

**UW System Board of Regents  
Meeting of the Business & Finance Committee  
UW-Superior Yellowjacket Union  
Room 203  
1605 Catlin Avenue, Superior, Wisconsin  
October 10, 2019**

The Meeting of the Business and Finance Committee was called to order at 9:00 AM by the Chair, Regent Mueller. Roll was taken. Regents Mueller, Atwell, Beightol, Delgado, Jones, Levzow, Peterson, and Tiedeman were present. The Committee had a quorum. The Chair asked Committee Members to identify any conflicts of interest. Regent Jones recused himself from voting on Item Q.

**A. Approval of the Minutes of the July 11, 2019 Meeting of the Business and Finance Committee**

Upon the motion of Regent Jones and the second of Regent Tiedeman, the Committee approved the Minutes of the July 11, 2019 Business and Finance Committee meeting.

**B. UW-Superior Presentation to Business and Finance Committee “Small but Mighty: Providing Extraordinary Opportunities to UW-Superior”**

Jeff Kahler, UW-Superior Vice Chancellor for Administration & Finance, presented an overview of the financial challenges and benefits of being a small university and what that means for students and the region. Jeanne Thompson, Vice Chancellor for University Advancement, highlighted how the UW-Superior Foundation has aided and shaped UW-Superior over the last sixty years. She provided a brief historical overview of the Foundation and the impact of private gifts on university priorities. The Committee also heard from undergraduate student Peter Birschbach about his experiences at UW-Superior.

**C. Trust Funds Quarterly Investment Report(s) from the State of Wisconsin Investment Board (SWIB) – Quarter Ended June 30, 2019**

Vice President for Finance Sean Nelson introduced Charles Saunders, Executive Director for the UW System Administration Office of Trust Funds. Mr. Saunders presented highlights of the Investment Reports for the period ending June 30, 2019. Trust Fund assets as of June 30, 2019 stood at \$596.8 million (\$459.36 million in the Long-Term Fund and \$137.41 million in the Income Cash Fund). The Fund’s public equity investments increased 3.32% during the quarter, while the bond investments returned 3.56% and the inflation sensitive investments gained 2.52%.

**D. Approval of the FY2019 Program Revenue Balances Report**

Upon the motion of Regent Atwell and the second of Regent Beightol, the Committee approved the FY2019 Program Revenue Balances Report. Total UW System unrestricted fund balances decreased by \$40.3 million. Tuition program revenue balances decreased by \$55.9 million dollars. 72.9% of tuition program balances is categorized as obligated or planned. At the end of FY 2019, the UW System’s total tuition fund balance represented approximately 34.7 days of operating expenses. Auxiliary operations balances increased by 3.8 percent in Fiscal Year 2019. UW institutions identified \$135.5 million of the auxiliary operations balances as being committed for maintenance, small/all-agency and currently enumerated building projects, projects requested for future enumeration, and upcoming debt service

payments. Total unrestricted and restricted program revenue balances increased by \$11.1 Fiscal Year 2019, the largest increase is attributable to restricted gift funds and other restricted funding such as student financial aid funds. Vice President Nelson was available to address any questions from the Committee members.

**E. Budget-to-Actuals Report**

The Committee received a summary report comparing budgeted to actual revenues and expenditures through the end of the last fiscal year. It provides a dashboard-type tool to monitor financial activity within the UW System. FY2019's report shows actual expenditures were approximately 101.6% of the revised budget, while revenues were at 102.8% of the revised budgeted level. Vice President Nelson was available to address any questions from Committee members.

**F. Semi-Annual Gifts, Grants, and Contracts**

Vice President Nelson reported summary of gift, grant, and contract awards for the period July 1, 2018 through June 30, 2019. Total gifts, grants, and contracts for the period were approximately \$1.674 billion; this is an increase of \$148 million from the prior year. Federal awards increased \$86 million, while non-federal awards increased by \$62 million.

**G. Foundation and Other Affiliated Organizations Cost-Benefit Analysis Summary**

UW System Senior Associate Vice President Julie Gordon provided the Committee with a summary of a cost benefit analysis of eighty (80) foundations and affiliated organizations supporting the missions of UW institutions. In FY2017-18, UW institutions received \$203.1 million dollars from their primary foundations, while providing \$9.1 dollars in administrative support. Going forth, this report is required annually under UW System Administrative Policy 362, *University Administrative Support of Primary Fundraising Foundations and Other Affiliated Organizations*. Senior Associate Vice President Gordon and Vice President Nelson answered any questions from the Committee.

