

8/1/2016

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business and Finance Committee

Thursday, August 18, 2016
9:45 a.m. – 10:45 a.m.
Gordon Dining & Event Center
770 W. Dayton Street, 2nd Floor
Overture Room
Madison, Wisconsin

- a. Approval of the Minutes of the June 9, 2016 Meeting of the Business and Finance Committee
- b. Semi-annual Status Report on Large/Vital Information Technology Projects as required by Wisconsin Statutes 13.58(5)(b)(3)
- c. Quarterly Gifts, Grants, and Contracts Report – FY 2016 Final
- d. Financial Management Report – FY 2016 (4th Quarter - preliminary)
- e. Trust Funds – UW-Madison Request for an Exception to Board Policy on Large Unendowed Bequests/Gifts for a Bequest from the Michael K. McShane Estate
[Resolution I.2.e.]
- f. UW-Madison Contractual Agreement – Amazon Pickup Points LLC
[Resolution I.2.f.]
- g. UW-Whitewater Contractual Agreement for Exclusive Soft Drink Pouring and Vending Rights with Bottling Group, LLC
[Resolution I.2.g.]
- h. UW-Oshkosh Contractual Agreement for Exclusive Soft Drink Pouring and Vending Rights with Bottling Group, LLC
[Resolution I.2.h.]
- i. Report of the Vice President(s)
 - Human Resource System (HRS) Upgrade
 - CORE Update

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

EXECUTIVE SUMMARY

BACKGROUND

Section 36.59, Wis. Stats., requires the Board of Regents to provide in March and September of each year a specific and detailed progress report on all large (defined as costing over \$1 million) and high-risk IT projects to the Joint Committee on Information Policy and Technology. Regent Policy Document 25-4 specifies the format of these reports. There are four major projects to report.

REQUESTED ACTION

This report is for information only.

DISCUSSION

Attached are the progress reports on the UW System's major information technology projects. The projects in this report include:

- Oracle/PeopleSoft Human Capital Management Application Upgrade
- UW-Stevens Point Implementation of Oracle PeopleSoft Campus Solutions
- Replacement of Interactive Reporting Tool
- Budgeting, Planning and Forecasting System

RELATED REGENT POLICIES

Regent Policy Document 25-4: Strategic Planning and Large or High Risk Projects

Project: Oracle/PeopleSoft Human Capital Management Application Upgrade

Description: *(High level description, including explanation of how the project supports strategic direction and goals)*

The UW Service Center (SC) provides personnel, payroll and benefits processing to the UW System institutions. The SC, along with the UW-Madison Division of Information Technology (DoIT), manages the Oracle/PeopleSoft Human Capital Management (HCM) application. The SC implemented HCM version 9.0 in 2011; the version 9.2 upgrade will be the organization's first upgrade.

Oracle/PeopleSoft's extended support for HCM version 9.0 ended in June 2015 and the application moved into Sustaining Support. While Sustaining Support provides access to Oracle technical support, Sustaining Support does not include new updates, fixes, security alerts, data fixes, and critical patch updates. North American Payroll Tax Updates are available to Sustaining Support customers from July 2015 through December 2017 at additional cost (\$50,000 per year). Hence, one of the primary drivers of the upgrade is to restore full vendor support for HCM.

In spring of 2015, the SC completed an initial upgrade planning engagement to understand the impact of version 9.2 on UW operations and the high-level resource requirements to complete the upgrade. In the fall of 2015, SC conducted a competitive request for consulting services to support the upgrade. Sierra-Cedar was the selected consulting partner. Throughout the project duration, Sierra-Cedar and Service Center/DoIT operational staff will work jointly on the upgrade from HCM 9.0 to HCM 9.2.

Upgrade Project Goals:

- Migrate existing data, functionality, processes and reports to HCM version 9.2.
- Minimize the impact the upgrade will have on Service Center operations and end users at the UW institutions.
- Given the HCM version 9.0 support window, the Service Center seeks to implement version 9.2 using the shortest critical path possible, while maintaining the integrity of the system.

Project Scope: *(Provide relevant details about what is in scope and out of scope for the project; indicate if there are related projects that have interdependencies.)*

- Upgrade HCM version 9.0 to HCM version 9.2
- Upgrade PeopleTools Release 8.52 to PeopleTools Release 8.54 for HCM
- Retrofit Enterprise Performance Management release 9.0/PeopleTools 8.52 for HCM release 9.2
- Maintain application functionality that is currently being used by Service Center, including modifications, interfaces, workflows, rules, reports, queries, internal controls, security roles/permission lists, batch schedules, and physical/logical environments.
- Leverage HCM 9.2 functionality to streamline, reduce, and eliminate approximately 10% of the custom development items.

- Consider new functionality if it will eliminate release 9.0 modifications, or reduce the need for any new modifications during the upgrade.

Project Schedule: (High level summary of proposed timeframe and major milestones)

	2016												2017		
HRS 9.2 Upgrade	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Plan & Discover															
Analyze & Design															
Configure & Develop															
Test															
Train, deploy & optimize															

★ Target go live

Project Budget: (Estimate of total project budget, including items such as hardware/software; training; vendor services costs, etc.)

Total Estimated Project Budget Plan:

\$6,125,719	Consulting and remote upgrade lab services
\$ 901,036	Upgrade environments and storage
\$ 500,000	Backfill to support Service Center operations during upgrade
<u>\$7,526,755</u>	

Source of Funds: UW System Administration

Project Dashboard: (See Appendix 1 for dashboard definitions)

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

Status of Planning and Documentation:

	Status
Governance Structure	In place
Project Charter	Complete
Communication Plan	Complete
Project Plan	Complete
Project Budget	Complete
Quality Assurance Plan	Complete

Project: UW-Stevens Point Implementation of Oracle PeopleSoft Campus Solutions

Description: *(High level description, including explanation of how the project supports strategic direction and goals)*

UW-Stevens Point will be engaging in a project to move from a legacy student information system to the Oracle PeopleSoft Campus Solutions version 9.2. Moving to a new student information is essential to the strategic direction of UW-Stevens Point for several key reasons:

- New features are needed to enhance student success. The present system utilized by UW-Stevens Point requires additional tools to improve student retention and success such as a student planner, pre/corequisite enforcement, and an upgraded degree progress tool.
- There is a need for improved data quality and better business intelligence. There is a strong institutional need for date effective historical data that will allow for improved metrics and an improved historical understanding of issues related to student success and retention.
- Diffusing business process design and management from the Information Technology Department to the business users will lead to an improvement in shared knowledge regarding the operation of the institution and thus an improvement in productivity for faculty and staff. This operational change will reduce the developer costs within the Information Technology department.

While adding the above feature sets to the legacy student information system is possible, it would consume valuable time and resources. It would also require a major overhaul of the existing database design. This comes at a time when the departure of a key staff member supporting the existing SIS possesses, both the business user and developer knowledge for the SIS, could place the operations at risk.

Finally, UW-Stevens Point is the only UWS institution not using the Oracle PeopleSoft Campus Solutions product as a student information system. Moving to this product will enhance the operations of UWS to standardize procedures for data management for the System.

Project Scope: *(Provide relevant details about what is in scope and out of scope for the project; indicate if there are related projects that have interdependencies.)*

The scope of this project includes the replacement of the following modules of the existing student information systems with the PeopleSoft Campus Solutions software version 9.2 from Oracle.

- Admissions (not including recruitment)
- Student Records and Enrollment
- Student Financials
- Financial Aid
- Degree Progress/Academic Advisement
- Integrations with key campus third party software systems: EMS, Class Scheduler, Housing, Ellucian Recruiter.

Not in scope:

- Recruitment
- Housing
- Judicial
- Student Organization Management
- Business Intelligence

A key interdependency for this project is the implementation of a business intelligence system for the campus. We plan to utilize the Oracle Business Intelligence Enterprise Edition (OBIEE) system.

A cornerstone principle of the project is to minimize customizations. This will minimize the long term costs that customizations bring to the PeopleSoft project. In addition, minimal customizations better position UW-Stevens Point for the migration to a future cloud-based student information system. The UW-Stevens Point project is designed to be a demonstration project for UW System institutions on how to accomplish an ERP project with minimal customizations.

