

UW System Board of Regents
Meeting of the Business & Finance Committee
University of Wisconsin System Administration
Gordon Dining & Event Center, Concerto Room, 2nd Floor, Madison WI
December 9, 2021

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

A. Calling of the Roll

December 9, 2021	PRESENT	ABSENT	WEBEX
BEIGHTOL, Scott (Chair)	✓		
JONES, Mike (Vice Chair)	✓		
ATWELL, Robert		✓	
KLEIN, Tracey	✓		
MILLER, John	✓		
PETERSON, Cris	✓		
RAI, Ashok	✓		
WEATHERLY, Kyle	✓		
At all times, the Committee had a quorum.			

B. Declaration of Conflicts

The Chair asked Committee Members to identify any conflicts of interest. No conflicts were declared.

C. Approval of the Minutes of the October 7, 2021, Meeting of the Business and Finance Committee

Upon the motion of Regent Jones and the second of Regent Rai, the Committee approved the minutes of the October 7, 2021, Business and Finance Committee meeting.

D. Approval of the Minutes of the November 4, 2021, Meeting of the Business and Finance Committee

Upon the motion of Regent Jones and the second of Regent Peterson, the Committee approved the minutes of the November 4, 2021, Business and Finance Committee Meeting.

E. UW System Draft 2021 Annual Financial Report

The Business and Finance Committee received an overview of the draft 2021 Annual Financial Report (fiscal year ending June 30, 2021). UW System Senior Associate Vice President for Finance, Julie Gordon, the Assistant Vice President and Controller, Ginger Hintz, and the Director of Financial Reporting, Rodney Dole, provided an overview of the draft 2021 Annual Financial Report and each made themselves available to answer questions from the Committee. Ms. Gordon introduced the draft report by first stating that it is the belief of the team that the financial statements are completed; however, the Legislative Audit Bureau (LAB), which is the independent audit entity for UWSA, is still in the process of completing their work and because the financial audit by the LAB is not yet complete, the report does not include an audit opinion and is presented in draft form at this time. As of December 8, Ms. Gordon stated that she had not been informed of anything that would warrant any qualification in the audit opinion. Ms. Gordon is confident they have an unqualified or clean audit opinion with no material or significant adjustments anticipated. Ms. Gordon continued by stating that UW System is required, by statute, to have the LAB perform the financial audit. Ms. Gordon reported that in 2018-19 UW System had an independent CPA firm, Plante Moran, perform the audit. This was due to a statutory exception and a direction to go outside to a CPA firm and procure their services. Ms. Gordon reported that UW System has continued to retain Plante Moran, under contract, so they may provide best practices and guidance in financial reporting from peer institutions. With Plante Moran and the LAB's review of the financial statements, Ms. Gordon is assured the statements are accurate and reflect best practices in higher education reporting.

Continuing, Mr. Dole reported on the financial statements in greater detail noting that the presentation of this report contains similar messages as that of the PR Balance report that Vice President for Finance, Sean Nelson, presented at the October Board of Regents meeting. Mr. Dole clarified that the Annual Financial Report is prepared using a different basis of accounting plus he noted that the impacts of COVID have had a significant impact on the operations and financial results of the UW System beginning with the last four months of FY20 and continuing throughout the full 2021 fiscal year. Additionally, Mr. Dole noted that Pension Plan activity and Other Post-Employment Benefits (OPEB) plan activity have also had significant impacts on the Annual Financial Report in recent years and this year is no exception.

COVID's impact on UW System revenues, expenses, and cash balances, as well as both the operating and non-operating activities of the UW System, is seen throughout the Statement of Revenues, Expenses and Changes in Net Position, both expenses and revenues, which begins on page 24 of the draft 2021 Annual Financial Report. COVID impacts are also discussed in the Introduction from the Vice President for Finance, Sean Nelson, and in the Management's Discussion and Analysis section of the Annual Financial Report.

