

5/31/2017

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.6. Joint Meeting of the Business and Finance and Audit Committees

Thursday, June 8, 2017
8:15 a.m. – 8:55 a.m.
UW-Milwaukee
2200 East Kenwood Blvd.
UWM Union, Fireside Lounge, 1st Floor
Milwaukee, Wisconsin

Convene in open session and move into closed session to discuss information security audit findings and responses as required by s. 19.85(1)(e), Wis. Stats.

I.2. Business and Finance Committee

Thursday, June 8, 2017
9:00 a.m. – 10:30 a.m.
UW-Milwaukee
2200 East Kenwood Boulevard
UWM Union Ballroom West, 1st Floor
Milwaukee, Wisconsin

- a. Approval of the Minutes of the April 6, 2017 Meeting of the Business and Finance Committee
- b. UW-Milwaukee Presentation – *UWM's Response to Fiscal Challenge: Progress Under Pressure*
- c. Review and Approval of Application of the Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 (Pub. L No 114-315) within the University of Wisconsin System
[Resolution I.2.c.]
- d. UW-Milwaukee Contractual Agreement – Johnson Controls Battery Group, Inc.
[Resolution I.2.d.]
- e. UW-Madison Contractual Agreement –Dow Chemical Company
[Resolution I.2.e.]

- f. UW-Madison Contractual Agreement – CSL Behring LLC
[Resolution I.2.f.]
- g. UW-Madison Contractual Agreement – Karyopharm Therapeutics Inc.
[Resolution I.2.g.]
- h. UW-Madison Contractual Agreement – Astellas Pharma Global Development, Inc.
[Resolution I.2.h.]
- i. UW-Madison Contractual Agreement – GlaxoSmithKline LLC
[Resolution I.2.i.]
- j. UW-Madison Contractual Agreement – Fast-Track Drugs and Biologics, LLC
[Resolution I.2.j.]
- k. Quarterly Gifts, Grants and Contracts Report – FY2017 (3rd Quarter)
- l. Financial Management Report – FY2017 (3rd Quarter)
- m. Report of the Subcommittee on Investments
- n. Report of the Vice President(s)
 - Information Security Update

Endorsement of the Veterans
Health Care and Benefits
Improvement Act of 2016

BUSINESS AND FINANCE COMMITTEE

Resolution

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the application of the Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 (Pub. L No 114-315) within the University of Wisconsin System. This Act requires that certain eligible non-resident students using federal Post-9/11 GI Bill benefits transferred from active duty members of the uniformed services be charged the same tuition as Wisconsin residents pursuing the same course or program, effective July 1, 2017. In addition, the Act aligns federal law with current UW system practice by eliminating a requirement on an individual using the Marine Gunnery Sergeant John David Fry Scholarship to enroll within three years of a service member's death, and it eliminates an eligibility provision that required a deceased service member to have served at least 90 days on active duty.

UW SYSTEM SUPPORT & IMPLEMENTATION OF THE VETERANS HEALTH CARE AND BENEFITS IMPROVEMENT ACT OF 2016

BACKGROUND

In February 2015, the Board of Regents approved the application of the Veterans Access, Choice and Accountability Act of 2014 (“Choice Act”) which required public institutions of higher education to assess tuition to qualifying non-resident veterans and children and spouses using federal Veterans Administration (VA) benefits at a rate no higher than the rate assessed to in-state residents. The original Choice Act covered non-resident veterans living in the state who enroll within three years of discharge from a period of active duty service of 90 days or more. In addition, qualifying spouses and children using VA benefits transferred from a veteran also received coverage under the original Choice Act.

Section 417 of the Veterans Health Care and Benefits Improvement Act of 2016 (“Improvement Act”) expands the scope of the Choice Act by amending 38 U.S.C. 3679(c) of federal code to include a non-resident child or spouse using VA benefits, specifically the Post-9/11 GI Bill, transferred from an *active duty military service member*, and requires¹ they be charged at a rate no higher than in-state residents. The Act also requires the VA to suspend tuition payments to institutions that charge eligible students nonresident rates. As a part of their implementation process, the federal VA has requested governing bodies reflect the Improvement Act expansion in policy documents.

REQUESTED ACTION

Approval of Resolution I.2.c.

