

**UW System Board of Regents
Meeting of the Business & Finance Committee
University of Wisconsin-Stevens Point
Dreyfus University Center, Room 370 (Legacy Room)
1015 Reserve Street, Stevens Point, Wisconsin
April 7, 2022**

The Meeting of the Business and Finance Committee was called to order at 8:50 AM by the Chair, Regent Scott Beightol.

A. Calling of the Roll

Present: Regents Beightol, Jones, Miller, Peterson, Rai, and Weatherly (WebEx).
Absent: Regents Atwell and Klein
At all times, the Committee had a quorum.

B. Declaration of Conflicts

The Chair asked Committee Members to identify any conflicts of interest. Regent Chair Beightol recused himself from voting on Item M., UW-La Crosse Contractual Agreement with Heartland Business Systems, LLC, and Amendment to UW System Report on Strategic Plans for Major Information Technology Projects. Regent Vice Chair Jones recused himself from voting on Item I., UW-Madison Master Clinical Trial Agreement with Takeda Development Center Americas. Regent Miller recused himself from voting on Items E. and L., UW System Ordering Document with Oracle America, Inc., and UW-Madison Contractual Agreement with Raytheon Technologies Corporation.

C. Approval of the Minutes of the February 10, 2022, Meeting of the Business and Finance Committee

Upon the motion of the Vice Chair, Regent Jones, and the second of Regent Peterson, the Committee approved the minutes of the February 10, 2022, Business and Finance Committee meeting.

D. UW-Stevens Point Presentation – “Purpose Driven Institutional Investments: Aligning Our Financial Position for the Future”

The Committee first heard a presentation from the host campus, entitled “Purpose Driven Institutional Investments: Aligning Our Financial Position for the Future.” Vice Chancellor for Business Affairs and Chief Financial Officer, Pratima Gandhi. It detailed how UW-Stevens Point has navigated the financial challenges associated with enrollment, COVID, and other issues. Ms. Gandhi stated that the university has addressed its structural deficit and invested in strategic priorities and expects to further improve its financial position through increased freshman enrollment and the development of new programs. As the composite financial indicators were trending downwards, Ms. Gandhi stated it was clear that a comprehensive financial plan was needed to strategically unwind the institution to overcome these major challenges.

The proposal to overcome these major challenges included budget reduction plans on main and branch campuses, a change in branding strategies, academic and administrative restructuring, and reorganizing, implementing and expanding graduate programs, developing an activity-based academic budget model, and increasing operational efficiencies.

Along with the financial model, a plan to improve the student experience and to promote regular efficiencies and collaboration, the academic colleges also undertook a massive restructuring effective in FY20-21. This restructuring combined existing departments into new schools. Ms. Gandhi reported the three-year, \$8 million reduction plan that was implemented, aligns enrollment and tuition revenue for the future based upon conservative protections. Other investments involved the branch campuses which were incorporated into the overall institutional budget beginning in FY2020. When the branch campuses transitioned into the UW-Stevens Point structure, campus leaders began to better understand the campuses operating needs, and strategic investments were made to improve student recruitment, student support, and the overall student experience. Additionally, Ms. Gandhi reported that two baccalaureate programs and a master's program were extended to the branch campuses in response to regional market needs.

Another key component recognized was the need to change the institutions branding strategies. Work began by diversifying the student profile through expanding into market-targeted programs, both at the undergraduate and graduate levels and including collaborative programs, maintaining the focus on stabilizing, and increasing enrollments as a major factor to improve long-term institutional finances. Additionally, UW-Stevens Point improved their recruitment activities by making several changes in operational structure and recruitment approaches. The changes included integrating the University Communications and Marketing, Enrollment Outreach, Admissions and Recruitment, and the Financial Aid and Scholarship units into a single division.

Based on these actions and after emergence from a period of rebalancing the budget, Ms. Gandhi reported UW-Stevens Point is growing again. In fact, Ms. Gandhi reported specific enrollments have outpaced our peer institutions. UW-Stevens Point has built an internal enrollment infrastructure and launched a new customer relationship management system. She stated that campus visits have dramatically increased by 94%, housing applications are up, and financial aid awards are up. According to Ms. Gandhi, these drivers indicate that UW-Stevens Point is outpacing their projections and, correspondingly, fund balances are also improving.