Customizations will only be undertaken by the institution when needed to provide functionality that is specific to the University of Wisconsin that cannot be provided using existing functionality within PeopleSoft. In this case, UW-Stevens Point would evaluate customizations in place at other institutions and utilize the best of breed. Customizations that are required by business processes of UW-Stevens Point would be evaluated by the business users. Should they feel it necessary to push forward with a customization, the functional area would be required to develop a business case for the customization. The Information Technology Department - Applications Development area would be responsible for documenting the initial project and long-term operational costs of the customization. This information would need to be reviewed and approved by the Project Governance Team before being sent to the Chancellor for approval.

Project Schedule:

Training for Functional and Technical Team Members	April 2016
Needs Assessment Sessions to review business processes for functional areas	May- June 2016
Finalized Project Plan including time and effort	Summer 2016
Admissions Module Live	Fall 2016
Student Enrollment Live	Spring 2017
Student Financial Aid Module Live	Spring 2017
Student Financials Module Live	Spring 2017
Degree Planning Module Live	Fall 2017
Project Completion	December 2017

Project Budget: (Estimate of total project budget, including items such as hardware/software; training; vendor services costs, etc.)

- \$3.5 million for vendor training and implementation services
- \$350,000 annual expense for server administration and database management for two years of the project, ongoing costs annually of \$250,000 thereafter
- \$25,000 for project management and business process improvement/lean training for project team members.
- \$33,000 third party integrations
- \$75,000 cost for department LTE’s to backfill operational staff working on the project. Annual for two years.
- Total Project Cost Estimate: \$4,058,000

Source of Funds:

- UW System Administration: \$3.5 million provided for Highstreet Consulting costs. \$500,000 in contingency funding held at UW System Administration requiring a request by UW-Stevens Point to justify release of the additional funds.
- UW-Stevens Point will be assuming the costs for the following:
 - Project Management training/Business Process Improvement training for all ERP Project staff members: \$25,000.
 - Additional Project Staffing of LTE’s for departments that are impacted by the project: \$75,000 annually for two years.
 - Hosting of servers for the project and database administration. Estimates are presently under development from DoIT, UW-Eau Claire and UW-Stevens Point. Estimated to be between \$150 – 200k annually. This represents an increase in costs to UW-Stevens Point.
 - Third party integrations with EMS and Class Scheduler. We expect these costs to be \$33,000.
 - Any customizations that are required by the institution but are not needed to make the software operational.

Project Dashboard: (See Appendix 1 for dashboard definitions):

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

Status of Planning and Documentation:

	Status
Governance Structure	Completed
Project Charter	Completed
Communication Plan	Under Development will be final for mid-August to launch to campus
Project Plan	Completed
Project Budget	Within budget constraints.
Quality Assurance Plan	Under development

Project: Replacement of Interactive Reporting Tool

Description: *(High level description, including explanation of how the project supports strategic direction and goals)*

The University of Wisconsin System is implementing a new Business Intelligence (BI) tool to replace the legacy, system-wide reporting tool, Oracle's Brio/Hyperion Interactive Reporting (IR). This change is necessary because the UW System's Oracle's software support contract ends June 30, 2017. A Request For Proposals was issued and the contract was awarded to Oracle OBIEE 12c (Oracle Business Intelligence Enterprise Edition) product in December 2015. The conversion timeframe began at that time and is expected to go through June 2017 (depending on each institution's engagement).

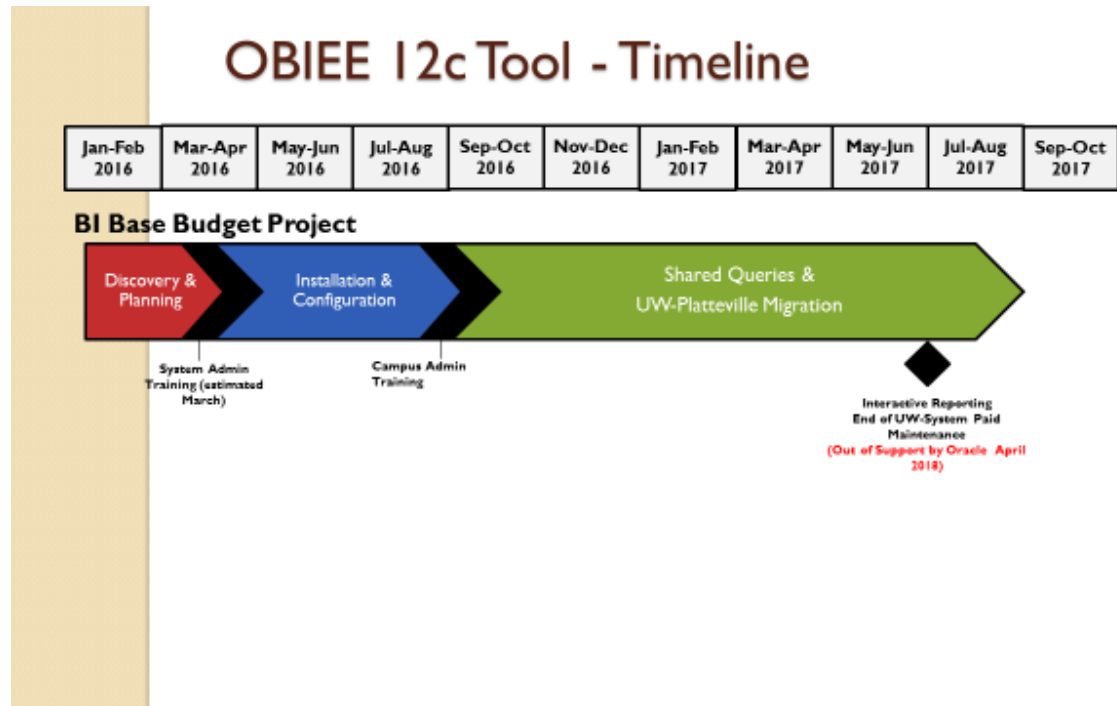
Through the Common Systems Review Group (CSRG) process, the UW System institutions are collectively funding the tool replacement, conversion of the system-wide shared queries and limited training for selected roles at each campus. Each institution is individually responsible for the assessment/conversion of queries/reports that are specific to its campus and for the training of its writers of ad hoc queries. These decisions were made by the BI Steering Committee to encourage the use of shared system-wide queries and to encourage each institution to critically assess its use of custom/unique queries. UW-Platteville recently completed this review and the result was a considerable streamlining of its processes with fewer custom queries.

Project Scope: *(Provide relevant details about what is in scope and out of scope for the project; indicate if there are related projects that have interdependencies.)*

1. Purchase hardware for OBIEE 12c
2. Install, configure, set up security and authentication in OBIEE 12c for the 13 UW System institutions
3. Ensure that the system is configured so that dashboards/reports can be shared across all campuses
4. Migrate the UW-Platteville OBIEE 11g instance into the UW System OBIEE 12c instance
5. Assessment of the system-wide shared queries to determine:
 - a. Which of UW-Platteville's already converted shared queries can be used
 - b. Which queries that have not been converted by UW-Platteville should be converted to OBIEE's BI Publisher using Dynasoft
 - c. Which queries remain that a dimensional data model should be developed to support
6. Create a dimensional data model for the data used by the 'Shared Queries' found in Interactive Reporting
7. Using the dimensional data models, create a metadata repository (semantic layer)
8. Create dashboards/reports using the semantic layer that serve to replace the 'Shared Queries' in Interactive Reporting
9. Train technical people supporting the system-wide shared queries, and the technical staff at the institutions that have student data queries in Interactive Reporting in:
 - a. Dimensional Modeling;
 - b. Repository, Catalog, and Security Management;
 - c. Analyses (criteria and reports/views), Prompts, and Dashboards.

10. Train remaining Campus Administrators in the use of Repository, Catalog, and Security Management for administering the shared queries
11. Monitor readiness of the institutions that have queries related to student data to move to OBIEE

Project Schedule: *(High level summary of proposed timeframe and major milestones)*



Project Budget: (Estimate of total project budget, including items such as hardware/software; training; vendor services costs, etc.)

