

1/19/2017

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business and Finance Committee

Thursday, February 2, 2017
10:45am – 12:15pm
Union South, Varsity Hall I
UW-Madison
Madison, Wisconsin

- a. Approval of the Minutes of the December 8, 2016 Meeting of the Business and Finance Committee
- b. Review and Approval of the Charter for the Business and Finance Committee Subcommittee on Investments
[Resolution I.2.b]
- c. Review and Approval of a Proposed Regent Policy Document on Application Fees at UW Institutions
[Resolution I.2.c.]
- d. Quarterly Report of Gifts, Grants and Contracts (2nd Quarter FY2017)
- e. Financial Management Report (2nd Quarter FY2017)
- f. UW System Information Technology Reports
 1. UW System Strategic Plans for Major Information Technology Projects
 2. Semi-Annual Status Report for Large/Vital Information Technology Projects
- g. UW-Madison Request for an Exception to Board Policy on Large Unendowed Bequests/Gifts for a Bequest from the Louis and Annette Kaufman Trust
[Resolution I.2.g.]
- h. Approval of Salary Range Exceeding 75% of the President's Salary – Dean of the School of Business at the University of Wisconsin – Madison
[Resolution I.2.h.]
- i. Report of the Vice President(s)

Approval of the Charter for the
Business and Finance Committee
Subcommittee on Investments

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.b.

That, upon the recommendation of the President of the Board of Regents of the University of Wisconsin System, the Board of Regents adopts the attached Subcommittee on Investments Charter to define the roles of the subcommittee created at the Board's November 10, 2016 meeting.

**PROPOSED BOARD OF REGENTS
SUBCOMMITTEE ON INVESTMENTS CHARTER**

BACKGROUND

The Board of Regents has oversight responsibility for UW System trust funds, which totaled \$523.4 million as of June 30, 2016. Before November 2016, the Board's bylaws charged the Business and Finance committee with responsibility for all matters related to trust funds. The Board has expressed its interest in creating a subcommittee to become more engaged in matters related to trust funds.

To increase its engagement with investment matters, the Board of Regents amended its bylaws in November 2016 to create a Subcommittee on Investments, reporting to the Business and Finance Committee, and outlined the subcommittee's responsibilities to "recommend effective investment policy and practices...and oversee implementation of investment policies the Board adopts." [Chapter III, Section 3].

REQUESTED ACTION

Adoption of Resolution I.2.b., to create a Subcommittee on Investments Charter.

DISCUSSION

In November 2016, the Board of Regents amended its bylaws to create a Subcommittee on Investments to provide for more robust discussion of trust fund related issues. The Subcommittee on Investments will review trust fund issues, and make recommendations and report to the Business and Finance Committee.

Having created the new subcommittee, the Board's next responsibility is to adopt a Charter for the subcommittee. The proposed Charter outlines the following:

- How members of the subcommittee are to be appointed;
- The roles of both the Assistant Trust Officer and any investment advisors or liaisons to the subcommittee; and
- The subcommittee's specific responsibilities in overseeing the management and administration of funds invested on behalf of the Board of Regents.

The proposed charter is attached.

RELATED BOARD OF REGENTS POLICIES

Bylaws of the Board of Regents of the University of Wisconsin System

Regent Policy Document 31-9, Investment Policy Statement: Key Elements and Review Process

Regent Policy Document 31-2, Management and Administration of Trust Funds

University of Wisconsin System Trust Funds Investment Policy Statement

**PROPOSED CHARTER
UNIVERSITY OF WISCONSIN SYSTEM BOARD OF REGENTS
SUBCOMMITTEE ON INVESTMENTS**

1. Purpose

The purpose of the Subcommittee on Investments is to provide effective oversight for UW System trust funds, which includes recommending effective investment policies and practices to the Business and Finance Committee. The Subcommittee then oversees implementation of investment policies that are adopted by the Board of Regents.

2. Trust Officer/Assistant Trust Officers

The Board of Regents annually elects a Trust Officer (the Vice President for Finance) and Assistant Trust Officers (the Director of the Office of Trust Funds and the General Counsel). As stated in Chapter II of the Board of Regents' Bylaws, the Trust Officer and Assistant Trust Officers are responsible for receiving, managing, and maintaining records of all UW System trust funds and performing other duties relating to trust funds that are imposed by law and the rules and orders of the Board. In addition, the Director of the Office of Trust Funds/Assistant Trust Officer is responsible for staffing and supporting the Subcommittee on Investments and the operational management and administration of trust funds, including the implementation of policies approved by the Subcommittee and adopted by the full Board.

3. Investment Advisors and Liaisons

Investment advisors, consultants or liaisons may be sourced or hired by the Board of Regents to provide external investment expertise to the Subcommittee. These individuals shall not be Regents or members of the Subcommittee. Investment advisors and liaisons shall not be from investment firms where a conflict of interest would limit the individual's ability to provide the Subcommittee with independent and objective advice.

4. Membership

Members of the Subcommittee on Investments shall be appointed by the President of the Board of Regents. Only Regents serving on the Business and Finance Committee may be appointed by the President to the Subcommittee on Investments. The Subcommittee on Investments must have at least four Regents, which may include the Chair and/or Vice Chair of the Business and Finance Committee. The President of the Board of Regents shall appoint the Chair and Vice Chair of the Subcommittee on Investments.

5. Meetings

The Subcommittee on Investments shall meet at least quarterly. The Subcommittee may meet more often if necessary.

6. Responsibilities

The Subcommittee's primary duties and responsibilities are the following:

- Fulfill the Board's fiduciary responsibilities related to trust funds by seeking reasonable assurance that practices and operations are in compliance with applicable laws (e.g., UPMIFA), regulatory requirements, and policies;
- Regularly review, approve and recommend to the Business and Finance Committee an Investment Policy Statement, which will include:
 - Investment objectives, performance expectations, and benchmarks for the investment funds,
 - Asset allocation targets and ranges for the investment funds,
 - Spending (or distribution) policy for the endowment fund,
 - Methods and standards for overall investment performance and investment manager evaluation, risk measurement and control, and reporting/communications;
- Annually review evaluations of the external investment managers, and based on recommendations made by Office of Trust Funds staff, approve the selection, renewal or termination of external managers;
- As necessary, review, monitor and provide guidance to the following:
 - Addition or termination of asset classes, investment strategies, and, in some cases, specific investment vehicles or structures
 - Investment guidelines for individual investment managers
 - Investment operations and performance relative to objectives, expectations, and benchmarks
 - Structure, staffing, resources and expenses devoted to trust funds investment and operational functions
- Report to the Business and Finance Committee any material changes to the UW System's investment portfolio or operations.

Adoption of Regent Policy Document
on Application Fees

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.c

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached new Regent Policy Document on application fees.

