

**UW System Board of Regents  
Business & Finance Committee Minutes  
UWM Union, Ballroom West – First Floor, UW-Milwaukee  
June 8, 2017**

The Business and Finance Committee was called to order at 9:00 AM by Regent Mueller. Roll was taken and Regents Mueller, Steil, Delgado, Erickson, Grebe, Hall, and Higgins were present.

**I.2.a. Approval of the Minutes of the April 6, 2017 Meeting of the Business and Finance Committee**

Upon the motion of Regent Grebe and the second of Regent Hall, the committee approved the Minutes of the April 6, 2017 Meeting of the Business and Finance Committee.

**I.2.b. UW-Milwaukee Presentation – *UWM's Response to Fiscal Challenge: Progress Under Pressure***

Robin Van Harpen, Vice Chancellor for Finance and Administrative Affairs, presented information on how UW-Milwaukee benefits the state of Wisconsin through its graduates' contributions to the workforce and the institution's positive financial impact on the region. She discussed how the university is dealing with a difficult fiscal environment and provided background on factors contributing to UWM's challenges, including state budget cuts and lower enrollment numbers, while maintaining progress on such developing institutions as the School of Fresh Water Sciences and School of Public Health. UW-Milwaukee is focusing on reorganization and process redesign in four functions: human resources, finance, information technology, and procurement. The Vice Chancellor also provided information on facilities projects citing the impact on students and the budget. For example, the proposed Student Union renovation project of approximately \$129 million would cost an estimated \$398 per student per year, while maintaining the structure currently costs \$150 per student per year.

**I.2.c. Review and Approval of Application of the Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016**

Upon the motion of Regent Higgins and the second of Regent Grebe, the Committee approved application of the Veterans Health Care and Benefits Improvement Act of 2016 within the UW System. Dennis Rhodes, UW System Veterans Program and Policy Analyst, addressed the committee providing information on The Improvement Act. The Improvement Act extends the benefits of the original Veterans Choice Act to allow transfer of benefits from active duty military service members as well as discharged veterans. The Act requires that eligible non-resident U.S. veterans and other eligible benefit recipients be charged the same tuition as Wisconsin residents for pursuing the same course or program effective July 1, 2017. Children and spouses of active duty service members would become benefits eligible.

**I.2.d. UW-Milwaukee Contractual Agreement – Johnson Controls Battery Group, Inc.**

Upon the motion of Regent Grebe and the second of Regent Higgins, the Committee approved a Comprehensive Sponsored Research Agreement with Johnson Controls Battery Group, Inc. Regent Steil abstained from the vote. Robin Van Harpen, Vice Chancellor for Finance and Administrative Affairs addressed the committee regarding this agreement. In 2015, UW-Milwaukee entered into a comprehensive contract with Johnson Controls for a term of five years on intellectual properties and licensing, etc., so the terms would not have to be renegotiated with every project.

The language of this agreement establishes the general terms to be applied to all Johnson Controls Battery Group sponsored research at the institution. Individual Work Statements will be executed under the agreement specifying the detailed tasks to be performed by the parties. While total revenues to the institution are not fixed, the University currently has three existing and two pending Work Statements generating \$447,878 and \$590,129 respectively for a total of \$1,068,007. In addition, the parties anticipate additional work in the future under this five-year agreement.

**I.2.e. UW-Madison Contractual Agreement – Dow Chemical Company**

Upon the motion of Regent Grebe and the second of Regent Steil, the Committee approved a three-year Sponsored Research Agreement with Dow Chemical Company. Laurent Heller, UW-Madison Vice Chancellor for Administration and Finance addressed the committee regarding this agreement and on how progress on various contracts would be reported to the committee in the future. There will be reports back to the board on these agreements periodically. Vice Chancellor Heller anticipates some reports may be ready before the end of the calendar year 2017.

This agreement involves work intended to further the development of polyolefin based polymers at Dow. The institution is expected to receive \$1,047,249 for efforts under the agreement. The study will be conducted in the Department of Chemistry under the direction of Professor Clark Landis.

**I.2.f. UW-Madison Contractual Agreement – CSL Behring LLC**

Upon the motion of Regent Higgins and the second of Regent Grebe, the Committee approved a Master Clinical Trial Agreement with CSL Behring LLC. Laurent Heller, UW-Madison Vice Chancellor for Administration and Finance addressed the committee providing background on CSL Behring and the contract. CSL Behring is a firm that develops protein-based therapies for a variety of medical conditions. The language of this agreement establishes the general terms to be applied to all CSL Behring sponsored studies at the institution. Individual Protocol Agreements (essentially statements of work) will be executed specifying the materials and protocols to be used in each study. While total revenues to the institution are not fixed, the University could potentially receive in excess of \$1,000,000 over the life of the agreement. The agreement as presented does not reference any initial work or include information as to specific principal investigator(s) but does note that work will occur at the UW-Madison School of Medicine and Public Health.

**I.2.g. UW-Madison Contractual Agreement – Karyopharm Therapeutics Inc.**

Upon the motion of Regent Grebe and the second of Regent Steil, the Committee approved a Master Clinical Trial Agreement with Karyopharm Therapeutics Inc. Laurent Heller, UW-Madison Vice Chancellor for Administration and Finance addressed the committee providing background on Karyopharm and this contract. Karyopharm is a firm that specializes in investigating drugs that show promise in the treatment of certain cancers. The language of this agreement establishes the general terms to be applied to all Karyopharm sponsored studies at the institution. Individual Study Addenda (essentially statements of work) will be executed specifying the materials and protocols to be used in each study. While total revenues to the institution are not fixed, the University could potentially receive in excess of \$1,000,000 over the life of the agreement. The agreement as presented does not reference any initial work or

include information as to specific principal investigator(s) but does note that work will occur at the UW-Madison School of Medicine and Public Health.

