

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business and Finance Committee

Thursday, June 4, 2015
10:45 a.m. – 12:15 p.m.
UW-Milwaukee
2200 East Kenwood Blvd.
UWM Union, Ballroom West
Milwaukee, Wisconsin

- a. Approval of the Minutes of the April 9, 2015 Meeting of the Business and Finance Committee
- b. UW Milwaukee Presentation: *UWM's Plans for a "Contribution-Based" Budget Model*
- c. Presentation of UW-Madison Human Resource Design (HRD) Program Policies
- d. Revision to Regent Policy Document 6-4 Executive Searches
[Resolution I.2.d.]
- e. UW-Eau Claire Bookstore and Textbook Rental Contract with Barnes & Noble College Booksellers, LLC
[Resolution I.2.e.]
- f. UW-Madison Amendment to Contractual Agreement – BioMedical Research Models, Inc.
[Resolution I.2.f.]
- g. UW-Madison Contractual Agreement – Aduro BioTech, Inc.
[Resolution I.2.g.]
- h. Acceptance of Conflict of Interest Review Assessment regarding UW-Madison Agreement with Madison Vaccines, Inc.
[Resolution I.2.h.]
- i. UW-Madison Contractual Agreement – Madison Vaccines, Inc.
[Resolution I.2.i.]

- j. Quarterly Report of Gifts, Grants, and Contracts (3rd Quarter FY 2015)
- k. Financial Management Report (3rd Quarter FY 2015)
- l. University of Wisconsin Hospital and Clinics Authority and University of Wisconsin Medical Foundation Integration Agreement
[Resolution I.2.1.]
- m. Report of the Senior Vice President

**UNIVERSITY OF WISCONSIN-MADISON
HR DESIGN
PROGRAM POLICIES REVIEW**

EXECUTIVE SUMMARY

BACKGROUND

The 2013-15 biennial budget delayed for two years the implementation of Wis. Stat. § 36.115(3), which requires the UW-Madison Chancellor to develop a personnel system that is separate and distinct from the state personnel system governed by Wis. Stat., Chapter 230. The statute authorizes a personnel system for all University of Wisconsin-Madison employees and a separate personnel system for the balance of University of Wisconsin System employees. The policies for implementing these two new personnel systems require Board of Regents review prior to implementation.

On December 7, 2012, the Board approved the Regent Policy on University Personnel Systems which included delegation to the UW-Madison Chancellor authority to establish program policies for UW-Madison. This Regent policy also authorized the President of the UW System to establish operational policies for all UW System institutions except for UW-Madison. The Legislature's Joint Committee on Employment Relations approved the new personnel systems in April 2014, paving the way for the two personnel systems to be implemented beginning on July 1, 2015.

UW-Madison brought 10 program policies for Board of Regents review at the Board's April 2013 meeting. Six additional UW-Madison HR program policies are being presented to the Board for review at the June 2015 meeting. This meets the Board requirement that UW-Madison's policies be presented to the Board for review.

REQUESTED ACTION

This item is for review and discussion purposes only.

DISCUSSION

Attached are the six HR program policies UW-Madison is presenting for Board of Regents review:

1. HR Program Policy #11: Pay Plan*
2. HR Program Policy #12: Employee Benefits

3. HR Program Policy #13: Paid and Unpaid Leave Benefits
4. HR Program Policy #14: Performance Management
5. HR Program Policy #15: Workplace Expectations
6. HR Program Policy #16: Support for Employee Education and Training

*Authority is contingent on the Legislature providing Board of Regent unilateral authority to approve pay plans.

These HR program policies provide guidance in areas previously governed by Chapter 230 of the Wisconsin Statutes. These policies are also being incorporated into more detailed operating procedures. In many cases, the attached policies build on existing UW-Madison policies that apply to Faculty, Academic Staff, Classified Staff and Limited appointees. As of July 1, 2015, Classified staff will be re-named “University Staff.”

One of the guiding organizational principles in developing the HR Design is to improve consistency in HR practices across employee categories. Several of these policies will help achieve this goal.

These policies have been reviewed by UW-Madison stakeholders and shared governance groups.

RELATED REGENT POLICIES

Regent Policy Document on University Personnel Systems (approved December 7, 2012)

University of Wisconsin - Madison

HR Program Policy #11



SUBJECT: Pay Plan

Original Issuance Date: July 1, 2015

Last Revision Date:

1. POLICY PURPOSE

Establish UW-Madison pay plan administration policy for Board of Regents-approved biennial pay plans and supplemental pay plans.* Development of this HR program policy is required by the Board of Regents Policy adopted in December 2012.

*Authority is contingent on the Legislature providing Board of Regent unilateral authority to approve pay plans.

2. POLICY BACKGROUND

Effective July 1, 2015, all UW-Madison employment is under the authority of the University of Wisconsin Board of Regents (BOR) and Wis. Stat., Chapter 36. Specifically, Wis. Stat. § 36.115(3) requires the UW-Madison chancellor to develop a personnel system that is separate and distinct from the state personnel system governed by Wis. Stat., Chapter 230.

The Board of Regents now has pay plan authority for all UW System employees. Along with the Board of Regents' authority to approve pay plans funded through the biennial budget, the chancellor has the authority to establish supplemental pay plans funded from UW-Madison-generated and/or -reallocated funds.

This policy sets out the framework for administering and distributing biennial and supplemental pay plans.

3. POLICY DEFINITIONS

“Academic Staff” – a professional or administrative employee with 1) duties that are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA); and 2) performs work that is primarily associated with higher education institutions or their administration.

“Faculty” – a person who holds the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in UW-Madison, as described in UW-Madison Faculty Policies and Procedures (FPP).

“Limited appointment” – an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be designated as Limited appointments under Wis. Stat. § 36.17(2), while the appointing authority may designate other positions as Limited appointments at the time of appointment.

“University Staff” – an employee who is not exempt from the overtime provisions of the FLSA (i.e., the employee is paid based on the number of hours worked) and contributes in a professional way in a

broad array of positions that support the university's mission. Note: During the transition to the new human resource structure, current exempt Classified employees will be able to choose either an Academic Staff or University Staff appointment. If the employee chooses a University Staff appointment, the exempt position will become Academic Staff when the employee eventually leaves the position.

"Regent pay plan" – the amount of state funds and/or generated funds available for salary increases for all employees whose performance meets or exceeds expectations.

"Supplemental pay plan" – the amount of generated or reallocated UW-Madison base funds available for salary increases for any or all employees in the continuing staff base budget whose performance meets or exceeds expectations.

4. POLICY

The chancellor, or designee, shall develop, oversee, and coordinate pay plan administration, and develop distribution policies, in consultation with UW-Madison shared governance.

Prior to the approval of the Regents' pay plan, the chancellor, or designee, shall ensure a performance evaluation process is in place to assess performance for Faculty, Academic Staff, Limited appointees, and University Staff.

The distribution policies shall ensure that pay plan adjustments are granted in a fair, objective, and nondiscriminatory manner; and are based on a systematic performance evaluation program which requires supervisors to assess the performance of employees in their areas of assigned responsibility.

5. RELATED DOCUMENTS

Board of Regents Policy, University Personnel Systems
UW-Madison Performance Management Operational Policy

University of Wisconsin - Madison

HR Program Policy #12



SUBJECT: Employee Benefits

Original Issuance Date: July 1, 2015

Last Revision Date:

1. POLICY PURPOSE

Identify the non-leave benefits available to UW-Madison employees. Development of this HR program policy is required by the Board of Regents Policy adopted in December 2012.

2. POLICY BACKGROUND

Effective July 1, 2015, all UW-Madison employment is under the authority of the University of Wisconsin Board of Regents (BOR) and Wis. Stat. Chapter 36. Wis. Stat. § 36.115(3) requires the UW-Madison chancellor to develop a personnel system that is separate and distinct from the personnel system governed by Wis. Stat., Chapter 230.

UW-Madison employees continue to receive state employee benefits as identified under Wisconsin Statutes, chapters 36 and 40.

UW-Madison employees, for the purpose of this policy, include Faculty, Academic Staff, University Staff, Limited appointees, Employees-in-Training, and Student Assistants. Eligibility for specific benefits depends on the requirements for each benefit (e.g., Wisconsin Department of Employee Trust Funds policy).

This policy identifies the non-leave benefits for UW-Madison employees. Leave benefits are covered under HR program policy #13.

3. POLICY DEFINITIONS

“Academic Staff” – a professional or administrative employee with 1) duties that are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA); and 2) performs work that is primarily associated with higher education institutions or their administration.

“Employee-in-Training” – a person who is not a matriculated student and is appointed primarily to pursue advanced study or research, usually at the postdoctoral level.

“Faculty” – a person who holds the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in UW-Madison, as described in UW-Madison Faculty Policies and Procedures (FPP).

“Limited appointment” – an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be designated as Limited appointments under Wis. Stat. § 36.17(2), while the appointing authority may designate other positions as Limited appointments at the time of appointment.

“Student Assistant” – a graduate student who holds an appointment as a fellow, scholar, trainee, teaching assistant, project assistant, or research assistant.

“University Staff” – an employee who is not exempt from the overtime provisions of the FLSA (i.e., the employee is paid based on the number of hours worked) and contributes in a professional way in a broad array of positions that support the university’s mission. Note: During the transition to the new human resource structure, current exempt Classified employees will be able to choose either an Academic Staff or University Staff appointment. If the employee chooses a University Staff appointment, the exempt position will become Academic Staff when the employee eventually leaves the position.

4. POLICY

The following benefits are available to UW-Madison employees who meet specific eligibility requirements.

Authorized by Chapter 40, Wisconsin State Statutes – “Public Employee Trust Fund”

- Wisconsin Retirement System (WRS)
- State Group Health Insurance
- Supplemental Health Insurance Conversion Credit (SHICC)
- Income Continuation Insurance (ICI)
- State Group Life Insurance
- Accumulated Sick Leave Conversion Credit (ASLCC)
- Flexible Spending Account (FSA)
- Wisconsin Deferred Compensation – 457 Plan
- Epic Benefits+ Insurance
- Dental Wisconsin dental Insurance
- VSP Vision Insurance
- Long-Term Care Insurance
- Lifesuite – Minnesota Life
- Domestic partner benefits

Authorized by Chapter 36, Wisconsin State Statutes – University Benefits

- UW Employees Inc. life insurance
- University Insurance Association (UIA) life insurance
- Voluntary Accidental Death and Dismemberment Insurance
- Individual and family term-life insurance
- Tax-sheltered annuities – 403(b) Plan
- Domestic partner benefits

Some of the benefits offered may change in the future due to legislative, Board of Regents, or Department of Employee Trust Funds adjustments.

5. RELATED DOCUMENTS

Wisconsin State Statutes, Chapter 36
 Wisconsin State Statutes, Chapter 40

University of Wisconsin - Madison

HR Program Policy #13



SUBJECT: Paid and Unpaid Leave Benefits

Original Issuance Date: July 1, 2015

Last Revision Date:

1. POLICY PURPOSE

Preserve or enhance employee leave benefits for UW-Madison Faculty, Academic Staff, University Staff, and Limited appointees. Development of this HR program policy is required by the Board of Regents Policy adopted in December 2012.

2. POLICY BACKGROUND

Effective July 1, 2015, all UW-Madison employment is under the authority of the University of Wisconsin Board of Regents (BOR) and Wis. Stat., Chapter 36. Wis. Stat. § 36.115(3) requires the UW-Madison chancellor to develop a personnel system that is separate and distinct from the personnel system governed by Wis. Stat. Chapter 230.

