madison Contractual Agreement
For Distributed Antenna System for Cellular Services
Crown Castle NG Central

BUSINESS AND FINANCE COMMITTEE

Resolution:

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 amendment between the University of Wisconsin-Madison and Crown Castle NG Central LLC.

**UW-MADISON CONTRACTUAL AMENDMENT
WITH CROWN CASTLE NG CENTRAL**

EXECUTIVE SUMMARY

BACKGROUND

UW-Madison is seeking approval of the Board of Regents to enter into an amended agreement with Crown Castle NG Central LLC on behalf of the University of Wisconsin – Madison Division of Facilities Planning and Management.

The University entered into a contract with Next G Network of Illinois in October of 2008 to construct a distributed antenna system (DAS) that would provide all cellular operators the ability to deliver signal to the campus community without the proliferation of rooftop antenna systems. The agreement was arrived at through a competitive solicitation process.

In December of 2011, Next G was acquired by Crown Castle which assumed the obligations and benefits of the Next G Agreement.

The terms of the original agreement included:

- An investment of approximately \$18 million by Next G to construct an aggregation node and distributed fiber system throughout the campus to carry signal to the aggregation point.
- Fiber assets installed were deeded to the University.
- Next G would market and sell access to the cellular operators and retain exclusivity to providing a campus DAS.
- The University would receive revenue for the rental of space associated with the aggregation node and a percentage of the transport revenues.
- The term was for an initial 10 years which would expire in October of 2018.

To date, this agreement has resulted in lease and transit revenues to the University of approximately \$447,000.

REQUESTED ACTION

Approval of Resolution I.2.c.

DISCUSSION

The University's building program since the inception of the agreement with Next G has resulted in new construction that has not adequately addressed the need for internal building cellular

service. While the Next G DAS project was intended to provide cellular signal to the new building locations, an unintended consequence of constructing LEED-certified buildings was having window insulation that creates a barrier to signals being carried into these buildings.

Currently, the University is experiencing very poor cellular coverage in significant areas of need, including new housing facilities (Dejope, Gordon, and Leopold), the Wisconsin Institutes for Medical Research (WIMR I and WIMR II), Union South, and Memorial Union. In order to provide desired cellular coverage in these facilities, significant investments need to be made for internal building distributed antenna systems in each facility (IDAS). The investments needed are several million dollars of new infrastructure within the buildings.

To amortize this additional investment, Crown Castle sought a 10-year extension of the existing agreement. The University desired additional contractual improvements as well. Negotiations have led to the amendment proposed. The Amendment includes the following elements:

1. A five-year extension to the existing term (nine years total) extending the initial term to 2023. An additional year is added on each year unless terminated or for performance failures. This second element effectively changes the nature of the contract from a fixed term to a nine-year rolling horizon wherein the contract becomes a perpetual nine-year agreement subject to notice of either party to stop the automatic extension.
2. Crown Castle is responsible for all costs of constructing indoor DAS expansions. The additional investment for the medical facilities and housing facilities is estimated to be \$11.5 million.
3. Exclusive rights are only for fiber/antenna solutions. The University is free to use any new technology such as voice over IP protocols on wireless networks.
4. A reduced rental fee to the cellular operators was negotiated to encourage their investment with Crown Castle.
5. Crown Castle pays the University a \$200,000 signing bonus for the 5-year extension and \$25,000 annually thereafter for each year that an auto-extension takes place.
6. The University will receive 11% of the first operator's transport fees, and accelerated percentages for the additional operators.
7. Performance requirements are better defined and Crown Castle loses exclusive ability to provide the DAS if failing to perform.
8. Dejope, Leopold, and Gordon Commons must be completed by August 15 of 2014.
9. WIMR I, WIMR II, Union South, and Memorial Union are completed in calendar year 2015.
10. Crown Castle facilitates a meeting with University staff and cell operators no less than quarterly to discuss needs of the University and interests of the operators.

RELATED REGENT POLICIES

Regent Policy Document 13-1: General Contract Authority, Approval, and Reporting.

UW-Madison Contractual Agreement
With INC Research, LLC

BUSINESS AND FINANCE COMMITTEE

Resolution:

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 INC Research, LLC.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH INC RESEARCH, LLC**

EXECUTIVE SUMMARY

BACKGROUND

UW Board of Regents policy requires any grant or contract with private profit-making organizations in excess of \$500,000 to be presented to the Board for formal approval prior to execution.

REQUESTED ACTION

Approval of Resolution I.2.d.

DISCUSSION

The Office of Industry Relations at the UW-Madison School of Medicine and Public Health and the Office of Industrial Partnerships at the University of Wisconsin-Madison negotiated a Vendor Services Agreement with INC Research, LLC (“INC”). Under this agreement, the Fundus Photograph Reading Center in the Department of Ophthalmology and Visual Sciences will perform certifications, as well as image grading, quality, and routine analysis services. The services will be provided over a five (5) year period and revenue to the University associated with such services is estimated to be \$1,165,096 based on the current service rates, however INC has agreed to a 4% annual rate increase and will be invoiced accordingly. The work will be overseen by Dr. Barbara Blodi.

RELATED REGENT POLICIES

Regent Policy Document 13-1: General Contract Authority, Approval, and Reporting.