BI - Data Analytics - OBIEE Budget								
	FY16 Actual	FY17 Budget	FY18 Budget	FY19 Budget	FY20 Budget	Total	Annual Recurring Cost Est.	
Revised Estimates	Service Costs	REVISED ESTIMATES						
	UWSA Salary and Fringes							
	DoIT Salary and Fringes	122,521	264,851	183,620	185,406	187,210	943,608	
	Professional Services	110,000	508,120	102,010	103,030	104,060	927,220	
	Training and S&E	49,933					49,933	
	Non-labor Infrastructure	2,633	20,400	20,808	21,224	21,649	86,714	
	subtotal	285,087	793,371	306,438	309,660	312,919	2,007,475	312,919
	SOFTWARE COSTS							
	License	314,994	210,000	210,000			734,994	
	Maintenance	82,899	127,000	132,000	137,000	142,000	620,899	147,000
subtotal	397,893	337,000	342,000	137,000	142,000	1,355,893	147,000	
Less other funding sources								
Revised Initiative Total:	682,980	1,130,371	648,438	446,660	454,919	3,363,368	459,919	

*FY17 Budget adjusted by carryover of the fund balances remaining in FY16 (\$407,120)

Source of Funds: Common Systems Review Group

Project Dashboard: (See Appendix 1 for dashboard definitions):

Project Status Dashboard:	Green	Yellow	Red
<u>Schedule Status:</u>		X*	
<u>Scope Status:</u>	X		
<u>Budget Status:</u>	X		
<u>Other Issues (Staffing, Risks, etc.):</u>		X**	

Notes:

* Schedule Status – The RFP contract was not finalized until 11/30/2015 and training for the latest version of the OBIEE tool was not available until March 2016

** Other Issues - There are concerns with the ability of the UW System institutions to convert their reporting of student data to OBIEE before the maintenance contract for the legacy Interactive Reporting product runs out in June 2017. The team requested and received additional Common Systems money to procure additional consulting for OBIEE dimensional data modeling and building a system-wide semantic data layer. The request also includes training that would support all institutions in the use of the new tool. The RFP for these services is in progress and expected to be awarded in August 2016.

Status of Planning and Documentation:

	Status
Governance structure	Completed
Project Charter	Completed
Communication Plan	Completed
Project Plan	In progress, adjusting based on consulting advice
Project Budget	BI Base Budget confirmed Additional BI Funding confirmed
Quality Assurance Plan	In development

Project: Budgeting, Planning and Forecasting System (BPFS)

Description: *(High level description, including explanation of how the project supports strategic direction and goals)*

Annual budget preparation is an essential activity for University of Wisconsin institutions and UW System Administration. The operating budget reports planned expenditures based upon institutional strategic goals for all funding sources. The current budget reporting is housed on a mainframe system. Excel-based tools are used to accumulate data and enter that data into the mainframe system, which requires significant manual effort at the institutional level. The current system does not contain detail level non-salary expenditures nor does it contain analytical tools that facilitate short-term or long-term strategic decisions based upon expenditures, revenues, and fund balances that could assist with long-term rate setting, reporting, and strategic planning.

A new solution will facilitate informed decision-making and more efficient reporting throughout the UW System. Benefits of a new system include, but are not limited to:

- Centralized access/visibility to data from multiple sources;
- More efficient and effective annual budget and reporting processes;
- The capability to project, estimate actual revenues and expenditures, and monitor/manage fund balances to be incorporated into the budgeting process and for reporting purposes;
- Providing data in a meaningful and timely manner utilizing automated reports and templates allowing staff to focus their activities on analysis and identifying areas of interest in a pro-active way rather than taking weeks to accumulate, reconcile, and enter information from multiple sources into spreadsheets for analytical and reporting purposes;
- The ability to review detailed costs of programs/strategic initiatives and analyze the outcomes by cost center; and
- The ability to have multiple “what-if” versions to model different budget and planning assumptions.

Project Scope: *(Provide relevant details about what is in scope and out of scope for the project; indicate if there are related projects that have interdependencies.)*

To provide an effective budgeting, planning and forecasting tool to UW institutions and the schools, colleges and administrative units within them, along with UW System Administration. The new tools will facilitate more efficient budgeting and analysis of financial data for short-term and long-term strategic planning and analysis.

Three functional areas have been identified as the scope for this project:

- **Annual Budgeting:** A prospective one-year operating financial plan prepared by each institution and presented to the Board of Regents. This will include outgoing expenses, incoming revenue, and rates established to achieve budgeted revenue where applicable.
- **Estimated Actuals:** An update of projected outgoing expenses, incoming revenue and fund balances for the current fiscal year ending June 30th.
- **Multi-year Forecasting/Strategic Financial Planning:** An update of outgoing expenses, incoming revenue, fund balances, rates and other items as identified based on estimated actuals for a minimum of six years including the ability to do “what if” scenarios.

Project Timeline: *(High level summary of proposed timeframe and major milestones)*

This project is in its infancy and a solution has not been selected. The solution selected will play a major role in the timeline; however, an estimated timeline for a phased implementation is below. This plan assumes institutional staffing levels would not need to increase due to the implementation of a new solution. The project timeline will be monitored and alternative implementation approaches will be considered by the Executive Sponsors in an attempt to accelerate the implementation timeline wherever possible.

Calendar Year	Months	
2016	July-Dec.	Procurement Process for a new Solution Pre-Implementation Work (Chart of Accounts and Templates/Reporting)
2017	Jan.	Finalize Pre-Implementation Work
	Feb.	Finalize Procurement
	March-Dec.	Phase I – Annual Budgeting - Plan, Initiate, Perform Gap Analysis, Design and begin Build to replace and enhance budgeting functionality from mainframe capabilities
2018	Jan.-Dec.	Phase I – Annual Budgeting - Continue Build, Test, Train and Deploy Annual Budgeting Phase for FY2020 Annual Budget Development
2019	Jan.-June	Support Phase I - Annual Budgeting, Plan Phase II-Estimated Actuals & PR Balance Reporting
	July-Dec.	Plan and Begin Phase II-Estimated Actuals & PR Balance Reporting
2020	Jan. – Dec.	Phase II-Estimated Actuals & PR Balance Reporting Deploy Estimated Actual prior to the end of FY2020
2021	Jan.-June	Finalize Phase II – PR Balance Reporting Plan and Begin Phase III-Rate Modeling and Multi-Year Forecasting
	July-Dec.	Phase III-Rate Modeling and Multi-Year Forecasting
2022	Jan.-Dec.	Phase III-Rate Modeling and Multi-Year Forecasting
2023		Begin Phase IV-Functionality TBD

Project Budget: *(Estimate of total project budget, including items such as hardware/software; training; vendor services costs, etc.)*

The total project’s budget depends on the tool chosen via the RFP process, including the choice of an implementation partner. A current implementation estimate, including pre-work, is \$8.15 million. Ongoing costs will be offset by savings from decommissioning the mainframe system, which is currently \$730,000 annually.

Source of Funds: UW System Administration

Project Dashboard: (See Appendix 1 for dashboard definitions)

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

Status of Planning and Documentation:

	Status
Governance Structure	Executive Sponsors Identified
Project Charter	Not Started
Communication Plan	Not Started
Project Plan	Not Started
Project Budget	Estimated
Quality Assurance Plan	Not Started

Appendix 1: Project Dashboard Definitions

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

Project Status Category Descriptions

Schedule Status (refers to target implementation date of phase or project)

Green – Indicates that the project or phase will be completed on target or on the planned date.

Yellow – Indicates that the project or phase may be falling behind and work needs to be done to determine if the project can recover and still complete on the scheduled date or if adjustments must be made to the schedule date.

Red – Indicates that the project or critical tasks have fallen behind schedule and corrective action must be taken to make the scheduled date or the scheduled date must change.

Scope Status

Green – We have not changed the scope in any way that will keep the implementation from meeting the objectives planned for the project.

Yellow – The scope of the project has increased. Budget and implementation date are impacted by < 10%. Or the scope of the project has decreased but objectives are not substantially impacted.

Red – The scope of the project is under review and changes are being requested that will mean the implementation will not meet the project objectives in some substantial way or doing them later will increase cost 10% or more above the original total cost of the project approved by the sponsors.

Budget Status

Green – Currently on target with project budget.

Yellow – Project is over budget by 10 – 25%.

Red – Project is over budget by 25% or more.

Other Issues (Staffing, Risks, etc.)

Green – No staffing, Risks, or other issues/concerns exist.

Yellow – Staffing concerns/issues exist that need to be monitored and possible adjustments made. Key staff departing. One or more risks or other issues may be surfacing which need to be monitored and contingency plans developed.