**REGENT POLICY DOCUMENT
ON APPLICATION FEES**

BACKGROUND

Recent legislative action allows the Board of Regents to set application fees for each UW System institution. Previously, application fee amounts, waivers, and uses were specified under s. 36.11(3)(d), Wis. Stats. The Board was required to assess a \$44 fee for each undergraduate admission application and a \$56 fee for each graduate school, law school, or medical school admission application. Statutes also allowed the Board to exempt the fee for a maximum of 5 percent of the applications in any school year.

The 2015-17 biennial budget bill repealed the \$44 and \$56 amounts in s. 36.11(3)(d), Wis. Stats., as well as the other requirements and created new language, effective July 14, 2015, requiring each UW institution to charge a uniform application fee to each group of applicants (e.g., undergraduates, graduates, etc.).

In August 2015, UW-Madison requested and received approval from the Board of Regents Executive Committee to raise its undergraduate application fee to \$50 as of September 1, 2015. In June 2016, the Board of Regents approved other application-fee changes: \$60 for UW-Madison undergraduates and for UW-Madison's School of Veterinary Medicine and Law School; \$75 for UW-Madison's Graduate School, School of Pharmacy, and School of Medicine and Public Health; and \$50 for all other UW institutions' undergraduates.

REQUESTED ACTION

Adoption of Resolution I.2.c, approving the attached policy on application fees.

DISCUSSION

The proposed new policy addresses the new statutory language which permits each institution to charge a uniform application fee to groups of applicants—undergraduate applicants, graduate applicants, law school applicants, and medical school applicants—while requiring uniform fees within a group. A draft policy is Attachment 1. The policy, if approved, would delegate authority to the UW System President to approve application fee amounts. The application fees are relatively modest amounts, and the System President and his staff can work with institutions to ensure some degree of uniformity among like institutions. Approved application fee amounts would be reported to Board of Regents annually.

The policy also would require that each UW institution develop policies and procedures for the collection and administration of the application fee, including provisions for waivers based on financial need.

RELATED REGENT POLICIES

Regent Policy Document 7-3, “University of Wisconsin System Freshman Admissions Policy”

**ATTACHMENT 1
DRAFT REGENT POLICY DOCUMENT**

Regent Policy Document X-Y: Application Fees

Scope

This policy addresses the Board of Regents' authority under s. 36.11(3)(d), Wis. Stats., to charge a fee to individuals applying to UW System institutions.

Purpose

The purpose of this policy is to delegate authority to the UW System President to approve application fees under the requirements described in this policy.

Policy Statement

Each University of Wisconsin institution shall charge a uniform application fee as required by s. 36.11(3)(d), Wis. Stats. Pursuant to state law, application fee rates may vary among groups of applicants – undergraduate applicants, graduate applicants, and law school applicants and medical school applicants – but must be uniform for all applicants within a group. For example, undergraduate applicants may pay a different application fee than graduate applicants, and all undergraduates at a given institution shall be assessed the same fee. Separate fees also may be charged for doctoral, pharmacy or veterinary school applications.

The Board delegates to the UW System President the authority to approve application fee amounts. The Board of Regents recognizes that UW institutions are likely to request application-fee rates that take into account application fees at other universities in their peer groups.

The Board intends that a portion of the proceeds from the application fee shall be used to support institutional admissions-processing costs.

UW institutions shall develop policies and procedures for the collection and administration of application fees, to include provisions for waivers of the application fee based on financial need.

Oversight, Roles, and Responsibilities

Application fees shall be reported to the Board annually.

Related Regent Policies and Applicable Laws

Section 36.11(3)(d), Wisconsin Statutes

History: Res. xxxxx, adopted mm/dd/yyyy, created Regent Policy Document 32-XX.

QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2016 THROUGH DECEMBER 31, 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 where the total annual compensation is greater 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 an 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 six-month period July 1, 2016, through December 31, 2016. Total gifts, grants, and contracts for the period were approximately \$753.6 million; this is a decrease of \$17.5 million from the same period in the prior year. Federal awards decreased \$38.1 million, while non-federal awards increased by \$20.6 million.

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 2016-2017 (Second Quarter)**

TOTAL AWARDS - ALL CATEGORIES									
Institution	Fiscal Year 2016-17	Total Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Federal Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Non Federal Fiscal Year 2015-16	Increase (Decrease)
Total	753,613,610	771,114,486	(17,500,876)	442,365,598	480,458,547	(38,092,949)	311,248,012	290,655,939	20,592,073
Madison	610,753,563	595,610,415	15,143,148	331,703,266	342,220,214	(10,516,948)	279,050,297	253,390,201	25,660,096
Milwaukee	40,621,665	43,400,727	(2,779,062)	33,884,935	37,339,054	(3,454,119)	6,736,730	6,061,673	675,057
Eau Claire	9,321,714	9,988,630	(666,916)	8,778,311	9,405,633	(627,322)	543,403	582,997	(39,594)
Green Bay	7,909,357	7,329,405	579,952	6,395,608	5,739,988	655,620	1,513,749	1,589,417	(75,668)
La Crosse	6,319,788	6,396,265	(76,477)	5,765,363	5,774,242	(8,879)	554,425	622,023	(67,598)
Oshkosh	17,368,020	15,933,227	1,434,792	15,532,185	14,830,632	701,553	1,835,835	1,102,595	733,240
Parkside	4,231,982	5,698,209	(1,466,227)	3,766,659	4,939,631	(1,172,972)	465,323	758,578	(293,255)
Platteville	1,091,830	5,657,717	(4,565,887)	1,069,034	4,991,354	(3,922,320)	22,796	666,363	(643,567)
River Falls	6,380,727	6,407,280	(26,553)	5,481,321	5,440,251	41,070	899,406	967,029	(67,623)
Stevens Point	11,928,611	12,459,158	(530,546)	9,308,676	9,308,884	(208)	2,619,935	3,150,274	(530,339)
Stout	9,711,815	10,409,807	(697,992)	8,072,803	8,952,918	(880,114)	1,639,012	1,456,890	182,122
Superior	2,700,164	3,831,026	(1,130,862)	2,308,119	3,192,354	(884,235)	392,045	638,672	(246,627)
Whitewater	9,376,237	8,845,812	530,425	6,842,685	7,060,782	(218,096)	2,533,551	1,785,030	748,521
Colleges	1,352,529	9,162,725	(7,810,196)	855,883	8,418,232	(7,562,348)	496,646	744,494	(247,848)
Extension	14,545,609	28,992,868	(14,447,259)	2,600,749	11,853,165	(9,252,416)	11,944,860	17,139,703	(5,194,843)
System Administration	0	991,214	(991,214)	0	991,214	(991,214)	0	0	0