UW-Madison Contractual Agreement
With Chengdu Kanghong Biotechnology Co., Ltd.

BUSINESS AND FINANCE COMMITTEE

Resolution:

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 Chengdu Kanghong Biotechnology Co., Ltd.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH CHENGDU KANGHONG BIOTECHNOLOGY CO., LTD.**

EXECUTIVE SUMMARY

BACKGROUND

UW Board of Regents policy requires any grant or contract with private profit-making organizations in excess of \$500,000 be presented to the Board for formal approval prior to execution.

REQUESTED ACTION

Approval of Resolution I.2.e.

DISCUSSION

The Office of Industry Relations at the School of Medicine and Public Health and the Office of Industrial Partnerships at the University of Wisconsin-Madison negotiated a Grading Services Agreement with Chengdu Kanghong Biotechnology Co., Ltd. (“CKB”). Under this agreement, the Fundus Photograph Reading Center in the Department of Ophthalmology and Visual Sciences will provide web interface and technical support services, as well as quality control, image conversion, photograph grading, and data transfer services. The services will be provided over a period ending December 30, 2016. Revenues to the University associated with such services are estimated to be \$753,859 based on the current service rates, however CKB has agreed to a 4% rate increase implemented annually on July 1st and will be invoiced accordingly. The work will be overseen by Dr. Barbara Blodi. The agreement is written in both English and Chinese; however, in the event of a conflict between the versions the English version will prevail.

RELATED REGENT POLICIES

Regent Policy Document 13-1: General Contract Authority, Approval, and Reporting.

**QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS
JULY 1, 2013 THROUGH JUNE 30, 2014
REVISED**

BACKGROUND

Regent Policy Document 13-1: General Contract Signature Authority, Approval and Reporting, requires that a summary of extramural gifts, grants, and contracts be reported quarterly to the Vice President for Finance for presentation to the Business and Finance Committee of the Board of Regents. The attached report is intended to meet that requirement.

The policy further requires that grants from and contracts with private, profit-making organizations with a value of more than \$500,000 require formal approval by the Board of Regents prior to execution. In addition, any contract with a value of less than \$500,000 that, in the judgment of the President of the UW System, warrants direct Board approval shall also be approved by the Board prior to execution. Grants and contracts falling under this requirement are included in the quarterly reports upon execution but are also presented individually to the Business and Finance Committee of the Board of Regents.

REQUESTED ACTION

No action is required; this item is for information only.

DISCUSSION

Attached is a summary report of gifts, grants, and contracts awarded to University of Wisconsin System institutions in the twelve-month period July 1, 2013, through June 30, 2014. Total gifts, grants, and contracts for the period were approximately \$1.4 billion; this is a decrease of \$24.6 million from the same period in the prior year. Federal awards increased \$32.9 million, while non-federal awards decreased by \$57.5 million.

RELATED REGENT POLICIES

Regent Policy Document 13-1: General Contract Signature Authority, Approval and Reporting

UNIVERSITY OF WISCONSIN SYSTEM
 GIFTS, GRANTS AND CONTRACTS AWARDED
 QUARTERLY REPORT & PRIOR-YEAR COMPARISON
 FISCAL YEAR 2013-2014 (4th Quarter)

REVISED

FISCAL YEAR 2013-2014	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid*	Total
Total	102,422,304	52,594,433	2,719,100	110,434,291	19,618,227	915,957,896	233,882,349	1,437,628,601
Federal	60,840,841	30,782,168	0	9,570,560	0	601,463,383	208,686,905	911,343,857
Nonfederal	41,581,462	21,812,265	2,719,100	100,863,732	19,618,227	314,494,514	25,195,445	526,284,744
FISCAL YEAR 2012-2013								
Total	99,194,687	62,344,384	10,829,340	130,860,804	42,960,438	894,678,162	221,344,259	1,462,212,074
Federal	59,179,273	35,322,490	0	10,424,228	437,547	570,854,657	202,224,466	878,442,662
Nonfederal	40,015,414	27,021,894	10,829,340	120,436,576	42,522,891	323,823,505	19,119,792	583,769,412
INCREASE(DECREASE)								
Total	3,227,617	(9,749,951)	(8,110,240)	(20,426,514)	(23,342,211)	21,279,735	12,538,090	(24,583,474)
Federal	1,661,568	(4,540,323)	0	(853,668)	(437,547)	30,608,727	6,462,439	32,901,195
Nonfederal	1,566,048	(5,209,628)	(8,110,240)	(19,572,845)	(22,904,664)	(9,328,992)	6,075,654	(57,484,667)

UNIVERSITY OF WISCONSIN SYSTEM
 GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
 QUARTERLY REPORT & PRIOR-YEAR COMPARISON
 FISCAL YEAR 2013-2014 (4th Quarter)

