

**UW System Board of Regents  
Meeting of the Business & Finance Committee  
University of Wisconsin-Madison  
Gordon Dining & Event Center  
Overture Room, 2nd Floor  
770 W. Dayton Street  
Madison, Wisconsin  
And Via Webex Videoconference  
December 8, 2022**

The Meeting of the Business and Finance Committee was called to order at 9:00 AM by Vice Chair, Regent Mike Jones.

**A. Calling of the Roll**

Present: Regents Jones, Miller, Peterson, Rai, and Wachs

Present via Webex Video Conference: Regent Staton

Absent: Regents Beightol, Robert Atwell. At all times, the Committee had a quorum.

**B. Declaration of Conflicts**

The Chair asked Committee Members to identify any conflicts of interest. There were none.

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

**Corrections:** None

**Questions/ Comments:** None

**Discussion:** None

Upon the direction of Regent Jones, a voice vote was taken, and the Committee unanimously approved the minutes of the November 10, 2022, Business and Finance Committee meeting.

**D. UW-Madison Graduate and Professional School Tuition Proposals**

Sean Nelson, Vice President for Finance and Administration, UW System asked for approval of the proposal by UW-Madison to adjust tuition rates for the next two academic years for certain graduate and professional degree programs including business masters, law, doctor of medicine, health professional program, and doctor of veterinary medicine. Attachment A includes peer data and market demand provided by Madison. The example was provided for the School of Business with a proposed increase by \$750.00 per year for the next two years.

**Questions/Comments:** Regent Rai stated he appreciates the benchmarking against the Big 10. He asked for benchmarks compared to nonpublic schools as well such as the Marquette Law School or the Medical College of Wisconsin. Sean Nelson referred to Rob Cramer. Rob Cramer stated that yes the schools do look at those numbers and these rates are part of the comparison because that is part of the market we are competing in. Sean Nelson shared that today we are bringing forward tuition increases for UW Madison and other institutions will be addressed in the March meeting.

**Motion made by:** Regent Rai  
**Motion seconded by:** Regent Wachs  
**Discussion:** None  
**Motion** carried unanimously (voice vote)

**E. Request for Nonresident Midwest Tuition Rate**

Sean Nelson, Vice President for Finance and Administration, UW System along with Robin Van Harpen, Vice Chancellor for Finance and Administrative Affairs, UW-Milwaukee, Mark Mone, Chancellor, UW-Milwaukee and Kay Eilers, Associate Vice Chancellor for Enrollment Management, UW-Milwaukee presented a request for the committee to approve the creation of an optional new Nonresident Midwest Tuition Rate for both undergraduate and graduate students beginning with the 2023-24 academic year. This initiative is modeled off the Midwest Student Exchange Program (or MSEP), in which members of the Midwestern Higher Education Compact agree to charge nonresident students no more than 150% of the resident tuition rate for selected programs. Wisconsin enjoys high rates of in-migration of MSEP students, but with fewer out-of-state institutions participating, this action will allow UW System institutions the option of utilizing this tuition rate to continue to attract nonresident students to their universities and to the state. Robyn Van Harpen shared that Illinois is a major source of students for UW Milwaukee. The rate is set at 150%. For those states that have opted out of MSEP we can offer the same rate.

**Questions/ Comments:**

Regent Jones asked why other states and institutions were dropping out? Kay Eilers, Associate Vice Chancellor for Enrollment Management, UW-Milwaukee stated that Illinois dropped out because it was in their best interest to do so due to the exodus of students attending school outside of Illinois. Regent Rai commented that he appreciated this being brought forward as it will affect strategic planning discussions and he supports it. Sean Nelson shared that this does not affect the reciprocity agreement with Minnesota.

**Motion made by:** Regent Miller  
**Motion seconded by:** Regent Peterson  
**Discussion:** None  
**Motion** carried unanimously (voice vote)

**F. UW System Software as a Service Agreement with Kainos WorkSmart, Inc.** Brent Tilton, Director of Procurement, UW System Administration presented. The proposal asks the committee to approve an agreement on behalf of UW System with Kainos WorkSmart for software and services that will allow for rapid and consistent testing of the Workday software associated with the Administrative Transformation Program. This is a five-year agreement at a total cost of \$2.3 million.

**Questions/ Comments:** None

**Motion made by:** Regent Miller  
**Motion seconded by:** Regent Wachs  
**Discussion:** None  
**Motion** carried unanimously (voice vote)

**G. Amendment to UW System Report on Strategic Plans for Major Information Technology Projects**

The committee heard a report from Steven Hopper, Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, UW System Administration. He provided an explanation of the process to create a centralized solution. The project will establish a system-wide identity and access management platform that simplifies access for campus users for system-level applications, streamlines the flow of identity information between UW System and the UW institutions, and improves campus-level identity management practices. Adoption is expected to provide additional campus-level opportunities to eliminate duplicative technology solutions for significant cost savings. The project cost is estimated at \$5.5 million distributed over three years.