Mr. Dole highlighted the significant expenses impacted by COVID: scholarship and fellowship expenses increased due to the student emergency grants awarded to students in both fiscal year 2020 and 2021; increases in the UW System salaries and fringe benefits expense, due to recent state mandated pay plan increases which were offset by furloughs and reductions in staff hours enacted in response to COVID. Mr. Dole stated that each UW System campus implemented furloughs of some type in FY21 resulting in an estimated savings of nearly \$74 million, also supplies and services expenses were significantly lower in FY21 due to cost containment initiatives.

Mr. Dole then reported on the revenue impacts of COVID by stating that, in general, student tuition and fees have remained relatively stable decreasing less than \$5 million between years. Mr. Dole noted that sales and services of auxiliary enterprises and educational activities recorded significant reductions totaling \$301 million from pre-pandemic levels, this is largely the result of operations such as bookstores, unions, childcare centers, and pre-school labs being closed or having reduced services or hours due to the pandemic. Mr. Dole reported that State Appropriations increased in FY21 due to the prior year GPR lapse of \$40.8 million which was returned in FY21, other GPR received for the State's pay plan increase, and other funding received for UW System initiatives such as the Dairy Innovation Hub.

Additionally, Mr. Dole noted that the UW System has been awarded almost \$600 million in coronavirus Federal grants and aid funding. Mr. Dole stated that funds have been or will be used in accordance with grant requirements to provide emergency student aid, offset expenses incurred to prevent, prepare for, and respond to the pandemic and mitigate a portion of the lost revenues directly attributed to COVID. Mr. Dole reported that in FY21, over \$312 million in award money has been utilized with the remaining amount available for subsequent years. As a follow up to this, Chair Beightol asked what the anticipated number of COVID related grants available for FY22 are. Mr. Dole responded that we have remaining awards of \$287 million dollars which would be used in FY22; however, what we don't know is if additional funding or whether some of the uses will extend beyond FY22. Mr. Dole indicated that there is usually a fixed award date, but he's uncertain if all the awards expire in FY22 or if the expiration date is the December of the next year.

Moving on, Mr. Dole reported on the Pension and Other Post-Employment Benefit (OPEB) plans. Mr. Dole stated that the impact of larger than projected investment earnings in the two most recent measurement periods has resulted in a total Pension liability that is less than the plan assets. Mr. Dole noted that the UW System's proportionate share of the net pension asset in fiscal year end 2021 increased \$401 million to over \$831 million.

Mr. Dole continued by reporting that full accrual accounting resulted in the reporting of a negative, Unrestricted Net Position at the end of FY21. Mr. Dole referenced a table from the Management's Discussion and Analysis from page 19 of the draft 2021 Annual Financial Report. The table illustrates that if the impact of Pension and OPEB effects on Net Position are removed, Unrestricted Net Position has a positive balance and is relatively stable. Mr. Dole noted that Unrestricted Net Position represents the difference between assets, liabilities, and deferred outflows and inflows of resources or the UW System's equity that does not have external restrictions regarding its use or function. Mr. Dole reported that Restricted Net Position has increased by \$278 million primarily due to increases in endowment and donor investments, gifts, and non-Federal grants and contracts, and construction fund increases.

Furthermore, Mr. Dole stated that non-operating activities discussed included an increase in state appropriations and the impact of coronavirus federal grants and aid revenue. Mr. Dole reported that investment income on the UW System's trust funded investments was significantly favorable than the prior fiscal year and that all these factors have led to an increase in total net position for FY21.

Mr. Dole reported that overall, the Unrestricted Net Position remained relatively stable at the end of FY21, after removing the impacts of pension and OPEB. Mr. Dole further stated that the uncertainty of COVID will continue to have an impact on future periods on both

expenditures and on revenue streams. Mr. Dole noted that, as a result, all UW institutions continue to closely monitor COVID case numbers on their campuses, in their communities, and across the state, as well as UW institutions are considering the best use of remaining federal relief funds and evaluating contingencies available to them with other funding sources.