DISCUSSION

Whether the product of legislative intent or simply an oversight, coverage for spouses and children of active duty service members was not a feature of the Choice Act. In the case of the Post-9/11 GI Bill, active duty service members with three years or more of service are entitled to the benefit and, if they choose not to use some or all of the benefit themselves, can transfer entitlement to a child or spouse. The Improvement Act requires that a child or spouse using

¹ The Improvement Act effectively mandates compliance under Section 414 by requiring the VA to disapprove programs of education under the Post-9/11 GI Bill at any institution that assesses tuition to non-resident qualifying students at a rate in excess of that assessed to resident students. A disapproval by the VA results in the suspension of monthly housing and support payments to all students who are using Post-9/11 at the non-compliant institution. In addition, tuition and fees paid directly to an institution under the Post-9/11 GI Bill will be suspended.

transferred Post-9/11 GI Bill benefits also be charged at rate no higher than what is charged to a Wisconsin resident as of July 1, 2017.

The Improvement Act provides an additional benefit to Wisconsin's strong benefit array for service members, veterans and their families. Key institutional staff including Veterans Certifying Officials, Bursars and Registrars are well prepared to implement the Improvement Act in part because established guidance developed for the Choice Act applies to the new population covered by the Improvement Act. UW System Administration provides the following guidance to facilitate uniform administration of the Improvement Act:

- Defining initial enrollment as equivalent to the date of matriculation (the date on which students may first register for classes) or the date of a paid enrollment deposit, whichever is earlier for qualifying students.
- Defining continuous enrollment to include students transferring from or between UW or Wisconsin Technical College System institutions in acknowledgement of the number of students who routinely move between institutions.
- Allowing breaks in enrollment of up to two standard academic terms to recognize that family and financial obligations frequently require non-traditional students such as spouses of active duty service members to "stop out" and re-enroll.
- Extending in-state tuition treatment to recipients of the Fry Scholarship without regard to the date of death of the service member. The Fry Scholarship is awarded to children and surviving spouses of service members who die in the line of duty after Sept. 10, 2001.
- Extending coverage to qualifying students who are participating in institutionally sponsored or approved programs including internships, study abroad and the national student exchange.
- Informing qualifying students about the requirements to become bona fide residents for tuition purposes and encouraging the pursuit of residency.
- Applying resident rates to qualifying students through functionality in PeopleSoft under pages commonly labeled "Additional Residency Data."
- Recommending close collaboration between the Veterans Certifying Official (VCO), Registrar and Admissions Offices to determine eligibility for coverage under the Choice Act.

RELATED REGENT POLICES

Regent Policy Document 32-1: *Delegation of Authority Regarding Residence Classification*

UW-Milwaukee Contractual Agreement
with Johnson Controls Battery Group, Inc.

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Milwaukee 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-Milwaukee, and Johnson Controls Battery Group, Inc.

**UW-MILWAUKEE CONTRACTUAL AGREEMENT
WITH JOHNSON CONTROLS BATTERY GROUP, INC.**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy requires that 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

Approval of Resolution I.2.d.

DISCUSSION

The College of Engineering and Applied Science and the Office of Sponsored Programs at the University of Wisconsin-Milwaukee have negotiated a Master Agreement with Johnson Controls Battery Group, Inc.

Under this agreement, individual Work Statements are issued for a variety of engineering fields which are of interest to Johnson Controls due to their expertise in the area of energy storage. This current Master Agreement is set to expire June 30, 2020. The University is now expected to receive additional Work Statements which will take the cumulative total under the agreement over the Board of Regent’s \$1,000,000 approval requirement.

To date, the University has received three Work Statements for a total of \$477,878 in expected research revenue. In addition, the University has two pending Work Statements in the amount of \$558,429 and \$31,700. It also anticipates additional Work Statements in the future for projects yet to be determined. Upon Regent approval, the pending Work Statements will be awarded to Dr. Deyang Qu, Department of Mechanical Engineering in the College of Engineering & Applied Science.

Details of the existing and pending Work Statements are as follows:

Principal Investigator	Amount	Dates	Title
Qu, Deyang	\$250,000	10.1.15 – 9.30.17	Development of Aprotic Electrolyte with Wide Temperature Range for Li-ion Battery Applications

Church, Ben	\$129,000	12.14.15-12.31.17	Improved Dynamic Charge Acceptance – Rapid Screening & Fundamental Mechanisms
Niu, Junkie	\$98,878	5.1.16-6.30.17	Designing Novel PbOx Cage Anode To Improve the Charge Acceptance and Capacity Retention of Lead-Acid Battery In Start-Stop Vehicles
Qu, Deyang	\$558,429*	2.1.17 -7.30-19	Electrolyte Additives in AGM Lead-Acid Batteries
Qu, Deyang	\$31,700*	2.15.17-6.14.17	Evaluation of Lead Grids Manufactured with Different Techniques
	\$1,068,007		

*Pending Work Statements

UW-Milwaukee is seeking Board of Regents approval to accept cumulative Work Statements in excess of \$1,000,000 under the Master Agreement with Johnson Controls Battery Group, Inc.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with Dow Chemical Company

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 Master contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and the Dow Chemical Company.