Faculty, Academic Staff, and Limited appointments have the same leave benefits they had prior to July 1, 2015. University Staff leave benefits are consistent with the leave benefits afforded to state government classified employees.

All UW-Madison employees are subject to the leave policies and procedures in Wisconsin Statutes. § 36 and this policy. Faculty and Academic Staff will continue to also be subject to Wis. Admin. Code § UWS 19.

This policy sets out the leave framework for UW-Madison employees.

3. POLICY DEFINITIONS

“Academic Staff” – a professional or administrative employee with 1) duties that are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA); and 2) performs work that is primarily associated with higher education institutions or their administration.

“Employee-in-Training” – a person who is not a matriculated student and is appointed primarily to pursue advanced study or research, usually at the postdoctoral level.

“Faculty” – a person who holds the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in UW-Madison, as described in UW-Madison Faculty Policies and Procedures (FPP).

“Limited appointment” – an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be

designated as Limited appointments under Wis. Stat. § 36.17(2), while the appointing authority may designate other positions as Limited appointments at the time of appointment.

“Student Assistant” – a graduate student who holds an appointment as a fellow, scholar, trainee, teaching assistant, project assistant, or research assistant.

“Student Hourly” – a student employee who provides part-time temporary administrative, clerical, laborer, technical, or other general support to UW-Madison faculty Academic Staff, University Staff, and Limited appointees.

“University Staff” – an employee who is not exempt from the overtime provisions of the FLSA (i.e., the employee is paid based on the number of hours worked) and contributes in a professional way in a broad array of positions that support the university’s mission. Note: During the transition to the new human resource structure, current exempt Classified employees will be able to choose either an Academic Staff or University Staff appointment. If the employee chooses a University Staff appointment, the exempt position will become Academic Staff when the employee eventually leaves the position.

4. POLICY

UW-Madison provides employees with paid and unpaid leave benefits based on eligibility criteria defined in the campus operational leave policies. Employees are eligible for paid and unpaid leave based on their designation as Faculty, Academic Staff, University Staff, or Limited appointees. Employees classified as Student Assistants, Student Hourly, Temporary Employees, or Employees-in-Training will continue to be ineligible for leave benefits.

Specific enhancements to leave benefit programs include the following:

- Employees in University Staff Fixed-term Finite positions (formerly Classified project positions) can carry over continuous service, sick leave, and vacation if they are hired into permanent positions.
- University (formerly Classified) Staff can use accrued vacation as soon as they earn it.
- Employees can donate vacation or personal holiday leave to any other leave-eligible employee, regardless of employee category.

The campus operational leave policies define and outline specific eligibility, administrative, and operational elements of the leave benefits. The policies address the following:

- Vacation, paid leave banks, and vacation cash-outs
- Personal and legal holiday leave
- Wisconsin and federal family and medical leave
- Catastrophic leave
- Bone marrow and human organ donation leave
- Non-medical leaves of absence
- Military leave
- Miscellaneous leaves

5. RELATED DOCUMENTS

Board of Regents Policy 20-1: System Sick Leave Policy for Faculty and Academic Staff

Board of Regents Policy 20-13: Paid Annual Leave Options for Unclassified Staff

Wisconsin Administrative Code, Chapter ER 18.02, Annual leave of absence

University of Wisconsin - Madison

HR Program Policy #14



SUBJECT: Performance Management

Original Issuance Date: July 1, 2015

Last Revision Date:

1. POLICY PURPOSE

Establish a systematic performance management process that supports development and advancement opportunities for all University of Wisconsin-Madison employees. Development of this HR program policy is required by the Board of Regents Policy adopted in December 2012.

2. POLICY BACKGROUND

Effective July 1, 2015, all UW-Madison employment is under the authority of the University of Wisconsin Board of Regents (BOR) and Wis. Stat., Chapter 36. Wis. Stat. § 36.115(3) requires the UW-Madison chancellor to develop a personnel system that is separate and distinct from the personnel system governed by Wis. Stat. Chapter 230.

This policy sets out the performance management framework for UW-Madison employees. The framework incorporates the policies created through the shared governance process.

3. POLICY DEFINITIONS

“Academic Staff” – a professional or administrative employee with 1) duties that are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA); and 2) performs work that is primarily associated with higher education institutions or their administration.

“Employee-in-Training” – a person who is not a matriculated student and is appointed primarily to pursue advanced study or research, usually at the postdoctoral level.

“Faculty” – a person who holds the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in UW-Madison, as described in UW-Madison Faculty Policies and Procedures (FPP).

“Limited appointment” – an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be designated as Limited appointments under Wis. Stat. § 36.17(2), while the appointing authority may designate other positions as Limited appointments at the time of appointment.

“Performance evaluation” – a continual process of identifying, measuring, and reviewing job-related employee performance.

“Performance management” – a continual process of establishing expectations, providing ongoing coaching and feedback, and evaluating outcomes in formal performance evaluations.

“Student Assistant” – a graduate student who holds an appointment as a fellow, scholar, trainee, teaching assistant, project assistant, or research assistant.

“Student Hourly” – a student employee who provides part-time temporary administrative, clerical, laborer, technical, or other general support to UW-Madison faculty and staff.

“University Staff” – an employee who is not exempt from the overtime provisions of the FLSA (i.e., the employee is paid based on the number of hours worked) and contributes in a professional way in a broad array of positions that support the university’s mission. Note: During the transition to the new human resource structure, current exempt Classified employees will be able to choose either an Academic Staff or University Staff appointment. If the employee chooses a University Staff appointment, the exempt position will become Academic Staff when the employee eventually leaves the position.

4. POLICY

All UW-Madison full- or part-time Academic and University Staff employees with a defined or anticipated appointment greater than one year, Limited appointees, and Faculty members who supervise other employees are required to participate in the campus performance management program.

Specific elements of the performance management program include:

- Setting performance expectations and goals
- Holding periodic performance and development conversations
- Conducting a mid-year conversation (documented)
- Completing an annual summary evaluation (documented)

More specific provisions are outlined in the campus performance management operational policy.

5. RELATED DOCUMENTS

Wisconsin State Statute, Chapter 230.37, Standards of Performance and Ratings
Wisconsin Administrative Code, Chapter ER 45, Employee Performance Evaluation
Faculty Policies and Procedures, Chapter 7.05, Guidance and Evaluation for Probationary Faculty
Faculty Legislation II-106, Policy on Review of Tenured Faculty
Academic Staff Policies and Procedures, Chapter 10, Performance Reviews

University of Wisconsin - Madison

HR Program Policy #15



SUBJECT: Workplace Expectations

Original Issuance Date: July 1, 2015

Last Revision Date:

1. POLICY PURPOSE

Establish a set of workplace expectations for conduct by UW-Madison Faculty and staff (Academic Staff, Limited, and University Staff). Development of this HR program policy is required by the Board of Regents Policy adopted in December 2012.

2. POLICY BACKGROUND

Effective July 1, 2015, all UW-Madison employment is under the authority of the University of Wisconsin Board of Regents (BOR) and Wis. Stat. Chapter 36. Wis. Stat. § 36.115(3) requires the UW-Madison chancellor to develop a personnel system that is separate and distinct from the personnel system governed by Wis. Stat. Chapter 230.

As mandated by Board of Regent policy, UW-Madison must implement general workplace expectations for Faculty, Academic Staff, University Staff, Limited appointees, Employees-in-Training, Temporary Employees, Student Assistants, and Student Hourly employees.

3. POLICY DEFINITIONS

“Academic Staff” – a professional or administrative employee with 1) duties that are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA); and 2) performs work that is primarily associated with higher education institutions or their administration.

“Employee-in-Training” – a person who is not a matriculated student and is appointed primarily to pursue advanced study or research, usually at the postdoctoral level.

“Faculty” – a person who holds the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in UW-Madison, as described in UW-Madison Faculty Policies and Procedures (FPP).

“Limited appointment” – an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be designated as Limited appointments under Wis. Stat. § 36.17(2), while the appointing authority may designate other positions as Limited appointments at the time of appointment.

“University Staff” – an employee who is not exempt from the overtime provisions of the FLSA (i.e., the employee is paid based on the number of hours worked) and contributes in a professional way in a broad array of positions that support the university’s mission. Note: During the transition to the new human resource structure, current exempt Classified employees will be able to choose either an Academic Staff or University Staff appointment. If the employee chooses a University Staff

appointment, the exempt position will become Academic Staff when the employee eventually leaves the position.

“Student Assistant” – a graduate student who holds an appointment as a fellow, scholar, trainee, teaching assistant, project assistant, or research assistant.

“Student Hourly employee” – a student employee who provides part-time temporary administrative, clerical, laborer, technical, or other general support to UW-Madison Faculty, Academic Staff, University Staff, and Limited appointees.

4. POLICY

This policy establishes general workplace expectations for UW-Madison Faculty, Academic Staff, University Staff, Limited appointees, Employees-in-Training, Student Assistants, and Student Hourly employees. These general expectations do not preclude a division, department, or work unit from establishing additional policies and/or procedures that are necessary for its effective operation.

These expectations also do not usurp rights and procedures identified in Faculty Policies and Procedures (FPP), Academic Staff Policies and Procedures (ASPP), and future University Staff policies and procedures.

These guidelines also shall not interfere with academic freedom. That is, the freedom, without institutional discipline or restraint, to discuss all relevant matters in the classroom; to explore all avenues of scholarship, research, and creative expression; and to speak or write on matters of public concern as well as on matters related to professional duties and the functioning of the university.

The following are general workplace expectations for UW-Madison faculty and staff:

- Be respectful in the campus community – Faculty, Academic Staff, University Staff, Limited appointees, Employees-in-Training, Student Assistants, and Student Hourly employees shall be respectful in interactions with students, other employees, members of the general public, and others when acting on behalf of UW-Madison.
- Be ethical – Faculty, Academic Staff, University Staff, Limited appointees, Employees-in-Training, Student Assistants, and Student Hourly employees shall act according to the ethical and professional standards of conduct identified in state statutes and administrative code [UWS 8 and Wis. Stat. § 19.45(11) (b)].
- Be responsible steward of resources – Faculty, Academic Staff, University Staff, Limited appointees, Employees-in-Training, Student Assistants, and Student Hourly employees shall responsibly use and care for UW-Madison property, services, and information. Campus resources shall not be used for personal gain.

More specific provisions are outlined in the campus operational policies, such as:

- CPPP Chapter 18 Discipline Including Dismissal
- UPPP Chapter 15 Ethics, Political Activities, and Outside Employment.

5. RELATED DOCUMENTS

UW System Unclassified Code of Ethics (UWS 8)
Wisconsin State Statutes, Chapter 19, Code of Ethics



SUBJECT: Support for Employee Education and Training

Original Issuance Date: July 1, 2015

Last Revision Date:

1. POLICY PURPOSE

Promote the continuing education and training of UW-Madison Faculty and staff (Academic Staff, Limited, and University Staff). Development of this HR program policy is required by the Board of Regents Policy adopted in December 2012.

2. POLICY BACKGROUND

Effective July 1, 2015, all UW-Madison employment is under the authority of the University of Wisconsin Board of Regents (BOR) and Wis. Stat. Chapter 36. Wis. Stat. § 36.115(3) requires the UW-Madison chancellor to develop a personnel system that is separate and distinct from the personnel system governed by Wis. Stat. Chapter 230.