In conclusion, Ms. Gandhi stated the strategic plan provides opportunities for growth in academic programs that will serve as institutional enrollment gain bursts and to also serve regional economic interests. With an increased focus on equity, diversity, and inclusion in all areas such as increasing scholarships, recruiting a first fellows program which is an initiative to help more faculty of color on their tenure journey, additional support in areas such as mental health to retain and support our students, working with the community to provide student internship opportunities, and continuing to expand, explore, and collaborate with other UW campuses and external institutions on their branch campuses in engineering, physicians assistants, and social work degree program partnerships will allow UW-Stevens Point to continue with making purpose driven investments to align their financial structure for the future.

E. UW System Ordering Document with Oracle America, Inc.

The Committee approved a UW System contract with Oracle for budgeting & planning software which is currently being used at System. UW System Director of Procurement, Brent Tilton stated that with the original contract expiring, this new five-year agreement will allow for its continued use until the budgeting and planning function fully transitions to the new Enterprise Resource Planning system, Workday. The total cost of \$1.3 million mirrors the price of the original contract. Mr. Tilton made himself available to answer questions from the Committee.

Motion made by: Regent Rai and seconded by Regent Jones

Motion carried unanimously (voice vote), with the exception of Regent Miller who recused himself from voting.

F. UW-Milwaukee License Agreement with Verizon Wireless

The Committee approved the UW-Milwaukee newly negotiated agreement with Verizon Wireless, allowing the cellular service provider to continue with rooftop placement of its equipment at Bolton Hall, with an increase in the license fee paid to the UW-Milwaukee campus. UW-Milwaukee's Vice Chancellor for Finance and Administrative Affairs, Robin Van Harpen, reported that this is a five-year agreement with additional renewable terms and a total value that may exceed \$1 million. Ms. Van Harpen made herself available to answer questions from the Committee.

Motion made by: Regent Peterson and seconded by Regent Rai

Motion carried unanimously (voice vote), with the exception of Regent Jones who recused himself from voting.

G. UW-Madison Contractual Agreement with edX, LLC

The Committee approved a series of contracts presented by UW-Madison. First is an educational services agreement with edX, an online program management company. UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer, reported that under a prior agreement, UW-Madison will make certain noncredit offerings available by July of this year. Mr. Cramer reported that, in this proposal, UW-Madison will offer fully online for-credit master's degree programs by 2024, which edX will market to its global portfolio of over 42 million learners. Under this initial ten-year, revenue-sharing agreement, UW-Madison expects that steady state enrollment of more than 300 students will generate over \$2 million annually for the School of Business. Mr. Cramer made himself available to answer questions from the Committee.

Motion made by: Regent Rai and seconded by Regent Miller

Motion carried unanimously (voice vote).

H. UW-Madison Standard Research Agreement with AavantiBio, Inc.

The Committee approved a master research agreement with AavantiBio, in which the School of Medicine and Public Health will explore the feasibility of using gene therapy approaches to correct a range of genetic mutations found in the heart which causes HCM, a disease that impacts up to 1 in 500 people. UW-Madison Vice Chancellor for Finance and Administration,

Rob Cramer, reported that this is UW-Madison's first agreement with the company, with total funding approaching \$1.1 million. Mr. Cramer made himself available to answer questions from the Committee.

Motion made by: Regent Jones and seconded by Regent Peterson
Motion carried unanimously (voice vote).

I. UW-Madison Master Clinical Trial Agreement with Takeda Development Center Americas, Inc.

The Committee approved a master research agreement with Takeda Development, a global pharmaceuticals firm, for future research in clinical trials to-be-determined. UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer, reported that UW-Madison has executed seven prior research and clinical trials with Takeda over the years totaling over \$2.1 million. Mr. Cramer made himself available to answer questions from the Committee.