**UW-MADISON DEPARTMENTS OF CHEMISTRY AND CHEMICAL ENGINEERING
MASTER CONTRACTUAL AGREEMENT
WITH DOW CHEMICAL COMPANY**

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.e., approving the Master contractual agreement between the Board of Regents and the Dow Chemical Company.

DISCUSSION AND RECOMMENDATIONS

The College of Letters & Science, with assistance from the Office of Industrial Partnerships at the University of Wisconsin-Madison, has negotiated a three-year research agreement with the Dow Chemical Company to perform a research project focused on producing new polyolefin products with improved properties. In consideration for performing the requested research project, the Dow Chemical Company will pay the University \$389,083 in the first year, \$329,083 in the second year, and \$329,083 in the third year. The total value of the research agreement (\$1,047,249) exceeds \$1,000,000. The research project will be conducted in the Department of Chemistry under the direction of Professor Clark Landis.

The University and the Dow Chemical Company have agreed that the Terms and Conditions of the research agreement for Professor Landis will not only govern the research project described above but will serve as a Master agreement for future research projects between the chemical catalysis research groups in the University's Departments of Chemistry and Chemical Engineering and the Dow Chemical Company. Therefore, the Board of Regents is requested to approve these Terms and Conditions as a Master research agreement for research projects between the Dow Chemical Company and the catalysis research groups in the University's Departments of Chemistry and Chemical Engineering.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with CSL Behring 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 CSL Behring LLC.

June 9, 2017

Agenda Item I.2.f.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH CSL BEHRING LLC**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy requires that 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 CSL Behring LLC.

DISCUSSION AND RECOMMENDATIONS

The University of Wisconsin-Madison School of Medicine and Public Health, with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Master Clinical Trial Agreement with CSL Behring LLC. CSL Behring LLC develops, manufactures, and markets protein-based therapies in the following areas: bleeding disorder therapies, fluid replacement therapies, hereditary angioedema therapies, immunoglobulin therapies, pulmonary therapies, and wound healing therapies. In consideration for the requested clinical research, CSL Behring LLC could potentially pay the University in excess of \$1,000,000. The research projects are anticipated to be conducted during the period from June 15, 2017 through completion of the studies.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with Karyopharm Therapeutics Inc.

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Karyopharm Therapeutics Inc.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH KARYOPHARM THERAPEUTICS INC.**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy requires that 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.g., approving the contractual agreement between the Board of Regents and Karyopharm Therapeutics Inc.

DISCUSSION AND RECOMMENDATIONS

The University of Wisconsin-Madison School of Medicine and Public Health, with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Master Clinical Trial Agreement with Karyopharm Therapeutics Inc. Karyopharm Therapeutics Inc. specializes in investigating a new class of drug candidates that show promise as a treatment against cancer. In consideration for the requested clinical research, Karyopharm Therapeutics Inc. could potentially pay the University in excess of \$1,000,000. The research projects are anticipated to be conducted during the period from June 15, 2017 through completion of the studies.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with Astellas Pharma Global Development, Inc.

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Astellas Pharma Global Development, Inc.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH ASTELLAS PHARMA GLOBAL DEVELOPMENT, INC**

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.h., approving the contractual agreement between the Board of Regents and Astellas Pharma Global Development, Inc.

DISCUSSION AND RECOMMENDATIONS

The University of Wisconsin-Madison School of Medicine and Public Health (SMPH), with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Master Clinical Trial Agreement with Astellas Pharma Global Development, Inc. Astellas is a pharmaceutical company that develops innovative medicines for the key therapeutic areas of cardiology, immunology, infectious disease, neuroscience, oncology, and urology, and entering into this Master Agreement will enable SMPH to quickly launch clinical studies for Astellas in those therapeutic areas. In consideration for providing the requested clinical research, Astellas Pharma Global Development, Inc. could potentially pay the University in excess of \$1,000,000. The research projects are anticipated to be conducted during the period from June 10, 2017 through completion of the studies.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with GlaxoSmithKline 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 GlaxoSmithKline LLC.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH GLAXOSMITHKLINE LLC**

EXECUTIVE SUMMARY

BACKGROUND

UW System Board of Regents policy requires that 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.i., approving the contractual agreement between the Board of Regents and GlaxoSmithKline.

DISCUSSION AND RECOMMENDATIONS

The School of Medicine and Public Health, with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Sponsored Research Agreement with GlaxoSmithKline. In consideration for providing the requested research, GlaxoSmithKline shall pay the University \$3,935,116. The research project is anticipated to be conducted during the period from July 1, 2017 through the completion of the study. The research will be conducted in the Inner City Asthma Consortium under the direction of Dr. Daniel Jackson.