	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
FISCAL YEAR 2013-2014								
Madison	40,245,082	36,372,897	2,661,985	92,080,477	19,140,939	878,492,382	53,399,221	1,122,392,983
Milwaukee	10,732,888	1,993,659	0	6,683,310	37,160	26,685,243	37,455,229	83,587,489
Eau Claire	1,223,485	2,327,104	0	381	0	822,604	13,377,828	17,751,402
Green Bay	1,267	2,034,660	500	327,736	271	1,434,611	9,694,700	13,493,744
La Crosse	694,525	385,067	0	1,312,540	355,280	1,987,623	10,167,754	14,902,790
Oshkosh	1,690,231	5,507,519	0	267,284	0	1,354,297	15,279,250	24,098,581
Parkside	614,033	567,542	0	30,578	36,942	129,075	9,112,242	10,490,413
Platteville	101,582	136,417	15,000	1,741,516	0	368,372	9,322,222	11,685,109
River Falls	1,242,157	1,086,330	851	1,242,410	9,790	321,211	8,770,875	12,673,624
Stevens Point	2,921,696	953,546	23,896	464,694	0	2,006,281	15,163,856	21,533,969
Stout	3,738,218	238,532	0	2,018,493	450	158,825	11,638,489	17,793,006
Superior	30,000	0	0	1,003,890	0	878,412	5,131,472	7,043,774
Whitewater	252,973	16,070	0	1,104,361	37,394	80,870	15,478,395	16,970,063
Colleges	2,925	717,861	16,868	922,661	0	137,663	19,890,817	21,688,794
Extension	38,931,243	0	0	0	0	700,337	0	39,631,580
System-Wide	0	257,229	0	1,233,960	0	400,090	0	1,891,279
Totals	102,422,304	52,594,433	2,719,100	110,434,291	19,618,227	915,957,896	233,882,349	1,437,628,601
Madison	30,904,370	18,070,421	0	2,397,762	0	572,932,179	34,269,475	658,574,206
Milwaukee	6,354,266	1,898,659	0	2,493,525	0	23,121,377	37,453,604	71,321,431
Eau Claire	86,944	1,106,014	0	0	0	571,281	12,699,316	14,463,555
Green Bay	0	1,506,115	0	15,280	0	809,031	9,263,855	11,594,281
La Crosse	380,373	347,815	0	876,659	0	1,364,750	9,512,429	12,482,026
Oshkosh	971,771	5,126,732	0	9,359	0	861,119	14,782,938	21,751,918
Parkside	490,628	275,531	0	0	0	15,000	8,889,869	9,671,028
Platteville	4,000	32,206	0	740,565	0	340,406	9,322,222	10,439,399
River Falls	1,138,564	1,084,812	0	562,299	0	109,550	7,969,040	10,864,265
Stevens Point	737,972	429,564	0	(16,410)	0	864,395	14,617,295	16,632,816
Stout	3,392,553	76,312	0	989,659	0	129,867	11,076,534	15,664,925
Superior	0	0	0	722,497	0	72,766	4,981,472	5,776,735
Whitewater	123,289	0	0	515,585	0	0	14,619,842	15,258,716
Colleges	0	570,757	0	263,781	0	71,663	19,229,013	20,135,214
Extension	16,256,112	0	0	0	0	0	0	16,256,112
System-Wide	0	257,229	0	0	0	200,000	0	457,229
Federal Totals	60,840,841	30,782,168	0	9,570,560	0	601,463,383	208,686,905	911,343,857
Madison	9,340,712	18,302,477	2,661,985	89,682,715	19,140,939	305,560,203	19,129,746	463,818,777
Milwaukee	4,378,621	95,000	0	4,189,785	37,160	3,563,866	1,625	12,266,058
Eau Claire	1,136,541	1,221,090	0	381	0	251,323	678,512	3,287,847
Green Bay	1,267	528,545	500	312,456	271	625,580	430,845	1,899,464
La Crosse	314,152	37,252	0	435,881	355,280	622,873	655,325	2,420,763
Oshkosh	718,460	380,787	0	257,925	0	493,178	496,312	2,346,662
Parkside	123,405	292,011	0	30,578	36,942	114,075	222,373	819,385
Platteville	97,582	104,211	15,000	1,000,952	0	27,966	0	1,245,710
River Falls	103,593	1,518	851	680,111	9,790	211,661	801,835	1,809,359
Stevens Point	2,183,724	523,982	23,896	481,104	0	1,141,886	546,561	4,901,153
Stout	345,665	162,220	0	1,028,834	450	28,958	561,955	2,128,081
Superior	30,000	0	0	281,393	0	805,646	150,000	1,267,040
Whitewater	129,684	16,070	0	588,776	37,394	80,870	858,553	1,711,347
Colleges	2,925	147,104	16,868	658,880	0	66,000	661,804	1,553,580
Extension	22,675,132	0	0	0	0	700,337	0	23,375,469
System-Wide	0	0	0	1,233,960	0	200,090	0	1,434,050
Nonfederal Totals	41,581,462	21,812,266	2,719,100	100,863,731	19,618,227	314,494,513	25,195,445	526,284,744