At the conclusion of the presentation, Regent Jones asked if it would be fair to say that without the federal aid, the financial picture would not be as bright as presented today. Ms. Gordon responded by agreeing and stating that our campuses would be in a much different position if it wasn't for the aid, as well as for our students who received emergency grants. Regent Rai asked if there is a plan to address the expiration of grants and other pandemic funding. Vice President for Finance, Sean Nelson, confirmed there is a plan and that conversations have taken place with each of the campuses; however, Mr. Nelson stated that he anticipates there will still be some revenue loss for this current semester and next semester. Mr. Nelson continued by stating that campuses also have the opportunity, if they don't identify loss revenues, to use the additional funding to help students. Mr. Nelson stated there are two buckets, one for student emergency aid and one for institutional aid and if the campuses do not fully expend the institutional aid, the campus can roll it over, if you will, to address student aid as well. Mr. Nelson stated that the expenditure date does depend on the draw down and can vary from campus to campus, but it looks like it is between March and April of 2022, pending no further extensions from the Federal government.

F. Nonresident and Graduate School Tuition Proposals

Upon the motion of Regent Jones and the second of Regent Rai, the Committee approved tuition increases for nonresident undergraduate and graduate school students for seven UW System institutions: UW-Madison, UW-Eau Claire, UW-Oshkosh, UW-Platteville, UW-River Falls, UW-Stout, and UW-Whitewater. Mr. Nelson stated UW-Madison, UW-Eau Claire, UW-Platteville, UW-River Falls, and UW-Whitewater are proposing an increase to the non-resident, undergraduate rates. The proposed increases, effective for the 2022-23 academic year, represent inflationary adjustments or modifications to maintain price competitiveness relative to peer institutions.

Mr. Nelson reported that he received additional narrative, by campus, regarding intended use of the additional revenue at each institution, as well as proposals around resident graduate school increases. In total, proposals were received from UW-Oshkosh, UW-Eau Claire, UW-River Falls, UW-Stout, and UW-Whitewater. Mr. Nelson stated that Interim President Thompson did cap all resident, graduate school tuition increases to 2% and no campus exceeded 2% on their requests. Mr. Nelson did note that UW-Madison is increasing their non-resident undergraduate by 2% which will take them to about \$38,000 per year in tuition; however, it is worth noting that UW-Madison carves out up to 20% of that increase to allocate towards financial aid.

G. UW System Administration Service Agreement with Huron Consulting Group, Inc.

Upon the motion of Regent Peterson and the second of Regent Rai, the Committee approved a service agreement with Huron Consulting Group to lead the implementation of UW System's newly purchased Workday Human Capital Management Software package. UW System

Director of Procurement, Brent Tilton, and North West Regional Assistant Purchasing Director, Todd Pooler, noted that, following a competitive solicitation process, Huron was selected for its experience in implementing this software within educational institutions. Mr. Tilton noted that the agreement is for two years at a cost of \$26.8 million. The work will begin immediately upon Board approval and final contract signature by Interim President Thompson and is expected to conclude in December 2023. Mr. Tilton noted that the contract does have two, one-year optional renewal periods in the event that more time is required. Mr. Tilton also reported that the ATP team is currently looking at a possible scope change within the Workday modules that affect this contract and, if those changes do occur, the contract with Huron, in the form of a change order, will take place sometime in February. Mr. Tilton would then come back to the Board with that change order for this contract. Mr. Tilton made himself, and Mr. Pooler, available to answer questions from the Committee.