The study is titled, "Mechanisms Underlying Asthma Exacerbations Prevented and Persistent with Immune-Based Therapy: A Systems Approach Phase 2". The research will be an NIH-sponsored clinical trial related to new treatments for asthma in urban children.

RELATED REGENT POLICIES

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

UW-Madison Contractual Agreement
with Fast-Track Drugs & Biologics, 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 Fast-Track Drugs & Biologics, LLC.

**UW-MADISON CONTRACTUAL AGREEMENT
WITH FAST-TRACK DRUGS & BIOLOGICS, 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.j., approving the contractual agreement between the Board of Regents and Fast-Track Drugs & Biologics, LLC.

DISCUSSION AND RECOMMENDATIONS

The School of Medicine and Public Health, with assistance from the Office of Industrial Partnerships at the University of Wisconsin-Madison, has negotiated a Service Agreement with Fast-Track Drugs & Biologics, LLC. Fast-Track Drugs & Biologics, LLC is a contract research organization providing strategic planning, clinical trial, and regulatory support services to the pharmaceutical and biotech industries for the development and licensure of vaccines and therapeutics for human diseases. The services provided to Fast-Track by the UW are in support of a Department of Defense-funded clinical trial testing a new malaria vaccine. The services will be provided by the Fundus Photograph Reading Center under the direction and supervision of Dr. Barbara Blodi. Work under the agreement is expected to be performed over a period of approximately 39 months. In consideration for the requested services, Fast-Track Drugs & Biologics, LLC will pay the University \$1,743,706.

RELATED REGENT POLICIES

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

June 8, 2017

Agenda Item I.2.k.

QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2016 THROUGH MARCH 31, 2017

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 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 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 nine-month period July 1, 2016, through March 31, 2017. Total gifts, grants, and contracts for the period were approximately \$1.053 billion; this is a decrease of \$66.6 million from the same period in the prior year. Federal awards decreased \$84.0 million, while non-federal awards increased by \$17.4 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 (Third Quarter)**

Institution	TOTAL AWARDS - ALL CATEGORIES								
	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	1,053,489,436	1,120,066,976	(66,577,539)	623,498,378	707,481,960	(83,983,582)	429,991,058	412,585,016	17,406,042
Madison	814,734,285	855,136,416	(40,402,131)	436,172,299	495,025,141	(58,852,842)	378,561,986	360,111,275	18,450,711
Milwaukee	69,062,932	70,603,275	(1,540,342)	57,890,603	60,402,692	(2,512,088)	11,172,329	10,200,583	971,746
Eau Claire	9,296,855	15,049,446	(5,752,591)	8,696,656	14,461,209	(5,764,553)	600,199	588,237	11,962
Green Bay	8,922,344	8,637,518	284,825	7,409,166	6,328,479	1,080,687	1,513,178	2,309,040	(795,862)
La Crosse	10,133,981	11,726,812	(1,592,831)	9,433,579	10,762,457	(1,328,878)	700,402	964,355	(263,953)
Oshkosh	19,497,183	17,399,120	2,098,063	16,962,942	15,157,912	1,805,030	2,534,241	2,241,208	293,033
Parkside	8,690,531	9,610,587	(920,056)	7,993,140	8,543,742	(550,602)	697,391	1,066,845	(369,454)
Platteville	1,399,759	9,716,436	(8,316,677)	1,368,540	8,867,818	(7,499,278)	31,219	848,618	(817,399)
River Falls	9,885,252	10,406,524	(521,272)	8,364,343	8,561,658	(197,315)	1,520,909	1,844,866	(323,957)
Stevens Point	18,909,868	19,826,449	(916,582)	14,238,617	15,318,004	(1,079,387)	4,671,251	4,508,445	162,805
Stout	15,715,536	17,297,868	(1,582,333)	13,339,770	15,397,888	(2,058,118)	2,375,766	1,899,981	475,785
Superior	4,790,622	5,567,600	(776,978)	4,108,550	4,788,844	(680,294)	682,072	778,756	(96,684)
Whitewater	16,472,187	17,641,872	(1,169,685)	12,753,911	14,816,593	(2,062,681)	3,718,275	2,825,279	892,997
Colleges	12,698,854	16,002,631	(3,303,777)	12,031,337	15,258,037	(3,226,700)	667,517	744,594	(77,077)
Extension	33,279,248	34,453,208	(1,173,960)	12,734,924	12,800,272	(65,348)	20,544,323	21,652,936	(1,108,612)
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 2016-17	Federal		Fiscal Year 2016-17	Non Federal	
		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)
Total	805,369,098	816,363,625	(10,994,526)	466,837,918	494,633,870	(27,795,952)	338,531,180	321,729,754	16,801,426
Madison	725,166,548	737,442,229	(12,275,680)	420,481,930	449,141,586	(28,659,656)	304,684,618	288,300,643	16,383,975
Milwaukee	28,038,574	27,683,641	354,933	19,746,172	20,216,609	(470,437)	8,292,402	7,467,032	825,370
Eau Claire	2,014,153	1,849,635	164,518	1,413,987	1,595,344	(181,357)	600,166	254,291	345,875
Green Bay	2,337,406	1,030,156	1,307,250	2,010,575	756,173	1,254,402	326,831	273,983	52,848
La Crosse	1,334,396	1,878,899	(544,503)	651,793	958,320	(306,527)	682,603	920,579	(237,976)
Oshkosh	3,306,906	2,537,212	769,693	2,581,220	1,561,239	1,019,981	725,686	975,973	(250,287)
Parkside	70,202	479,751	(409,549)	0	0	0	70,202	479,751	(409,549)
Platteville	787,620	233,792	553,828	764,852	124,972	639,880	22,768	108,820	(86,052)
River Falls	660,104	742,104	(82,000)	598,287	512,855	85,432	61,817	229,249	(167,432)
Stevens Point	5,076,236	3,735,567	1,340,669	1,800,079	880,595	919,484	3,276,157	2,854,972	421,185
Stout	4,202,431	4,576,289	(373,858)	3,495,011	4,251,355	(756,344)	707,420	324,935	382,486
Superior	404,351	1,964,815	(1,560,464)	311,374	1,625,740	(1,314,366)	92,977	339,075	(246,098)
Whitewater	1,547,896	380,525	1,167,371	237,314	184,303	53,011	1,310,582	196,222	1,114,360
Colleges	20,149	46,274	(26,125)	10,399	24,508	(14,109)	9,750	21,767	(12,017)
Extension	30,402,126	31,782,735	(1,380,608)	12,734,924	12,800,272	(65,348)	17,667,202	18,982,462	(1,315,261)
System Administration	0	0	0	0	0	0	0	0	0