As mandated by Board of Regents policy, UW-Madison must implement a policy that supports the ongoing education of supervisors, as well as the education and career development of all employees.

3. POLICY DEFINITIONS

“Education and training” – job-related coursework or training which enhances skills or provides knowledge that will improve an employee’s job performance; is mandated by law or regulation in order for the employee to retain the job; is directly related to the employee’s current profession; or provides for career development. Training or education for personal enrichment does not meet this definition.

“Academic Staff” – a professional or administrative employee with 1) duties that are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA); and 2) performs work that is primarily associated with higher education institutions or their administration.

“Faculty” – a person who holds the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in UW-Madison, as described in UW-Madison Faculty Policies and Procedures (FPP).

“Limited appointment” – an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be designated as Limited appointments under Wis. Stat. § 36.17(2), while the appointing authority may designate other positions as Limited appointments at the time of appointment.

“University Staff” – an employee who is not exempt from the overtime provisions of the FLSA (i.e., the employee is paid based on the number of hours worked) and contributes in a professional way in a broad array of positions that support the university’s mission. Note: During the transition to the new

human resource structure, current exempt Classified employees will be able to choose either an Academic Staff or University Staff appointment. If the employee chooses a University Staff appointment, the exempt position will become Academic Staff when the employee eventually leaves the position.

4. POLICY

This policy provides general guidelines for the continuing education and training of UW-Madison Faculty, Academic Staff, University Staff, and Limited appointees. These guidelines do not preclude a division, a department, or a work unit from establishing additional policies or procedures.

It is the policy of UW-Madison to promote the continuing education and training of employees. Employees may be reimbursed for authorized education and training in conformance with Internal Revenue Code Section 127 and the Wisconsin Department of Revenue tax regulations, and within budget constraints.

The following guidelines apply to approval of job-related education and training:

- a. UW-Madison schools, colleges and divisions should ensure that educational assistance opportunities are equitably provided.
- b. Management's decision to authorize educational assistance should be based on the criterion that successful completion of the qualifying education and training will benefit both the University and the employee through increased knowledge, abilities and skills.
- c. Educational assistance or training shall not be a form of compensation for any employee.

Depending on the employee's position and/or job responsibilities, certain training may be mandated.

1. Supervisor training UW-Madison shall provide a supervisor development program that includes elements such as:
 - a. Employee engagement, inclusion and diversity
 - b. New employee onboarding
 - c. Performance management
 - d. Knowledge of personnel policies
2. In some cases, training or course work may be required of the employee by the supervisor as part of employment duties. Such training is directly and immediately related to the work needs of the unit and is fully funded by the employer on University time.

More specific provisions are outlined in the campus performance management operational policies such as:

- CPPP Chapter 12 Appendix 12A Career-Related vs Employer-Required Tuition Reimbursement Requirements/Comparisons
- UPPP Chapter 12.07 Job-Related or Career-Related Training/Course Work.

University of Wisconsin - Madison

HR Program Policy: #16



5. RELATED DOCUMENTS

UW-Madison Onboarding Operational Policy
UW-Madison Performance Management Operational Policy
Wisconsin State Statute 230.046, Training Programs

Revision of Regent Policy
Document 6-4, "Search and Screen
Procedures for Chancellors,
Senior Vice Presidents or Vice Presidents"

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.d.

That, upon the recommendation of the Vice President of the University of Wisconsin System Board of Regents, the Board approves the attached revisions to Regent Policy Document 6-4, to be renamed "Selection Process for System President, Chancellors, and UW System Senior Leadership Positions."

**REGENT POLICY DOCUMENT REVIEW PROCESS:
RPD 6-4, SEARCH AND SCREEN PROCEDURES FOR CHANCELLORS,
SENIOR VICE PRESIDENTS OR VICE PRESIDENTS**

BACKGROUND

The UW System Board of Regents' policies are codified in Regent Policy Documents (RPDs) that have been adopted over time, some dating back to the creation of the UW System. The Board has adopted these policies under the authority granted in Chapter 36, Wis. Stats. The RPDs address a wide array of subjects, including academic policies and programs, contracts, student activities, and trust and investment policies.

In February 2011, the President of the Board of Regents formally announced the beginning of a process to review and update the RPDs. The review process has resulted in updating and revising current policies, eliminating obsolete ones, or identifying areas in which new policies are needed. Each policy is analyzed in light of its original purpose, whether that purpose still exists, and the likely effects of any revisions.

The Office of the Board of Regents has developed a set of guiding principles to direct the analysis of the Regent Policy Documents. These principles include: consideration of the extent to which a policy establishes a fundamental principle, serves as an enduring statement, and provides broad and strategic statements that memorialize and communicate the Board's expectations for the UW System and/or UW institutions.

At its June 2015 meeting, the Business and Finance Committee will consider amending RPD 6-4, "Search and Screen Procedures for Chancellors, Senior Vice Presidents or Vice Presidents," a policy originally implemented in 1972 and last updated in 2010.

REQUESTED ACTION

Adoption of Resolution I.2.d., amending RPD 6-4, "Search and Screen Procedures for Chancellors, Senior Vice Presidents or Vice Presidents."

DISCUSSION

RPD 6-4 describes the procedures for selecting Chancellors, Senior Vice Presidents and Vice Presidents and is largely based on one of the first policies approved by the UW System Board of Regents in 1972. The current procedures for selecting chancellors require the appointment of two committees: a Search and Screen Committee, appointed by the System President and comprised of staff, students, administrators, community representatives, and faculty members, who must comprise a majority of the committee and from whom a chair is selected, and a Special Regent Committee, appointed by the Regent President and comprised of

Regents. The policy also prescribes the specific composition of the Search and Screen Committee.

According to the Association of Governing Boards of Universities and Colleges (AGB), responsibility for recruiting, appointing, supporting and evaluating institutional leadership is among the list of basic responsibilities for governing boards, along with participating in strategic planning processes led by the chief executive, ensuring the fiscal integrity of the organization, and other core responsibilities.

Consistent with this perspective, members of the UW System Board of Regents have often stated that they consider the hiring of chancellors to be among their most important responsibilities. They have expressed pride in the choices that have been made through the current process; but at the same time, Regents have expressed concern that their involvement in the hiring process has been unnecessarily constrained. For example, the current process does not call for Regent-members of the Regent Selection Committee to visit an institution prior to hiring a chancellor for that institution; Regent Selection Committee members are updated on the Search and Screen Committee's progress, but are detached from that committee's process; and Regents meet and interview the final candidates late in the process.

In addition, the current policy often leads to large Search and Screen Committees, which for recent chancellor searches have ranged in size from 21 to 27 members. Current procedures also require that faculty members comprise a majority of the committee, which contributes to the size of the committees and potentially limits the membership opportunities of other constituencies.

In recent years, Regents have expressed interest in increasing Regent participation at earlier points of the search process and increasing the communication and interaction of the Search and Screen Committee and the Special Regent Committee. The changes Regents have sought align with practices in other university systems.

The Office of the Board of Regents reviewed the leadership selection policies and processes of nine university systems: California State University, City University of New York, Minnesota State Colleges and Universities, State University of New York, University of California, University of North Carolina, University System of Georgia, University System of Maryland, and University of Texas System. This review indicated that search and screen committees at eight of nine university systems:

- are smaller in size, averaging fourteen members;
- have members from a variety of constituencies, including faculty, staff, students, alumni, deans, institutional leaders, board members, foundation representatives, and community members, with no constituency holding a majority on the committee; and
- are often chaired by institutional or system leaders or board members.

The proposed changes to RPD 6-4 are designed to address concerns raised regarding the current policy. The revisions:

- allow for smaller Search and Screen Committees and more opportunities to include members from external constituencies, as committee composition is less prescribed;
- increase the connection between the Search and Screen and Special Regent committees by having a member of the Special Regent Committee or a Regent Emeritus chair the Search and Screen Committee; and
- increase Regent involvement throughout the search process by suggesting Regents visit the relevant institution when considering chancellor qualifications and providing for Regent attendance at semi-finalist interviews.

In addition, the proposed amendments clarify the System President's responsibilities in the hiring process for senior leadership positions within UW System Administration, prohibit consideration of an interim appointee as a candidate for the permanent position without written permission of the System President; and reflect the previously-adopted delegation to the System President of salary-setting authority for UW System Administration senior leadership positions.

The draft policy is attached as Attachment A, followed by the existing policy included as Attachment B.

RELEVANT REGENT POLICIES

Regent Policy Document 6-4, Search and Screen Procedures for Chancellors, Senior Vice Presidents or Vice Presidents

Regent Policy Document 6-5, Executive Salary Structure

Selection Process for System President, Chancellors, and UW System Senior Leadership Positions

DRAFT POLICY	COMPARISON WITH EXISTING POLICY
<p><u>Scope</u></p> <p>This policy sets forth the protocol the Board of Regents has determined shall be followed for the selection of University of Wisconsin System senior leadership positions: chancellors of UW institutions, UW System Senior Vice Presidents, Vice Presidents, the General Counsel, and the Chief Audit Executive, as well as interim appointees to these positions and the UW System President position.</p>	<p>Scope statement added.</p> <p>Broadens coverage of policy to include System President, General Counsel and Chief Audit Executive.</p>
<p><u>Purpose</u></p> <p>The purpose of this policy is to implement s. 36.09(1)(e), Wis. Stats., authorizing the Board of Regents to appoint a president of the UW System, a chancellor for each UW institution, and other UW System leadership positions. This policy defines the roles and responsibilities of the Board of Regents and the System President, and the committees they appoint, when filling leadership positions in UW System Administration and at UW institutions.</p>	<p>Purpose statement added.</p>
<p><u>Policy Statement</u></p> <p>The University of Wisconsin System Board of Regents considers the selection of the System President and UW institutional Chancellors to be among its most important duties and maintains a strong commitment to the principles of inclusivity and consultation with institutional and community representatives. To ensure effective leadership of the University of Wisconsin System, the following protocols are to be used:</p>	<p>Introductory paragraph added.</p>
<p>UW System President:</p> <p>When a vacancy occurs or is imminent, the Regent President shall consult with the Regent Vice President and other members of the Executive Committee of the Board of Regents to determine the process the Board will use in selecting a new System President.</p>	<p>New: System President selection process was not previously covered in the policy.</p>

DRAFT POLICY	COMPARISON WITH EXISTING POLICY
<p>Chancellors:</p> <ol style="list-style-type: none"> 1. <u>Special Regent Committee Composition</u>: When a vacancy occurs or is imminent, the Regent President shall designate a Special Regent Committee consisting of not less than three nor more than five Regents to be involved in the selection process for a replacement. The Regent President shall designate a chairperson of the Special Regent Committee. 2. <u>Chancellor Qualifications</u>: The Special Regent Committee shall confer with the UW System President and advise the System President of any special qualifications for the position that it believes should be considered. Members of the Special Regent Committee are encouraged to visit the UW institution and meet with students, faculty, staff, and other members of the campus community to familiarize themselves with the unique characteristics and needs of the institution. The Special Regent Committee shall work with the System President to produce a brief job description, taking into account the special characteristics of the institution at which the Chancellor would serve. 3. <u>Search and Screen Committee Composition</u>: The System President, after consulting with members of the institution's governance groups and other members of the university community, shall appoint a Search and Screen Committee comprised of individuals knowledgeable of the duties and responsibilities of the position and broadly representative of the interests of the students, faculty, academic staff, university staff, administrators, community and friends of the institution and the interests of the UW System. The System President shall consider diversity, particularly as it relates to gender, race, and ethnicity, when making committee appointments. <p>The Regent President shall designate one member of the Special Regent Committee or a Regent Emeritus who is knowledgeable about the UW institution to serve as chairperson of the Search and Screen Committee. In the event that a Regent Emeritus is designated chairperson of the Search and Screen Committee, he or she shall serve as a non-voting member of the Special Regent Committee.</p> <p>The System President, in consultation with the Regent President and the chair of the Search and Screen Committee, shall designate</p>	<p>Change: Specifies more prominent role for Regents earlier in process. Allows for smaller committee size.</p> <p>New: Regent chair of Search and Screen Committee. Chair also serves on Special Regent Committee; if chair is Regent Emeritus, he/she serves as ex officio non-voting member of Special Regent Committee.</p>