- I.2.h. UW-Madison Contractual Agreement – Astellas Pharma Global Development, Inc.**  
Upon the motion of Regent Steil and the second of Regent Grebe, the Committee approved a Master Clinical Trial Agreement with Astellas Pharma Global Development, Inc. Laurent Heller, UW-Madison Vice Chancellor for Administration and Finance addressed the committee providing background on Astellas Pharma and the contract. Astellas Pharma is a pharmaceutical company that develops therapeutic medicines for use in cardiology, immunology, infectious disease, neuroscience, oncology and urology. The language of this agreement establishes the general terms to be applied to all Astellas Pharma sponsored studies at the institution. Individual Work Orders will be executed specifying the materials and protocols to be used in each study. While total revenues to the institution are not fixed, the University could potentially receive in excess of \$1,000,000 over the life of the agreement. The agreement as presented does not reference any initial work or include information as to specific principal investigator(s) but does note that work will occur at the UW-Madison School of Medicine and Public Health.
- I.2.i. UW-Madison Contractual Agreement – GlaxoSmithKline LLC**  
Upon the motion of Regent Higgins and the second of Regent Grebe, the Committee approved a Sponsored Research Agreement with GlaxoSmithKline LLC. Laurent Heller, UW-Madison Vice Chancellor for Administration and Finance presented background on the agreement for the completion of an NIH-sponsored clinical trial related to new treatments for asthma in urban children. Research will take place at multiple sites across the state, including Milwaukee. The institution is expected to receive \$3,935,116 for efforts under the agreement. The study will be conducted in the Inner City Asthma Consortium under the direction of Dr. Daniel Jackson.
- I.2.j. UW-Madison Contractual Agreement – Fast-Track Drugs and Biologics, LLC**  
Upon the motion of Regent Grebe and the second of Regent Hall, the Committee approved a Service Agreement with Fast-Track Drugs and Biologics, LLC. Laurent Heller, UW-Madison Vice Chancellor for Administration and Finance addressed the committee regarding the agreement to provide services in support of a Department of Defense-funded clinical trial testing a new malaria vaccine. The institution is expected to receive \$1,743,706 for efforts under the agreement. These services are expected to be provided over a period of approximately 39 months. The work will be provided through the Fundus Photograph Reading Center under the direction of Dr. Barbara Blodi. This will serve as a master agreement.
- I.2.k. Quarterly Gifts, Grants, and Contracts Report – FY2017 (3<sup>rd</sup> Quarter)**  
A required summary of gift, grant, and contract awards for the period July 1, 2017 through March 31, 2017 was presented by Julie Gordon, Sr. Associate Vice President for Finance. Total awards for the period were approximately \$1.053 billion, a decrease of \$66.6 million compared to the prior year. Federal awards decreased \$84.0 million while non-federal awards increased by \$17.4 million resulting in a decrease overall thus far. Research awards were down \$11 million.

**I.2.l. Financial Management Report – FY2017 (3<sup>rd</sup> Quarter)**

Sr. Associate Vice President Julie Gordon also provided the Committee with a high level summary report comparing budgeted to actual revenues and expenditures through the third quarter of the fiscal year. The report provides UW System management and the Board with a dashboard-type tool to monitor financial activity within the UW System. Future reports will benefit from a more robust cloud-based budget forecasting system being implemented. This cash-based management report shows that, as of March 31<sup>st</sup>, actual expenditures were approximately 75.5% of the regent approved budget, while revenues were at 85.1% of the budgeted level. This report assumes the same rate of collection or expenditure as the prior year.

Associate Vice President for Capital Planning and Budget Alexandria Roe addressed the Committee informing them that there are two capital budget projects that are currently not funded by the state budget that have been approved to enter into the design phase (taking approximately one and one-half years, UW-LaCrosse Field House and Stevens Point Health and Wellness Building) by DOA. This would put them into position to be enumerated in the 2019-2021 state budget.

**I.2.m. Report of the Subcommittee on Investments**

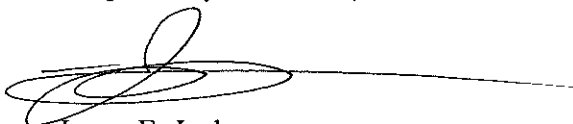
Regent Bryan Steil, Chairman of the Subcommittee on Investments provided a brief report on the April 13, 2017 meeting of the Business and Finance Committee's Subcommittee on Investments. Discussion at that meeting included an overview of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), review of the Quarterly Investment Report for the 2<sup>nd</sup> quarter, and discussion of items of interest from the annual review of external investment managers. Regent Steil highlighted the value of outside experts in enriching the committee members understanding of the issues they are exploring. This outside expert will not be a voting member of the Subcommittee.

**I.2.n. Report of the Vice President(s)**

UW System Vice President for Administration Rob Cramer provided a brief update on information security efforts within the UW System. Vice President Cramer touched on three topics: information security assessments, new requirements of the Financial Services Modernization Act that will be included in the Legislative Audit Bureau 2017-18 audit of UW institutions, and cybersecurity insurance. Updates on these topics will be provided on a regular basis.

The Business and Finance Committee meeting adjourned at 10:25 AM.

Respectfully submitted,



Joyce E. Jackson  
Recording Secretary