INSTRUCTION									
Institution	Fiscal Year 2016-17	Total		Fiscal Year 2016-17	Federal		Fiscal Year 2016-17	Non Federal	
		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)
Total	35,946,118	39,786,709	(3,840,591)	22,229,837	26,636,718	(4,406,881)	13,716,281	13,149,991	566,290
Madison	20,239,745	23,958,361	(3,718,616)	9,491,201	14,112,124	(4,620,923)	10,748,545	9,846,237	902,308
Milwaukee	3,502,274	2,583,410	918,864	3,302,305	2,483,410	818,895	199,969	100,000	99,969
Eau Claire	954,587	1,559,363	(604,776)	954,558	1,226,756	(272,198)	29	332,607	(332,578)
Green Bay	1,321,629	1,874,763	(553,134)	940,801	1,011,213	(70,412)	380,828	863,550	(482,722)
La Crosse	12,053	20,354	(8,301)	9,038	18,504	(9,466)	3,015	1,850	1,165
Oshkosh	8,881,425	6,566,779	2,314,646	7,072,869	5,780,044	1,292,825	1,808,556	786,735	1,021,821
Parkside	241,709	640,787	(399,078)	0	290,737	(290,737)	241,709	350,050	(108,341)
Platteville	4,996	10,324	(5,328)	0	0	0	4,996	10,324	(5,328)
River Falls	1,945	1,500	445	0	0	0	1,945	1,500	445
Stevens Point	475,193	984,313	(509,120)	356,858	399,100	(42,242)	118,335	585,213	(466,878)
Stout	125,713	167,722	(42,009)	74,209	28,000	46,209	51,504	139,722	(88,218)
Superior	19,447	1,796	17,651	0	0	0	19,447	1,796	17,651
Whitewater	165,403	426,023	(260,620)	27,999	295,616	(267,617)	137,404	130,407	6,997
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