	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
FISCAL YEAR 2012-2013								
Madison	39,104,311	42,574,724	10,812,545	110,985,996	42,778,630	849,122,069	43,795,416	1,139,173,692
Milwaukee	10,153,409	6,038,512	13,200	7,842,928	0	30,292,991	37,541,804	91,882,844
Eau Claire	1,580,508	2,677,959	0	0	70,131	1,046,099	13,504,572	18,879,269
Green Bay	39,241	1,881,440	0	682,281	0	1,960,715	9,580,813	14,144,488
La Crosse	658,010	123,018	0	1,782,981	0	2,114,399	9,631,143	14,309,551
Oshkosh	1,003,034	6,785,000	0	0	0	2,479,872	14,425,303	24,693,208
Parkside	1,100,710	836,963	0	27,340	35,115	128,458	8,768,648	10,897,233
Platteville	655,814	69,899	0	185,096	0	1,021,954	10,059,836	11,992,598
River Falls	524,378	48,725	3,415	1,846,673	8,500	308,240	7,560,053	10,299,984
Stevens Point	2,959,078	463,471	0	1,707,436	0	2,101,500	14,609,899	21,841,384
Stout	2,344,824	199,311	0	2,356,872	425	623,602	11,665,345	17,190,380
Superior	478,889	0	0	784,628	0	745,909	4,865,701	6,875,127
Whitewater	2,093,874	62,245	0	1,597,694	67,637	368,298	14,443,370	18,633,117
Colleges	19,125	560,207	180	1,037,850	0	238,699	20,892,356	22,748,418
Extension	36,479,484	0	0	0	0	252,605	0	36,732,089
System-Wide	0	22,910	0	23,030	0	1,872,752	0	1,918,692
Totals	99,194,687	62,344,384	10,829,340	130,860,804	42,960,438	894,678,162	221,344,259	1,462,212,074
Madison	32,629,502	20,220,879	0	2,391,325	437,547	536,204,300	28,401,863	620,285,417
Milwaukee	7,148,363	5,123,637	0	2,251,604	0	24,380,006	37,459,699	76,363,309
Eau Claire	138,506	1,303,726	0	0	0	746,254	12,884,831	15,073,317
Green Bay	35,502	1,321,145	0	32,015	0	1,659,916	9,218,760	12,267,338
La Crosse	379,128	103,879	0	1,011,981	0	536,760	9,512,629	11,544,377
Oshkosh	867,729	5,955,398	0	0	0	1,985,502	14,425,303	23,233,932
Parkside	1,026,885	581,474	0	0	0	0	8,682,233	10,290,592
Platteville	489,223	46,945	0	0	0	831,505	10,059,836	11,427,509
River Falls	430,123	0	0	1,193,062	0	264,399	7,534,553	9,422,137
Stevens Point	117,668	0	0	825,728	0	833,456	14,448,403	16,225,255
Stout	1,729,562	93,442	0	1,053,478	0	549,998	11,108,094	14,534,574
Superior	478,889	0	0	762,340	0	200,000	4,865,701	6,306,930
Whitewater	2,018,685	10,849	0	585,640	0	323,954	13,405,165	16,344,293
Colleges	5,700	553,207	0	303,055	0	218,750	20,217,396	21,298,108
Extension	11,683,807	0	0	0	0	247,105	0	11,930,912
System-Wide	0	7,910	0	14,000	0	1,872,752	0	1,894,662
Federal Totals	59,179,273	35,322,490	0	10,424,228	437,547	570,854,657	202,224,466	878,442,662
Madison	6,474,809	22,353,845	10,812,545	108,594,671	42,341,083	312,917,769	15,393,553	518,888,275
Milwaukee	3,005,045	914,875	13,200	5,591,324	0	5,912,985	82,105	15,519,535
Eau Claire	1,442,002	1,374,233	0	0	70,131	299,845	619,741	3,805,952
Green Bay	3,739	560,295	0	650,266	0	300,799	362,053	1,877,151
La Crosse	278,882	19,139	0	771,000	0	1,577,639	118,514	2,765,174
Oshkosh	135,304	829,602	0	0	0	494,370	0	1,459,276
Parkside	73,825	255,489	0	27,340	35,115	128,458	86,415	606,641
Platteville	166,591	22,954	0	185,096	0	190,449	0	565,090
River Falls	94,255	48,725	3,415	653,611	8,500	43,841	25,500	877,847
Stevens Point	2,841,410	463,471	0	881,708	0	1,268,044	161,496	5,616,129
Stout	615,262	105,869	0	1,303,394	425	73,604	557,251	2,655,806
Superior	0	0	0	22,288	0	545,909	0	568,197
Whitewater	75,189	51,396	0	1,012,054	67,637	44,344	1,038,205	2,288,824
Colleges	13,425	7,000	180	734,795	0	19,949	674,960	1,450,309
Extension	24,795,677	0	0	0	0	5,500	0	24,801,177
System-Wide	0	15,000	0	9,030	0	0	0	24,030
Nonfederal Totals	40,015,414	27,021,894	10,829,340	120,436,576	42,522,891	323,823,505	19,119,792	583,769,412

