

**UW System Board of Regents
Meeting of the Business & Finance Committee
University of Wisconsin System Administration
Via WebEx
December 10, 2020**

The Meeting of the Business and Finance Committee was called to order at 8:45 AM by the Acting Chair, Regent Amy Bogost.

A. Calling of the Roll

Regents Bogost, Atwell, Delgado, Jones, Levzow, Peterson, and Saffold were present. Regent Beightol was absent. Regent Bogost served as Chair. At all times, the Committee had a quorum.

B. Declaration of Conflicts

The Chair asked Committee Members to identify any conflicts of interest. Regent Jones recused himself from voting on item M., UW-Madison's agreement with Pfizer.

C. Approval of the Minutes of the October 8, 2020 Meeting of the Business and Finance Committee

Upon the motion of Regent Jones and the second of Regent Levzow, the Committee approved the minutes of the October 8, 2020 Business and Finance Committee meeting.

D. UW System Draft 2020 Annual Financial Report

The Business and Finance Committee received an overview of the draft Annual Financial Report (fiscal year 2020). The COVID-19 pandemic resulted in several significant impacts, including reduced auxiliary revenues, reduced supplies and services expenses to mitigate the revenue

reductions, and the receipt of federal CARES Act funding. Other impacting factors included reporting of the state's pension fund and post-employment benefits and state bonding activity. UW System's total net position remained relatively stable between fiscal years, increasing less than \$40 million, or 0.7%, over our FY 2019 total net position of \$5.4 billion. UW System Director of Financial Reporting Rod Dole presented and made himself available to answer questions.

E. Approval of UW-Madison Graduate and Professional School Tuition Proposals

Upon the motion of Regent Delgado and the second of Regent Peterson, the Committee approved UW-Madison's proposed adjustments to tuition for certain graduate and professional degree programs in Business, Law, Medicine, Nursing, and Veterinary Medicine for the next two years. The proposed increases represent inflationary adjustments and/or modifications to maintain price competitiveness relative to peer institutions, with the funding increases used largely to support quality and access initiatives. Chancellor Rebecca Blank brought the request to the Committee and had UW-Madison deans on hand to answer questions from Committee Members.

F. Approval of the UW System Collective Bargaining Agreement with the Building and Construction Trades Council of South Central Wisconsin

Upon the motion of Regent Levzow and the second of Regent Jones, the Committee approved a collective bargaining agreement negotiated between UW System and the Building and Construction Trades Council (BTC) of South Central Wisconsin. The parties negotiated for a 1.81% increase in base wages, effective January 3, 2021, with the contract ending on June 30, 2021. The terms of this proposed contract are consistent with those in the contracts between BTC and the Department of Administration and UW-Madison. Dan Chanen, UW System

Administration's Interim Chief Human Resources Office presented the item and made himself available to answer questions from the Committee.

G. Approval of the UW-Madison Collective Bargaining Agreement with the Building and Construction Trades Council of South Central Wisconsin

Upon the motion of Regent Delgado and the second of Regent Saffold, the Committee approved a collective bargaining agreement negotiated between UW-Madison and the Building and the Construction Trades Council (BTC) of South Central Wisconsin. The parties negotiated for a 1.81% increase in base wages, effective January 3, 2021, with the contract ending on June 30, 2021. Mark Walters, Chief Human Resources Officer for UW-Madison presented the agreement and made him available to answer any questions.

H. Approval of an Amendment to UW System's 2020-21 Strategic Plan for Major Information Technology Projects

Upon the motion of Regent Peterson and the second of Regent Levzow, the Committee approved an amendment to the UW System Report on Strategic Plans for Major Information Technology Projects (approved at the February 2020 Board meeting). Utilizing funds already available within UW System, three additional projects were added: a project at UW-Madison on Hybrid Cloud Infrastructure, a project at UW System consolidating Student Information Services Systems, and another project at UW System in Unified Identity and Collaboration Pre-planning. UW System's Chief Information Officer, Steven Hopper presented to the Committee and made himself available to answer any questions.

I. Approval of a UW-Madison Agreement with Learfield Communications, LLC

Upon the motion of Regent Delgado and the second of Regent Jones, the Committee approved an amendment to UW-Madison's agreement with Learfield Communications to market sponsorship rights for various university events. The removal of the minimum revenue guarantees for FY20 and FY21 and permission to make other modifications necessitated by the impacts of pandemic-related restrictions were approved. UW-Madison's Vice Chancellor for Finance and Administration Laurent Heller introduced the item and was available to answer questions.

J. Approval of UW-Madison Agreement with Arcus Biosciences, Inc.

Upon the motion of Regent Levzow and the second of Regent Atwell, the Committee approved a master clinical trial agreement between UW-Madison and Arcus Biosciences, a California-based corporation founded in 2015 with the goal of developing highly combinable, best-in-class cancer therapies. This agreement is to conduct various clinical trials with the Carbone Cancer Center at UW-Madison over a five-year period. UW-Madison's Vice Chancellor for Finance and Administration Laurent Heller introduced the item and was available to answer questions.

K. Approval of a UW-Madison Agreement with IMG College Seating, LLC

Upon motion of Regent Saffold and the second of Regent Peterson, the Committee approved a contractual agreement between UW-Madison and IMG College Seating for the rental of stadium seats to fans attending University of Wisconsin football games played at Camp Randall Stadium. The contract will be effective through March 31, 2026, with two one-year renewals. Under the agreement, IMG will pay a percentage of gross sales generated from stadium seat rentals, estimated to provide between \$800,000-\$900,000 in annual revenue to Athletics. UW-Madison's

Vice Chancellor for Finance and Administration Laurent Heller introduced the item and was available to answer questions.