**Questions/ Comments:** none

**Motion made by:** Regent Peterson

**Motion seconded by:** Regent Miller

**Discussion:** None

**Motion** carried unanimously (voice vote)

**H. UW System Collective Bargaining Agreement with the Building and Construction Trades Council of South-Central Wisconsin**

Next, Daniel Chanen, Associate Vice President and Chief Human Resource Officer, UW System asked the committee to approve the UW System Collective Bargaining Agreement negotiated between UW System and the Building and Construction Trades Council of South-Central Wisconsin (or BTC). The parties negotiated for a 4.7% increase in base wages consistent with the consumer price index, effective January 1, 2023, through June 30, 2023, at a total annualized cost of \$455,000 including salary and fringe. The terms of this contract are consistent with those between BTC and both the Department of Administration and UW-Madison..

**Questions/ Comments:** none

**Motion made by:** Regent Rai

**Motion seconded by:** Regent Wachs

**Discussion:** None

**Motion** carried unanimously (voice vote)

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

Next, Daniel Chanen, Associate Vice President and Chief Human Resource Officer, UW System asked the committee to approve a UW-Madison Collective Bargaining Agreement with the Building and Construction Trades Council of South-Central Wisconsin.

Officer, UW-Madison joined the meeting via Webex videoconference. She shared this item requires Board approval because the cumulative value of agreements between UWM and Verizon now exceeds \$1 million.

**Questions/ Comments:** None

**Motion made by:** Regent Wachs  
**Motion seconded by:** Regent Miller  
**Discussion:** None  
**Motion** carried unanimously (voice vote)

**J. University of Wisconsin System Approval of Salary Ranges for Senior Executives**

Next, the committee was asked to adopt Resolution J. Daniel Chanen, Associate Vice President for Human Resource Officer/CHRO. The policy requires that we look at peer data and discount that 5%. First there is a 3% increase for the University President. The chancellor for Madison and Milwaukee went down and the standard deviation is over \$260,000. Bonuses, retirement compensation and other variable compensation can be the reason for this. With respect to the Vice Presidents, he recommended that the salaries be looked at by function.

**Questions/ Comments:** Regent Jones asked for clarification that there are no individual salary approvals today and this was confirmed by Daniel Chanen.

**Motion made by:** Regent Peterson  
**Motion seconded by:** Regent Rai  
**Discussion:** None  
**Motion** carried unanimously (voice vote)

**K. Annual Report on Faculty Turnover for FY22**

No action required; this report is for information only. Daniel Chanen, Associate Vice President and Chief Human Resource Officer presented the report on Faculty turnover. He shared that the turnover is better than the median for higher Education. Turnover is a separation or termination of employment, including retirements, Resignations and Non-renewals. Our retirements are slightly above the median and resignations are lower than the median.

**Questions/ Comments:** Regent Jones asked if our ability to make modest adjustments to salaries has helped. Dan Chanen shared that the retirement program seems to really help. Making modest salary increases is important. Increases help us to keep people. Regent Jones shared that there is work to do for those faculty who have not reached tenure. It is the recruitment end that is the issue. Regent Rai said his question going forward is to look at the number of open positions and how long they have been open. He asked if there was a lot of intercampus movement. Chancellor Mone shared that while this is a good starting point there is a lot that can be masked by averages.

**L. Annual Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments for FY22**

Next, Daniel Chanen, Associate Vice President and Chief Human Resource Officer presented the report on Faculty turnover. Lump sum programs were implemented to reward a broad array of staff.

**Questions/ Comments:** Regent Rai shared that there are state requirements asked if there are any flexibilities allowing us to compensate. Dan Chanen shared that the challenge is the compensation fund does not fully fund staff increases. With Tuition freezes there is little we can do. The question becomes do the campuses have the budgets to be able to pay. The averages mask the struggle experienced by some of the institutions.

**Discussion:** None

**M. Trust Funds Quarterly Investment Report**

Next, the committee was presented with the Trust Funds Quarterly Investment Report by Charles Saunders, Executive Director, UW System Administration Office of Trust Funds. No action is required; this item is for information only. Every asset category was down. Overall, we remain ahead of benchmarks and peers. We are in for a period of market volatility.

**Questions/ Comments:** Regent Jones said he was not going to ask about the direction of the market. Charles Saunders stated he cannot predict the market but he is not feeling it is going to recover very fast. He is expecting below trend growth. Regent Peterson asked about the reports from Blackrock and how long we have used them.

**Discussion:** None

The meeting adjourned at 9:56 AM.

Respectfully submitted,

Brenda L. Joyce  
Recording Secretary