	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
INCREASE (DECREASE)								
Madison	1,140,771	(6,201,827)	(8,150,560)	(18,905,519)	(23,637,692)	29,370,313	9,603,805	(16,780,708)
Milwaukee	579,479	(4,044,852)	(13,200)	(1,159,618)	37,160	(3,607,748)	(86,575)	(8,295,355)
Eau Claire	(357,023)	(350,855)	0	381	(70,131)	(223,495)	(126,744)	(1,127,867)
Green Bay	(37,974)	153,220	500	(354,545)	271	(526,104)	113,887	(650,744)
La Crosse	36,515	262,049	0	(470,441)	355,280	(126,776)	536,611	593,239
Oshkosh	687,197	(1,277,481)	0	267,284	0	(1,125,575)	853,947	(594,628)
Parkside	(486,677)	(269,421)	0	3,238	1,827	618	343,594	(406,820)
Platteville	(554,232)	66,519	15,000	1,556,421	0	(653,582)	(737,614)	(307,489)
River Falls	717,779	1,037,605	(2,564)	(604,263)	1,290	12,971	1,210,822	2,373,640
Stevens Point	(37,381)	490,074	23,896	(1,242,741)	0	(95,220)	553,957	(307,415)
Stout	1,393,394	39,221	0	(338,380)	25	(464,777)	(26,856)	602,626
Superior	(448,889)	0	0	219,262	0	132,503	265,771	168,648
Whitewater	(1,840,901)	(46,175)	0	(493,333)	(30,242)	(287,428)	1,035,025	(1,663,054)
Colleges	(16,200)	157,654	16,688	(115,190)	0	(101,036)	(1,001,539)	(1,059,623)
Extension	2,451,759	0	0	0	0	447,732	0	2,899,491
System-Wide	0	234,319	0	1,210,930	0	(1,472,662)	0	(27,413)
Totals	3,227,617	(9,749,951)	(8,110,240)	(20,426,514)	(23,342,211)	21,279,735	12,538,091	(24,583,473)
Madison	(1,725,132)	(2,150,458)	0	6,436	(437,547)	36,727,879	5,867,612	38,288,790
Milwaukee	(794,097)	(3,224,977)	0	241,921	0	(1,258,629)	(6,095)	(5,041,878)
Eau Claire	(51,562)	(197,712)	0	0	0	(174,973)	(185,515)	(609,762)
Green Bay	(35,502)	184,970	0	(16,735)	0	(850,885)	45,095	(673,057)
La Crosse	1,245	243,936	0	(135,322)	0	827,990	(200)	937,649
Oshkosh	104,041	(828,666)	0	9,359	0	(1,124,383)	357,635	(1,482,014)
Parkside	(536,257)	(305,943)	0	0	0	15,000	207,636	(619,564)
Platteville	(485,223)	(14,739)	0	740,565	0	(491,099)	(737,614)	(988,109)
River Falls	708,441	1,084,812	0	(630,763)	0	(154,849)	434,487	1,442,128
Stevens Point	620,304	429,564	0	(842,138)	0	30,939	168,892	407,561
Stout	1,662,991	(17,130)	0	(63,819)	0	(420,131)	(31,560)	1,130,351
Superior	(478,889)	0	0	(39,843)	0	(127,234)	115,771	(530,195)
Whitewater	(1,895,396)	(10,849)	0	(70,055)	0	(323,954)	1,214,677	(1,085,577)
Colleges	(5,700)	17,550	0	(39,274)	0	(147,087)	(988,383)	(1,162,894)
Extension	4,572,305	0	0	0	0	(247,105)	0	4,325,200
System-Wide	0	249,319	0	(14,000)	0	(1,672,752)	0	(1,437,433)
Federal Totals	1,661,568	(4,540,323)	0	(853,668)	(437,547)	30,608,727	6,462,438	32,901,195
Madison	2,865,904	(4,051,369)	(8,150,560)	(18,911,956)	(23,200,145)	(7,357,566)	3,736,193	(55,069,498)
Milwaukee	1,373,576	(819,875)	(13,200)	(1,401,539)	37,160	(2,349,119)	(80,480)	(3,253,477)
Eau Claire	(305,461)	(153,143)	0	381	(70,131)	(48,522)	58,771	(518,105)
Green Bay	(2,472)	(31,750)	500	(337,810)	271	324,781	68,792	22,313
La Crosse	35,270	18,113	0	(335,119)	355,280	(954,766)	536,811	(344,411)
Oshkosh	583,156	(448,815)	0	257,925	0	(1,192)	496,312	887,386
Parkside	49,580	36,522	0	3,238	1,827	(14,382)	135,958	212,744
Platteville	(69,009)	81,257	15,000	815,856	0	(162,483)	0	680,621
River Falls	9,338	(47,207)	(2,564)	26,500	1,290	167,820	776,335	931,512
Stevens Point	(657,685)	60,510	23,896	(400,603)	0	(126,159)	385,065	(714,976)
Stout	(269,597)	56,351	0	(274,561)	25	(44,646)	4,704	(527,725)
Superior	30,000	0	0	259,106	0	259,737	150,000	698,843
Whitewater	54,495	(35,326)	0	(423,278)	(30,242)	36,526	(179,652)	(577,477)
Colleges	(10,500)	140,104	16,688	(75,915)	0	46,051	(13,156)	103,271
Extension	(2,120,546)	0	0	0	0	694,837	0	(1,425,709)
System-Wide	0	(15,000)	0	1,224,930	0	200,090	0	1,410,020
Nonfederal Totals	1,566,048	(5,209,628)	(8,110,240)	(19,572,845)	(22,904,664)	(9,328,992)	6,075,653	(57,484,668)

**UW SYSTEM INFORMATION TECHNOLOGY REPORT
STATUS REPORT ON LARGE/VITAL INFORMATION
TECHNOLOGY PROJECTS**

BACKGROUND

2007 Wisconsin Act 20 requires the Board of Regents to provide in March and September of each year a specific and detailed progress report on all large (defined as costing over \$1 million) and high-risk IT projects to the Joint Committee on Information Policy and Technology. The attached reports will be submitted to the Joint Committee on behalf of the Board. The Board policy on the format of these reports was approved in April 2008.