H. UW System Administration Contractual Agreement with Oracle

Upon the motion of Regent Rai and the second of Regent Weatherly, the Committee approved UW System's purchase of lease administration functionality offered by Oracle/PeopleSoft. UW System Director of Procurement, Brent Tilton, and Senior IT Procurement Specialist, Ruth Ginzberg, stated that the software is needed to support compliance with a new standard of the Government Accounting Standards Board. Mr. Tilton stated that this request is for a lease administration module for Finance and is seeking Board approval of a perpetual license agreement with Oracle for its lease administration software. Mr. Tilton reported that this module, or functionality which is not currently part of the existing contract with Oracle, will require a one-time cost of approximately \$75,000 and ongoing annual maintenance costs of \$16,500. Mr. Tilton noted again that since this is an additional contract with Oracle, UW System's current total spend with Oracle exceeds \$1 million, necessitating the Board's approval of this procurement. Mr. Tilton reported that UW System will need to implement a new accounting standard, related to leases, as promulgated by the Governmental Accounting Standards Board for fiscal 2022 and future years. Mr. Tilton stated that this standard will require all UW institutions to capture additional information on leases, both leases for capital equipment and leases for real estate, as well as leases in which the UW institution is the lessee or the lessor. Mr. Tilton indicated that although they do not yet know the entire population of qualifying leases, UW-Madison has estimated that it alone has nearly 600 leases. UW System Administration considered whether it could manually address the new report requirements; however, given the large volume of lease agreements it was determined that it would be more efficient to procure and deploy this software. Mr. Tilton made himself, and Ms. Ginzberg, and Ms. Gordon, available to answer questions from the Committee.

I. UW-Madison Research Agreement with TerraPower, LLC

Upon the motion of Regent Jones and the second of Regent Rai, the Committee approved the research agreement between UW-Madison and TerraPower, a nuclear innovation company. As a subcontractor under the Department of Energy's Advanced Reactor Development Program, researchers in the College of Engineering will observe fundamental thermal stripping and flow control in a sodium reactor in support of the project's goal to improve sustainability and safety, help advance the understanding of the use of liquid sodium in nuclear reactors and reduce carbon emission through the development of a new type of nuclear reactor. UW-

Madison's Interim Vice Chancellor for Finance and Administration, Rob Cramer, reported that the roughly three-year agreement will be funded at \$1.95 million. Mr. Cramer made himself available to answer questions from the Committee.

J. UW-Madison Research Agreement with Opsis Therapeutics, LLC

Upon the motion of Regent Rai and the second of Regent Peterson, the Committee approved a master research agreement between UW-Madison and Opsis Therapeutics, a Madison-based company focused on therapies to treat blinding disorders of the retina. UW-Madison's Interim Vice Chancellor for Finance and Administration, Rob Cramer, noted that under the \$1.39 million agreement, the Waisman Center's Gamm laboratory will conduct critical animal studies in support of an investigational new drug submission and subsequent clinical trials for the first Opsis product, which will target blinding disorders of the retina such as retinitis pigmentosa and age-related macular degeneration. Mr. Cramer made himself available to answer questions from the Committee.

K. UW-Madison Contractual Agreement with Commonwealth Fusion Systems, LLC

Upon the motion of Regent Jones and the second of Regent Peterson, the Committee approved an agreement between UW-Madison and Commonwealth Fusion Systems (CFS), where the company will operate as a sub-awardee to UW-Madison's \$10 million award from the Advanced Research Projects Agency-Energy (ARPA-E). Through the subaward agreement, CFS will operate as a sub-awardee to UW-Madison and receive \$1.3 million. In return, CFS will contribute over 99% of the \$2.2 million mandatory cost share required in UW-Madison's ARPA-E contract. Mr. Cramer stated that CFS will be producing and upgrading magnets for an Axisymmetric Mirror to develop high power reactor relevant heating systems as part of UW-Madison's project requirements to ARPA-E. Mr. Cramer noted that the \$10 million award does not need Board approval because it is with a federal agency, but the sub award does need Board approval because it is with a private, for-profit company. Mr. Cramer made himself available to answer questions from the Committee. Chair Beightol noted that CFS was spun out of MIT and is again another example of a quality partner with UW-Madison.

L. UW-Madison Amendment to Contractual Agreement with Learfield Communications, Inc.

Upon the motion of Regent Peterson and the second of Regent Jones, the Committee approved an amendment to UW-Madison's contract with Learfield Communications. UW-Madison's Interim Vice Chancellor for Finance and Administration, Rob Cramer, introduced the contract and made himself available to answer questions from the Committee. Mr. Cramer reported that the amendment includes several points: the extension of the agreement for three-years which would run through June 30, 2029, an additional payment of \$12.5 million dollars by Learfield Communications spread out over five years and in equal payments, continuation of the escalation of the guaranteed payment to UW Athletics by \$200,00 each year for the additional three years, and the continuation of the 59% annual guarantee to share the payment recognizing the new marketing opportunities of the south end zone of Camp Randall Stadium of about \$10.8 million. Mr. Cramer noted that a one-time adjustment to the annual guaranteed

