

**UW System Board of Regents
Meeting of the Business & Finance Committee
University of Wisconsin System Administration
Via WebEx
Thursday, February 4, 2021**

The Meeting of the Business and Finance Committee was called to order at 10:30 AM by the Chair, Regent Scott Beightol

A. Calling of the Roll

Regents Beightol, Bogost, Atwell, Jones, Levzow, Peterson, and Saffold were present. 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 I., UW-Madison's agreement with AbbVie.

C. Approval of the Minutes of the December 10, 2020 Meeting of the Business and Finance Committee

The Chair approved the minutes of the December 10, 2020 Business and Finance Committee meeting, as distributed.

D. UW-Madison Presentation – “UW-Madison — Budget Update and Revenue Innovations”

The Business and Finance Committee received a presentation introduced by UW-Madison Vice Chancellor for Finance and Administration Laurent Heller entitled, “UW-Madison – Budget Update and Revenue Innovations.” It provided a breakdown of main revenue sources of the campus' FY20 budget (\$3.4 billion) and projected impacts of the COVID-19 pandemic. He described steps taken by the campus to mitigate these impacts through expense reductions, furloughs, and budget cuts. In addition to cost savings, he talked about efforts currently underway at the university to generate funds, such as developing the Summer session, increased philanthropic support, additional research and development, professional and non-resident tuition increases, expanding graduate degree offerings, and increasing undergraduate enrollment. An Innovations Study Group was convened and recommended generating income through real estate development, auxiliary and asset optimization, and building corporate and industry engagement, as well. In addition, UW-Madison Chancellor Rebecca Blank and Associate Vice Chancellor for Finance David Murphy provided insights and all three UW-Madison representatives were available to answer questions from the Committee.

E. Review and Approval of Proposed Nonresident Graduate and Undergraduate Tuition Increases

Upon the motion of Regent Jones and the second of Regent Bogost, the Committee approved the Proposed Nonresident Graduate and Undergraduate Tuition Increases. University of Wisconsin System Vice President for Finance Sean Nelson presented the proposal on behalf of UW-Milwaukee, UW-Platteville, UW-Stevens Point, and UW-Stout. It increases various nonresident undergraduate and graduate tuitions that remained static over the last eight years and will take effect in the 2021-2022 academic year.

F. Review and Approval of Proposed Change in Scope for UW-Milwaukee Engineering and Applied Science Tuition Differential

Upon the motion of Regent Saffold and the second of Regent Levzow, the Committee approved a Proposed Change in Scope for UW-Milwaukee Engineering and Applied Science Tuition Differential. This will expand the purposes for which the College of Engineering & Applied Science differential tuition funds may be used, allowing for flexibility and focusing the funding towards the most beneficial and impactful instructional and support services. Vice President Nelson introduced the proposal and made himself available for questions from the Committee.

G. Review and Approval of the UW System Semi-Annual Status Report on Large/Vital Information Technology Projects

Upon the motion of Regent Bogost and the second of Regent Jones, the Committee approved the UW System Semi-Annual Status Report on Large/Vital Information Technology Projects. University of Wisconsin System Associate Vice President for Learning and Information Technology Services Steven Hopper provided an overview of the report. He noted that the overall portfolio has significantly increased from \$79M to \$292M due to the approval of the Administrative Transformation Program (ATP). He highlighted some other of the eighteen projects underway, including the Electronic Admissions Application (eApp), the UW Student Success Collaborative, the Core Information Security project, and UW-Madison's DOA Datacenter Migration project. The COVID-19 pandemic impacted projects across the portfolio. UW-Madison's Endpoint Management project and the Procure-2-Pay Automation are delayed. In addition, the Budget Planning and Forecasting System has been significantly impacted by the approval of ATP since the underlying financial and HR system will change. Mr. Hopper made himself available to answer questions from the Committee.

H. Review and Approval of UW System Strategic Plans for Major Information Technology Projects

Upon the motion of Regent Atwell and the second of Regent Levzow, the Committee approved UW System Strategic Plans for Major Information Technology Projects. Associate Vice President Hopper presented this item which outlines an overall IT strategy for UW System referred to as IT as a Service. Through a pipeline of projects over the next five (5) years, the UW System will commoditize core IT operations to increase efficiency, improve quality of service, and improve information security. This commoditization will enable institution IT staff to focus on the mission-differentiating activities instead of duplicating core IT operations across institutions.

I. Approval of a UW-Madison Agreement with AbbVie Inc.

Upon the motion of Regent Peterson and the second of Regent Bogost, the Committee approved a UW-Madison Agreement with AbbVie Inc. Regent Jones recused himself from the vote. Vice Chancellor Heller presented the master clinical study agreement that continues the relationship between UW-Madison and AbbVie Inc.

J. Regent Policy Document Review: "Internal Management Flexibility of Auxiliary Funds"

Upon the motion of Regent Levzow and the second of Regent Peterson, the approved a proposal rescinding and removing three Regent Policy Documents (21-1, "Internal Management Flexibility," 21-2, "Auxiliary Transfer Policy," and 21-3, "Auxiliary Reserve Policy") related to the management of auxiliary funds. The removal of these policies will make room for a single

policy, "Internal Management Flexibility of Auxiliary Funds." Vice President Nelson presented the proposal and made himself available to answer questions from the Committee.

K. Semi-Annual Budget-to-Actuals Report

Vice President Nelson presented the Semi-Annual Budget-to-Actuals Report. The report provides an update on the UW System budget for fiscal year FY20-FY21, comparing said budget to actuals for the period from July 1, 2020 through December 31, 2020. It noted an overall decline in expenses at the midpoint in the fiscal year, including reduced operational expenses, refinanced debt, and lower salary costs. Federal support from the COVID CARES funding mitigated more dramatic loss in revenue, though auxiliaries and general operations are down sharply. Additional federal support coupled with the campuses continued monitoring of expenses, leaves the overall UW System budget on track to remain relatively stable for the balance of FY21.

L. Semi-Annual Report of Gifts, Grants, and Contracts

Vice President Nelson gave the Committee the six-month update on gifts, grants, and contracts, from July 1, 2020 through December 31, 2020. Totalling approximately \$981.4 million dollars, gifts, grants, and contracts increased 10.9% from the same period last year. Federal awards increased by 19.0% (\$104.8 million), while non-federal awards decreased by 7.2% (\$8.6 million). Note, Federal support through the COVID CARES Act funding was a significant factor in the overall increase.

M. COVID-19 Financial Impacts Update

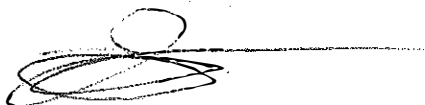
Vice President Nelson updated the Committee on COVID-19 related financial impacts. He covered revenue losses and COVID-related expenses, as well as detailing the efforts of the campuses to reduce costs and the federal funding support from the CARES Act for the UW institutions. Including the CARES supplemental bill signed at the end of December, the UW System has received approximately \$300 million in federal funding to help mitigate losses as well as support both testing and direct financial aid to students. Even with the federal support, UW institutions have a collective net loss of \$317.7 million through the end of December 2020.

N. Report of the Vice Presidents

UW System Vice President for Administration Jim Langdon informed the Committee of a restructuring of the Office of Administration, moving procurement and human resources under the umbrella of UW-Shared Services (which has been moved under the Office of the President from the Office of Administration).

The meeting adjourned at 11:53 AM.

Respectfully submitted,



Joyce E. Jackson
Recording Secretary