RESEARCH & PUBLIC SERVICE									
Institution	Fiscal Year 2016-17	Total Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Federal Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Non Federal Fiscal Year 2015-16	Increase (Decrease)
Total	597,811,034	586,358,682	11,452,353	345,014,232	353,045,696	(8,031,464)	252,796,802	233,312,986	19,483,816
Madison	549,016,267	527,722,758	21,293,509	318,226,884	319,002,697	(775,813)	230,789,383	208,720,061	22,069,322
Milwaukee	18,552,239	18,154,436	397,803	13,514,499	14,115,915	(601,415)	5,037,739	4,038,522	999,218
Eau Claire	2,039,045	1,434,420	604,625	1,495,642	1,181,485	314,157	543,403	252,935	290,468
Green Bay	2,206,641	968,749	1,237,892	1,399,146	756,173	642,973	807,495	212,576	594,919
La Crosse	1,162,824	1,253,222	(90,398)	621,534	669,799	(48,265)	541,290	583,423	(42,133)
Oshkosh	2,455,511	2,068,024	387,486	2,047,969	1,453,959	594,010	407,542	614,065	(206,523)
Parkside	67,061	432,937	(365,876)	0	0	0	67,061	432,937	(365,876)
Platteville	483,146	114,792	368,354	465,346	6,972	458,374	17,800	107,820	(90,020)
River Falls	632,412	548,144	84,268	598,287	455,468	142,819	34,125	92,676	(58,551)
Stevens Point	3,156,624	2,278,440	878,185	1,459,658	233,076	1,226,583	1,696,966	2,045,364	(348,398)
Stout	2,892,074	3,507,331	(615,257)	2,256,431	3,227,892	(971,460)	635,643	279,439	356,204
Superior	369,143	280,959	88,184	292,516	29,250	263,266	76,627	251,709	(175,082)
Whitewater	1,302,318	175,213	1,127,105	117,225	41,971	75,254	1,185,093	133,242	1,051,851
Colleges	8,500	39,641	(31,141)	0	17,875	(17,875)	8,500	21,767	(13,267)
Extension	13,979,788	27,379,615	(13,399,827)	2,600,749	11,853,165	(9,252,416)	11,379,039	15,526,450	(4,147,411)
System Administration	0	0	0	0	0	0	0	0	0

Institution	INSTRUCTION								
	Total			Federal			Non Federal		
	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)
Total	28,724,788	33,974,935	(5,250,147)	19,272,883	24,875,131	(5,602,248)	9,451,905	9,099,804	352,101
Madison	15,605,062	19,869,840	(4,264,777)	8,100,522	13,265,804	(5,165,283)	7,504,541	6,604,035	900,505
Milwaukee	3,049,814	2,563,564	486,250	3,032,845	2,473,564	559,281	16,969	90,000	(73,031)
Eau Claire	954,558	1,556,087	(601,529)	954,558	1,226,756	(272,198)	0	329,331	(329,331)
Green Bay	680,899	1,252,045	(571,146)	547,992	629,912	(81,920)	132,907	622,133	(489,226)
La Crosse	12,053	1,850	10,203	9,038	0	9,038	3,015	1,850	1,165
Oshkosh	7,603,656	6,018,574	1,585,082	6,175,363	5,560,044	615,319	1,428,293	458,530	969,763
Parkside	196,752	523,459	(326,707)	0	290,737	(290,737)	196,752	232,722	(35,970)
Platteville	4,996	324	4,672	0	0	0	4,996	324	4,672
River Falls	1,945	0	1,945	0	0	0	1,945	0	1,945
Stevens Point	448,769	939,908	(491,138)	350,358	399,100	(48,742)	98,411	540,808	(442,396)
Stout	111,213	126,480	(15,267)	74,209	28,000	46,209	37,004	98,480	(61,476)
Superior	16,708	1,796	14,912	0	0	0	16,708	1,796	14,912
Whitewater	38,363	129,795	(91,432)	27,999	10,000	17,999	10,364	119,795	(109,431)
Colleges	0	0	0	0	0	0	0	0	0
Extension	0	0	0	0	0	0	0	0	0
System Administration	0	991,214	(991,214)	0	991,214	(991,214)	0	0	0

Institution	STUDENT AID								
	Total			Federal			Non Federal		
	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)
Total	79,615,497	102,581,050	(22,965,553)	70,929,999	93,754,918	(22,824,919)	8,685,497	8,826,132	(140,634)
Madison	9,105,989	13,121,762	(4,015,774)	3,792,849	7,307,196	(3,514,347)	5,313,140	5,814,566	(501,426)
Milwaukee	15,443,250	18,894,589	(3,451,339)	15,443,025	18,893,389	(3,450,364)	225	1,200	(975)
Eau Claire	6,328,111	6,998,123	(670,012)	6,328,111	6,997,392	(669,281)	0	731	(731)
Green Bay	4,744,813	4,406,728	338,084	4,448,260	4,353,858	94,402	296,553	52,870	243,682
La Crosse	4,117,338	4,129,984	(12,646)	4,117,338	4,129,984	(12,646)	0	0	0
Oshkosh	7,308,853	7,735,339	(426,486)	7,308,853	7,735,339	(426,486)	0	0	0
Parkside	3,936,896	4,716,116	(779,220)	3,766,659	4,648,894	(882,235)	170,237	67,222	103,015
Platteville	0	4,398,277	(4,398,277)	0	4,398,277	(4,398,277)	0	0	0
River Falls	4,634,861	4,824,617	(189,756)	4,035,061	4,161,508	(126,447)	599,800	663,109	(63,309)
Stevens Point	8,036,196	9,079,885	(1,043,690)	7,485,932	8,668,473	(1,182,541)	550,264	411,412	138,852
Stout	5,353,160	5,012,858	340,302	4,916,851	4,603,370	313,481	436,309	409,488	26,821
Superior	2,251,486	3,260,391	(1,008,905)	2,015,603	2,941,437	(925,834)	235,883	318,954	(83,071)
Whitewater	7,159,822	7,362,834	(203,012)	6,415,575	6,745,844	(330,269)	744,247	616,990	127,257
Colleges	1,194,723	8,639,546	(7,444,823)	855,883	8,169,957	(7,314,074)	338,840	469,589	(130,749)
Extension	0	0	0	0	0	0	0	0	0
System Administration	0	0	0	0	0	0	0	0	0

Institution	ALL OTHERS								
	Fiscal Year 2016-17	Total Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Federal Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Non Federal Fiscal Year 2015-16	Increase (Decrease)
Total	46,949,733	48,199,819	(1,250,086)	7,066,829	8,782,802	(1,715,973)	39,882,905	39,417,017	465,887
Madison	37,026,245	34,896,055	2,130,190	1,583,011	2,644,516	(1,061,505)	35,443,233	32,251,539	3,191,695
Milwaukee	3,576,362	3,788,138	(211,776)	1,894,566	1,856,187	38,380	1,681,796	1,931,951	(250,155)
Eau Claire	0	0	0	0	0	0	0	0	0
Green Bay	277,005	701,882	(424,878)	210	45	165	276,795	701,837	(425,043)
La Crosse	1,027,574	1,011,209	16,365	1,017,454	974,459	42,995	10,120	36,750	(26,630)
Oshkosh	0	111,290	(111,290)	0	81,290	(81,290)	0	30,000	(30,000)
Parkside	31,273	25,698	5,575	0	0	0	31,273	25,698	5,575
Platteville	603,688	1,144,324	(540,636)	603,688	586,105	17,583	0	558,219	(558,219)
River Falls	1,111,509	1,034,519	76,990	847,973	823,275	24,698	263,536	211,244	52,292
Stevens Point	287,022	160,925	126,097	12,728	8,235	4,493	274,294	152,690	121,604
Stout	1,355,367	1,763,138	(407,771)	825,312	1,093,656	(268,344)	530,055	669,482	(139,427)
Superior	62,827	287,880	(225,053)	0	221,667	(221,667)	62,827	66,213	(3,386)
Whitewater	875,734	1,177,970	(302,236)	281,886	262,967	18,920	593,847	915,003	(321,156)
Colleges	149,306	483,538	(334,232)	0	230,400	(230,400)	149,306	253,138	(103,832)
Extension	565,821	1,613,253	(1,047,432)	0	0	0	565,821	1,613,253	(1,047,432)
System Administration	0	0	0	0	0	0	0	0	0