STUDENT AID									
Institution	Fiscal Year	Total	Increase	Fiscal Year	Federal	Increase	Fiscal Year	Non Federal	Increase
	2016-17	Fiscal Year	(Decrease)	2016-17	Fiscal Year	(Decrease)	2016-17	Fiscal Year	(Decrease)
	2015-16			2015-16			2015-16		
Total	140,299,880	191,242,494	(50,942,614)	126,446,056	176,120,923	(49,674,866)	13,853,824	15,121,572	(1,267,748)
Madison	12,303,285	38,241,956	(25,938,671)	4,029,380	28,203,426	(24,174,046)	8,273,905	10,038,530	(1,764,625)
Milwaukee	32,623,128	35,507,590	(2,884,462)	32,622,803	35,506,240	(2,883,437)	325	1,350	(1,025)
Eau Claire	6,328,116	11,640,448	(5,312,332)	6,328,111	11,639,109	(5,310,998)	5	1,339	(1,334)
Green Bay	4,796,777	4,963,610	(166,833)	4,457,580	4,550,858	(93,278)	339,197	412,752	(73,555)
La Crosse	7,755,295	8,811,174	(1,055,879)	7,755,295	8,811,174	(1,055,879)	0	0	0
Oshkosh	7,308,853	7,735,339	(426,486)	7,308,853	7,735,339	(426,486)	0	0	0
Parkside	8,306,622	8,453,978	(147,356)	7,993,140	8,253,005	(259,865)	313,482	200,973	112,509
Platteville	0	8,156,741	(8,156,741)	0	8,156,741	(8,156,741)	0	0	0
River Falls	7,999,951	8,467,495	(467,544)	6,918,083	7,225,528	(307,445)	1,081,868	1,241,967	(160,099)
Stevens Point	13,026,551	14,890,468	(1,863,918)	12,068,952	14,030,074	(1,961,122)	957,599	860,394	97,205
Stout	9,403,547	10,444,590	(1,041,043)	8,945,238	10,014,877	(1,069,639)	458,309	429,713	28,596
Superior	4,260,339	3,260,391	999,948	3,797,176	2,941,437	855,739	463,163	318,954	144,209
Whitewater	13,745,289	15,195,995	(1,450,706)	12,200,508	14,049,985	(1,849,477)	1,544,781	1,146,010	398,771
Colleges	12,442,128	15,472,718	(3,030,591)	12,020,938	15,003,129	(2,982,191)	421,190	469,589	(48,399)
Extension	0	0	0	0	0	0	0	0	0
System Administration	0	0	0	0	0	0	0	0	0

ALL OTHERS*									
Institution	Fiscal Year	Total	Increase	Fiscal Year	Federal	Increase	Fiscal Year	Non Federal	Increase
	2016-17	Fiscal Year	(Decrease)	2016-17	Fiscal Year	(Decrease)	2016-17	Fiscal Year	(Decrease)
	2015-16			2015-16			2015-16		
Total	71,874,340	72,674,148	(799,808)	7,984,567	10,090,449	(2,105,882)	63,889,773	62,583,699	1,306,074
Madison	57,024,706	55,493,870	1,530,836	2,169,788	3,568,005	(1,398,217)	54,854,919	51,925,865	2,929,053
Milwaukee	4,898,957	4,828,633	70,324	2,219,324	2,196,433	22,891	2,679,633	2,632,201	47,433
Eau Claire	0	0	0	0	0	0	0	0	0
Green Bay	466,531	768,989	(302,458)	210	10,235	(10,025)	466,321	758,754	(292,433)
La Crosse	1,032,238	1,016,385	15,853	1,017,454	974,459	42,995	14,784	41,926	(27,142)
Oshkosh	0	559,790	(559,790)	0	81,290	(81,290)	0	478,500	(478,500)
Parkside	71,999	36,072	35,927	0	0	0	71,999	36,072	35,927
Platteville	607,143	1,315,579	(708,436)	603,688	586,105	17,583	3,455	729,474	(726,019)
River Falls	1,223,252	1,195,425	27,827	847,973	823,275	24,698	375,279	372,150	3,129
Stevens Point	331,888	216,101	115,787	12,728	8,235	4,493	319,160	207,866	111,294
Stout	1,983,844	2,109,267	(125,423)	825,312	1,103,656	(278,344)	1,158,532	1,005,611	152,921
Superior	106,485	340,597	(234,112)	0	221,667	(221,667)	106,485	118,930	(12,445)
Whitewater	1,013,599	1,639,328	(625,729)	288,090	286,689	1,401	725,509	1,352,639	(627,131)
Colleges	236,577	483,638	(247,061)	0	230,400	(230,400)	236,577	253,238	(16,661)
Extension	2,877,121	2,670,473	206,648	0	0	0	2,877,121	2,670,473	206,648
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 (3rd Quarter)**

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, General Purpose Revenue (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 March 31, 2017. While there are significant variances within individual fund groupings, this third-quarter report shows expenses at approximately 75.5% of the Regent-approved budget, while revenues were at 85.1% of the budgeted level.