REQUESTED ACTION

This report is for information only.

DISCUSSION

Attached are progress reports on UW System's major information technology projects. Current projects include UW Colleges and Extension's Campus Network Infrastructure Project (CNIP), UW-Milwaukee's Migration to Office 365 Project, and UW-Milwaukee's WiFi Project. Descriptions and current status assessments for each of the projects are attached. All projects included in this status report are on target with respect to schedule, scope, and budget status.

RELATED REGENT POLICIES

Regent Policy Document 25-2: Guide to plan and implement management information systems.

Project: UW Colleges and Extension - Campus Network Infrastructure Project (CNIP)

Description:

The wired and wireless networks at each of the 13 two-year colleges and Online are aging. The increased frequency of new technology being introduced to students and staff has stressed the abilities of the existing infrastructure. Most of the infrastructure is 8-10 years old and struggles to support the increased number of devices on campus.

The scope of this project includes the upgrade or replacement of wired network switches and uninterrupted power supplies, and the expansion or replacement of wireless networks.

Strategic Business Drivers for the Project:

- **Growth of Mobile Devices:** UW Colleges, like other institutions in the UW System and across the country, are seeing an increase in the use of mobile devices (laptops, smartphones, tablets). EDUCAUSE research estimates that a typical student comes to campus with an average of 3.5 mobile devices. UW Colleges must upgrade its network infrastructure to support the increased demand for network access.
- **Aging Equipment:** The network equipment on UW College campuses averages 8-10 years in age. Some of the equipment is no longer supported by vendors and the equipment struggles to support demand and is incapable of supporting some newer technology.
- **Opportunities presented by new technology:** Since the upgrade to UW Colleges networks nearly 10 years ago, new technology has introduced new functionality that may impact delivery of class material and create opportunities for classroom collaboration.

Project:

In the summer/fall of 2013, a network assessment was performed on each of the UW Colleges campuses to evaluate their readiness for new technology, specifically Voice over Internet Protocol (VoIP) telephone services. This assessment revealed that the existing network infrastructure could not support newer technologies such as VoIP, and in some cases could not support the existing needs of the campuses. The campus infrastructure network equipment inventory was validated with the campuses and this two year project was proposed to the Chancellor for UW Colleges and Extension. The project was approved in January 2014. Funding for the project was not available until July 2014.

Project Timeline: July 2014 – June 2016

Project Budget: \$1,800,000

Source of Funds: 100% UW Colleges Program Revenue Carry forward Balances

<p>Determine the status for each of the categories below based on the criteria identified on the right and on the back of this page.</p> <p>Insert an X in the column that best describes the status of the category or color/share the appropriate status box.</p> <p>If a category has a status of Yellow or Red, describe the problem/issue and what actions will be taken to correct the problem/issue.</p>		STATUS COLOR INDICATORS
	Green	On target as planned
	Yellow	Encountering issues
	Red	Problems

CNIP Project Status Dashboard:			
	Green	Yellow	Red
Schedule Status	X		
Scope Status	X		
Budget Status	X		
Other Issues (Staffing, Risks, etc.)	X		

Status of CNIP Planning and Documentation:

	Status
Governance Structure	Established and staffing in process
Project Charter	Completed
Communication Plan	In process
Project Plan	In process
Project Budget	In place
Quality Assurance Plan	In process

Project: UW-Milwaukee - Migration to Office 365

Description:

This project is implementing the Office 365 collaboration suite to replace the University of Wisconsin-Milwaukee's Zimbra email/calendar system. Office 365 services to be implemented include: Outlook (email and calendar), Lync, One Drive, Office Online and SharePoint (limited). Existing mailbox, contacts, tasks and calendar data will be migrated to the new service.

Project Schedule:

In the interest of time and business continuity, UWM's 60,000+ accounts were separated into six groups, with priority processing set for current faculty, staff, students who are enrolled in summer 2014, and shared group accounts. All six groups are described below.

- Groups 1 & 2 Faculty, staff, students who are enrolled this summer, and group accounts
- Groups 3 & 4 Students enrolled for the upcoming fall semester
- Groups 5 & 6 Students eligible to enroll, annuitants, and all other account types

The migration of 14 days of email and all calendars, contacts, and tasks is complete. As of August 8, 2014, the team is working on migrating the last 90 days of email to Office 365. The next phase will be to migrate the last year of email to office 365. The final phase will be to migrate all email over one year old.

The project will be complete upon the migration of all remaining email, which is expected to be accomplished before January 1, 2015.