*Includes Libraries, Physical Plant and Miscellaneous categories

**FINANCIAL MANAGEMENT REPORT
PERFORMANCE REPORT
FY2016-17**

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.

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
- General Operations
- Gifts, Grants, and Contracts
- Other Funding not included in the above categories

The quarterly financial management reports include both year-to-date actuals and year-end projections, which assume similar rates of revenue collection and expenses as the prior year.

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, 2016 through December 31, 2016. While there are significant variances within individual fund

groupings, this second-quarter report shows expenses at approximately 45.0% of the Regent-approved budget, while revenues were at 49.7% of the budgeted level.

RELATED REGENT POLICIES

None

**University of Wisconsin System
Fiscal Year 2017 Budget to Actual Summary
as of December 31, 2016**

Tuition & Fees and GPR

<i>Beginning Fund Balance</i>						<i>\$295,604,100</i>
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$2,478,178,758	\$1,197,641,743	48.3%	\$2,309,057,258	93.2%	
Use of Balances	\$107,585,782	\$0		\$58,794,936	54.6%	
Expenses	(\$2,585,764,540)	(\$1,074,282,588)	41.5%	(\$2,367,852,194)	91.6%	
Net (Rev. less Exp.)	\$0	\$123,359,155		\$0		
<i>Projected Ending Fund Balance</i>						<i>\$236,809,164</i>

Auxiliary Operations

<i>Beginning Fund Balance</i>						<i>\$253,571,870</i>
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$719,563,956	\$484,759,796	67.4%	\$711,528,318	98.9%	
Use of Balances	\$27,795,505	\$0		\$22,279,307	80.2%	
Expenses	(\$747,359,461)	(\$348,147,758)	46.6%	(\$733,807,625)	98.2%	
Net (Rev. less Exp.)	\$0	\$136,612,038		\$0		
<i>Projected Ending Fund Balance</i>						<i>\$231,292,563</i>

General Operations

<i>Beginning Fund Balance</i>						<i>\$108,548,644</i>
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$275,813,560	\$164,488,149	59.6%	\$335,220,600	121.5%	
Use of Balances	\$12,456,754	\$2,723,326		(\$13,126,251)	-105.4%	
Expenses	(\$288,270,314)	(\$167,211,475)	58.0%	(\$322,094,349)	111.7%	
Net (Rev. less Exp.)	\$0	\$0		\$0		
<i>Projected Ending Fund Balance</i>						<i>\$121,674,895</i>

Gifts, Grants, and Contracts

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$1,218,790,433	\$665,885,871	54.6%	\$1,331,175,424	109.2%	
Expenses	(\$1,218,790,433)	(\$593,185,020)	48.7%	(\$1,199,536,209)	98.4%	
Net (Rev. less Exp.)	\$0	\$72,700,851		\$131,639,215		

Other Funding

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$1,416,366,437	\$523,164,322	36.9%	\$1,353,989,739	95.6%	
Expenses	(\$1,416,366,437)	(\$630,221,724)	44.5%	(\$1,290,044,584)	91.1%	
Net (Rev. less Exp.)	\$0	(\$107,057,402)		\$63,945,155		

SUMMARY TOTAL OF ALL FUNDS

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$6,108,713,144	\$3,035,939,881	49.7%	\$6,040,971,339	98.9%	
Use of Balances	\$147,838,041	\$2,723,326				
Expenses	(\$6,256,551,185)	(\$2,813,048,565)	45.0%	(\$5,913,334,961)	94.5%	
Net (Rev. less Exp.)	\$0	\$225,614,642		\$127,636,378		

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of December 31, 2016**

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>	2,478,178,758	1,197,641,743	(1,280,537,015)	48.3%	2,419,526,557	1,254,938,999	51.9%	2,478,178,758	2,309,057,258	(169,121,500)	93.2%
Academic Fee Revenue	1,429,473,458	784,674,280	(644,799,178)	54.9%	1,425,973,843	760,713,372	53.3%	1,429,473,458	1,470,889,089	41,415,631	102.9%
State Appropriation (GPR)	1,048,705,300	412,967,463	(635,737,837)	39.4%	993,552,714	494,225,627	49.7%	1,048,705,300	830,197,629	(218,507,671)	79.2%
<u>Expenditures</u>	2,585,764,540	1,074,282,588	1,511,481,952	41.5%	2,461,277,974	1,107,137,102	45.0%	2,585,764,540	2,367,852,194	(217,912,346)	91.6%
Salaries	1,326,858,948	610,536,977	716,321,971	46.0%	1,340,656,599	625,675,367	46.7%	1,326,858,948	1,308,219,039	(18,639,909)	98.6%
Fringe benefits	545,248,395	261,096,054	284,152,341	47.9%	510,348,828	271,251,454	53.2%	545,248,395	491,241,847	(54,006,548)	90.1%
Supply and Expense	369,480,503	111,163,997	258,316,506	30.1%	268,378,630	106,800,316	39.8%	369,480,503	279,344,128	(90,136,375)	75.6%
Capital	31,442,864	18,623,367	12,819,497	59.2%	36,135,382	16,431,253	45.5%	31,442,864	40,956,248	9,513,384	130.3%
Financial Aid	78,029,188	32,391,772	45,637,416	41.5%	83,923,812	30,467,213	36.3%	78,029,188	89,225,127	11,195,939	114.3%
Other	234,704,642	40,470,421	194,234,221	17.2%	221,834,723	56,511,499	25.5%	234,704,642	158,865,805	(75,838,837)	67.7%