DRAFT POLICY	COMPARISON WITH EXISTING POLICY
<p>a Search and Screen Committee vice chair from among the faculty at the UW institution seeking the new chancellor.</p> <p>It is essential that the members of the Search and Screen Committee be dedicated to a single objective—the identification and recommendation of the strongest possible candidates for a chancellorship of a University of Wisconsin institution.</p> <p>4. <u>Search and Screen Committee Role and Progress Reports:</u> The Search and Screen Committee shall be provided with an opportunity to review and provide input on the job description prepared by the System President and the Special Regent Committee. After the Special Regent Committee finalizes the job description, the Search and Screen Committee shall conduct such interviews of semi-finalists as it deems appropriate, with at least one member of the Special Regent Committee in addition to the Search and Screen Committee chair observing each of the semi-finalist interviews. The Search and Screen Committee shall make periodic progress reports to the Special Regent Committee and the System President and shall continue to provide feedback on candidates until such time as the committee is discharged by the System President.</p> <p>5. <u>Identification of Finalists:</u> The Search and Screen Committee shall subsequently provide a list recommending qualified individuals, in unranked order, along with an alphabetical list of all persons considered at a joint meeting of the Search and Screen Committee, the Special Regent Committee and the System President. The Search and Screen Committee may be asked to provide oral presentations on the candidates under consideration. If any of the names on the initial list presented by the Search and Screen Committee are not accepted by the Special Regent Committee, or if any of the recommended candidates withdraw from the search, then before the Search and Screen Committee is discharged, it may be asked to provide additional candidates from the list of persons considered as semi-finalists.</p> <p>The Special Regent Committee shall determine the finalists who will be invited to continue in the selection process, with five being a typical number invited for interviews.</p>	<p>New: Language about purpose of service on the Search and Screen Committee.</p>

DRAFT POLICY	COMPARISON WITH EXISTING POLICY
<p>6. <u>Finalist Interviews</u>: The Special Regent Committee, in conjunction with the System President, shall review all of the finalists, conduct interviews, and identify a candidate to recommend to the full Board of Regents.</p> <p>7. <u>Board of Regents Approval</u>: The full Board shall approve the appointment, including salary.</p>	
<p>UW System Administration Senior Leadership Positions:</p> <p>1. <u>Appointment of Search and Screen Committee</u>: When a vacancy occurs or is imminent, the System President shall appoint a Search and Screen Committee. For positions determined by the System President to involve a high degree of campus contact, the Search and Screen Committee may include faculty, staff, and/or student representatives.</p> <p>2. <u>Search and Screen Committee Role</u>: The Search and Screen Committee shall be provided with a job description prepared by the System President in consultation with the chair(s) of the appropriate standing committee(s) of the Board of Regents, depending on the duties and responsibilities of the vacant position. The Search and Screen Committee shall screen candidates and conduct such interviews as it deems appropriate.</p> <p>3. <u>Identification of Finalists</u>: The Search and Screen Committee shall subsequently provide a list recommending qualified individuals, in unranked order, along with an alphabetical list of all persons considered. If any of the names on the initial list presented by the Search and Screen Committee are not accepted by the System President, or if any of the recommended candidates withdraws from the search, then before the Search and Screen Committee is discharged, it may be asked to provide additional candidates from the list of persons considered. In addition, the System President may identify as finalists up to two additional names from the list of persons considered by the Search and Screen Committee.</p> <p>4. <u>Finalist Interviews</u>: The System President shall review all of the final candidates and conduct interviews. The System President shall fill the vacancy from among the candidates interviewed, and shall advise the appropriate Board standing committee of the person selected.</p>	<p>Change: Committee name changed to “Search and Screen” for consistency.</p> <p>Change: Current policy has sometimes been interpreted to mean Regents are required to serve on interview panels. New policy clarifies consultative role of standing-committee chairs.</p> <p>New: System President may identify up to two additional candidates from the list for consideration.</p>

DRAFT POLICY	COMPARISON WITH EXISTING POLICY
<p>5. <u>Salary Approval</u>: Board approval of the salary for senior leadership positions is not required unless the salary exceeds the Board-approved salary range.</p> <p>6. <u>Appointment</u>: In the case of the Chief Audit Executive, the appointment is made jointly by the System President and the Chair of the Board of Regents Audit Committee.</p>	<p>New: Refers specifically to CAE reporting structure.</p>
<p>Interim Appointments:</p> <p>The procedure for selecting an interim System President is as follows:</p> <ol style="list-style-type: none"> 1. <u>Regent President's Authority</u>: When a vacancy occurs or is imminent, the Regent President may appoint an interim System President to serve until a permanent appointment is made. 2. <u>Committees Not Required</u>: Appointment of a Special Regent Committee or Search and Screen Committee is not required or expected for an interim appointment. 3. <u>Regent President Consultation</u>: Prior to appointing an interim System President, the Regent President shall consult with the Vice President and other members of the Executive Committee of the Board of Regents. Such consultation shall include the length and salary of the interim appointment. 4. <u>Limit on Length of Appointment</u>: In determining the length of an interim appointment, the Regent President shall consider the circumstances of the vacancy and the best interests of the UW System. The length of an interim appointment for a System President may not exceed three years. 5. <u>Eligibility for Permanent Appointment</u>: An interim appointee shall not be considered a candidate in the search process for the permanent position without advance written authorization from the Regent President permitting the interim appointee to participate as a candidate for the permanent position. <p>The procedure for selecting interim Chancellors and UW System Administration senior leadership positions is as follows:</p>	<p>New: Current policy does not address interim System President.</p> <p>New: Documents consultation process.</p> <p>New: Requires an interim appointee to obtain approval to be considered a candidate for the permanent position.</p>

DRAFT POLICY	COMPARISON WITH EXISTING POLICY
<p><u>Related Regent Policies and Applicable Laws:</u></p> <p>Regent Policy Document 6-5, “Executive Salary Structure”</p> <p><u>History:</u></p> <p>Res. 4034 adopted 4/8/1988; replaces 72-18; amended by Res. 5176 adopted 3/10/1989 (also called 89-3 until incorporated herein) and Res. 6636 adopted 4/8/1994; amended by Res. 6932 adopted 5/5/1995 and Res. 8157 adopted 6/8/2000; amended by Res. 9811 adopted 8/20/2010.</p>	



BOARD OF REGENTS

Policies

Regent Policy Document 6-4

Search and Screen Procedures for Chancellors, Senior Vice Presidents or Vice Presidents

The procedure for selecting Chancellors, Senior Vice Presidents, or Vice Presidents, with the exception of interim appointments, is as follows:

Chancellors:

1. Upon indication of a vacancy in the position of Chancellor, the President of the Board shall promptly designate a Special Regent Committee consisting of not less than three nor more than five Regents to be involved in the selection process for a replacement. The President of the Board shall designate a chairperson of the Special Regent Committee.
2. The Special Regent Committee shall confer with the President of the System and advise the President of any special qualifications for the position that it believes should be considered. The Special Regent Committee will work with the System President to produce a brief job description taking into account the special characteristics of the Institution at which the Chancellor would serve.
3. The System President shall appoint a Search and Screen Committee, the majority of which shall be faculty of the affected institution, comprised of:
 - a. Faculty selected after consultation with appropriate faculty representatives;
 - b. Academic Staff selected after consultation with appropriate academic staff representatives;
 - c. Students selected by the recognized institutional student government, or in the absence of one, at the discretion of the University of Wisconsin System President;
 - d. Administrators representing Institutions and the System Administration;
 - e. Community representatives; and
 - f. A Chairperson appointed from among the faculty members of the Committee. The Search and Screen Committee will be provided with the job description prepared by the System President and the Special Regent Committee. Interviews of candidates will be within the discretion of the Search and Screen Committee.
4. The Search and Screen Committee shall make periodic progress reports to the Regent President, and/or the Special Regent Committee, and the University of Wisconsin System President.
5. The Search and Screen Committee shall subsequently return a list recommending at least five individuals that it believes are qualified, in unranked order, along with an alphabetical list of all persons considered. Delivery of the list shall be at a joint meeting of the Search and Screen Committee, the System President and the Special Regent Committee in order that the System President and the Special Regent Committee may receive an oral presentation on each of the candidates recommended. The Search and Screen Committee shall then be discharged, provided that if no name on the initial list presented by the Search and Screen Committee is accepted, then the Search and Screen Committee shall not be discharged and shall be asked to provide a second list of at least five additional candidates.
6. The System President, in conjunction with the Special Regent Committee, shall review all of the recommended candidates and conduct such interviews as may be deemed appropriate.
7. The System President may recommend a candidate to the Special Regent Committee, which shall make its recommendation to the Board. Final approval of the appointment, including salary, shall be made by the Board.

8. This process shall apply to such other positions as the Board shall from time to time determine, as referenced in Regent Policy Document 6-3.

Senior Vice Presidents and Vice Presidents:

1. Upon indication of a vacancy in a Senior Vice President or Vice President position, the President of the System shall appoint an Advisory Committee.
 - a. The Advisory Committee will be provided with a job description prepared by the System President in consultation with the appropriate Standing Committee of the Regents.
 - b. For positions as determined by the President that involve a high degree of campus contact, the Advisory Committee shall include faculty, academic staff, and student representatives.
2. The Advisory Committee shall subsequently return a list recommending to the System President at least five individuals that it believes are qualified, in unranked order, along with an alphabetical list of all persons considered. The Advisory Committee shall then be discharged, provided that if no name on the initial list presented by the Advisory Committee is accepted, then the Advisory Committee shall not be discharged, and shall be asked to provide a second list of at least five additional candidates.
3. The System President, in conjunction with the appropriate Standing Committee of the Regents, shall review all of the recommended candidates and conduct such interviews as may be deemed appropriate. The System President shall fill the vacancy from among the candidates interviewed, and shall advise the appropriate Standing Committee of the Regents and the Board of the person selected.
4. Final approval of the salary for a Senior Vice President or Vice President position shall be made by the Board of Regents.

Interim Appointments:

The procedure for selecting Chancellors, Senior Vice Presidents, or Vice Presidents in the case of interim appointments is as follows:

1. Upon indication of a vacancy in a Chancellor, Senior Vice President, or Vice President position, the System President may appoint an interim Chancellor, Senior Vice President, or Vice President to serve until a permanent appointment is made.
2. Appointment of a Special Regent Committee, Search and Screen Committee, or Advisory Committee is not required for interim appointments under this policy.
3. Prior to appointing an interim Chancellor, the System President shall consult with the Board of Regents President and Vice President. Prior to appointing an interim Senior Vice President or Vice President, the System President shall consult with the Board of Regents President and Vice President and with the chair of the Education Committee; Business, Finance, and Audit Committee; or Capital Planning and Budget Committee, as determined by the duties of the position. Such consultation shall include the length and salary of the interim appointment.
4. In determining the length of an interim appointment, the System President shall consider the circumstances of the vacancy and the best interests of the UW System. The length of an interim appointment for a Chancellor, Senior Vice President, or Vice President may not exceed three years.