Red – Staffing concerns/issues exist and will impact project schedule, budget, deliverables, risks, etc. Key staff lost. One or more risks or other issues have surfaced and will have an impact on budget, deliverables, staffing, scope, and/or schedule. Corrective action must be taken or contingency plans executed.

QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2015 THROUGH JUNE 30, 2016

BACKGROUND

Regent Policy Document 13-1: General Contract Approval, Signature Authority, 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 \$1,000,000, as well as athletics employment contracts 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 \$1,000,000 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 covered by these requirements are included in the quarterly reports upon execution and are also presented individually to the Business and Finance Committee of the Board of Regents.

The policy also requires that grants from and contracts with private, profit-making organizations with a value between \$500,000 and \$1,000,000 be reviewed by the institution's legal affairs office or the UW System Office of General Counsel prior to execution.

REQUESTED ACTION

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

DISCUSSION

Attached is a summary report of gifts, grants, and contracts awarded to University of Wisconsin System institutions in the twelve-month period from July 1, 2015, through June 30, 2016. Total gifts, grants, and contracts for the period were approximately \$1.518 million; this is an increase of \$68.5 million from the same period in the prior year. Federal awards increased \$53.5 million, while non-federal awards increased by \$15.0 million.

Note that these reports have been restructured for fiscal year 2015-16 to better highlight activity in each of the award areas (e.g., Research and Public Service, Instruction, Student Aid, etc.).

RELATED REGENT POLICIES

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

**UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED
FISCAL YEAR 2015-2016 (Final)**

Institution	TOTAL - ALL CATEGORIES								
	Fiscal Year 2015-16	Total Fiscal Year 2014-15	Increase (Decrease)	Fiscal Year 2015-16	Federal Fiscal Year 2014-15	Increase (Decrease)	Fiscal Year 2015-16	Non-Federal Fiscal Year 2014-15	Increase (Decrease)
Total	1,517,867,762	1,449,411,984	68,455,778	931,625,974	878,139,980	53,485,994	586,241,788	571,272,004	14,969,784
Madison	1,195,487,382	1,118,063,845	77,423,537	685,298,819	619,483,629	65,815,189	510,188,564	498,580,216	11,608,348
Milwaukee	86,614,748	95,100,975	(8,486,227)	69,687,785	78,098,582	(8,410,798)	16,926,964	17,002,393	(75,429)
Eau Claire	18,613,943	19,174,024	(560,081)	15,013,442	15,505,453	(492,011)	3,600,501	3,668,571	(68,070)
Green Bay	14,951,385	14,013,611	937,773	10,980,145	10,957,201	22,944	3,971,239	3,056,410	914,829
La Crosse	14,932,565	15,494,362	(561,798)	11,670,123	12,850,438	(1,180,315)	3,262,442	2,643,925	618,518
Oshkosh	24,816,872	24,420,462	396,410	21,707,562	21,945,164	(237,602)	3,109,311	2,475,298	634,012
Parkside	10,285,724	10,400,256	(114,532)	9,069,529	9,092,669	(23,140)	1,216,195	1,307,587	(91,392)
Platteville	10,510,158	14,518,181	(4,008,023)	9,371,647	12,044,054	(2,672,407)	1,138,511	2,474,127	(1,335,616)
River Falls	11,556,152	11,960,187	(404,035)	9,408,907	10,049,938	(641,031)	2,147,245	1,910,249	236,996
Stevens Point	23,637,520	21,081,627	2,555,893	18,045,850	16,074,877	1,970,974	5,591,670	5,006,750	584,920
Stout	19,569,407	19,498,700	70,707	16,413,226	16,404,798	8,428	3,156,181	3,093,903	62,278
Superior	8,659,436	5,983,687	2,675,748	6,829,384	5,199,245	1,630,139	1,830,052	784,442	1,045,610
Whitewater	18,552,792	20,084,234	(1,531,442)	15,229,977	16,607,684	(1,377,706)	3,322,814	3,476,550	(153,736)
Colleges	16,880,180	19,788,185	(2,908,006)	15,721,239	17,758,263	(2,037,024)	1,158,940	2,029,922	(870,982)
Extension	41,807,043	38,614,856	3,192,187	16,185,885	15,073,284	1,112,601	25,621,158	23,541,572	2,079,586
System-Wide	992,455	1,214,790	(222,335)	992,455	994,701	(2,246)	0	220,089	(220,089)

RESEARCH & PUBLIC SERVICE									
Institution	Total			Federal			Non Federal		
	Fiscal Year 2015-16	Fiscal Year 2014-15	Increase (Decrease)	Fiscal Year 2015-16	Fiscal Year 2014-15	Increase (Decrease)	Fiscal Year 2015-16	Fiscal Year 2014-15	Increase (Decrease)
Total	1,091,734,785	1,032,295,516	59,439,268	682,123,218	636,239,234	45,883,984	409,611,567	396,056,282	13,555,284
Madison	985,950,506	931,694,259	54,256,247	620,505,544	575,505,527	45,000,017	365,444,962	356,188,732	9,256,230
Milwaukee	39,903,394	41,798,890	(1,895,496)	28,339,702	31,135,556	(2,795,854)	11,563,693	10,663,334	900,358
Eau Claire	2,841,766	3,202,289	(360,523)	1,661,168	1,777,095	(115,927)	1,180,598	1,425,194	(244,596)
Green Bay	1,679,460	1,020,767	658,692	1,236,248	660,530	575,718	443,212	360,237	82,975
La Crosse	2,676,804	2,497,041	179,762	1,431,332	1,484,432	(53,100)	1,245,472	1,012,609	232,862
Oshkosh	4,282,376	2,544,524	1,737,853	2,445,853	1,813,328	632,524	1,836,524	731,196	1,105,328
Parkside	872,407	313,951	558,456	381,039	233,726	147,313	491,368	80,225	411,143
Platteville	826,915	1,333,496	(506,582)	509,242	1,135,084	(625,842)	317,673	198,412	119,260
River Falls	1,402,630	1,289,173	113,457	1,119,501	1,122,772	(3,271)	283,129	166,401	116,728
Stevens Point	5,012,045	4,308,585	703,460	1,361,860	1,185,596	176,264	3,650,185	3,122,989	527,196
Stout	5,783,564	3,777,783	2,005,781	5,003,980	2,887,436	2,116,544	779,584	890,347	(110,763)
Superior	2,224,704	2,399,752	(175,049)	1,729,258	1,852,731	(123,473)	495,446	547,021	(51,575)
Whitewater	641,939	1,216,962	(575,023)	184,303	372,138	(187,835)	457,636	844,824	(387,188)
Colleges	64,443	70,104	(5,660)	28,305	0	28,305	36,139	70,104	(33,965)
Extension	37,571,832	34,775,376	2,796,456	16,185,885	15,073,284	1,112,601	21,385,947	19,702,092	1,683,856
System-Wide	0	52,565	(52,565)	0	0	0	0	52,565	(52,565)

INSTRUCTION									
Institution	Total			Federal			Non Federal		
	Fiscal Year 2015-16	Fiscal Year 2014-15	Increase (Decrease)	Fiscal Year 2015-16	Fiscal Year 2014-15	Increase (Decrease)	Fiscal Year 2015-16	Fiscal Year 2014-15	Increase (Decrease)
Total	63,596,733	74,303,094	(10,706,361)	42,067,740	52,342,245	(10,274,505)	21,528,993	21,960,849	(431,856)
Madison	43,693,747	52,811,101	(9,117,354)	27,835,116	35,650,982	(7,815,866)	15,858,631	17,160,118	(1,301,488)
Milwaukee	3,428,032	6,115,121	(2,687,089)	2,898,096	6,009,746	(3,111,650)	529,936	105,375	424,561
Eau Claire	3,219,653	2,860,275	359,378	1,604,732	1,296,481	308,251	1,614,921	1,563,794	51,127
Green Bay	2,545,948	2,074,054	471,894	1,444,354	1,464,740	(20,386)	1,101,594	609,314	492,280
La Crosse	288,527	19,726	268,801	268,493	0	268,493	20,034	19,726	308
Oshkosh	6,585,779	6,897,438	(311,659)	5,795,044	5,980,442	(185,398)	790,735	916,997	(126,262)
Parkside	728,784	435,459	293,325	290,737	0	290,737	438,047	435,459	2,588
Platteville	26,324	181,390	(155,066)	16,000	168,680	(152,680)	10,324	12,710	(2,387)
River Falls	151,956	310,234	(158,278)	149,997	299,617	(149,620)	1,959	10,617	(8,658)
Stevens Point	1,184,327	970,755	213,572	399,100	389,991	9,109	785,227	580,764	204,463
Stout	188,986	232,656	(43,671)	28,000	78,873	(50,873)	160,986	153,783	7,202
Superior	1,796	0	1,796	0	0	0	1,796	0	1,796
Whitewater	557,119	247,384	309,735	345,616	7,992	337,624	211,503	239,392	(27,889)
Colleges	3,301	5,000	(1,699)	0	0	0	3,301	5,000	(1,699)
Extension	0	0	0	0	0	0	0	0	0
System-Wide	992,455	1,142,501	(150,046)	992,455	994,701	(2,246)	0	147,800	(147,800)