payment is being made because of the effect of COVID this past year. This adjustment will reducing the annual guaranteed payment by \$1.5 million. Mr. Cramer stated that the opportunities available here reflect the possibilities and excitement around the south end zone project of Camp Randall Stadium which are planned for completion prior to the 2022 football season home opener. Mr. Cramer made himself available to answer questions from the Committee.

Regent Rai asked Mr. Cramer to clarify the position of Learfield Communications as a third party, large collegiate sports marketing corporation that is selling corporate naming opportunities in the south end zone in Camp Randall. Areas of interest that Regent Rai has questions about include background on why the UW isn't directly selling these opportunities, the commission involved, transparency with sales transactions and lost opportunities, and how much will Learfield Communications receive from every sale. Mr. Cramer stated that a third party was brought in to help evaluate the opportunities and determine what the potential value of these opportunities may be. UW-Madison Athletic Department Associate Athletic Director, Chief Financial Officer for Business Operations, Adam Barnes, and Senior Associate AD for Administration and Legal Affairs, Jeff Schmidt, responded to Regent Rai's questions. Mr. Barnes stated that the 59% is the current share with an opportunity, so the 41% that Learfield Communications receives covers staffing and operating costs. Mr. Schmidt confirmed for Regent Rai that the UW Athletic Department has always outsourced this type of marketing partnership. Regent Rai stated he wanted to make sure that when there is a third-party that's benefiting in a monetary way that the Board understands what the opportunities are. It was noted that Learfield Communication is currently under contract, so this amendment is an extension of their contract. Regent Weatherly inquired about the \$1.5 million one-time reduction in the annual guaranteed payment from Learfield Communications to the UW Athletic Department. Mr. Barnes confirmed that the UW Athletic Department will receive \$1.5 million less than what Learfield Communications contractually would have been obligated to pay to the UW Athletic Department. Regent Rai followed up with a question regarding transparency with transactions involving Learfield Communications, specifically are we aware of what a corporate sponsor is paying in total or are we just aware of what Learfield Communications is receiving? Mr. Schmidt stated that the UW Athletic Department is aware of the total payment received for corporate signage and not just what is received by the UW Athletic Department. Additionally, Mr. Barnes clarified that the cost of signage would be the responsibility of Learfield Communications. Chair Beightol further confirmed that the UW Athletic Department has an approval process in place regarding projects Learfield Communications brings forth, as well as confirming that naming rights need to be brought to the Board for review and approval. Mr. Cramer noted that for clarity in naming rights, the Chancellor is delegated the authority to name facilities involving less than an entire building and that situations regarding naming of an entire building, or facility, are subject to prior approval of the Board of Regents.

M. Regent Policy Document Review: RPD 21-4, "Identity Theft Detection, Prevention, and Mitigation"

Upon the motion of Regent Jones and the second of Regent Klein, the Committee approved revisions to Regent Policy Document 21-4, related to Identity Theft Detection, Prevention and Mitigation. UW System Associate Vice President for the Office of Information Security, Katherine Mayer, and Senior Associate Vice President for Finance, Julie Gordon, provided an