Project Budget:

The majority of the cost has been the time of existing UWM IT staff. Other itemized costs to date are:

- \$69,390 Microsoft Premier Support
- \$26,165 CloudMigrator Tool
- \$46,000 Baker Tilley Project Review
- \$4,500 Marketing and Communication Materials

Source of Funds:

- Fund 101 (GPR/Tuition) Budget

	Green	Yellow	Red
Project Status Dashboard:			
Schedule Status:	X		
Scope Status:	X		
Budget Status:	X		
Other Issues:			

Project: UW-Milwaukee WiFi

Description:

The University of Wisconsin-Milwaukee WiFi project will provide secure, fast and reliable wireless service for the UWM community, sponsored guests, the general public and visitors from eduroam institutions using 802.11n technology. It is currently the wireless service in the Union, the Golda Meir Library, Bolton Hall, Lapham Hall, Lubar Hall, Engineering & Mathematical Sciences, Zilber School of Public Health, Global Water Center, Mitchell Hall, the Music Building, the Arts Center Lecture Hall, Northwest Quadrant - C, School of Architecture and Urban Planning and the Global Water Center; with planned expansion throughout campus using a phased approach.

Service Options:

UWM WiFi has four service options:

- UWMWiFi* – Secure, high speed wireless service for UWM faculty, staff and students; requires device set up
- UWMSponsored – Uninterrupted, high speed wireless service for guests sponsored by UWM faculty/staff
- Public – Unsecured, one hour (renewable), limited bandwidth, Web-only access for visitors
- eduroam – Secure worldwide federated network providing access to local wireless service at participating [eduroam](#) "EN" institutions; requires device set-up

Project Schedule:

The schedule is dependent on available campus funding and will be completed in phases. The project is currently in Phase 2 which will allow for completion of an additional 27 buildings. Funding is being requested for Phase 3 which will allow for the completion of the 27 remaining campus buildings. If Phase 3 project funding is secured, we anticipate having the total project complete by September 2015.

Project Budget:

Phase 2 funding was \$1.7 million and Phase 3 funding needs are projected at \$1.75 million.

Source of Funds:

General campus funds are being used.

Project Status Dashboard:	Green	Yellow	Red
Schedule Status:	X		
Scope Status:	X		
Budget Status:	X		
Other Issues: (None)			

Appendix 1: Project Dashboard Definitions:

Project Status Category Descriptions
<p>Schedule Status (refers to target implementation date of phase or project)</p> <p>Green – Indicates that the project or phase will be completed on target or on the planned date.</p> <p>Yellow – Indicates that the project or phase may be falling behind and work needs to be done to determine if the project can recover and still complete on the scheduled date or if adjustments must be made to the schedule date.</p> <p>Red – Indicates that the project or critical tasks have fallen behind schedule and corrective action must be taken to make the scheduled date or the scheduled date must change.</p>
<p>Scope Status</p> <p>Green – We have not changed the scope in any way that will keep the implementation from meeting the objectives planned for the project.</p> <p>Yellow – The scope of the project has increased. Budget and implementation date are impacted by < 10%. Or the scope of the project has decreased but objectives are not substantially impacted.</p> <p>Red – The scope of the project is under review and changes are being requested that will mean the implementation will not meet the project objectives in some substantial way or doing them later will increase cost 10% or more above the original total cost of the project approved by the sponsors.</p>
<p>Budget Status</p> <p>Green – Currently on target with project budget.</p> <p>Yellow – Project is over budget by 10 – 25%.</p> <p>Red – Project is over budget by 25% or more.</p>
<p>Other Issues (Staffing, Risks, etc.)</p> <p>Green – No staffing, Risks, or other issues/concerns exist.</p> <p>Yellow – Staffing concerns/issues exist that need to be monitored and possible adjustments made. Key staff departing. One or more risks or other issues may be surfacing which need to be monitored and contingency plans developed.</p> <p>Red – Staffing concerns/issues exist and will impact project schedule, budget, deliverables, risks, etc. Key staff lost. One or more risks or other issues have surfaced and will have an impact on budget, deliverables, staffing, scope, and/or schedule. Corrective action must be taken or contingency plans executed.</p>

CAMPUS-BASED EFFICIENCY REVIEWS: UW-PLATTEVILLE

BACKGROUND

A review of current business practices, often referred to as an efficiency study, can assist institutions in identifying new approaches to conducting business more effectively with limited resources. The savings identified from these studies can range from opportunities for better space utilization, lower costs through increased collaborations, and the increased availability of staff time to undertake additional projects.

Several UW institutions have undertaken efficiency studies in recent years. While UW-Madison's Administrative Excellence project is one of the most notable examples, studies have also been conducted at UW-Platteville, UW-Stout, UW-Stevens Point and UW Colleges. All of these studies were conducted by an external consultant and have used a consistent methodology based on interviews and group meetings, data analysis and review of industry best practices.

UW institutions have examined both broad, high-level studies and studies of targeted, specific topics/areas. Some of the high-level studies include review of instructional space management and the governance/organization of information technology services. Examples of more targeted studies include review of dining services, e-textbook programs and student health services.

REQUESTED ACTION

This report is for information only.

DISCUSSION

UW-Platteville engaged a consultant to review space management and information technology. A review of the study, findings and the implementation of the recommendations by UW-Platteville will be provided to the Business and Finance Committee.