**H. UW-Shared Services Update**

UW System Vice President for Administration Robert Cramer and UW-Shared Services Executive Director Steve Wildeck updated the Committee on the progress of UW-Shared Services as it begins providing and continues to develop services that will increase efficiency, standardize practices, and consolidate operations on and across campus. Both were available to address any questions from the Committee.

**I. Procurement Automation Update**

UW System Associate Vice President for Administrative Services Ruth Anderson and UW-Madison's Assistant Vice Chancellor for Business Services and Controller Dan Langer updated the Committee on the project to purchase and implement an expanded platform for Procure to Pay. This software will help further standardize business processes and improve efficiencies across the entire System. It will provide a single-entry point for buyers of goods and services.

**J. UW-Shared Financial and Human Resources System Preplanning Project**

Vice President Cramer and UW-Madison Vice Chancellor for Administration and Finance Laurent Heller invited Steve Kish, Program Executive of the Administrative Transformation

Program and Nicholas Tincher, UW-Madison Administrative Transformation Project Director to give the Committee a status update on the Shared Financial and Human Resources System Preplanning Project. They highlighted how a change management approach focusing on people, process, and technology continues the project team's work toward implementation scope, timeline, project plan, budget, and financial impact.

- K. Approval of a UW-Madison Request for an Exception to the Board Policy on Large Unendowed Bequests/Gifts for Bequest from the Estate of Kenneth and Dona Griesemer**  
Upon the motion of Regent Atwell and the second of Regent Beightol, the Committee approved a request from UW-Madison for an exception to the Board Policy on Large Unendowed Bequests/Gifts for a bequest from the estate of Kenneth and Dona Griesemer. The exception being that 100% of the bequest be made to the School of Veterinary Medicine (rather than 10% of \$1,012,095.60) in order to purchase additional equipment. Vice President Nelson presented the request on behalf of the campus.

In consideration of Regent Jones' recusal, item Q. is being considered individually.

- Q. Approval of a UW-Madison Contractual Agreement with Caterpillar**  
Upon the motion of Regent Atwell and the second of Regent Beightol, the Committee approved the contract between UW-Madison and Caterpillar. Regent Jones abstained.

In order to utilize time more efficiently, the Chair asked that the Committee consider items L., M., N., O., P., R., and S. together. Regent Jones made a motion and Regent Peterson seconded the Committee's approval of the aforementioned items. Vice Chancellor Heller was on hand to answer any questions.

- L. Approval of a UW-Madison Contractual Agreement with Monsanto Company**  
**M. Approval of a UW-Madison Contractual Agreement with Smithfield Packaged Meats Corp.**  
**N. Approval of a UW-Madison Contract Agreement with Regeneron Pharmaceuticals**  
**O. Approval of a UW-Madison Contractual Agreement with General Motors**  
**P. Approval of a UW-Madison Contractual Agreement with Phillips Healthcare**  
**R. Approval of UW-Madison Contractual Agreement with Plumrose USA Inc.**  
**S. Approval of a UW-Madison Contractual Agreement with Phoenix Nest**

- T. Report of the Vice President(s)**  
Vice President Cramer provided the Committee with a written update on projects including UW-Shared Services, the UW- Colleges and UW- Extension Restructuring Project, UW System Payroll, Information Security, and Title and Total Compensation. After directing them to the written report, he noted an additional item related to the July 2019 action on UW-Milwaukee's contract with WE Energies (Wisconsin Electric Power Company). Vice President Cramer apprised the Committee that in July 2019, it was not communicated to the Committee that UW-Milwaukee had a prior contract with WE Energies from 2014 to early 2019, and that he is reviewing this and will update the Chair, Regent Muller, on the matter. He was available to answer questions from the Committee members. Vice President Nelson informed the Committee that the Joint Finance Committee approved Outcomes Based Funding for the Biennium and informed them of an upcoming information session with representatives from the Association Governing Boards of Universities and Colleges (AGB).

The meeting adjourned at 10:33 AM.

Respectfully submitted,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Joyce E. Jackson  
Recording Secretary