L. Approval of a UW-Madison Agreement with Opsi Therapeutics, LLC

Upon the motion of Regent Jones and the second of Regent Delgado, the Committee approved a standard research agreement between UW-Madison and Opsi Therapeutics, a Madison-based company focused on bringing human induced pluripotent stem cell-derived therapies to the clinic with the goal of treating blinding disorders of the retina such as retinitis pigmentosa and age-related macular degeneration. The Gamm laboratory at UW-Madison's Waisman Center will conduct studies in support of an investigational new drug submission and subsequent initiation of Phase I clinical trials. UW-Madison's Vice Chancellor for Finance and Administration Laurent Heller introduced the item and was available to answer questions.

M. Approval of a UW-Madison Agreement with Pfizer, Inc.

Upon the motion of Regent Delgado and the second of Regent Saffold, the Committee approved a master research services agreement with Pfizer, Inc. This five-year agreement is for the provision of statistical data analysis of clinical trial data performed by the School of Medicine and Public Health's Department of Biostatistics and Medical Informatics. UW-Madison's Vice Chancellor for Finance and Administration Laurent Heller introduced the item and was available to answer questions.

N. Approval to Amend Regent Policy Document 21-6, “Program Revenue Calculation Methodology and Fund Balances Policy”

Upon the motion of Regent Peterson and the second of Regent Levzow, the Committee approved a revision to Regent Policy Document (RPD) 21-6, dealing with the methodology for the calculation of PR balances. UW System Vice President for Finance Sean Nelson introduced the item which incorporates a recommendation from Legislative Audit Bureau Report 20-7 to modify UW System’s reporting of auxiliary operations program revenue balances to “categorize only those program revenue balances resulting from positive department-level balances and report, but not categorize negative department-level balances.” Vice President Nelson made himself available to answer questions.

O. Approval to Amend Regent Policy Document 22-4, “Fundraising Principles and Guidelines”

Upon the motion of Regent Delgado and the second of Regent Levzow, the Committee approved a revision to RPD 22-4, establishing four principles to guide institutional procedures related to fundraising activities. It simplifies the language, enhancing clarity, removing an obsolete provision, and reformats the policy to meet the updated standards for a Regent Policy Documents. Vice President Nelson made himself available to answer questions.

P. Approval to Amend Regent Policy Document 27-1, “University of Wisconsin Policy on Collegiate Licensing”

Upon the motion of Regent Jones and the second of Regent Saffold, the Committee approved a revision to RPD 27-1, establishing guidelines for collegiate licensing programs within the UW System. The policy will be updated in the new standards for Regent Policy Documents and

renamed, “Collegiate Licensing”. UWSA’s General Counsel, Quinn Williams introduced the item and made himself available to answer any questions.

Q. Trust Funds Quarterly Investment Report

Highlights of the Investment Reports (for the period ending September 30th) were provided to the Committee. UW System Trust Funds assets totaled \$631.5 million, comprised of \$482.43 million in the Long Term (endowment) Fund and \$149.04 million in the Income Cash Fund. The Fund’s public equity investments increased +7.69% during the quarter, while the bond investments returned +0.81% and the inflation sensitive investments gained +2.96%. The private markets portfolio returned +3.66%. For the quarter, the Long-Term Fund increased in value +5.01% (before fees), while the UW Fund Custom Benchmark increased +4.90%. The Income Cash Fund gained +0.03% for the period. Chuck Saunders, UW System’s Executive Director for the Office of Trust Funds introduced the item and made himself available to answer questions.

R. Annual Report on Faculty Turnover for FY20

Dan Chanen, University of Wisconsin System’s Interim Associate Vice President and Chief Human Resource Officer provided an overview of this annual report which provides a summary of tenured and non-tenured (probationary) faculty departures attributed to retirement, resignation, and non-renewed contracts for the most previous fiscal year. Key takeaways included: continued downward trend in number of faculty across UW System with a loss of 376 in fiscal year 2020, the majority, over 57%, choosing to leave.

S. Annual Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments for FY20

Mr. Chanen continued on to the Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments. Fiscal year 2020 saw an increase of 1.62% of staff receiving base adjustments, a 5% increase in the percentage of staff receiving base adjustments for merit, equity, and market reasons, and the highest percentage of total budgeted salary dollars increase for the last five fiscal years (1% or \$25.38M). Faculty received a higher percentage of base adjustments, a higher average payment per recipient, and higher percentage of total salary dollars compared to all staff combined (3.48% versus 1.97%).

T. Report on Fall 2020 Segregated Fee Reductions

Vice President Nelson reported to the Committee on segregated fee reductions approved by the UW System President for academic year 2020-2021 resulting from programmatic changes due to the COVID-19 pandemic. UW-Milwaukee, UW-Milwaukee at Washington County, UW-Milwaukee at Waukesha, UW-Green Bay Manitowoc, Marinette, and Sheboygan Campuses, UW-Stevens Point at Marshfield, and UW-Stevens Point at Wausau all noted decreases, primarily due to reduced programming.

U. Report of the Vice Presidents

Vice President Nelson provided an update focused on the financial impacts of the COVID-19 pandemic.

The meeting adjourned at 10:09 AM.

Respectfully submitted,

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

Joyce E. Jackson

Recording Secretary