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 December 31, 2016**

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>	719,563,956	484,759,796	(234,804,160)	67.4%	696,562,508	474,563,683	68.1%	719,563,956	711,528,318	(8,035,638)	98.9%
Expenditures											
Salaries	249,399,622	118,925,701	130,473,921	47.7%	234,152,134	115,582,508	49.4%	249,399,622	240,924,921	8,474,701	96.6%
Fringe benefits	81,925,755	40,545,017	41,380,738	49.5%	72,271,327	39,821,213	55.1%	81,925,755	73,584,955	8,340,800	89.8%
Supply and Expense	352,471,890	163,733,192	188,738,698	46.5%	305,655,648	150,101,118	49.1%	352,471,890	333,415,071	19,056,819	94.6%
Capital	49,979,934	13,065,984	36,913,950	26.1%	17,849,471	9,825,329	55.0%	49,979,934	23,736,701	26,243,233	47.5%
Financial Aid	6,729,842	3,187,776	3,542,066	47.4%	12,042,443	3,305,682	27.5%	6,729,842	11,612,918	(4,883,076)	172.6%
Other	6,852,418	8,690,088	(1,837,670)	126.8%	41,407,444	7,120,771	17.2%	6,852,418	50,533,058	(43,680,640)	737.4%

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of December 31, 2016**

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)	275,813,560	164,488,149	(111,325,411)	59.6%	328,088,934	160,988,738	49.1%	275,813,560	335,220,600	59,407,040	121.5%
Expenditures	288,270,314	167,211,475	121,058,839	58.0%	316,718,329	157,800,360	49.8%	288,270,314	322,094,349	33,824,035	111.7%
Salaries	108,868,639	55,615,787	53,252,852	51.1%	100,227,956	49,548,970	49.4%	108,868,639	112,499,949	3,631,310	103.3%
Fringe benefits	38,641,760	19,465,664	19,176,096	50.4%	39,503,488	18,343,398	46.4%	38,641,760	41,920,347	3,278,587	108.5%
Supply and Expense	117,739,989	61,666,682	56,073,307	52.4%	128,945,294	62,764,143	48.7%	117,739,989	126,690,624	8,950,635	107.6%
Capital	7,254,837	4,422,308	2,832,529	61.0%	9,544,020	4,026,580	42.2%	7,254,837	10,481,997	3,227,160	144.5%
Financial Aid	15,402,539	25,992,363	(10,589,824)	168.8%	24,052,611	22,897,410	95.2%	15,402,539	27,303,707	11,901,168	177.3%
Other	362,550	48,671	313,879	13.4%	14,444,960	219,859	1.5%	362,550	3,197,725	2,835,175	882.0%

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of December 31, 2016**

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>	1,218,790,433	665,885,871	(552,904,562)	54.6%	1,232,020,740	616,286,320	50.0%	1,218,790,433	1,331,175,424	112,384,991	109.2%
Federal Grants and Contracts	641,056,538	370,172,846	(270,883,692)	57.7%	599,565,288	371,235,442	61.9%	641,056,538	597,849,139	(43,207,399)	93.3%
Non-federal Gifts, Grants and Contracts	550,717,407	289,064,723	(261,652,684)	52.5%	604,192,941	237,199,742	39.3%	550,717,407	736,302,930	185,585,523	133.7%
Trust Funds	27,016,488	6,648,302	(20,368,186)	24.6%	28,262,511	7,851,137	27.8%	27,016,488	23,932,549	(3,083,939)	88.6%
<u>Expenditures</u>	1,218,790,433	593,185,020	625,605,413	48.7%	1,188,818,319	583,574,275	49.1%	1,218,790,433	1,199,536,209	19,254,224	98.4%
Salaries	526,569,802	266,930,359	259,639,443	50.7%	518,886,112	256,619,326	49.5%	526,569,802	539,735,095	(13,165,293)	102.5%
Fringe benefits	160,540,425	95,288,517	65,251,908	59.4%	173,581,287	94,882,870	54.7%	160,540,425	174,323,388	(13,782,963)	108.6%
Supply and Expense	346,459,042	151,349,057	195,109,985	43.7%	319,490,429	151,911,873	47.5%	346,459,042	318,306,755	28,152,287	91.9%
Capital	96,492,914	17,941,300	78,551,614	18.6%	35,286,721	18,106,095	51.3%	96,492,914	34,965,556	61,527,358	36.2%
Financial Aid	70,916,837	58,562,056	12,354,781	82.6%	108,539,790	57,154,210	52.7%	70,916,837	111,213,388	(40,296,551)	156.8%
Other	17,811,413	3,113,729	14,697,684	17.5%	33,033,980	4,899,902	14.8%	17,811,413	20,992,027	(3,180,614)	117.9%

**UW SYSTEM INFORMATION TECHNOLOGY REPORT
UW STRATEGIC PLANS
FOR MAJOR INFORMATION TECHNOLOGY PROJECTS**

BACKGROUND

Section 36.59, Wis. Stats., requires all UW institutions and UW Colleges campuses to adopt and submit to the Board of Regents annual strategic plans for the utilization of information technology no later than March 1 of each year.

Regent Policy Document 25-4 implements the requirements of s. 36.59, Wis. Stats., which coordinates information technology strategic planning across the UW System, and specifies management and reporting requirements related to large or high-risk information technology projects.

REQUESTED ACTION

This report is for information only.

DISCUSSION

In the coming year, the work of the Information Technology community within the University of Wisconsin System will continue to emphasize strategy and information security. The Common Systems Review Group (CSRG) is co-chaired by the Vice President for Administration and the Vice President for Academic and Student Affairs which reflects its strategic focus, especially in regards to the academic mission of the UW System. The Budget Subcommittee of the CSRG is chaired by the Vice President for Finance. Its task is to choose and prioritize projects that meet the strategic goals set by the CSRG.

The CSRG portfolio is divided into base operations and innovative projects. The service providers that deliver the base operational services are charged with maintaining flat budgets, with a few possible exceptions for items such as pay plans and rising storage costs. In addition, the budgets for base projects are now reviewed and approved on a biennial basis to reduce disruptions in operations. So long as the services stay within flat budgets, the Budget Subcommittee can focus its efforts on reviewing innovative proposals that advance the UW System strategic goals.

The UW System Chief Information Officers (CIO) Council, which is comprised of the top technology leader from each institution and the Associate Vice President for Learning and Information Technology, is also taking steps to play a more strategic role within the University and to better engage with other executive leaders, including the chief business officers. These

efforts are aimed at increasing the efficiency of IT operations as part of the system-level Commitment to Operational Reform and Excellence (CORE), which is a key component of the Operational Excellence portion of the UW System 2020*FWD* strategic framework.

The CSRG and the CIO Council are actively engaged in setting strategy and direction for Business Intelligence (BI) and analytics to facilitate data-informed decision making at both the institutional and systemwide levels. These capabilities are required to support many of the provisions of 2020*FWD*.

In the coming year, improving the Information Security posture of the UW System will continue to be a major priority for both the institutions and UW System Administration. Within the last year, the Board of Regents created Regent Policy Document 25-5 on information security, which charges the UW System to develop and maintain a comprehensive information security program.

In response, the CIO Council and subject matter experts at the UW System institutions developed five UW System Administration Policies and Procedures that were signed by President Cross in September 2016. The policies cover the following information security domains:

- 1030 Authentication
- 1031 Data Classification
- 1032 Awareness
- 1033 Incident Response
- 1034 Acceptable Use

In the coming year, considerable efforts will be spent on implementing these policies at the institutions and developing two additional policies to support the above. Meanwhile UW-Madison is currently implementing Advanced Threat Protection (APT) technologies while UW System Administration and other institutions are researching similar options to aid in proactively detecting, investigating and responding to attacks on IT resources. The expanded use of multifactor authentication technologies is also being pursued so that access to important assets will require more than just a user name and password.

