

**Minutes of the
Business & Finance Committee
UW-La Crosse Student Union, Room 3314
December 6, 2018**

The Business and Finance Committee was called to order at 10:31 AM by the Vice Chair, Regent Atwell. Roll was taken. Regents Atwell, Hall, and Mueller were present. Regent Grebe arrived at 10:38 AM. Regent Whitburn was absent. The Business and Finance Committee had a quorum. At the commencement of the meeting, Regent Atwell asked if any members of the Committee had conflicts of interest or potential conflicts of interest. None were noted.

I.2.a. Approval of the Minutes of the October 4, 2018 Meeting of the Business and Finance Committee

Upon the motion of Regent Delgado and the second of Regent Mueller, the Committee approved the minutes of the October 4, 2018 meeting of the Business and Finance Committee.

I.2.b. Annual Faculty Turnover Report

UW System Senior Associate Vice President and Chief Human Resource Officer Shenita Brokenburr presented the report on UW System faculty turnover (retirements, non-renewals, and resignations) during FY 2018 along with comparative data for prior years. Annual faculty turnover across the UW System for FY 2018 averaged 7.25% with a total of 434 faculty leaving UW employment during the year. Of these, 317 were tenured faculty and 117 were probationary (tenure track) faculty.

I.2.c. Annual Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments

Dr. Brokenburr continued into the report on salary adjustments received by UW System faculty and staff under Wis. Stat. 36.09(1)(j). A total of 30.61% of all staff received base adjustments (including those for promotions, title changes, and changes in duties) during fiscal year 2018. UW Chancellors reallocated approximately \$40.1M in FY2018 to fund these base adjustments. These reallocations represent 1.72% of total budgeted salaries. UW Chancellors also reallocated one-time resources of approximately \$30.1M in FY2018 to fund one-time, lump sum payments.

A robust conversation followed with questions from the Regents on nuances of the data. Regent Atwell began by emphasizing the variation across campuses. Regent Delgado wanted to know how the turnover related to salaries/compensation – with faculty being “poached” by other institutions. Dr. Brokenburr stated those were likely factors in some cases. Regent Mueller asked if the faculty who left were replaced by instructors in a different category (adjuncts). That data was not available.

The Committees interest in impacts of turnover across the System because of who was leaving and why prompted them to invite chancellors in the room to come up and provide their perspectives. Chancellors Blank, Leavitt, and Mone addressed the Committee on how current compensation levels were problematic in retaining talent and described tactics used to realign resources available, such as use of adjunct faculty to preserve research time and subsequent work overloads on other faculty. Vice Chair Regent Atwell and UW System Vice President for

Administration Robert Cramer emphasized that these statistics do not tell the whole story and that there are nuances behind the figures.

I.2.d. UW System Contractual Agreement — EAB Student Success Collaboration

Upon the motion of Regent Delgado and the second of Regent Hall, the Committee approved an agreement with EAB (Educational Assistance Board), to provide predictive analytics and student support tools for UW System institutions. UW System Associate Vice President Ben Passmore gave an overview of the proposed expansion of EAB's work providing predictive analytics and student support tools for UW System institutions. UW-Milwaukee Provost Johannes Britz shared the remarkably positive experience his campus faculty, staff, and students have had using the tools. The contract is for a term of five years, effective December 31, 2018. Total cost of the contract for these products and services will be \$10.8M over the life of the contract. The agreement seeks to consolidate and expand use of these products and services from four institutions to all UW institutions except UW-Madison.

I.2.e. UW-Madison Contractual Agreement — Johnson Controls, Inc.

Upon the motion of Regent Delgado and the second of Regent Hall, the Committee approved a five-year Master Sponsored Research Agreement with Johnson Controls, Inc. UW-Madison Vice Chancellor Laurent Heller was available to address any questions from the Committee. While no specific projects have yet been identified, Johnson Controls is interested in sponsoring research involving building management systems and equipment. Total revenues to the institution are not fixed under the agreement, but the University anticipates that total research funding under the agreement will exceed \$1,000,000 over the life of the agreement. This is a campus-wide agreement although work is expected to occur primarily in the College of Engineering and the College of Letters and Science.

I.2.f. Approval of Amendments to the Bylaws of the Board of Regents of the University of Wisconsin System

Upon the motion of Regent Grebe and the second of Regent Mueller, the Committee approved changes to the bylaws of the UW System Board of Regents related to the administration of UW Trust Funds. UW System Vice President for Finance Sean Nelson was introduced the item to the Committee. The changes seek to clarify the role of the Business and Finance Committee and UW System Trust Officers now that the State of WI Investment Board (SWIB) manages investment activity for those funds. The changes also eliminate the Subcommittee on Investments as its oversight role of trust fund investment issues is now largely handled by SWIB.