Institution	STUDENT AID								
	Fiscal Year 2015-16	Total		Fiscal Year 2015-16	Federal		Fiscal Year 2015-16	Non Federal	
		Fiscal Year 2014-15	Increase (Decrease)		Fiscal Year 2014-15	Increase (Decrease)		Fiscal Year 2014-15	Increase (Decrease)
Total	223,709,336	203,310,694	20,398,642	196,087,859	178,626,898	17,460,960	27,621,477	24,683,795	2,937,682
Madison	51,521,175	22,463,630	29,057,545	32,457,207	4,746,521	27,710,686	19,063,969	17,717,109	1,346,859
Milwaukee	36,241,906	38,469,783	(2,227,877)	36,240,556	38,463,208	(2,222,652)	1,350	6,575	(5,225)
Eau Claire	12,552,524	13,111,460	(558,936)	11,747,542	12,431,877	(684,335)	804,982	679,583	125,399
Green Bay	9,055,958	9,300,973	(245,015)	8,289,309	8,820,896	(531,587)	766,649	480,077	286,572
La Crosse	9,807,105	11,197,945	(1,390,840)	8,966,135	10,449,323	(1,483,188)	840,971	748,622	92,348
Oshkosh	13,385,375	14,151,394	(766,019)	13,385,375	14,151,394	(766,019)	0	0	0
Parkside	8,623,551	9,256,516	(632,965)	8,397,753	8,858,943	(461,190)	225,798	397,573	(171,775)
Platteville	8,260,300	9,751,204	(1,490,904)	8,260,300	9,750,204	(1,489,904)	0	1,000	(1,000)
River Falls	8,558,101	8,660,215	(102,114)	7,316,134	7,691,126	(374,992)	1,241,967	969,089	272,878
Stevens Point	17,144,850	15,346,004	1,798,846	16,276,655	14,499,290	1,777,365	868,194	846,714	21,480
Stout	11,026,612	13,104,298	(2,077,687)	10,273,590	12,279,516	(2,005,926)	753,022	824,782	(71,761)
Superior	6,081,343	3,496,514	2,584,829	4,878,459	3,346,514	1,531,945	1,202,884	150,000	1,052,884
Whitewater	15,314,950	16,667,260	(1,352,310)	14,152,290	15,671,216	(1,518,926)	1,162,660	996,044	166,616
Colleges	16,135,586	18,333,497	(2,197,911)	15,446,554	17,466,870	(2,020,317)	689,032	866,626	(177,594)
Extension	0	0	0	0	0	0	0	0	0
System-Wide	0	0	0	0	0	0	0	0	0

Institution	ALL OTHERS								
	Fiscal Year 2015-16	Total		Fiscal Year 2015-16	Federal		Fiscal Year 2015-16	Non Federal	
		Fiscal Year 2014-15	Increase (Decrease)		Fiscal Year 2014-15	Increase (Decrease)		Fiscal Year 2014-15	Increase (Decrease)
Total	138,826,908	139,502,680	(675,772)	11,347,157	10,931,603	415,555	127,479,751	128,571,077	(1,091,326)
Madison	114,321,954	111,094,856	3,227,099	4,500,952	3,580,599	920,353	109,821,003	107,514,257	2,306,746
Milwaukee	7,041,416	8,717,181	(1,675,766)	2,209,431	2,490,073	(280,642)	4,831,985	6,227,108	(1,395,123)
Eau Claire	0	0	0	0	0	0	0	0	0
Green Bay	1,670,019	1,617,817	52,202	10,235	11,035	(800)	1,659,784	1,606,782	53,002
La Crosse	2,160,129	1,779,650	380,479	1,004,163	916,683	87,480	1,155,966	862,967	292,999
Oshkosh	563,342	827,106	(263,764)	81,290	0	81,290	482,052	827,106	(345,054)
Parkside	60,982	394,330	(333,348)	0	0	0	60,982	394,330	(333,348)
Platteville	1,396,620	3,252,091	(1,855,471)	586,105	990,087	(403,982)	810,515	2,262,004	(1,451,489)
River Falls	1,443,465	1,700,565	(257,100)	823,275	936,423	(113,148)	620,190	764,142	(143,952)
Stevens Point	296,298	456,283	(159,985)	8,235	0	8,235	288,063	456,283	(168,220)
Stout	2,570,246	2,383,963	186,283	1,107,656	1,158,973	(51,317)	1,462,590	1,224,990	237,600
Superior	351,593	87,421	264,172	221,667	0	221,667	129,926	87,421	42,505
Whitewater	2,038,784	1,952,628	86,156	547,768	556,338	(8,569)	1,491,016	1,396,290	94,725
Colleges	676,849	1,379,585	(702,735)	246,381	291,393	(45,012)	430,469	1,088,192	(657,724)
Extension	4,235,211	3,839,480	395,730	0	0	0	4,235,211	3,839,480	395,730
System-Wide	0	19,725	(19,725)	0	0	0	0	19,725	(19,725)

*Includes Libraries, Physical Plant and Miscellaneous categories

**FINANCIAL MANAGEMENT REPORT
PERFORMANCE REPORT
FY2015-16**

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 is based on preliminary financial data and presents the status of the UW System budget by major areas of activity for the period July 1, 2015

through June 30, 2016. While there are significant variances within individual fund groupings, this preliminary fourth-quarter report shows expenditures at approximately 96.5% of the Regent-approved budget, while revenues were at 100.3% of the budgeted level.

RELATED REGENT POLICIES

None

**University of Wisconsin System
Fiscal Year 2016 Budget to Actual Summary
as of June 30, 2016 (Q4 - Preliminary)**

Tuition & Fees and GPR

Beginning Fund Balance						\$337,355,516
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$2,464,247,815	\$2,437,173,911	98.9%	\$2,439,296,762	99.0%	
Use of Balances	\$134,751,894	\$134,751,894		\$54,838,778	40.7%	
Expenses	(\$2,598,999,709)	(\$2,500,420,680)	96.2%	(\$2,494,135,540)	96.0%	
Net (Rev. less Exp.)	\$0	\$71,505,125		\$0		
Projected Ending Fund Balance						\$282,516,738

Auxiliary Operations

Beginning Fund Balance						\$240,387,829
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$709,947,123	\$745,369,379	105.0%	\$710,201,959	100.0%	
Use of Balances	\$34,161,146	\$34,161,146		(\$47,333,064)	-138.6%	
Expenses	(\$744,108,269)	(\$649,769,761)	87.3%	(\$662,868,895)	89.1%	
Net (Rev. less Exp.)	\$0	\$129,760,764		\$0		
Projected Ending Fund Balance						\$287,720,893

General Operations

Beginning Fund Balance						\$112,623,588
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$247,104,176	\$341,002,831	138.0%	\$345,672,963	139.9%	
Use of Balances	\$11,142,699	\$11,142,699		\$16,014,811	143.7%	
Expenses	(\$258,246,875)	(\$345,672,047)	133.9%	(\$361,687,774)	140.1%	
Net (Rev. less Exp.)	\$0	\$6,473,483		\$0		
Projected Ending Fund Balance						\$96,608,777

Gifts, Grants, and Contracts

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$1,213,164,006	\$1,361,891,788	112.3%	\$1,220,770,817	100.6%	
Expenses	(\$1,213,164,006)	(\$1,180,538,606)	97.3%	(\$1,191,416,940)	98.2%	
Net (Rev. less Exp.)	\$0	\$181,353,182		\$29,353,877		