RELATED REGENT POLICIES

None

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

Tuition & Fees and GPR

Beginning Fund Balance						\$295,604,100
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$2,478,178,758	\$2,232,873,348	90.1%	\$2,486,293,553	100.3%	
Use of Balances	\$107,585,782			(\$4,947,565)	-4.6%	
Expenses	(\$2,585,764,540)	(\$1,880,906,423)	72.7%	(\$2,481,345,988)	96.0%	
Net (Rev. less Exp.)	\$0	\$351,966,924		\$0		
Projected Ending Fund Balance						\$300,551,665

Auxiliary Operations

Beginning Fund Balance						\$253,571,870
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$719,563,956	\$700,776,772	97.4%	\$670,070,772	93.1%	
Use of Balances	\$27,795,505			\$38,173,894	137.3%	
Expenses	(\$747,359,461)	(\$518,287,017)	69.3%	(\$708,244,666)	94.8%	
Net (Rev. less Exp.)	\$0	\$182,489,756		\$0		
Projected Ending Fund Balance						\$215,397,976

General Operations

Beginning Fund Balance						\$108,548,644
	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$275,813,560	\$276,903,210	100.4%	\$347,357,260	125.9%	
Use of Balances	\$12,456,754			\$34,844,242	279.7%	
Expenses	(\$288,270,314)	(\$295,098,072)	102.4%	(\$382,201,503)	132.6%	
Net (Rev. less Exp.)	\$0	(\$18,194,862)		\$0		
Projected Ending Fund Balance						\$73,704,402

Gifts, Grants, and Contracts

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$1,218,790,433	\$994,504,773	81.6%	\$1,289,344,615	105.8%	
Expenses	(\$1,218,790,433)	(\$892,055,471)	73.2%	(\$1,204,609,534)	98.8%	
Net (Rev. less Exp.)	\$0	\$102,449,302		\$84,735,081		

Other Funding

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$1,416,366,437	\$992,189,838	70.1%	\$1,323,790,899	93.5%	
Expenses	(\$1,416,366,437)	(\$1,135,639,170)	80.2%	(\$1,495,632,002)	105.6%	
Net (Rev. less Exp.)	\$0	(\$143,449,332)		(\$171,841,103)		

SUMMARY TOTAL OF ALL FUNDS

	Budgeted Amount	YTD	YTD%	Projected Total	% of Budget	
Revenue	\$6,108,713,144	\$5,197,247,941	85.1%	\$6,116,857,099	100.1%	
Use of Balances	\$147,838,041	\$0				
Expenses	(\$6,256,551,185)	(\$4,721,986,153)	75.5%	(\$6,272,033,692)	100.2%	
Net (Rev. less Exp.)	\$0	\$475,261,788		(\$155,176,593)		

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2017**

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	2,232,873,348	(245,305,410)	90.1%	2,419,526,557	2,172,911,705	89.8%	2,478,178,758	2,486,293,553	8,114,795	100.3%
Academic Fee Revenue	1,429,473,458	1,392,818,347	(36,655,111)	97.4%	1,425,973,843	1,369,301,611	96.0%	1,429,473,458	1,450,463,882	20,990,424	101.5%
State Appropriation (GPR)	1,048,705,300	840,055,001	(208,650,299)	80.1%	993,552,714	803,610,095	80.9%	1,048,705,300	1,038,611,799	(10,093,501)	99.0%
<u>Expenditures</u>	2,585,764,540	1,880,906,423	704,858,117	72.7%	2,461,277,974	1,866,806,142	75.8%	2,585,764,540	2,481,345,988	(104,418,552)	96.0%
Salaries	1,326,858,948	1,001,403,151	325,455,797	75.5%	1,340,656,599	1,014,232,252	75.7%	1,326,858,948	1,323,698,530	(3,160,418)	99.8%
Fringe benefits	545,248,395	400,464,270	144,784,125	73.4%	510,348,828	408,535,048	80.1%	545,248,395	500,266,677	(44,981,718)	91.8%
Supply and Expense	369,480,503	188,472,343	181,008,160	51.0%	268,378,630	191,145,051	71.2%	369,480,503	264,625,994	(104,854,509)	71.6%
Capital	31,442,864	25,528,869	5,913,995	81.2%	36,135,382	26,659,137	73.8%	31,442,864	34,603,349	3,160,485	110.1%
Financial Aid	78,029,188	69,680,193	8,348,995	89.3%	83,923,812	60,222,691	71.8%	78,029,188	97,103,390	19,074,202	124.4%
Other	234,704,642	195,357,598	39,347,044	83.2%	221,834,723	166,011,963	74.8%	234,704,642	261,048,047	26,343,405	111.2%