overview and answered questions from the Committee. Ms. Gordon reported that in late 2007 the Federal Trade Commission issued a regulation known as the Red Flags Rule that was intended to implement the Fair and Accurate Credit Transactions Act (FACTA). The Red Flags Rule requires financial institutions and creditors to implement an identity prevention program that includes information regarding how you will identify any of the relevant “red flags” that indicate identity theft in daily operations. Ms. Gordon stated that with respect to certain accounts or transactions, colleges and universities can be considered a creditor under the meaning as we implement this rule. Ms. Gordon stated that the rule requires covered accounts to develop a written program to identify identity theft detection, prevention, and mitigation. Ms. Gordon noted that in February 2009, the Board approved Regent Policy Document (RPD) 21-4, a policy on identity theft detection, prevention, and mitigation. Ms. Gordon stated that the RPD included the directive that institutions submit a plan for detailing their program. Ms. Gordon reported that all four-year universities, and the branch campuses, did submit a plan in 2009 and at that time the covered accounts were largely focused on tuition and housing payment plans, loan accounts, and some student accounts. Ms. Gordon stated that this has likely grown on all our campuses to include the numerous accounts that students have for various purchases on campus. Ms. Gordon reported that in January 2011, the Federal Trade Commission began enforcing the Red Flags Rule and that, late last year, we engaged with the campuses to validate that their plans existed, there was a designated individual responsible for those plans, and the plans were operational. Ms. Gordon reported that their engagement, and a review of this RPD, warranted the update presented to you today.

Continuing, Ms. Mayer reported on the revisions to the policy which follow four areas: first, update the scope to restate the Red Flags Rule descriptive definition of covered accounts rather than identifying explicit account types that may be covered by the rule; second, the RPD now also includes provisions for periodic reporting; third, provide training for employees identified to be working with these identified covered accounts; fourth, institutions are required to designate an institutional lead, responsible office, and a primary manager to the Office of Compliance. Ms. Mayer reported on some of the ramifications of non-compliance: if institutions do not appropriately identify covered accounts and implement the identity theft prevention program required by the rule for those accounts, two main consequences may result: first, the accounts will be more susceptible to identity theft which could lead to misappropriation or theft of institution, student, or employee funds and potentially UW institution liability for failing to prevent identity theft of third party funds. Ms. Mayer stated that institutions failure to comply with the requirements of the rule could lead to the Federal Trade Commission bringing in a person of action against the university which could result in significant monetary penalties. Ms. Mayer stated that the bottom line is that we are seeing a move towards stronger federal engagement and cyber security controls and identity theft prevention and mitigation is a part of that effort. Ms. Gordon reported on the next steps if this policy is approved today, including the development of a System Administration Policy to flush out more of what the Regent Policy requires. Ms. Gordon again referenced the reporting requirement, stating some type of template around this requirement would be available to ensure that data and plans from the campuses are received in a consistent way. Ms. Gordon stated this step requires working with the campuses and plans are to have this in place in the spring of 2022. Ms. Gordon also stated that, around the same time, having all the campuses identify who that designee is on their campus. Lastly, Ms. Gordon stated that training will be offered utilizing the Infosec platform that is currently used for mandatory trainings on the campuses. With a project start date of early 2022, this same platform would be used to provide employee based, or role based, training for employees who are identified by the institutions.

Both Ms. Mayer and Ms. Gordon made themselves available to answer questions from the Committee.

N. Salary Ranges for Senior Executives

Next on the agenda was a proposal to increase the salary ranges for senior executive positions throughout the system. Upon the motion of Regent Klein and the second of Regent Rai, the committee voted to table this item to afford members additional time to review and consider the appropriate level of adjustment to those ranges. To review, the Committee was asked to approve adjustments to the salary ranges for UW System senior executives. The proposed adjustments are informed by current market data, in accordance with RPD 6-5, "Executive Salary Structure." As a result of this market-based update, the proposals increase the midpoint of salary ranges for senior executives by 2.5%-to-9.5%. This action only adjusts the pay ranges and does not constitute a request or approval to increase actual pay.

O. Annual Report on Faculty Turnover for FY21

UW System Interim Associate Vice President and Chief Human Resources Officer, Daniel Chanen, provided an overview of the annual Report on Faculty Turnover in the UW System, which provides a summary of tenured and non-tenured faculty departures attributed to retirement, resignation, and non-renewed contracts over the previous year. Mr. Chanen noted that the 390 faculty who left UW System in FY21 represent 6.96% of all faculty in the System, a slight increase from the 6.7% in the prior year. Mr. Chanen reported that retirements account for about two-thirds of all departures. Mr. Chanen reported there was a slight shift this year towards higher retirement numbers rather than higher resignation numbers. Mr. Chanen noted that eight of our institutions offered a Voluntary Separation Incentive Payment (VSIP) for retirement, in relative to the impact of the pandemic. Mr. Chanen stated the VSIP was helpful in regards of budget, but it also meant higher numbers of retirements and fewer resignations which Mr. Chanen believes is positive during a pandemic. Both Mr. Chanen and UW-Madison Chancellor Rebecca Blank made themselves available to answer questions from the Committee.