In addition to the Large/Vital Information Technology projects that are covered in a separate agenda item, a Request for Proposals (RFP) is being released this year for new digital learning environment technology that will be used by instructors and students. The results of the RFP process may result in a major project to replace the current technology with a new platform.

The detailed campus IT strategic plans can be found by following the link:

<https://www.wisconsin.edu/systemwide-it/strategic-plans>

RELATED REGENT POLICIES

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

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

EXECUTIVE SUMMARY

BACKGROUND

Section 36.59, Wis. Stats., requires that no later than March 1 and September 1 of each year, the Board of Regents submit to the joint committee on information policy and technology a report that documents each information technology project within the system with an actual or projected cost greater than \$1,000,000 or that the board has identified as a large, high-risk information technology project.

Regent Policy Document 25-4 implements the requirements of s. 36.59, Wis. Stats., which coordinates information technology strategic planning across the UW System, and specifies management and reporting requirements related to large or high-risk information technology projects.

REQUESTED ACTION

This report is for information only.

DISCUSSION

Attached are the progress reports on the UW System's major information technology projects, which are UW-Stevens Point's conversion from a legacy student information system to Oracle PeopleSoft Campus Solutions version 9.2; the replacement of the legacy Interactive Reporting tool with Oracle Business Intelligence Enterprise Edition (OBIEE); the upgrade of the Human Resources System to Oracle PeopleSoft Human Capital Management version 9.2; and the selection and implementation of a new Budget Planning and Forecasting System (BPFS).

The following dashboards indicate that all four projects are on time and on budget except for the following concerns about the replacement of the legacy Interactive Reporting tool with OBIEE. This project will require major restructuring of the data supplied by the Human Resources System (HRS) and Shared Financial System (SFS.). In addition, the institutions will need to expend considerable efforts restructuring the data coming from their Student Information Systems (SIS). Therefore, implementation planning activities that were facilitated by Huron Consulting resulted in the decision to extend the maintenance of Interactive Reporting from June 2017 to April 2018. The Oracle Hyperion Enterprise Performance Management (EPM) reporting system currently in use for HRS also needs to be replaced which

presents a budget risk. Turnover of staff at the institutions results in a loss of continuity and the need for retraining, presenting a resource risk. The individual project dashboards attached provide additional information and details on the status of each of these major projects.

RELATED REGENT POLICIES

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

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 system 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/co-requisite 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.

Adding the above feature sets to the legacy student information system, while possible, 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 student information system 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, College Scheduler; Housing, Ellucian Recruiter. All these integrations have been completed and are ready for go-live.

Not in project scope:

- Recruitment – move to new CRM planned for FY18
- Housing – move to new system tentatively planned for FY18
- Judicial – no replacement planned, cloud-based software as a service.
- Student Organization Management – replaced in FY16, cloud-based software as a service.
- Business Intelligence (BI) –A key interdependency for this project is the implementation of a business intelligence system for the campus. We plan to utilize the Oracle OBIEE system. While that product is being built out, UWSP will replace operational reporting using Campus Solutions Query and Microsoft Power BI. Report deployments will be just in time following the go-live of modules.

A cornerstone principle of the project is to minimize customizations. This is being done to 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 the business process 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 \$150,000 – 200,000 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		

Project Status Dashboard:	Green	Yellow	Red
<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	Completed
Project Plan	Completed
Project Budget	Within budget constraints.
Quality Assurance Plan	Completed

Notes:

- As a result of the Needs Assessment/Fit Gap completion the following sub-projects were surfaced and are running parallel to the overall Campus Solutions implementation. While these projects were not initially planned, they were deemed essential to the Campus Solutions project successful completion. It should be noted that the campus did intend to address these projects at a future point in time and has simply accelerated the deployments. No UW System project dollars are being used to address these additional projects.
 - Implementation of a new payment gateway to move from three vendors providing various services to one vendor. The payment gateway product is hosted which provides UWSP with PCI Level III compliance for transactions performed through this system. This project will simplify the Campus Solutions install and overall maintenance. It will also accelerate the institution's efforts to finalize PCI Level III compliance. This project will also result in an overall reduction in cash and payment collection points across the campus. The project will cost \$60,000 initially and will have recurring annual subscription charges that will vary based on usage. UWSP will cover this expense.
 - Implementation of a data warehouse that will supply future operational reporting needs and also support third-party campus software applications that require data from Campus Solutions. Building this data warehouse to serve the third-party systems will significantly reduce the needed integrations into Campus Solutions. It will also result in data alignment across multiple systems and reduce integration maintenance when patches and fixes are received for Campus Solutions. The

architecture and data model are designed and a consulting firm is being engaged to support the buildout of this data warehouse. This cost is borne by UWSP.

- The EMS Software (a resource scheduling product) integration was a significant project as three separate systems existed to maintain room data. EMS will now be the central database for room utilization data on campus and will feed the Facilities Planning and Campus Solutions systems. The room database required a total review of inventory, room features and equipment for each instructional space on campus. This project is completed. There were no additional costs.
- The faculty course evaluation system was embedded in the legacy student information and will be replaced with a web hosted service model which will provide easier access to the data and reduce department costs to provide faculty/instructor feedback from students. This project must be completed by June 1st. This will cost approximately \$60,000 initially and \$20,000 annually. The cost will be covered by UWSP.

Despite these additional projects, the Campus Solutions implementation is on time and we have met several critical go-lives. At this point, most of the critical integrations are nearing completion. Thus far, there are fewer than 20 customizations and the current goal is to not exceed that number.

Project: Replacement of Interactive Reporting Tool (UWBI)

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 April 2018. 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 April 2018 (depending on each institution's engagement).