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

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2017**

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	700,776,772	(18,787,184)	97.4%	696,562,508	728,482,492	104.6%	719,563,956	670,070,772	(49,493,184)	93.1%
Expenditures											
Salaries	249,399,622	179,769,540	69,630,082	72.1%	234,152,134	173,896,076	74.3%	249,399,622	242,060,789	7,338,833	97.1%
Fringe benefits	81,925,755	58,955,224	22,970,531	72.0%	72,271,327	57,745,055	79.9%	81,925,755	73,785,925	8,139,830	90.1%
Supply and Expense	352,471,890	242,008,863	110,463,027	68.7%	305,655,648	225,876,732	73.9%	352,471,890	327,485,595	24,986,295	92.9%
Capital	49,979,934	16,789,762	33,190,172	33.6%	17,849,471	12,505,340	70.1%	49,979,934	23,964,832	26,015,102	47.9%
Financial Aid	6,729,842	5,962,734	767,108	88.6%	12,042,443	6,642,078	55.2%	6,729,842	10,810,756	(4,080,914)	160.6%
Other	6,852,418	14,800,893	(7,948,475)	216.0%	41,407,444	20,336,193	49.1%	6,852,418	30,136,769	(23,284,351)	439.8%

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2017**

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	276,903,210	1,089,650	100.4%	328,088,934	261,543,055	79.7%	275,813,560	347,357,260	71,543,700	125.9%
Expenditures	288,270,314	295,098,072	(6,827,758)	102.4%	332,163,878	246,860,793	74.3%	288,270,314	382,201,503	93,931,189	132.6%
Salaries	108,868,639	83,131,002	25,737,637	76.4%	100,227,956	75,044,041	74.9%	108,868,639	111,028,808	2,160,169	102.0%
Fringe benefits	38,641,760	28,688,199	9,953,561	74.2%	39,503,488	26,893,244	68.1%	38,641,760	42,140,098	3,498,338	109.1%
Supply and Expense	117,739,989	110,457,135	7,282,854	93.8%	128,945,294	89,878,190	69.7%	117,739,989	158,469,231	40,729,242	134.6%
Capital	7,254,837	7,919,421	(664,584)	109.2%	9,544,020	4,922,796	51.6%	7,254,837	15,353,695	8,098,858	211.6%
Financial Aid	15,402,539	46,966,965	(31,564,426)	304.9%	24,052,611	44,811,302	186.3%	15,402,539	25,209,670	9,807,131	163.7%
Other	362,550	17,935,350	(17,572,800)	4947.0%	29,890,509	5,311,220	17.8%	362,550	30,000,000 *	29,637,450	8274.7%

* Projected total was set at approximate prior total, timing differences and one-off transactions caused formula approach to yield too high a result. We expect yearend total closer to prior year total.

**University of Wisconsin System
Dashboard of Major Revenues and Expenditures
As of March 31, 2017**

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	994,504,773	(224,285,660)	81.6%	1,232,020,740	950,289,389	77.1%	1,218,790,433	1,289,344,615	70,554,182	105.8%
Federal Grants and Contracts	641,056,538	548,127,545	(92,928,993)	85.5%	599,565,288	541,622,172	90.3%	641,056,538	606,766,611	(34,289,927)	94.7%
Non-federal Gifts, Grants and Contracts	550,717,407	433,391,716	(117,325,691)	78.7%	604,192,941	391,526,301	64.8%	550,717,407	668,798,532	118,081,125	121.4%
Trust Funds	27,016,488	12,985,512	(14,030,976)	48.1%	28,262,511	17,140,916	60.6%	27,016,488	21,410,943	(5,605,545)	79.3%
<u>Expenditures</u>	1,218,790,433	892,055,471	326,734,962	73.2%	1,188,818,319	881,143,393	74.1%	1,218,790,433	1,204,609,534	14,180,899	98.8%
Salaries	526,569,802	395,434,204	131,135,598	75.1%	518,886,112	382,606,509	73.7%	526,569,802	536,282,869	(9,713,067)	101.8%
Fringe benefits	160,540,425	139,301,720	21,238,705	86.8%	173,581,287	137,258,771	79.1%	160,540,425	176,164,858	(15,624,433)	109.7%
Supply and Expense	346,459,042	231,739,238	114,719,804	66.9%	319,490,429	222,647,395	69.7%	346,459,042	332,536,873	13,922,169	96.0%
Capital	96,492,914	27,588,393	68,904,521	28.6%	35,286,721	25,789,318	73.1%	96,492,914	37,748,339	58,744,575	39.1%
Financial Aid	70,916,837	90,088,260	(19,171,423)	127.0%	108,539,790	87,704,427	80.8%	70,916,837	111,489,934	(40,573,097)	157.2%
Other	17,811,413	7,903,656	9,907,757	44.4%	33,033,980	25,136,972	76.1%	17,811,413	10,386,661	7,424,752	58.3%