Other Funding

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$1,379,660,515	\$1,147,803,625	83.2%	\$1,292,312,517	93.7%	
Expenses	(\$1,379,660,515)	(\$1,298,008,426)	94.1%	(\$1,315,603,489)	95.4%	
Net (Rev. less Exp.)	\$0	(\$150,204,801)		(\$23,290,972)		

SUMMARY TOTAL OF ALL FUNDS

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$6,014,123,635	\$6,033,241,534	100.3%	\$6,008,255,018	99.9%	
Use of Balances	\$180,055,739	\$180,055,739		\$23,520,525	13.1%	
Expenses	(\$6,194,179,374)	(\$5,974,409,520)	96.5%	(\$6,025,712,638)	97.3%	
Net (Rev. less Exp.)	\$0	\$238,887,753		\$6,062,905		

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of June 30, 2016 (Q4 - Preliminary)**

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>	2,464,247,815	2,437,173,911	(27,073,904)	98.9%	2,510,156,692	2,507,972,173	99.9%	2,464,247,815	2,439,296,762	(24,951,053)	99.0%
Academic Fee Revenue	1,392,193,580	1,405,147,290	12,953,710	100.9%	1,389,750,259	1,385,615,509	99.7%	1,392,193,580	1,409,340,324	17,146,744	101.2%
State Appropriation (GPR)	1,029,650,900	995,939,535	(33,711,365)	96.7%	1,085,923,022	1,088,989,704	100.3%	1,029,650,900	993,134,890	(36,516,010)	96.5%
Other (Extension Non-credit)	42,403,335	36,087,086	(6,316,249)	85.1%	34,483,411	33,366,960	96.8%	42,403,335	37,294,551	(5,108,784)	88.0%
<u>Expenditures</u>	2,598,999,709	2,500,420,680	98,579,029	96.2%	2,569,896,535	2,577,208,508	100.3%	2,598,999,709	2,494,135,540	(104,864,169)	96.0%
Salaries	1,322,103,405	1,341,844,590	(19,741,185)	101.5%	1,378,742,784	1,369,570,156	99.3%	1,322,103,405	1,350,831,527	28,728,122	102.2%
Fringe benefits	561,949,841	512,874,332	49,075,509	91.3%	535,818,580	534,066,599	99.7%	561,949,841	514,556,793	(47,393,048)	91.6%
Supply and Expense	382,316,014	316,184,630	66,131,384	82.7%	313,107,345	336,925,551	107.6%	382,316,014	293,832,657	(88,483,357)	76.9%
Capital	28,672,670	35,294,916	(6,622,246)	123.1%	45,604,933	46,096,091	101.1%	28,672,670	34,918,846	6,246,176	121.8%
Financial Aid	57,862,640	77,864,455	(20,001,815)	134.6%	87,981,214	81,941,782	93.1%	57,862,640	83,603,372	25,740,732	144.5%
Other	246,095,139	216,357,756	29,737,383	87.9%	208,641,679	208,608,329	100.0%	246,095,139	216,392,346	(29,702,793)	87.9%

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 June 30, 2016 (Q4 - Preliminary)

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
Revenues											
Auxiliary Operations (128) <small>(e.g., Housing, Food Service, Union, etc.)</small>	709,947,123	745,369,379	35,422,256	105.0%	698,148,980	732,719,567	105.0%	709,947,123	710,201,959	254,836	100.0%
Expenditures											
Salaries	245,098,317	229,359,921	15,738,396	93.6%	228,530,509	224,776,409	98.4%	245,098,317	233,190,572	11,907,745	95.1%
Fringe benefits	81,223,744	71,607,834	9,615,910	88.2%	72,571,247	72,179,849	99.5%	81,223,744	71,996,130	9,227,614	88.6%
Supply and Expense	338,691,069	282,641,608	56,049,461	83.5%	313,231,237	303,671,777	96.9%	338,691,069	291,539,047	47,152,022	86.1%
Capital	56,174,011	17,256,411	38,917,600	30.7%	26,697,044	26,367,151	98.8%	56,174,011	17,472,315	38,701,696	31.1%
Financial Aid	12,442,128	7,463,626	4,978,502	60.0%	6,907,257	7,129,992	103.2%	12,442,128	7,230,469	5,211,659	58.1%
Other	10,479,000	41,440,362	(30,961,362)	395.5%	37,287,164	37,287,164	100.0%	10,479,000	41,440,362	(30,961,362)	395.5%

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of June 30, 2016 (Q4 - Preliminary)**

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
Revenues											
General Operations (136)	247,104,176	341,002,831	93,898,655	138.0%	290,002,355	286,084,347	98.6%	247,104,176	345,672,963	98,568,787	139.9%
Expenditures	258,246,875	345,672,047	(87,425,172)	133.9%	295,252,060	304,422,417	103.1%	258,246,875	361,687,774	103,440,899	140.1%
Salaries	101,610,994	98,379,881	3,231,113	96.8%	96,593,733	95,261,744	98.6%	101,610,994	99,755,469	(1,855,525)	98.2%
Fringe benefits	36,665,986	33,372,939	3,293,047	91.0%	28,511,267	33,165,057	116.3%	36,665,986	28,689,979	(7,976,007)	78.2%
Supply and Expense	104,546,553	129,580,557	(25,034,004)	123.9%	118,268,099	114,102,050	96.5%	104,546,553	134,311,750	29,765,197	128.5%
Capital	5,630,978	9,638,667	(4,007,689)	171.2%	8,953,510	8,990,837	100.4%	5,630,978	9,598,651	3,967,673	170.5%
Financial Aid	9,446,164	45,079,004	(35,632,840)	477.2%	24,555,718	44,457,852	181.0%	9,446,164	24,898,803	15,452,639	263.6%
Other	346,200	29,620,999	(29,274,799)	8556.0%	18,369,733	8,444,878	46.0%	346,200	64,433,121	64,086,921	18611.5%

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of June 30, 2016 (Q4 - Preliminary)**

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>	1,213,164,006	1,361,891,788	148,727,782	112.3%	1,185,011,739	1,321,998,964	111.6%	1,213,164,006	1,220,770,817	7,606,811	100.6%
Federal Grants and Contracts	638,048,203	730,461,158	92,412,955	114.5%	571,298,919	693,465,836	121.4%	638,048,203	601,776,826	(36,271,377)	94.3%
Non-federal Gifts, Grants and Contracts	548,255,706	610,314,018	62,058,312	111.3%	586,606,219	610,706,970	104.1%	548,255,706	586,228,775	37,973,069	106.9%
Trust Funds	26,860,097	21,116,612	(5,743,485)	78.6%	27,106,601	17,826,158	65.8%	26,860,097	32,110,092	5,249,995	119.5%
<u>Expenditures</u>	1,213,164,006	1,180,538,606	32,625,400	97.3%	1,138,207,967	1,127,921,572	99.1%	1,213,164,006	1,191,416,940	21,747,066	98.2%
Salaries	527,359,366	515,964,431	11,394,935	97.8%	511,271,026	506,629,333	99.1%	527,359,366	520,691,652	6,667,714	98.7%
Fringe benefits	160,589,662	173,289,821	(12,700,159)	107.9%	173,189,114	172,882,810	99.8%	160,589,662	173,596,847	(13,007,185)	108.1%
Supply and Expense	339,128,161	314,908,454	24,219,707	92.9%	302,170,781	300,271,192	99.4%	339,128,161	316,900,641	22,227,520	93.4%
Capital	97,476,208	35,034,528	62,441,680	35.9%	33,284,876	30,905,680	92.9%	97,476,208	37,731,573	59,744,635	38.7%
Financial Aid	70,750,346	108,302,482	(37,552,136)	153.1%	100,430,143	99,370,530	98.9%	70,750,346	109,457,338	(38,706,992)	154.7%
Other	17,860,263	33,038,890	(15,178,627)	185.0%	17,862,027	17,862,027	100.0%	17,860,263	33,038,890	(15,178,627)	185.0%

UW System Trust Funds
Exception to Board Policy on
Large Unendowed Bequests/Gifts
for the Michael K. McShane Bequest

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the Chancellor of UW-Madison and the President of the University of Wisconsin System, an exception to RPD 31-15 be granted to allow for the expenditure of the principal of the Michael K. McShane bequest.