P. Annual Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments for FY21

Mr. Chanen continued to the Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments. The report includes high-level summary comparisons for the last five fiscal years. Mr. Chanen reported that the Committee will see the impact of COVID on this report because of the result of institutional furloughs that were implemented. Mr. Chanen noted that fiscal year 2021 data shows a 10% decrease in the percentage of all staff receiving base adjustments which he sees as an immediate reaction to COVID because many of our institutions implemented furloughs. Additionally, there was a 46% decrease in the percentage of staff receiving base adjustments for merit, equity, and market reasons. In total, Mr. Chanen reported that \$17.3 million was used for base adjustments in FY 21. Mr. Chanen noted that the five-year comparison for all staff for additional compensation payments shows a less drastic reduction as compared to the base salary adjustments. Mr. Chanen attributes this

difference to the emergency response due to COVID that necessitated additional workloads; however, it's still a reduction in terms of the total number of people receiving additional compensation, but still a slightly higher amount on average. Mr. Chanen made himself available to answer questions from the Committee.

Q. Trust Funds Quarterly Investment Report

Due to time constraints, the committee forwent an oral presentation of the quarterly Trust Funds report that members had received in written form from UW System Executive Director for the Office of Trust Funds, Charles Saunders.

R. UW-Madison Presentation: “Advancing the Real Estate Strategy and New MOU to Drive Economic and Mission Benefits at UW-Madison”

As a follow-up to the Board of Regents' October 2021 approval of a new memorandum of understanding (MOU) between UW-Madison and University Research Park, UW-Madison's Interim Vice Chancellor for Finance and Administration, Rob Cramer, provided insight, as well as recommendations regarding future endeavors. Mr. Cramer stated that the next steps consist of building stakeholder engagement, develop area plans for innovation districts, and a return to the Board of Regents in February 2022 to provide progress updates and to request approval of initial parcel transfers. Areas of opportunities highlighted by Mr. Cramer include South Campus which is very interdisciplinary focused, and the West Campus which is more health and life sciences focused. Mr. Cramer presented early themes, or focus areas, gleaned from stakeholder conversations: innovation and collaboration space, Native Nations engagement, consistent with campus culture, multi-use spaces (live/work/play), alignment with master plan / zoning, economic impact, and fund strategic / Mission initiatives. In February 2022, Mr. Cramer discussed bringing forward to the Board of Regents for consideration, at a minimum, several off-campus parcels close to University Research Park that would make sense for moving into this program right away.

Chair Beightol reported that he and Regent Rai are working closely with staff on these issues because some of these plans, or proposals, will come to Regent Rai's committee, Capital Planning and Budget, and some will come to the Business and Finance Committee. Chair Beightol noted that he and Regent Rai thought it was important to bring this forward, so the Committee is aware of the progress that is being made. Continuing, Chair Beightol reiterated the parcels that will be moving forward under the MOU, the exciting innovation corporate incubation spaces, and the stakeholder engagement that has occurred and is continuing to occur. Chair Beightol stated that a lot of data and input is being received that will assist in ensuring these are the best possible projects to drive industry and corporate sponsored research onto our campuses, focusing first on UW-Madison and then moving outwards. Chair Beightol stated that, as Chair, he would like to see Committee members do a little less audit and oversight and a lot more strategy. Chair Beightol noted that the Committee will be reviewing policies and procedures in an effort to allow the Committee to accomplish both, but to also allow the Committee to spend more time, as a Committee, on some of these strategic objectives.

The meeting adjourned at 10:26 AM.

Respectfully submitted,

Diana J. Trendt

Diana J. Trendt
Acting Recording Secretary