Motion made by: Regent Rai and seconded by Regent Peterson
Motion carried unanimously (voice vote), with the exception of Regent Jones who recused himself from voting.

J. UW-Madison Standard Research Agreement with Beren Therapeutics, P.B.C.

The Committee approved an agreement with Beren Therapeutics, expanding an existing research program looking at a range of cardiovascular conditions. UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer, reported that the research is being done by the Department of Animal and Dairy Sciences, and will involve the continued development of swine models to study imaging and treatment modalities for atherosclerosis. The development of this imaging modality is expected to attract additional future research opportunities. Mr. Cramer made himself available to answer questions from the Committee.

Motion made by: Regent Jones and seconded by Regent Miller
Motion carried unanimously (voice vote).

K. UW-Madison Master Research Agreement with Flywheel Exchange, LLC

The Committee approved a master research agreement with Flywheel Exchange. UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer, stated that the company provides a research informatics platform targeted at facilitating medical imaging-related research and cross-site collaboration. Under this research program, Flywheel Exchange licenses software to UW-Madison, procured with a discount, as the university provides feedback and evaluation on the software. Mr. Cramer made himself available to answer questions from the Committee.

Motion made by: Regent Peterson and seconded by Regent Miller
Motion carried unanimously (voice vote).

L. UW-Madison Contractual Agreement with Raytheon Technologies Corporation

The final UW-Madison contract approved by the Committee is with Raytheon Technologies, a subawardee to a \$3 million Department of Energy award to the university in 2020 to prototype

a first-of-a-kind ultra-high efficiency thermal-to-electrical power conversion system. UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer, stated that this agreement provides funding to Raytheon for year two of the project and enables the company's continued participation. Mr. Cramer made himself available to answer questions from the Committee.

Motion made by: Regent Rai and seconded by Regent Peterson

Motion carried unanimously (voice vote), with the exception of Regent Miller who recused himself from voting.

M. UW-La Crosse Contractual Agreement with Heartland Business Systems, LLC, and Amendment to UW System Report on Strategic Plans for Major Information Technology Projects

The Committee approved M.1. for the purchase from Heartland Business Systems for the hardware necessary to replace and upgrade the university's wireless network, which is nearing its end of life, at UW-La Crosse. UW System Chief Information Officer, Steven Hopper, stated that this \$2.1 million price is part of a total \$2.4 million overall cost for this project, which is an eligible use of federal HEERF funds. The project will increase the capacity and improve the reliability of the wireless network at UW-La Crosse, while also introducing new security features. Mr. Hopper and UW System Director of Procurement, Brent Tilton, made themselves available to answer questions from the Committee.

Motion made to approve M.1. by: Regent Rai and seconded by Regent Jones

Motion carried unanimously (voice vote), with the exception of Regent Beightol who recused himself from voting.

In a separate action under this same agenda item, the committee then approved an amendment to the IT report adding the UW-La Crosse project to the UW System Report on Strategic Plans for Major IT Projects, which had been approved by the Board in February. Mr. Hopper and UW System Director of Procurement, Brent Tilton, made themselves available to answer questions from the Committee.

Motion made to approve M.2. by: Regent Weatherly and seconded by Regent Jones

Motion carried unanimously (voice vote), with the exception of Regent Beightol who recused himself from voting.

N. Trust Funds Quarterly Investment Report

Lastly, the UW System Executive Director and Operations Manager for the Office of Trust Funds, Charles Saunders and Senior Business Analyst, State of Wisconsin Investment Board (SWIB), Robert Thornton, continued with an investment report for the period ending December 31. As of that date, Trust Funds assets totaled \$759 million. The Fund's public equity investments increased 5.6% during the quarter, while the bond investments saw a marginal return and the inflation sensitive investments returned 3.5%. For the quarter, both the Long-Term Fund and the UW Fund Custom Benchmark increased in value about 4.5%.

The meeting adjourned at 9:43 AM.

Respectfully submitted,

Diana J. Trendt

Diana J. Trendt
Acting Recording Secretary