History: Res. 4034 adopted 4/8/1988; replaces 72-18; amended by Res. 5176 adopted 3/10/1989 (also called 89-3 until incorporated herein) and Res. 6636 adopted 4/8/1994; amended by Res. 6932 adopted 5/5/1995 and Res. 8157 adopted 6/8/2000; amended by Res. 9811 adopted 8/20/2010.

OFFICE OF THE BOARD OF REGENTS

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UW-Eau Claire Contractual Agreement
with Barnes & Noble College Booksellers, LLC.

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Eau Claire and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents, doing business as the University of Wisconsin-Eau Claire, and Barnes & Noble College Booksellers, LLC, to provide Bookstore and Textbook Rental Services effective July 1, 2015 for a period of one year, with five one-year renewal options.

**UW-EAU CLAIRE AGREEMENT WITH
BARNES & NOBLE COLLEGE BOOKSELLERS, LLC**

BACKGROUND

UW Board of Regents policy 13-1 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.

The University of Wisconsin-Eau Claire ran a competitive Request for Proposal (RFP) process (PS-15-2407) to seek a Bookstore and Textbook Rental Services contract for the institution and is seeking approval for award.

REQUESTED ACTION

Approval of Resolution I.2.e.

DISCUSSION

UW-Eau Claire has contracted for Bookstore and Textbook Rental Services since February 1, 2001, with the current contract expiring on June 30, 2015. In response to a Request for Proposal (PS-15-2407, Bookstore and Textbook Rental Services) three vendors submitted proposals. Barnes & Noble College Booksellers, LLC received the highest total score. A six-member evaluation committee, including two students, three staff members, one external reviewer and UW System Procurement staff, completed the scoring process. The Barnes & Noble College Booksellers, LLC proposal meets all of the UW-Eau Claire desired outcomes.

Some highlights of the contract are as follows:

- Contractor will assume operation of the Bookstore and Textbook Rental Services on July 1, 2015 for one year, with five one-year extensions, for a potential six-year contract.
- The contractor will operate all Bookstore and Textbook Rental activities.
- Annual net revenue to the Contractor is valued at approximately \$2.09 million per year.
- Estimated revenue to the vendor for life of the contract: \$12.57 million.
- The UW-Eau Claire will receive a minimum annual guarantee of \$325,000 annually or commission from cash sales whichever is greater.
- Estimated commissions to UW-Eau Claire for life of the contract: \$1.95 million.
- The contractor will provide \$50,000 in capital investments.
- The contractor will provide a \$200,000 signing bonus.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with BioMedical Research Models Inc.

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 and amendment between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and BioMedical Research Models Inc.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH BIOMEDICAL RESEARCH MODELS INC.
EXECUTIVE SUMMARY**

BACKGROUND

UW System 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.f.

DISCUSSION AND RECOMMENDATIONS

The Office of the Vice Chancellor for Research and Graduate Education, with assistance from the Office of Industrial Partnerships at the University of Wisconsin-Madison, has negotiated an amendment to a Service Agreement with BioMedical Research Models Inc. The original agreement was executed on January 21, 2015. The amendment proposes to add two new additional major tasks. In consideration for providing the requested additional services, BioMedical Research Models Inc. shall pay the University \$1,251,009. The research project is anticipated to be conducted during the period from June 5, 2015 through May 31, 2016. The research will be conducted by Waisman Biomanufacturing under the direction of Dr. Derek Hei.

The first of the two new tasks is titled, "Cell Banking, Manufacturing and Testing of Recombinant HSV gD2 for Prime/Boost Vaccine Development." The purpose of this task is to provide *Pichia pastoris* cell banking and gD2 production in compliance with current Good Manufacturing Practice Guidelines. The second of the two new tasks is entitled "Manufacturing and Testing of Plasmid DNA for HSV Prime/Boost Vaccine Development." The purpose of this task is for the production, quality control testing, and optional packaging of plasmid DNA and protein products related to a genital herpes vaccine that is under development.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with Aduro BioTech, Inc.

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 Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Aduro BioTech, Inc.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH ADURO BIOTECH, INC.**

EXECUTIVE SUMMARY

BACKGROUND

UW System 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.g.

DISCUSSION AND RECOMMENDATIONS

The Office of the Vice Chancellor for Research and Graduate Education, with assistance from the Office of Industrial Partnerships at the University of Wisconsin-Madison, has negotiated a Service Agreement with Aduro BioTech, Inc. In consideration for providing the requested services, Aduro BioTech, Inc shall pay the University \$1,968,473. The research project is anticipated to be conducted during the period from June 5, 2015 through December 31, 2015. The research will be conducted by Waisman Biomanufacturing under the direction of Dr. Derek Hei.

The services are outlined in, “Quote for Aduro Quality and Manufacturing Requirements for Aduro-Janssen Products in 2015.” The purpose of the services is to produce *Listeria monocytogenes* whole-cell vaccines and related products under current Good Manufacturing Practice (cGMP) conditions.

RELATED REGENT POLICIES

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

Assessment of UW-Madison Contractual Agreements
with Madison Vaccines, Incorporated for potential conflict of interest

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the University of Wisconsin-Madison and the University of Wisconsin System Administration, the Board of Regents finds that potential conflicts of interest within the proposed contract with Madison Vaccines and the previously executed contract with Madison Vaccines, Incorporated, are managed appropriately such that the contractual relationship does not violate Wis. Stat. § 946.13.

**UW-MADISON CONTRACTUAL AGREEMENTS
WITH MADISON VACCINES, INCORPORATED
REVIEW FOR CONFLICTS OF INTEREST**

EXECUTIVE SUMMARY

BACKGROUND

Wis. Stat. § 946.13(12)(b)2.b. requires that where a contract between a research company engaged in commercial activity that is related to research conducted by a UW System employee, and the University of Wisconsin System exceeds \$250,000 over a 24-month period, the Board must review it for potential prohibited conflicts of interest within the meaning of Wis. Stat. § 946.13(1).

REQUESTED ACTION

Approval of Resolution I.2.h.

DISCUSSION AND RECOMMENDATIONS

Wis. Stat. § 946.13 prohibits a University of Wisconsin System employee from having a private interest in a public contract. However, the prohibition “does not apply to a contract between a research company and the University of Wisconsin System or any institution or college campus within the system for purchase of goods or services, including research, if . . . [t]he contract is approved by a University of Wisconsin System employee or officer responsible for evaluating and managing potential conflicts of interest,” and, for contracts over \$250,000, if the contract is approved by the Board of Regents.

The process for assuring compliance with § 946.13 was amended in 2009. Under the previous process, a contract that exceeded \$250,000 over a 24-month period was to be reviewed for potential conflicts first by a “University of Wisconsin System employee or officer responsible for evaluating and managing potential conflicts of interest,” and then by the Wisconsin Attorney General. As a result of a statutory change, the Board of Regents was given the review authority previously performed by the Attorney General.

The University of Wisconsin-Madison has found the potential conflicts of interest in the proposed contract and previously executed contract with Madison Vaccines, Incorporated, to be

managed appropriately and recommends that the Board approve the contracts as compliant with Wis. Stat. § 946.13. The UW System Office of General Counsel also has reviewed these agreements for potential conflicts of interest and concurs with UW-Madison's recommendation.

RELATED REGENT POLICIES

None



Office of General Counsel

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Tomas L. Stafford
Anne E. Bilder
Wade Harrison
Erin E. Kastberg
Jennifer Sloan Lattis
Matthew J. Lind
Paige Reed

To: Board of Regents

From: Tomas L. Stafford
General Counsel

Date: May 20, 2015

Re: Review of Madison Vaccines, Incorporated contracts for potential conflict of interest.

Wis. Stat. § 946.13 prohibits a University of Wisconsin employee from having a private interest in a public contract. However, the prohibition “does not apply to a contract between a research company and the University of Wisconsin System or any institution or college campus within the system for purchase of goods or services, including research, if . . . [t]he contract is approved by a University of Wisconsin System employee or officer responsible for evaluating and managing potential conflicts of interest.”

The University of Wisconsin-Madison, and its Office of Legal Affairs, have found the potential conflicts of interest in the proposed contract and previously executed contract with Madison Vaccines, Incorporated (Madison Vaccines) to be managed appropriately and compliant with Wis. Stat. § 946.13. The UW System Office of General Counsel also has reviewed these agreements for potential conflicts of interest and concurs with UW-Madison’s assessment.

These contracts separately and cumulatively exceed \$250,000 over a 24-month period, and therefore, the Board must also review the matter. The contract will be deemed in compliance with conflict of interest laws, if “within 45 days [of contract submission to the Board by the System], the University of Wisconsin Board of Regents does not notify the University of Wisconsin System that entering the contract would constitute a violation of sub. (1).” Wis. Stat. § 946.13(12)(b)2.b.

Founded in 2012, Madison Vaccines’ seeks to develop and bring to market certain vaccines related to the treatment of prostate cancer that have been developed in the laboratory of Dr. Douglas McNeel, Professor of Medicine in the UW-Madison School of Medicine and Public Health. Dr. McNeel co-founded Madison Vaccines, and holds a 19.7% ownership interest in the company. He is a paid Madison Vaccines consultant, but is not involved in Madison Vaccines day-to-day operations. The

vaccine technologies being developed by Madison Vaccines were licensed to Madison Vaccines by WARF.

The proposed contract is a phase I clinical trial agreement between Madison Vaccines and UW-Madison. Through the clinical trial, certain prostate cancer patients would receive one of the vaccine technologies being developed with the goal of determining vaccine safety, the best schedule for vaccine delivery, and whether the vaccine results in the desired immune response. The University's principal investigator on the study is Dr. Christos Kyriakopoulos, who has no interest in Madison Vaccines. Study related samples will be tested and analyzed in Dr. McNeel's laboratory, and approximately \$294,684 of the total study budget of \$1,506,435 will be allocated to Dr. McNeel's laboratory under the proposed contract to cover the costs of sample testing and analysis. This clinical trial is expected to continue about five and a half years. A copy of the proposed contract is enclosed.

Additionally, in March 2014, a phase II clinical trial agreement was entered into between Madison Vaccines and UW-Madison. This clinical trial agreement was funded in part by a grant from the Department of Defense. The goal of the study is to determine whether the vaccine, when administered in combination with another drug designed to boost the vaccine's effectiveness, delays the progression of prostate cancer. Dr. Glenn Liu is principal investigator on the study, and he has no interest in Madison Vaccines. As is the case in the phase I clinical trial discussed in the preceding paragraph, this study generates samples that require analysis in Dr. McNeel's laboratory. Approximately \$301,937 of the total project budget of \$1,568,331 is designated to cover the costs of testing and analysis of samples in Dr. McNeel's laboratory. This clinical trial is expected to last six years. A copy of the contract is enclosed.

There was uncertainty regarding the applicability of §946.13 at the time the contract was entered into given that Dr. McNeel was not the principal investigator on the contract. However, it was subsequently decided that it would be best for this contract, and for the proposed contract that involves a similar arrangement, to be submitted to the Board for consideration under §946.13.