I.2.g. Approval of Changes to Regent Policies Related to UW System Trust Funds

Upon the motion of Regent Delgado and the second of Regent Mueller, the Committee approved the rescission of five Regent Policy Documents related to the management of UW Trust Funds. Vice President Nelson introduced the item to the Committee. With the transfer of investment management activity for UW Trust Funds to SWIB, these five policies are no longer operative and have been deemed obsolete.

I.2.h. Approval of Changes to Regent Policy (RPD 3-2) Public Records Management

Upon the motion of Regent Mueller and the second of Regent Delgado, the Committee approved the rescission and replacement of the Regent policy on public records management. Executive Director and Corporate Secretary for the Board of Regents Jess Lathrop introduced

the item to the Committee. The updated policy is intended to clarify that the Board of Regents own all UW System records; incorporate current practice into policy; highlight UW System responsibility to protect sensitive information; require UW institutions to ensure compliance with Chapter ADM 12, Wis. Admin. Code; and reorganize and streamlines RPD 3-2

I.2.i. Approval of Changes to Regent Policy (RPD 2-1) Emeritus Status

Upon the motion of Regent Hall and the second of Regent Grebe, the Committee approved the rescission and replacement of the Regent policy on the granting of emeritus status. Executive Director Lathrop introduced the item to the Committee. The current Regent policy on the topic only addressed such status for Regents. The updated policy includes the Board of Regents and all UW System faculty and staff. In addition, the updated policy also establishes more consistent use of the emeritus designation across all UW institutions.

I.2.j. Removal of Regent Policy (RPD 26-1) University Insurance Association

Upon the motion of Regent Delgado and the second of Regent Mueller, the Committee approved rescinding the Regent policy which addresses the University Insurance Association as the policy has been deemed to not meet the standards and protocols for a Regent Policy Document. Executive Director Lathrop introduced the item to the Committee. Removing this Regent Policy Document does not change the requirement that employees with faculty, academic staff, or limited appointments participate in the University Insurance Association program. That requirement was established through Regent Resolutions 1754 and 3458 and will remain in force. The policy was anomalous in that other like associations are not addressed under Regent Policy.

I.2.k. Removal of Regent Policy (RPD 30-4) Mandatory Refundable Fee Policies and Procedures

Upon the motion of Regent Delgado and the second of Regent Grebe, the Committee approved rescinding the Regent policy relating to the collection and administration of a mandatory refundable fee for certain inter-institutional UW System student organizations. Executive Director Lathrop introduced the item to the Committee. In July 2013, State law was changed to disallow collection of such a mandatory fee by the Board of Regents which renders the Regent policy obsolete. Reference Section 36.27(6)(b), Wis. Stats.

I.2.l. Review and Approval of UW-Madison Non-resident, Graduate, and Professional School Tuition Proposals

Upon the motion of Regent Grebe and the second of Regent Delgado, the Committee approved tuition changes for non-resident, graduate and professional programs at UW-Madison. UW-Madison Chancellor Rebecca Blank addressed the Committee. The changes are being sought to help fund strategic initiatives including targeted program enhancements, student support functions, and to help with increasing costs of related programs. The requested changes will keep these tuition rates below or in line with rates at peer institutions ensuring that the institution continues to provide an excellent value in higher education.

Regent Mueller asked for assurance that the funds collected from the increase(s) stay within their programs. Regent Grebe asked if tuition rates for certain programs and schools were tied to potential wage earnings of graduates. Chancellor Blank responded affirmatively to both questions, with the caveat that a small percentage of programs require high tuition rates based upon the cost to provide them.

I.2.m. Approval of Salary Ranges for Senior Executives

Upon the motion of Regent Grebe and the second of Regent Delgado, the Committee approved changes to the senior executive salary ranges numbered 1 through 8 to bring them up to date with the currently available market data. The Committee moved that Salary Ranges 1 through 8 be put before the full Board of Regents for a vote at that afternoon's session. It was determined by the Committee that further data is required with regard to Range 9. The ranges were last updated in October 2013. This action does not direct any specific salary changes for employees subject to the approved ranges.

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

UW System Vice President for Administration Robert Cramer provided brief updates on several ongoing projects, including the growth of the Information Security team, VOIP (voice over internet protocol) phones savings, work on amending current leases for cost savings, and human resources efficiency improvements. Vice President Cramer directed Committee members to the written materials for the meeting for an update on UW Shared Services.

The Business and Finance Committee adjourned at 11:55 AM.

Respectfully submitted,



Joyce E. Jackson
Recording Secretary