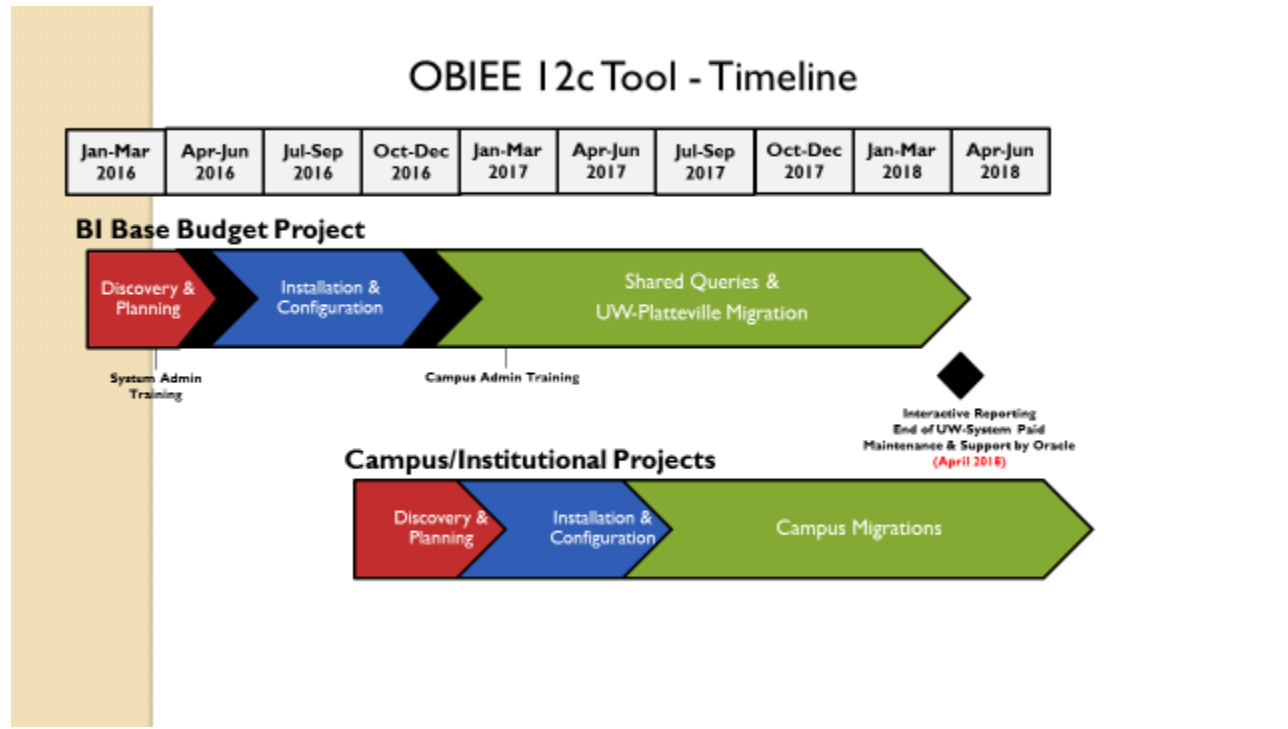
Through the Common Systems Review Group (CSRG) process, the UW System institutions are collectively funding the tool replacement, conversion of the system-wide shared queries and limited training for selected roles at each campus. Each institution is individually responsible for the assessment/conversion 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 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 - Pre-Approved Initiative # 1 OBIEE Foundation									
	FY16 (actual)	FY17 (budgeted)	FY18 (budgeted)	FY19 (budgeted)	FY20 (budgeted)	Total	Annual Recurring Cost Est.	Comments	
Previously Approved Project/ Initiative	Previously Approved Amounts						FY20	Year Approved: FY17	
	Service Costs								
	UWSA Salary and Fringes								
	DoIT Salary and Fringes	122,521	264,851	183,620	185,406	187,210	943,608	187,210	System Admin, Training Coordinator, Communications Specialist, Project Mgr
	Professional Services	110,000	508,120	308,010	103,030	104,060	1,133,220	104,060	QA staff, Installation Coordinator/Consultant, Testers/Consultants, Vendor Conversion of Shared Queries
	Training and S&E	49,933					49,933		Campus Admins Training - Vendor
	Non-labor Infrastructure	2,633	20,400	20,808	21,224	21,649	86,714	21,649	DoIT infrastructure (Faster) - hardware, storage, back up
	subtotal	285,087	793,371	512,438	309,660	312,919	2,213,475	312,919	
	SOFTWARE COSTS								
	License	314,994	215,000				529,994		
Maintenance	82,899	122,000	136,000	137,000	142,000	619,899	147,000		
subtotal	397,893	337,000	136,000	137,000	142,000	1,149,893	147,000		
Less other funding sources									
Initiative Total:	682,980	1,130,371	648,438	446,660	454,919	3,363,368	459,919		

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	X**	
<u>Other Issues (Staffing, Risks, etc.):</u>		X***	

Notes:

* Schedule Status – Implementation planning was assisted by Huron Consulting and resulted in extending maintenance for Interactive Reporting until April 2018.

** Budget Status – During the discovery phase, it was determined that EPM reporting tool for HRS is out of support and additional investment will be needed to convert the shared queries.

*** Other Issues – Institutional resource turnover and retraining of new staff is a risk during the migration phase

Status of Planning and Documentation:

	Status
Governance structure	Completed
Project Charter	Completed
Communication Plan	Completed
Project Plan	Developed for Shared queries. Implementation Plans being developed for each campus/institution
Project Budget	BI Base Budget confirmed Additional BI Funding request from CSRG to assist campus/institutional implementations
Quality Assurance Plan	In progress at campus/institutional level

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)*

HRS 9.2 Upgrade	2016												2017		
	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
<u>\$ 500,000</u>	Backfill to support Service Center operations during upgrade
\$7,526,755	

Source of Funds: UW System Administration

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

	Green	Yellow	Red:
Schedule Status: The project team is completing testing efforts and will confirm the cutover schedule in mid-February. The target cutover date for the upgraded system remains February 27, 2017.	X		

	Green	Yellow	Red:
<u>Scope Status:</u> The scope objectives as described above will be met.	X		
<u>Budget Status:</u> Project expenditures are tracking as planned.	X		
<u>Other Issues (Staffing, Risks, etc.):</u> The Service Center is balancing upgrade efforts, along with operational work. The Service Center has hired three contract workers to assist with operations and the Sierra-Cedar team is assisting with upgrade work.	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: 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 the System office. 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 detailed 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
- 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 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 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:

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

UW System Trust Funds
Exception to Board Policy on
Large Unendowed Bequests/Gifts
for the Louis and Annette Kaufman Bequest

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.g.

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 Louis and Annette Kaufman bequest.

**UW SYSTEM TRUST FUNDS
EXCEPTION TO BOARD POLICY ON LARGE UNENDOWED BEQUESTS
FOR THE LOUIS AND ANNETTE KAUFMAN BEQUEST**

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 \$1,000,000 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.g, request for expenditure of principal.

DISCUSSION

A partial distribution of \$1.4 million has been received from the Louis and Annette Kaufman Family Revocable Trust. Further distributions are expected to bring the total of the bequest to approximately \$3.4 to \$3.6 million. The Seventh (and final) Comprehensive Amendment to the Louis and Annette Kaufman Family Revocable Trust states the following:

Under section B. GIFTS OF ART:

5. Pre-Columbian, African, Alaskan and Eskimo Art and Sculpture:

“To University of Wisconsin, all pre-Columbian, African, Alaskan and Eskimo art and sculpture. Any items not accepted by said institution shall be sold by the trustee and the proceeds of such sale shall be added to and become part of the residue of the trust estate.”

Under section E. THE RESIDUE:

“1. The trustee shall sell the rest, residue and remainder of the trust estate and distribute the proceeds, less all costs of administration, among the institutions in the percentages set forth below. With respect to each residuary gift, the institution shall establish a fund to be known as the ‘LOUIS AND ANNETTE KAUFMAN FUND,’ that shall be used for the purpose(s) set forth, or if no purpose is set forth, for charitable or educational

purposes consistent with those conducted by the institution as of the date of this instrument.