In 2004, Wis. Stat. § 946.13(12) required review and approval of potential conflicts of interest by the Wisconsin Attorney General. Attorney General Lautenschlager reviewed a contract between the Stratatech Corporation and the University, and issued an opinion finding no unlawful conflict of interest, even though the professor could have an indirect pecuniary interest in the contract, where the professor has no role to play in an official capacity in either the making of the contract or performance of discretionary acts under it. Of particular persuasion to the Attorney General were the following considerations: (1) the professor is not authorized or required to participate in the actual making of the contract on behalf of the University, (2) the professor performs only ministerial tasks with regard to

administration of the contract, (3) the professor has no authority with regard to final hiring decisions, (4) the professor has no decision-making authority with regard to the use of University facilities and staff.

As a part owner of two Madison Vaccines, Dr. McNeel could have an indirect pecuniary interest that derives from the potential commercialization of the technologies being evaluated in these clinical trials. We have been assured by UW-Madison's legal counsel (see enclosed letter from Associate University Legal Counsel Brigid Daley) that the proposed and previously executed contracts meet the Attorney General's considerations. A UW-Madison Conflict of Interest Committee monitors the matter and has issued a management plan to manage conflicts of interest that may arise in Dr. McNeel's work due to his relationship with Madison Vaccines. Dr. McNeel has not played, and will not play, any role in the contract negotiations. He will be responsible for the day-to-day direction of certain research related to the contracts within his laboratory, but will perform only ministerial tasks with respect to administration of the two contracts, and will not make purchasing or invoice decisions. While, Dr. McNeel may make suggestions for whom to hire as research staff, he will not have sole or final discretion to hire research staff, nor will he have authority to direct the use of University facilities and/or staff. Dr. McNeel's salary will not be affected by either contract. Finally, the terms of the agreements are not more favorable than would be offered by the University to any party for contracts of a similar nature.

UW-Madison has evaluated management of potential conflicts of interest related to Dr. McNeel's work and has approved both the proposed and previously executed contracts as compliant with Wis. Stat. § 946.13. I agree with UW-Madison's assessment that the Madison Vaccines contracts are compliant with Wis. Stat. § 946.13. I submit the two contracts to the Board for your consideration.

Enclosures

cc: President Cross (w/encls.)
Executive Director Radue (w/encls.)
Senior Vice President Miller (w/encls.)
Associate University Legal Counsel Brigid Daly (w/o encls.)

UW-Madison Contractual Agreement
with Madison Vaccines, Incorporated

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 Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Madison Vaccines, Incorporated.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH MADISON VACCINES, INCORPORATED**

EXECUTIVE SUMMARY

BACKGROUND

UW System 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

Adoption of Resolution I.2.1.

DISCUSSION AND RECOMMENDATIONS

The University of Wisconsin-Madison, with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Clinical Trial Agreement with Madison Vaccines, Incorporated. In consideration for providing the requested research, Madison Vaccines, Incorporated shall pay the University \$1,568,331.72. The study is anticipated to be conducted during the period from March 31, 2014 through study completion. The research will be conducted in the Department of Medicine, Comprehensive Cancer Center, under the direction of Glenn Liu.

The study is titled, "Laboratory Immune portion of the expanded cohort for CTA with MVI for CO08801 Randomized Phase II Trial of a DNA Vaccine." The research will be a Phase II Clinical Study.

RELATED REGENT POLICIES

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

QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2014 THROUGH MARCH 31, 2015

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 directs 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 nine-month period July 1, 2014, through March 31, 2015. Total gifts, grants, and contracts for the period were approximately \$1.063 billion; this is a decrease of \$64.2 million from the same period in the prior year. Federal awards decreased \$67.4 million, while non-federal awards increased by \$3.2 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 2014-2015 (3rd Quarter)

FISCAL YEAR 2014-2015	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
Total	67,561,420	48,187,755	644,532	69,784,796	5,743,078	696,943,962	174,382,710	1,063,248,253
Federal	38,150,926	33,987,142	0	9,604,499	0	417,646,324	160,781,323	660,170,214
Nonfederal	29,410,494	14,200,612	644,532	60,180,298	5,743,078	279,297,639	13,601,387	403,078,039
FISCAL YEAR 2013-2014								
Total	81,262,592	41,071,669	615,330	83,776,923	15,550,408	697,423,987	207,769,729	1,127,470,638
Federal	50,702,577	25,371,220	0	8,488,608	0	450,875,424	192,105,571	727,543,400
Nonfederal	30,560,015	15,700,449	615,330	75,288,315	15,550,408	246,548,563	15,664,158	399,927,238
INCREASE(DECREASE)								
Total	(13,701,173)	7,116,085	29,202	(13,992,127)	(9,807,330)	(480,025)	(33,387,019)	(64,222,385)
Federal	(12,551,651)	8,615,922	0	1,115,891	0	(33,229,099)	(31,324,248)	(67,373,186)
Nonfederal	(1,149,521)	(1,499,836)	29,202	(15,108,018)	(9,807,330)	32,749,075	(2,062,770)	3,150,802

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2014-2015 (3rd Quarter)

	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
FISCAL YEAR 2014-2015								
Madison	22,361,427	30,340,936	614,937	52,772,255	5,751,155	660,256,482	12,992,310	785,089,501
Milwaukee	7,900,379	5,851,278	0	6,885,297	25,000	27,015,031	37,736,685	85,413,671
Eau Claire	607,664	878,397	0	0	0	1,015,247	7,313,437	9,814,745
Green Bay	3,810	2,041,205	0	512,173	0	883,179	4,927,520	8,367,887
La Crosse	156,385	12,840	0	924,308	4,000	1,401,351	10,362,948	12,861,832
Oshkosh	582,589	6,323,501	0	0	0	875,433	14,114,337	21,895,860
Parkside	268,382	328,077	5,350	331,425	28,204	14,100	8,972,365	9,947,904
Platteville	862,922	0	0	2,179,149	0	370,834	4,940,503	8,353,408
River Falls	337,533	305,049	6,495	1,286,300	10,682	725,123	8,551,323	11,222,505
Stevens Point	1,766,617	683,161	6,539	208,293	0	1,675,817	15,228,507	19,568,934
Stout	3,590,060	162,147	0	1,993,012	(112,955)	6,950	11,421,816	17,061,030
Superior	0	0	0	19,589	0	2,049,815	3,346,514	5,415,918
Whitewater	116,704	136,597	0	1,416,031	36,991	498,367	16,550,060	18,754,750
Colleges	7,700	2,065	11,211	856,483	0	6,805	17,924,385	18,808,650
Extension	28,999,247	0	0	380,756	0	96,864	0	29,476,867
System-Wide	0	1,122,501	0	19,725	0	52,565	0	1,194,790
Totals	67,561,420	48,187,755	644,532	69,784,796	5,743,078	696,943,962	174,382,710	1,063,248,253
Madison	16,260,861	18,312,587	0	3,380,767	0	388,806,479	4,106,221	430,866,916
Milwaukee	4,393,289	5,745,903	0	2,168,513	0	22,395,861	37,736,685	72,440,251
Eau Claire	594,714	730,288	0	0	0	869,278	7,313,437	9,507,717
Green Bay	0	1,464,740	0	11,035	0	601,921	4,672,000	6,749,696
La Crosse	54,494	0	0	904,808	0	834,876	10,362,948	12,157,126
Oshkosh	563,287	5,970,442	0	0	0	875,433	14,114,337	21,523,499
Parkside	210,216	0	0	0	0	0	8,679,625	8,889,841
Platteville	805,861	0	0	990,087	0	329,223	4,939,503	7,064,674
River Falls	269,829	299,617	0	786,452	0	676,262	7,590,138	9,622,298
Stevens Point	91,674	389,991	0	0	0	558,536	14,381,793	15,421,995
Stout	2,789,929	78,873	0	1,035,807	0	0	10,922,302	14,826,911
Superior	0	0	0	0	0	1,547,647	3,346,514	4,894,161
Whitewater	13,620	0	0	287,767	0	150,807	15,556,521	16,008,715
Colleges	0	0	0	39,263	0	0	17,059,299	17,098,562
Extension	12,103,151	0	0	0	0	0	0	12,103,151
System-Wide	0	994,701	0	0	0	0	0	994,701
Federal Totals	38,150,926	33,987,142	0	9,604,499	0	417,646,324	160,781,323	660,170,214
Madison	6,100,566	12,028,349	614,937	49,391,488	5,751,155	271,450,002	8,886,089	354,222,585
Milwaukee	3,507,090	105,375	0	4,716,784	25,000	4,619,170	0	12,973,419
Eau Claire	12,950	148,109	0	0	0	145,969	0	307,028
Green Bay	3,810	576,465	0	501,138	0	281,258	255,520	1,618,191
La Crosse	101,891	12,840	0	19,500	4,000	566,475	0	704,706
Oshkosh	19,302	353,059	0	0	0	0	0	372,361
Parkside	58,166	328,077	5,350	331,425	28,204	14,100	292,740	1,058,063
Platteville	57,061	0	0	1,189,063	0	41,611	1,000	1,288,735
River Falls	67,704	5,432	6,495	499,848	10,682	48,861	961,185	1,600,207
Stevens Point	1,674,943	293,170	6,539	208,293	0	1,117,281	846,714	4,146,940
Stout	800,130	83,274	0	957,205	(112,955)	6,950	499,514	2,234,119
Superior	0	0	0	19,589	0	502,168	0	521,757
Whitewater	103,084	136,597	0	1,128,264	36,991	347,560	993,539	2,746,035
Colleges	7,700	2,065	11,211	817,220	0	6,805	865,086	1,710,088
Extension	16,896,096	0	0	380,756	0	96,864	0	17,373,716
System-Wide	0	127,800	0	19,725	0	52,565	0	200,089
Nonfederal Totals	29,410,494	14,200,613	644,532	60,180,297	5,743,078	279,297,638	13,601,387	403,078,039

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2014-2015 (3rd Quarter)