**UW SYSTEM TRUST FUNDS EXCEPTION
TO BOARD POLICY ON
LARGE UNENDOWED BEQUESTS FOR THE
MICHAEL K. McSHANE BEQUEST**

EXECUTIVE SUMMARY

BACKGROUND

In the event a donor gives no direction as to the use of a gift's principal, current Board of Regents policy requires that all such bequests equal to or greater than \$250,000 become Board-designated endowments. As a designated endowment, only the income from the gift is made available for expenditure. If an exception to this restriction is desired, whether at the time of initial gift acceptance or at a later date, a request with appropriate justification must be submitted to the Vice President for Finance for consideration at the next meeting of the Business and Finance Committee.

REQUESTED ACTION

Approval of Resolution I.2.e, request for expenditure of principal.

DISCUSSION

A bequest of \$327,487.20 has been received from the Michael K. McShane Estate. The Will states the following:

“I leave up to \$250,000 from proceeds from mutual funds, stocks, bonds, and cash to the [U]niversity of [W]isconsin [S]chool of [B]usiness in [M]adison.”

The donor died on October 15, 2010. However, the Will was contested by the executor and residual beneficiary. The four charitable beneficiaries named in the Will, including the UW, jointly hired counsel to represent them in objecting to the executor's petition for settlement that would have provided nothing to each of the charities. These objections prevailed, and the court ordered that the estate distribute the full amounts stated in the Will, plus interest, to each charity. Consequently, the distribution to the UW consists of the \$250,000 per the Will plus \$77,487.20 of interest, for a total of \$327,487.20. Regarding the donor's connection to the UW, the Registrar's Office reports that Michael Kevin McShane attended UW-Madison from September 1963 to November 1966. He received his BBA in Commerce on November 4, 1966.

Chancellor Blank of UW-Madison and Dean Ortalo-Magne of the School of Business are

requesting an exception to Regent Policy 31-15 to allow for the expenditure of the principal of this bequest. The attached letters from the Chancellor and Dean indicate that the total amount of the bequest would then be used to support the first capital investment for the west wing of Grainger Hall since it was built, as part of the \$10 to \$12 million Learning Commons project.

RELATED REGENT POLICIES

Regent Policy Document 31 -15: *Policy on Large Unendowed Bequests/Gift*



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

July 6, 2016

Mr. Douglas J. Hoerr
Director and Assistant Trust Officer
780 Regent Street, Suite 305
Madison, WI 53715

Dear Mr. Hoerr:

Thank you for your letter informing me of the \$327,387.20 bequest from the Michael K. McShane Estate to the University of Wisconsin-Madison. We are pleased to accept this generous gift.

After consultation with the Wisconsin School of Business, I recommend that a new account be established in A12-2000, creating a fund named the "Learning Commons Fund" with Meloney Linder as the PI. In addition, I would like to request an exception to the Regent Policy which classifies this bequest as a "designated endowment," so that the Wisconsin School of Business is able to access and utilize the full principle of this gift as described in the attached document.

Thank you for your assistance.

Sincerely,


Rebecca Blank
Chancellor

Attached

cc: François Ortalo-Magné
Kaylene Christnovich
Meloney Linder
Mike Lehman

Chancellor Rebecca M. Blank
Morgridge Friends Distinguished Chair of Leadership
Bascom Hall University of Wisconsin-Madison 500 Lincoln Drive Madison, Wisconsin 53706
608-262-9946 Fax: 608-262-8333 TTY 608-263-2473



WISCONSIN
SCHOOL OF BUSINESS

UNIVERSITY OF WISCONSIN-MADISON

TOGETHER
FORWARD®

DATE: July 5, 2016
TO: Douglas Hoerr, Director
UW Trust Funds
FROM: François Ortalo-Magné, Albert O. Nicholas Dean
Wisconsin School of Business
RE: McShane Estate

The Wisconsin School of Business is very pleased to accept a distribution of \$327,387.20 from the Michael K. McShane Estate. We are writing to request an exemption to the Board of Regents policy of placing all gifts in excess of \$250,000 into an endowment.

With no specific intent left to us by the deceased, we are keen to establish a visible and lasting legacy. Instead of allocating the funds to an endowment, we propose to use the total amount of the estate to support the first significant capital investment for the west wing of Grainger Hall since it was built. The Learning Commons project is a \$10-12M endeavor designed in collaboration with campus partners to bring Grainger Hall Library and its adjacent spaces into the 21st century. The new Learning Commons will include a new project lab with curated access to business databases, new collaborative learning classrooms and a variety of spaces our students and educators demand.

We have already secured a lead gift of \$6M+ for the project. The McShane Estate would add to our fundraising efforts. We would acknowledge the McShane gift in the same way we will acknowledge all gifts of similar sizes within the Learning Commons space. Although we propose to spend the McShane gift in one go, the McShane gift will have a long-lasting impact on the many students who use the Grainger Hall Library and its adjacent spaces and will garner long-lasting recognition within the new Learning Commons.

Thank you for considering this request. If you have any questions, please feel free to contact me or my colleague, Kaylene Christnovich, Associate Dean of External Relations at 608.262.3828.

François Ortalo-Magné

Office of the Dean

Wisconsin School of Business 4300 Grainger Hall 975 University Avenue Madison, WI 53706
+1 608-262-7867 f.om@wisc.edu www.bus.wisc.edu

UW-Madison Contractual Agreement
with Amazon Pickup Points LLC

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Amazon Pickup Points LLC.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH AMAZON PICKUP POINTS LLC**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy requires any grant or contract with private profit-making organizations in excess of \$1,000,000 be presented to the Board for formal approval prior to execution.

REQUESTED ACTION

Adoption of Resolution I.2.f., approving the contractual agreement between the Board of Regents and Amazon Pickup Points LLC.

DISCUSSION

The University of Wisconsin-Madison has negotiated an agreement with Amazon Pickup Points LLC for an Amazon retail pickup location at the Red Gym on the UW-Madison campus. The campus site will serve as a pickup location for merchandise students, faculty and staff order online. Amazon's anticipated occupancy date is November 1, 2016. For the right to occupy and use the campus facility, the exclusive right to operate an on-campus pickup location for online purchases and associated marketing and promotional rights, Amazon will pay a commission to UW-Madison on shipments to zip codes in the campus area. The agreement guarantees UW-Madison payments by Amazon of a minimum of \$100,000 annually, although actual commissions are anticipated to materially exceed the annual minimum guarantees. The agreement also is anticipated to reduce the volume of package delivery traffic on campus.

The Red Gym is a registered National Historic Landmark. As such, any building alterations and improvements to prepare the site for buildout of the campus pickup point may be subject to the approval of the Wisconsin Historical Society and/or the U.S. Park Service, in addition to the University.

This agreement is for a term of five years and will be automatically extended for an additional five years unless one party notifies the other of its decision not to renew. Amazon has entered into similar agreements with other universities, including Purdue University, the University of Massachusetts-Amherst and the University of California-Berkeley.

RELATED REGENT POLICIES

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

University of Wisconsin - Whitewater
Exclusive Soft Drink Pouring and Vending
Rights Agreement with
Bottling Group, LLC

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin - Whitewater, the Board of Regents approves a contract with Bottling Group, LLC (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company) to provide Exclusive Soft Drink fountain and vending services to the University over a seven-year period.

**UW-WHITewater CONTRACTUAL AGREEMENT
FOR EXCLUSIVE SOFT DRINK POURING AND VENDING RIGHTS
WITH BOTTLING GROUP, LLC**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy 13-1 requires any grant or contract with private profit-making organizations in excess of \$1,000,000 be presented to the Board for formal acceptance prior to execution.

The University of Wisconsin - Whitewater is prepared to enter into a Pouring Rights for Fountain and Vending Services contract with Bottling Group, LLC (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company) based on the response to RFP UN-F136. This request is for a contract starting September 1, 2016, through June 30, 2023. The contract spans a seven (7) year period.

The proposed agreement is the result of a process that has taken place over the course of nine (9) months and included University of Wisconsin-Whitewater student representatives, University Dining Services, campus administration and community members. An RFP was issued in January 2016 with a general goal to improve beverage service and increase net revenues by maximizing the availability of product, offering marketing and sales opportunities using strategies to benefit the students, the University and the beverage provider. The University, in offering fountain pouring and certain sponsorship opportunities to the beverage provider, asked for certain equipment, services, fees and pricing guarantees in return. After evaluation of two proposals, a decision was made to pursue contract negotiation with Bottling Group, the high scoring proposer. The proposed agreement is a result of those negotiations.