2. (i) Twenty percent (20%) to The University of Wisconsin, Madison, Wisconsin.”

Please note that the estate’s special co-executor for art has already worked with the Director and the Collections Registrar of the Chazen Museum regarding the art and sculpture gifts. As the Chazen’s only interest was in pre-Columbian pieces, and there were very few of these items remaining in the Trust, the Chazen has declined to take possession of any residual art. The Collections Registrar did note to the special co-executor that the Chazen has received 178 works of art from the Trust over the years.

Regarding the donors themselves, an internet search will produce much information about their storied lives and careers. The following is Louis’s obituary in the New York Times, dated February 12, 1994:

“Louis Kaufman, a violinist who made the first complete domestic recording of Vivaldi’s ‘Four Seasons,’ died on Wednesday at his home in Los Angeles. He was 88. The cause was congestive heart failure, said his wife, Annette, a pianist who was also his accompanist. In a career spanning nearly seven decades, Mr. Kaufman made more than 125 recordings on 30 different labels. His recording of the original version of Vivaldi’s ‘Four Seasons’ for the Concert Hall Society won the 1950 Grand Prix du Disque and helped spark a renewed interest in the composer’s music. He was also the concertmaster [often performing as a soloist] for more than 400 movie soundtracks from 1938 to 1948, including ‘Gone With the Wind,’ ‘Wuthering Heights’ and ‘Cleopatra.’ Mr. Kaufman was born in Portland, Ore. He came to New York in 1918 to study at the Institute of Musical Art (now the Juilliard School), where he graduated with honors. He is survived by his wife.”

Following is Annette (Leibole) Kaufman’s obituary in the New York Times, dated January 31, 2016:

“A passion for music set Annette Kaufman on a fairy-tale course from North Dakota to a conservatory in NYC where she met and fell in love with Louis Kaufman, married him at the age of 18 – and seldom left his side for the next 62 years. Mr. Kaufman, a Hollywood legend, played principal violin in over 500 films including Casablanca and Gone with the Wind. In his 2003 memoir, A Fiddler’s Tale, he wrote that upon his proposal of marriage, Annette replied that she would like to be his accompanist. For the next 62 years, she was. They lived in Los Angeles, CA in a house designed for them by Lloyd Wright where, at the age of 101, Mrs. Kaufman died peacefully on January 25, 2016. The Kaufmans were well known in the Los Angeles pre-and post-war cultural scene. They were the first collectors of Milton Avery and, being softhearted and generous, helped many struggling painters during Depression-era America. In Brussels after the war, they were shown an obscure piece of music by Vivaldi, The Four Seasons; Mr. Kaufman became the first person to record it. A generous benefactor to many cultural institutions including the Library of Congress, the National Portrait Gallery and

the Portland Art Museum, Annette was a vivid raconteur of a time in Europe and Los Angeles that, while largely faded from memory, lived on in her ebullient recounting of it.”

Regarding the memoir mentioned above, Annette published Louis’s memoir, *A Fiddler’s Tale – How Hollywood and Vivaldi Discovered Me*, through the University of Wisconsin Press in September 2003, with Louis as principal author and Annette as co-author.

Chancellor Blank of UW-Madison is requesting an exception to Regent Policy 31-15 to allow for the expenditure of the principal of this bequest. The attached letter from the Chancellor indicates that the bequest will become the “Louis and Annette Kaufman Fund,” which will be used in part to expand their Educational Innovation Initiative and to support elements of the new Hamel Music Center project.

RELATED REGENT POLICIES

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



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

January 12, 2017

Mr. Douglas Hoerr
Director of Trust Funds
Trust Fund Operations
780 Regent Street, Suite 305
Madison, WI 53715

Dear Mr. Hoerr:

The Chancellor's Office is pleased to receive the \$1.4 million partial distribution of the bequest from the Louis and Annette Kaufman Family Revocable Trust. We are honored that the Kaufmans chose to direct a portion of their estate to the University of Wisconsin-Madison.

We would like to respectfully request that the full balance of the bequest and all future distributions be classified as 'undesignated' and deposited into a new account in A01-1010 entitled the "Louis and Annette Kaufman Fund," as requested by the donors.

During these times of significant financial constraints, UW-Madison has been increasingly reliant on unrestricted gift aid to make strategic investments in the University's future. This gift will be used in part to expand our Educational Innovation Initiative. During the most recent biennial budget cycle we have had to scale back our ambitions for how quickly we could move this work forward, given limited funding. These funds will allow us to bring new technologies and teaching innovations into the classroom and allow us to fund more and faster development of several valuable online courses. In addition, a portion of future distributions will be used to support elements of the new Hamel Music Center project, which will house the Mead Witter School of Music – a fitting investment given Louis and Annette Kaufman's distinguished careers in the performing arts.

Thank you in advance for your consideration of this request.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Blank".

Rebecca M. Blank
Chancellor

cc: Laurent Heller

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

Approval of Salary Range Exceeding
75% of the President's Salary
Dean of the School of Business
University of Wisconsin - Madison

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.h.

That, upon recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, UW-Madison be authorized to recruit for a Dean of the School of Business at a salary that may exceed 75% of the UW System President's current salary, up to a maximum of \$475,000. Pursuant to Regent Policy Document 6-3, the Board of Regents authorizes the President of the University of Wisconsin System to approve the appointment and the salary for this position.

February 3, 2017

Agenda Item I.2.h.

**APPROVAL OF SALARY RANGE EXCEEDING 75% OF THE UW SYSTEM
PRESIDENT'S SALARY (UW-MADISON SCHOOL OF BUSINESS DEAN)**

BACKGROUND

Regent Policy Document 6-3 requires an institution to request authorization from the Board of Regents to recruit for any faculty, academic or limited staff position at a salary that may exceed 75% of the UW System President's salary. Unless the Regents request that the appointee be considered by the Board, the President is authorized to approve the appointment in consultation with the UW-Madison Chancellor, if the salary to be offered to the appointee exceeds 75% of the President's salary.

REQUESTED ACTION

Approval of Resolution I.2.h.

DISCUSSION

The incumbent in the position of Dean of the UW-Madison School of Business will lead the advancement of the school through its education programs and research initiatives for undergraduates, master's students, doctoral students, and other learners. The dean serves as the chief academic and executive officer of the School of Business and carries responsibility for planning and managing a budget of \$69 million; curriculum; faculty and staff development; personnel oversight; and student academic affairs for 80 faculty, 244 professional and other university staff, and 3,220 students. Supporting recruitment and market data for similar positions across UW-Madison peer institutions is attached.

Market data for similar positions across UW-Madison peer institutions show salary levels ranging from \$276,756 up to \$616,621, with a median of \$460,000. The most recent UW-Madison Dean of the Business School's salary was \$426,606 and exceeded 75% of the President's salary.

RELATED REGENT POLICIES

Regent Resolution 8168
Regent Policy Document 6-3