	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
FISCAL YEAR 2013-2014								
Madison	31,717,551	27,388,583	597,187	69,911,358	15,435,911	669,303,113	44,984,898	859,338,601
Milwaukee	8,135,688	1,566,408	0	4,435,351	37,160	20,192,395	36,581,748	70,948,749
Eau Claire	90,858	1,372,227	0	381	0	581,251	12,609,763	14,654,480
Green Bay	1,267	1,971,887	500	237,948	271	1,133,046	5,243,450	8,588,369
La Crosse	545,642	367,815	0	957,609	0	1,175,734	9,393,125	12,439,925
Oshkosh	1,062,311	4,921,932	0	237,284	0	1,128,782	8,230,399	15,580,708
Parkside	413,533	525,732	0	30,578	35,881	114,075	9,027,992	10,147,792
Platteville	81,443	0	0	1,345,590	0	360,873	9,207,653	10,995,559
River Falls	1,208,411	1,085,697	648	992,508	3,790	297,453	8,659,405	12,247,912
Stevens Point	1,914,445	704,166	127	299,746	0	1,810,558	14,936,787	19,665,829
Stout	3,486,436	235,956	0	1,734,978	0	122,884	11,286,426	16,866,679
Superior	30,000	0	0	984,390	0	401,501	2,749,125	4,165,016
Whitewater	141,242	16,070	0	661,323	37,394	41,985	15,343,296	16,241,310
Colleges	2,175	657,967	16,868	713,919	0	60,000	19,515,663	20,966,591
Extension	32,431,591	0	0	0	0	700,337	0	33,131,928
System-Wide	0	257,229	0	1,233,960	0	0	0	1,491,189
Totals	81,262,592	41,071,669	615,330	83,776,923	15,550,408	697,423,987	207,769,729	1,127,470,638
Madison	25,652,889	13,635,491	0	2,198,555	0	429,093,743	33,462,677	504,043,354
Milwaukee	4,538,994	1,471,408	0	2,235,289	0	17,653,479	36,580,423	62,479,594
Eau Claire	86,944	1,091,109	0	0	0	541,754	12,606,415	14,326,222
Green Bay	0	1,506,115	0	4,060	0	648,160	5,009,597	7,167,932
La Crosse	380,373	347,815	0	876,659	0	745,644	9,382,975	11,733,466
Oshkosh	940,851	4,625,077	0	9,359	0	778,785	7,734,087	14,088,158
Parkside	360,628	275,531	0	0	0	0	8,807,176	9,443,335
Platteville	4,000	0	0	384,198	0	332,907	9,207,653	9,928,758
River Falls	1,138,564	1,084,812	0	562,299	0	109,550	7,861,520	10,756,745
Stevens Point	323,557	429,564	0	(16,410)	0	853,195	14,535,931	16,125,837
Stout	3,297,495	76,312	0	989,659	0	97,941	10,976,922	15,438,329
Superior	0	0	0	722,497	0	20,266	2,599,125	3,341,888
Whitewater	113,886	0	0	273,639	0	0	14,485,912	14,873,437
Colleges	0	570,757	0	248,805	0	0	18,855,159	19,674,720
Extension	13,864,397	0	0	0	0	0	0	13,864,397
System-Wide	0	257,229	0	0	0	0	0	257,229
Federal Totals	50,702,577	25,371,220	0	8,488,608	0	450,875,424	192,105,571	727,543,400
Madison	6,064,662	13,753,093	597,187	67,712,804	15,435,911	240,209,370	11,522,222	355,295,248
Milwaukee	3,596,694	95,000	0	2,200,062	37,160	2,538,915	1,325	8,469,156
Eau Claire	3,914	281,118	0	381	0	39,497	3,348	328,258
Green Bay	1,267	465,772	500	233,888	271	484,887	233,853	1,420,437
La Crosse	165,269	20,000	0	80,950	0	430,090	10,150	706,459
Oshkosh	121,460	296,855	0	227,925	0	349,997	496,312	1,492,549
Parkside	52,905	250,201	0	30,578	35,881	114,075	220,816	704,457
Platteville	77,443	0	0	961,392	0	27,966	0	1,066,801
River Falls	69,847	885	648	430,209	3,790	187,903	797,885	1,491,167
Stevens Point	1,590,888	274,602	127	316,156	0	957,363	400,856	3,539,992
Stout	188,941	159,644	0	745,319	0	24,943	309,504	1,428,350
Superior	30,000	0	0	261,893	0	381,235	150,000	823,128
Whitewater	27,356	16,070	0	387,684	37,394	41,985	857,384	1,367,873
Colleges	2,175	87,210	16,868	465,114	0	60,000	660,504	1,291,871
Extension	18,567,194	0	0	0	0	700,337	0	19,267,531
System-Wide	0	0	0	1,233,960	0	0	0	1,233,960
Nonfederal Totals	30,560,015	15,700,449	615,330	75,288,315	15,550,408	246,548,563	15,664,158	399,927,238

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2014-2015 (3rd Quarter)

	Public Service	Instruction	Libraries	Misc	Physical Plant	Research	Student Aid	Total
INCREASE (DECREASE)								
Madison	(9,356,124)	2,952,353	17,749	(17,139,103)	(9,684,756)	(9,046,631)	(31,992,589)	(74,249,100)
Milwaukee	(235,309)	4,284,870	0	2,449,947	(12,160)	6,822,636	1,154,938	14,464,921
Eau Claire	516,806	(493,830)	0	(381)	0	433,996	(5,296,326)	(4,839,735)
Green Bay	2,543	69,319	(500)	274,225	(271)	(249,868)	(315,929)	(220,482)
La Crosse	(389,257)	(354,975)	0	(33,301)	4,000	225,617	969,823	421,907
Oshkosh	(479,721)	1,401,568	0	(237,284)	0	(253,349)	5,883,938	6,315,152
Parkside	(145,151)	(197,655)	5,350	300,846	(7,677)	(99,976)	(55,627)	(199,889)
Platteville	781,479	0	0	833,559	0	9,961	(4,267,150)	(2,642,151)
River Falls	(870,878)	(780,648)	5,847	293,792	6,892	427,670	(108,082)	(1,025,407)
Stevens Point	(147,828)	(21,005)	6,412	(91,453)	0	(134,741)	291,720	(96,895)
Stout	103,624	(73,808)	0	258,034	(112,955)	(115,934)	135,390	194,351
Superior	(30,000)	0	0	(964,801)	0	1,648,314	597,389	1,250,903
Whitewater	(24,538)	120,528	0	754,708	(403)	456,382	1,206,764	2,513,440
Colleges	5,525	(655,902)	(5,656)	142,564	0	(53,195)	(1,591,277)	(2,157,941)
Extension	(3,432,344)	0	0	380,756	0	(603,473)	0	(3,655,061)
System-Wide	0	865,272	0	(1,214,235)	0	52,565	0	(296,399)
Totals	(13,701,173)	7,116,085	29,202	(13,992,127)	(9,807,330)	(480,025)	(33,387,019)	(64,222,385)
Madison	(9,392,028)	4,677,097	0	1,182,213	0	(40,287,263)	(29,356,456)	(73,176,438)
Milwaukee	(145,705)	4,274,495	0	(66,776)	0	4,742,382	1,156,263	9,960,658
Eau Claire	507,770	(360,821)	0	0	0	327,524	(5,292,978)	(4,818,505)
Green Bay	0	(41,375)	0	6,975	0	(46,239)	(337,597)	(418,236)
La Crosse	(325,879)	(347,815)	0	28,149	0	89,232	979,973	423,660
Oshkosh	(377,563)	1,345,365	0	(9,359)	0	96,648	6,380,250	7,435,340
Parkside	(150,412)	(275,531)	0	0	0	0	(127,551)	(553,494)
Platteville	801,861	0	0	605,889	0	(3,684)	(4,268,150)	(2,864,085)
River Falls	(868,735)	(785,195)	0	224,153	0	566,712	(271,382)	(1,134,447)
Stevens Point	(231,883)	(39,573)	0	16,410	0	(294,659)	(154,138)	(703,842)
Stout	(507,565)	2,561	0	46,148	0	(97,941)	(54,620)	(611,417)
Superior	0	0	0	(722,497)	0	1,527,381	747,389	1,552,274
Whitewater	(100,266)	0	0	14,128	0	150,807	1,070,609	1,135,278
Colleges	0	(570,757)	0	(209,542)	0	0	(1,795,860)	(2,576,158)
Extension	(1,761,246)	0	0	0	0	0	0	(1,761,246)
System-Wide	0	737,472	0	0	0	0	0	737,472
Federal Totals	(12,551,651)	8,615,922	0	1,115,891	0	(33,229,099)	(31,324,248)	(67,373,186)
Madison	35,904	(1,724,744)	17,749	(18,321,316)	(9,684,756)	31,240,632	(2,636,133)	(1,072,662)
Milwaukee	(89,604)	10,375	0	2,516,723	(12,160)	2,080,254	(1,325)	4,504,263
Eau Claire	9,036	(133,009)	0	(381)	0	106,472	(3,348)	(21,230)
Green Bay	2,543	110,694	(500)	267,250	(271)	(203,629)	21,668	197,753
La Crosse	(63,378)	(7,160)	0	(61,450)	4,000	136,385	(10,150)	(1,753)
Oshkosh	(102,158)	56,204	0	(227,925)	0	(349,997)	(496,312)	(1,120,188)
Parkside	5,261	77,876	5,350	300,846	(7,677)	(99,976)	71,924	353,605
Platteville	(20,382)	0	0	227,671	0	13,645	1,000	221,934
River Falls	(2,143)	4,547	5,847	69,639	6,892	(139,042)	163,300	109,040
Stevens Point	84,055	18,568	6,412	(107,863)	0	159,918	445,858	606,948
Stout	611,189	(76,369)	0	211,886	(112,955)	(17,993)	190,010	805,768
Superior	(30,000)	0	0	(242,304)	0	120,933	(150,000)	(301,371)
Whitewater	75,728	120,528	0	740,580	(403)	305,575	136,155	1,378,162
Colleges	5,525	(85,145)	(5,656)	352,106	0	(53,195)	204,582	418,217
Extension	(1,671,098)	0	0	380,756	0	(603,473)	0	(1,893,815)
System-Wide	0	127,800	0	(1,214,235)	0	52,565	0	(1,033,871)
Nonfederal Totals	(1,149,521)	(1,499,836)	29,202	(15,108,018)	(9,807,330)	32,749,075	(2,062,771)	3,150,801

MANAGEMENT FINANCIAL REPORT PERFORMANCE REPORT FY 2014-15

BACKGROUND

The Business and Finance Committee receives periodic Financial Management Reports regarding the status of the UW System Budget. These reports are prepared and presented based on financial information at the close of December, March, and June reflecting budget status at the end of the second, third and fourth fiscal quarters respectively.

The reports provide budget-to-actual revenue and expense information along with variances of that activity from approved budgets. They are intended to provide a high-level summary of activity in significant fund groupings and areas of activity and provide the information necessary for the Committee to meet its fiduciary responsibilities with respect to UW System budget management and oversight. These cash-basis reports are prepared as internal management reports offering management and the Board a dashboard-type tool for use in monitoring the status of the University's budget. Such interim financial reports are not meant to replace the UW System's Annual Financial Report and related accrual-based, audited Financial Statements. The UW System Annual Financial Report presents a comprehensive look at the University's financial activities for a given fiscal year and is typically presented to the Board of Regents at its February meeting.

The high-level budget-to-actual reports presented here include a comparison of actual revenues and expenses to the Regent-approved budgets, along with variances from budget for the following major revenue and expenditure categories:

- Tuition & Fees, GPR and certain other revenues
- Auxiliary Operations
- Gifts, Grants, and Contracts
- General Operations
- Other Funding not included in the above categories

The quarterly financial management reports include both year-to-date actuals and year-end projections.

REQUESTED ACTION

This report is for information only.

DISCUSSION

The attached Financial Management Report presents the status of the UW System budget by major areas of activity for the period July 1, 2014 through March 31, 2015. While there are significant variances within individual fund groupings, this third quarter report shows expenditures at approximately 75.1% of the Regent-approved budget, while revenues were at 90.7% of the budgeted level.