RELATED REGENT POLICIES

None.

UW Medical Foundation Notice and Request for
Waiver of Required 60 day Prior Notice Requirement
Regarding the creation or Investment in Subsidiary
corporations or other Business Entities

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the President of the Board of Regents of the University of Wisconsin System, the Board of Regents approves a one-time waiver of the required 60-day prior notice requirement regarding the creation or investment in subsidiary corporations or other business entities for the entity being created to replace University Health Care, Inc.

**THE UNIVERSITY OF WISCONSIN MEDICAL FOUNDATION:
NOTICE OF INTENT AND REQUEST FOR WAIVER OF 60-DAY PRIOR NOTICE
REQUIREMENT OF INTENT TO CREATE A NEW LEGAL ENTITY**

EXECUTIVE SUMMARY

BACKGROUND

The University of Wisconsin Medical Foundation (UWMF) is an Internal Revenue Code §501(c)(3) not-for-profit non-stock corporation organized pursuant to Chapter 181. UWMF was created in 1995 to support and promote the University of Wisconsin-Madison School of Medicine and Public Health (SMPH). At the same time, it entered into the May 12, 1995 “Agreement Between the Board of Regents of the University of Wisconsin System and the University of Wisconsin Medical Foundation. This agreement enables the UWMF to function as a support organization for SMPH and also creates certain responsibilities and obligations. Paragraph 22 of the agreement states:

“Using that portion of its aggregate professional income not committed to the State of Wisconsin, the Foundation may create or invest in such subsidiary corporations or other business entities as may be necessary or convenient to carry out the purposes of the Foundation as set forth in its Articles and Bylaws. The Foundation shall give the Board of Regents at least sixty (60) days prior notice of the creation of such interests.”

Pursuant to that provision, the UWMF advised the Board of Regents that it intends to create a new legal entity the name of which has not yet been finalized.

Due to UWMF’s interest in moving quickly to consummate the creation of this new entity, the UWMF is requesting that the 60 day prior notice of such intent be waived for the creation of the new entity.

REQUESTED ACTION

Approval of resolution I.2.i.

DISCUSSION

In a letter dated August 6, 2014, the UWMF expressed its desire to create a new legal entity that would essentially replace the not-for-profit non-stock corporation known as University Health Care, Inc., (UHC).

While this new organization has not yet been named, the following discussion will reference the new organization as “NEWCO” as it describes the changes the UWMF intends to make.

NEWCO will be created under Wisconsin law as either a limited liability company or a not-for-profit non-stock corporation. The intent is for NEWCO to be created, and to function, in substantially the same manner that University Health Care, Inc. (UHC) was created and currently functions. UHC is a not-for-profit non-stock Wisconsin corporation that consists of three members: UWMF, SMPH, and the University of Wisconsin Hospital and Clinics Authority (UWHCA). UHC has an ownership interest in five entities as follows:

1. E-Care of Wisconsin LLC, a Wisconsin single-member limited liability company. E-Care offers eiCU remote monitoring and telestroke services to other healthcare systems. UHC owns 100% of the equity.
2. Watertown Network, LLC, a Wisconsin limited liability company owned by UHC and Watertown Regional Medical Center, Inc. (WRMC). This entity operates the Watertown Physician Hospital Organization (PHO). UHC and WRMC each own 50% of the equity.
3. Unity Health Plans Insurance Corporation, a Wisconsin for-profit corporation with UHC as the sole shareholder. This entity is a Wisconsin-based health insurer. UHC owns 100% of the equity.
4. Health Professionals of Wisconsin, Inc., a Wisconsin for-profit corporation. This is a property holding company that owns a limited number of medical clinic facilities which was spun off to UHC via the University Community Clinics, Inc. (UCC) dissolution. UHC owns 100% of the equity.
5. UW Cancer Center Johnson Creek, LLC, a Wisconsin limited liability company owned jointly with Fort Healthcare, Inc., and WRMC. This entity owns a small cancer center in Johnson Creek, Wisconsin. UHC owns 33% of the equity.

UWMF, UWHCA, and UHC entered into an April 28, 2014 Letter of Intent with the Rockford, Illinois-based Swedish American Hospital System (SAHS) for a transaction that would have UHC become the sole corporate member of SAHS. As part of that transaction, the Letter of Intent would also result in a reconfiguration of the UHC board of directors to provide board representation for SAHS.

SMPH will not be a member of NEWCO and is planning to relinquish membership in the existing UHC. However, even if SMPH is not a member of UHC or NEWCO, the core purposes and functions of the entities will be consistent with those of UHC today, and SMPH will continue to have a role in the governance structures.

UWMF desires to create NEWCO, together with UWHCA, to assume the existing operations of UHC, including those outlined above, to keep those operations under the exclusive control of the existing UW Health entities. If the operations were kept within the existing UHC and not assumed by NEWCO, the newly constituted UHC board of directors - with SAHS representatives - would share in the oversight and control of those operations.

UWMF's board of directors and executive leadership support the creation of NEWCO, as outlined above.

The creation of the new entity does not require Board of Regents approval; however UWMF is seeking Board approval of a waiver of the requirement that it provide 60 days advance notice of the creation.

RELATED REGENT POLICIES

None