REQUESTED ACTION

Approval of Resolution I.2.g., approving the contractual agreement between UW-Whitewater and Bottling Group, LLC.

DISCUSSION

Two proposals were received and after evaluation UW Whitewater negotiated a final contract with Bottling Group, LLC. The final terms and provisions of the negotiated contract continue the strategy of consolidating the fountain and vending service into one contract with significant

equipment, service and financial benefits to the University. The principal provisions of the contract can be summarized as follows:

- The contract shall be effective on September 1, 2016 and shall run five years, through June 30, 2021, with two one-year renewal options.
- The contractor agrees to pay \$70,000 each year of the agreement to the University of Wisconsin-Whitewater, or \$490,000 for the life of the contract.
- The contractor will provide \$20,000 each year of the agreement for marketing and promotional opportunities, or \$140,000 for the life of the contract.
- Vending Services commission to the University is approximately \$83,000 per year, or approximately \$583,426 for the life of the contract.
- Rebates under the contract are approximately \$60,000 per year, or \$421,932 for the life of the contract.
- Total Value of this contract is approximately \$1,635,358.

RELATED REGENT POLICIES

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

State of Wisconsin
University of Wisconsin System
Office of Procurement
780 Regent Street

CONTRACT NO. UN-F136

COMMODITY CODE: 96107 & 96738

DATE: July 25, 2016

SERVICE: Exclusive Sponsorship, Pouring and Beverage Vending Rights for the UW-Whitewater

CONTRACT TERM: A five (5) year contract effective September 1, 2016 through June 30, 2021 with two (2) one (1) year renewal options

REFERENCE: Per the attached Specifications and vendor's response to Request for Bid # UN-F136

VENDOR: **Bottling Group, LLC**, (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company)
1475 E. Woodfield Road
Schaumburg, IL 60173

VENDOR CONTACT: Ms. Becky DeFord – Key Account Manager- Pepsi Beverages Company
Phone: (414) 418-8057
E-Mail Address: Rebecca.DeFord@pepsico.com

FEIN NO: 13-4042452

COMMISSION AND GUARANTEE: Per the attached Bid Specifications Attachment No. 3 Cost Proposal Page No. 71:

- Sponsorship: \$70,000 annually/\$490,000 Life of Contract
- Marketing/Promotional: \$20,000 annually/140,000 Life of Contract
- Vending Services Commission: \$83,000 annually/\$583,426 Life of Contract
- Rebates: \$60,000 Annually/\$421,932 for the life of the contract
- Total Value of Contract: \$1,635,358 for Life of contract.

COMMISSION PAYMENTS: Due on or before the 20th day of the period for the previous period's receipts.
See Page 45 of bid specifications.

PERFORMANCE BOND: Maintained on file at UW-Whitewater in the amount of \$50,000 and to be maintained in force by the contractor for the life of the contract.

INSURANCE CERTIFICATE: To be maintained on file with UW-Whitewater-Purchasing Services Office UW-Whitewater in the amounts specified on Page 30 of the specifications.

ESTIMATED CONTRACT TERMINATION DATE: June 30, 2023

CONTRACT DISTRIBUTION: Bob Barry: Executive Director, University Center
Phone Number: (262) 472-6223
E-Mail: barryr@uww.edu

For further information contact:
Paul D. Schlough
UW System Procurement
Telephone: 608-265-0557

UW-Oshkosh Exclusive Soft Drink
Pouring and Vending Rights Agreement
with Bottling Group, LLC

BUSINESS AND FINANCE COMMITTEE

RESOLUTION:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Oshkosh and Bottling Group, LLC (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company) to provide Exclusive Pouring Rights and Vending Rights for a period of seven years effective July 1, 2016 with three one-year renewal options.

**UW-OSHKOSH CONTRACTUAL AGREEMENT
FOR EXCLUSIVE SOFT DRINK POURING AND VENDING RIGHTS
WITH BOTTLING GROUP, LLC**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy 13-1 requires any grant or contract with private profit-making organizations in excess of \$1,000,000 be presented to the Board for formal acceptance prior to execution.

The University of Wisconsin-Oshkosh has acquired third party beverage services for the institution since January 2003. The University of Wisconsin-Oshkosh has ran a competitive Request for Proposal (RFP) process (BPK-16-098A) to seek an Exclusive Pouring Rights and Vending Rights Services contract for the institution and is seeking approval for award.

REQUESTED ACTION

Approval of Resolution I.2.h., approving the contractual agreement between UW-Oshkosh and Bottling Group, LLC.

DISCUSSION

The university is prepared to enter into a Pouring Rights for Fountain and Vending Services contract with their incumbent supplier, Bottling Group, LLC (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company) based on the response to RFP BPK-16-098A. This request is for contract starting retroactive to July 1, 2016 through June 30, 2023 with three additional one year renewal options. The contract spans a seven-year period.

The proposed agreement is the result of a process that was conducted in partnership with UW-Oshkosh student representatives and staff. A Request for Proposal (RFP) was issued on April 7, 2016 with a general goal to improve beverage service on campus by obtaining new machines and equipment, increase service requirements, and increase net revenues.

DISCUSSION

The University, is offering fountain pouring, vending, and certain sponsorship opportunities to Bottling Group and has required specific equipment, services, fees, and pricing guarantees in

return. After an evaluation committee evaluated two proposals, a decision was made by the evaluation committee to pursue contract negotiation with Bottling Group, LLC, the highest scoring vendor. The proposed agreement is a result of those negotiations.

Some highlights of the contract are as follows:

- The agreement is for seven years, starting retroactive to July 1, 2016 and will expire June 30, 2023 unless the option(s) for three additional one-year contract renewal(s) is/are exercised. A total of ten contractual years is possible under the agreement.
- Energy star equipment is supplied in all vending locations.
- Updated service equipment is being provided in dining units and vending equipment, including support for the campus ID system.
- The vending component will provide a minimum of \$150,000 per year in commissions. Over the seven-year life of the contract, \$1,050,000 in commissions are guaranteed.
- The contractor agrees to pay \$980,000 in pouring rights royalties for the duration of the contract (7 years) based on the selected exclusion percentage.
- The contractor agrees to provide \$161,000 in fountain pricing support for the duration of the contract.
- Contract exclusions allow limited competitor product in select locations
- The total estimated value to UW-Oshkosh of this contract, with the selected exclusion percentage is approximately \$2,266,024 for the seven-year period.

RELATED REGENT POLICIES

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

State of Wisconsin
University of Wisconsin System
Office of Procurement
780 Regent Street

CONTRACT NO. BK-16-098A

COMMODITY CODE: 03775, 39377, 74085, 93188 (four total codes)

DATE: July 29, 2016

SERVICE: Exclusive Pouring and Vending Rights for the University of Wisconsin-Oshkosh

CONTRACT TERM: A Seven (7) year contract effective September 1, 2016 through June 30, 2023 with three (3) one year (1) renewal options.

REFERENCE: Per the attached Specifications and vendor's response to Request for Proposal # BPK-16-098A

VENDOR: **Bottling Group, LLC** (on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company)
1475 E. Woodfield Road
Schaumburg, IL 60173

VENDOR CONTACT: Mr. Randy Streblov, Key Account Manager – Pepsi Beverages Company
Phone: (608) 209-2817
E-Mail Address: Randy.streblov@pepsico.com

FEIN NO: 13-4042452

COMMISSION AND GUARANTEE: Vending Services Commission: \$150,000 annually/\$1,050,000 Life of contract. Pouring Right royalties: \$980,000 Life of contract.

COMMISSION PAYMENTS: See MOU Revision number 19.

PERFORMANCE BOND: Currently on file at UW-Oshkosh Purchasing in the amount of \$50,000 and to be maintained in force by the contractor for the life of the contract.

INSURANCE CERTIFICATE: To be maintained on file with UW-Oshkosh Purchasing, in the amounts specified in Section 9: Special Contract Terms and Conditions.

ESTIMATED CONTRACT TERMINATION DATE: June 30, 2026

CONTRACT DISTRIBUTION: Randy Hedge, Director of Reeve Union
Phone Number: (920) 424-2346
E-Mail: hedge@uwosh.edu

For further information contact:
Paul D. Schlough
UW System Procurement
Telephone: 608-265-0557