RELATED REGENT POLICIES

None

University of Wisconsin System
Fiscal Year 2015 Budget to Actual Summary
as of March 31, 2015 (Q3)

CURRENT				PROJECTED			
Current Year: Budget to Actual				Tuition and Fees, GPR, and other	Year End Projection		
Budget	YTD	Variance	YTD%		Budget	Projected Total Year End	% of Budget
\$2,636,832,575	\$2,584,820,948	(\$52,011,627)	98.0%	Revenue	\$2,636,832,575	\$2,645,826,743	100.3%
\$2,636,832,575	\$1,827,241,526	\$809,591,049	69.3%	Expenses	\$2,636,832,575	\$2,697,077,847	102.3%
				Net Year to Date	(\$51,251,104) -1.94%		
Current Year: Budget to Actual				Auxiliary Operations	Year End Projection		
Budget	YTD	Variance	YTD%		Budget	Projected Total Year End	% of Budget
\$698,110,006	\$750,291,380	\$52,181,374	107.5%	Revenue	\$698,110,006	\$703,907,334	100.8%
\$698,110,006	\$518,015,880	\$180,094,126	74.2%	Expenses	\$698,110,006	\$673,529,985	96.5%
				Net Year to Date	\$30,377,349 4.35%		
Current Year: Budget to Actual				Gifts, Grants, and Contracts	Year End Projection		
Budget	YTD	Variance	YTD%		Budget	Projected Total Year End	% of Budget
\$1,205,616,063	\$938,050,175	(\$267,565,888)	77.8%	Revenue	\$1,205,616,063	\$1,194,054,719	99.0%
\$1,205,616,063	\$852,573,253	\$353,042,810	70.7%	Expenses	\$1,205,616,063	\$1,154,909,946	95.8%
				Net Year to Date	\$39,144,773 3.25%		
Current Year: Budget to Actual				General Operations	Year End Projection		
Budget	YTD	Variance	YTD%		Budget	Projected Total Year End	% of Budget
\$243,019,554	\$246,423,128	\$3,403,574	101.4%	Revenue	\$243,019,554	\$325,433,800	133.9%
\$243,019,554	\$249,344,771	(\$6,325,217)	102.6%	Expenses	\$243,019,554	\$359,294,559	147.8%
				Net Year to Date	(\$33,860,759) -13.93%		
Current Year: Budget to Actual				Other Funding	Year End Projection		
Budget	YTD	Variance	YTD%		Budget	Projected Total Year End	% of Budget
\$1,314,292,664	\$1,010,082,146	(\$304,210,518)	76.9%	Revenue	\$1,314,292,664	\$1,325,829,458	100.9%
\$1,314,292,664	\$1,135,086,065	\$179,206,599	86.4%	Expenses	\$1,314,292,664	\$1,329,699,158	101.2%
				Net Year to Date	(\$3,869,700) -0.29%		
Current Year: Budget to Actual				Summary Totals	Year End Projection		
Budget	YTD	Variance	YTD%		Budget	Projected Total Year End	% of Budget
\$6,097,870,862	\$5,529,667,777	(\$568,203,085)	90.7%	Revenue	\$6,097,870,862	\$6,195,052,054	101.6%
\$6,097,870,862	\$4,582,261,495	\$1,515,609,367	75.1%	Expenses	\$6,097,870,862	\$6,214,511,495	101.9%
				Net Year to Date	(\$19,459,441) -0.32%		

The FY2015 projections represent purely straight-line, calculations based upon revenue and expenditure patterns in the previous year.

University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2015 (Q3)

GPR/Fees

	Current Year - Budget to Actual				Prior Year Actuals			Current Year - Projected (Based on Prior Year to Date %)			
	Budget	YTD	Variance	YTD%	Total	YTD	YTD %	Budget	Projected Total	Variance	% of Budget
<u>Revenues</u>	2,636,832,575	2,584,820,948	(52,011,627)	98.0%	2,568,278,934	2,509,061,187	97.7%	2,636,832,575	2,645,826,743	8,994,168	100.3%
Academic Fee Revenue	1,348,961,629	1,313,689,885	(35,271,744)	97.4%	1,329,619,582	1,280,383,030	96.3%	1,348,961,629	1,364,207,237	15,245,608	101.1%
State Appropriation (GPR)	1,178,197,283	1,178,197,283	-	100.0%	1,151,402,700	1,151,402,700	100.0%	1,178,197,283	1,178,197,283	-	100.0%
Other	109,673,663	92,933,780	(16,739,883)	84.7%	87,256,652	77,275,457	88.6%	109,673,663	104,937,464	(4,736,199)	95.7%
<u>Expenditures</u>	2,636,832,575	1,827,241,526	809,591,049	69.3%	2,660,670,230	1,796,023,472	67.5%	2,636,832,575	2,697,077,847	60,245,272	102.3%
Salaries	1,375,509,334	1,040,677,695	334,831,639	75.7%	1,352,275,409	1,014,763,245	75.0%	1,375,509,334	1,386,809,054	11,299,720	100.8%
Fringe benefits	576,500,480	427,224,759	149,275,721	74.1%	532,946,488	417,516,370	78.3%	576,500,480	545,338,941	(31,161,539)	94.6%
Supply and Expense	332,971,525	218,450,029	114,521,496	65.6%	390,607,521	227,139,001	58.2%	332,971,525	375,665,227	42,693,702	112.8%
Capital	33,690,944	34,604,942	(913,998)	102.7%	52,486,464	32,047,487	61.1%	33,690,944	56,674,991	22,984,047	168.2%
Financial Aid	55,227,192	60,765,566	(5,538,374)	110.0%	87,137,278	58,426,981	67.1%	55,227,192	90,625,015	35,397,823	164.1%
Other	262,933,100	45,518,535	217,414,565	17.3%	245,217,070	46,130,388	18.8%	262,933,100	241,964,620	(20,968,480)	92.0%

Column Descriptions	Budget:	Regent approved and published annual "Redbook" base budget.
	Current YTD Actuals:	Amounts actually collected and expended through the report date in the current fiscal year.
	Variance:	Difference between the budget and the actual revenues and expenditures.
	YTD %:	Year to date actual revenues and expenditures as a percentage of the budget.
	Prior Year Actual Total:	Actual total revenues and expenditures at the close of the prior fiscal year.
	Prior YTD Actuals:	Actual revenues and expenditures through the same period of the prior fiscal year.
	Prior YTD %:	Percentage of the prior year's total actual revenues and expenditures posted through the same period of the prior fiscal year.
	Projected Total:	Amount expected if current year collections and expenditures were made at the same rate as the prior year. Calculated as current year activity divided by the prior year to date %.
	Projected Variance:	Difference between budget and projected total.
	Projected %	Projected total as a percentage of budget.

University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2015 (Q3)

Auxiliary Operations

	Current Year - Budget to Actual				Prior Year Actuals			Current Year - Projected (Based on Prior Year to Date %)			
	Budget	YTD	Variance	YTD%	Total	YTD	YTD %	Budget	Projected Total	Variance	% of Budget
<u>Revenues</u>											
Auxiliary Operations (128) (e.g., Housing, Food Service, Union, etc.)	698,110,006	750,291,380	52,181,374	107.5%	658,464,071	701,853,629	106.6%	698,110,006	703,907,334	5,797,328	100.8%
<u>Expenditures</u>	698,110,006	518,015,880	180,094,126	74.2%	619,732,507	480,138,643	77.5%	698,110,006	673,529,985	24,580,021	96.5%
Salaries	243,269,185	175,846,074	67,423,111	72.3%	222,975,551	164,868,343	73.9%	243,269,185	237,822,341	5,446,844	97.8%
Fringe benefits	78,671,488	58,655,376	20,016,112	74.6%	71,495,985	56,343,912	78.8%	78,671,488	74,429,051	4,242,437	94.6%
Supply and Expense	303,638,321	242,251,126	61,387,195	79.8%	271,364,850	225,566,103	83.1%	303,638,321	291,437,586	12,200,735	96.0%
Capital	48,628,475	23,166,678	25,461,797	47.6%	28,960,139	17,888,076	61.8%	48,628,475	37,506,002	11,122,473	77.1%
Financial Aid	15,218,600	6,436,276	8,782,324	42.3%	6,077,703	7,326,771	120.6%	15,218,600	5,339,020	9,879,580	35.1%
Other	8,683,937	11,660,350	(2,976,413)	134.3%	18,858,279	8,145,438	43.2%	8,683,937	26,995,986	(18,312,049)	310.9%

University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2015 (Q3)

Gifts, Grants, and Contracts

	Current Year - Budget to Actual				Prior Year Actuals			Current Year - Projected (Based on Prior Year to Date %)			
	Budget	YTD	Variance	YTD%	Total	YTD	YTD %	Budget	Projected Total	Variance	Projected %
<u>Revenues</u>	1,205,616,063	938,050,175	(267,565,888)	77.8%	1,188,847,008	933,958,994	78.6%	1,205,616,063	1,194,054,719	(11,561,344)	99.0%
Federal Grants and Contracts	640,909,918	528,417,475	(112,492,443)	82.4%	615,111,890	550,523,111	89.5%	640,909,918	590,412,764	(50,497,154)	92.1%
Non-federal Gifts, Grants and Contracts	537,889,606	398,010,511	(139,879,095)	74.0%	549,135,813	366,170,729	66.7%	537,889,606	596,885,027	58,995,421	111.0%
Trust Funds	26,816,539	11,622,189	(15,194,350)	43.3%	24,599,305	17,265,154	70.2%	26,816,539	16,559,237	(10,257,302)	61.8%
<u>Expenditures</u>	1,205,616,063	852,573,253	353,042,810	70.7%	1,145,535,134	843,107,078	73.6%	1,205,616,063	1,154,909,946	50,706,117	95.8%
Salaries	524,312,033	373,288,385	151,023,648	71.2%	492,167,976	365,668,374	74.3%	524,312,033	502,424,060	21,887,973	95.8%
Fringe benefits	159,588,200	137,307,757	22,280,443	86.0%	176,770,785	134,116,216	75.9%	159,588,200	180,977,370	(21,389,170)	113.4%
Supply and Expense	340,345,290	225,973,067	114,372,223	66.4%	309,201,150	224,174,354	72.5%	340,345,290	311,682,094	28,663,196	91.6%
Capital	92,645,704	22,199,269	70,446,435	24.0%	32,607,100	23,445,915	71.9%	92,645,704	30,873,343	61,772,361	33.3%
Financial Aid	70,865,473	74,058,622	(3,193,149)	104.5%	87,673,166	68,841,920	78.5%	70,865,473	94,316,862	(23,451,389)	133.1%
Other	17,859,363	19,746,153	(1,886,790)	110.6%	47,114,957	26,860,299	57.0%	17,859,363	34,636,217	(16,776,854)	193.9%

University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2015 (Q3)

General Operations

	Current Year - Budget to Actual				Prior Year Actuals			Current Year - Projected (Based on Prior Year to Date %)			
	Budget	YTD	Variance	YTD%	Total	YTD	YTD %	Budget	Projected Total	Variance	% of Budget
<u>Revenues</u>											
General Operations (136)	243,019,554	246,423,128	3,403,574	101.4%	246,369,011	186,554,139	75.7%	243,019,554	325,433,800	82,414,246	133.9%
<u>Expenditures</u>	243,019,554	249,344,771	(6,325,217)	102.6%	300,279,213	213,964,802	71.3%	243,019,554	359,294,559	116,275,005	147.8%
Salaries	96,023,502	72,121,412	23,902,090	75.1%	89,791,074	65,662,374	73.1%	96,023,502	98,623,590	2,600,088	102.7%
Fringe benefits	34,877,233	26,514,564	8,362,669	76.0%	30,802,412	23,867,042	77.5%	34,877,233	34,219,260	(657,973)	98.1%
Supply and Expense	100,689,131	89,891,680	10,797,451	89.3%	119,282,658	60,055,160	50.3%	100,689,131	178,544,500	77,855,369	177.3%
Capital	4,480,084	6,505,466	(2,025,382)	145.2%	10,740,683	6,320,458	58.8%	4,480,084	11,055,077	6,574,993	246.8%
Financial Aid	6,778,004	50,979,898	(44,201,894)	752.1%	27,948,807	47,096,774	168.5%	6,778,004	30,253,183	23,475,179	446.3%
Other	171,600	3,331,751	(3,160,151)	1941.6%	21,713,579	10,962,994	50.5%	171,600	6,598,949	6,427,349	3845.5%

