

**UW System Board of Regents
Meeting of the Business & Finance Committee
University of Wisconsin-Madison
Union South, Varsity Hall I, 2nd Floor
1308 W. Dayton St., Madison, Wisconsin
February 10, 2022**

The Meeting of the Business and Finance Committee was called to order at 10:30 AM by the Vice Chair, Regent Mike Jones.

A. Calling of the Roll

February 10, 2022	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 December 9, 2021, Meeting of the Business and Finance Committee

Upon the motion of Regent Peterson and the second of Regent Weatherly, the Committee approved the minutes of the December 9, 2021, Business and Finance Committee meeting.

D. UW-Madison Presentation – “Strategic Investments - Opportunities and Challenges”

The Committee first heard a presentation from the host campus, entitled “Strategic Investments – Opportunities and Challenges for UW-Madison.” Interim Vice Chancellor for Finance and Administration, Rob Cramer, and Associate Vice Chancellor for Finance, David Murphy, provided the update for the Committee. Mr. Cramer noted for the Committee that

UW-Madison is thriving with the largest enrollment of Wisconsin freshmen in the last 20 years and with continued strong performance of prospective graduation and our research endeavors. The four areas that Mr. Cramer and Mr. Murphy will be covering for the Committee are revenue growth and why it matters for our mission, some of the strategies to continue revenue growth, review some of the actions UW-Madison is taking to improve management and control costs, and then wrap up with how do we ensure that UW-Madison continues to thrive in the future and support Wisconsin and our mission.

Mr. Cramer began by looking back to 2010, with respect to just revenue growth at UW-Madison, revenue growth was slow and not the kind of revenue increases UW-Madison needed to remain competitive with other institutions and to be able to meet its mission. Mr. Cramer stated that the good news is, due to actions taken at the campus and supported by the Board of Regents, revenue growth has increased significantly and is averaging about 5% annually. Mr. Cramer stated that we're not pursuing revenue growth for its own sake because it's really about the mission of the institution, meaning the focus emphasis on the revenue is really to be able to reinvest in our mission. One of the critical items we want to focus on is faculty compensation. If you look back historically early in this cycle, a combination of budget cuts and changes in the tenure system brought about a decline of 87 faculty during the period FY2015 to FY2018. Mr. Cramer stated that you can't lose 87 faculty at an institution like UW-Madison and not start to see negative impacts. The good news is that since FY2018, we have reversed that trend and have added 161 new faculty members. A big piece of this has been the focus at the institution on compensation for faculty. Mr. Cramer stated that several years ago there was a significant gap with faculty compensation, and it was identified as a priority and UW-Madison really focused on reallocating monies to invest in this priority. Today, UW-Madison is in a much better place in regard to faculty compensation because the institution has been able to maintain a competitive edge with our peer institutions. Another piece of the puzzle is the investment in undergraduate financial aid. In 2021, 3,500 of UW-Madison's in-state students were being supported by a Bucky's Tuition Promise. Mr. Cramer stated that if you look at the growth in financial aid over the years, in FY2014 UW-Madison had need based financial aid of about \$26 million. Last year it was \$68 million, so again a very significant focus, by the institution, on investing in financial aid. Mr. Cramer noted that academic support services are obviously an important piece of the puzzle and UW-Madison has been making continued investments in advising, wellness, and mental health support to keep first-year retention of students in a strong place. UW-Madison is over 95% and continues to reduce the average time to degree which is now at about 3.89 years which is very encouraging. Additionally, UW-Madison in FY2012 was last in the Big Ten for graduate student teaching stipends; however, UW-Madison has since moved from last to fourth solidifying the importance of this type of investment. The number of Ph.D. program offerings, four-to-five-year funding, has risen from less than 50% to now 86%. Again, Mr. Cramer noted, a real investment in UW-Madison's undergraduates, graduate students, and the institution.

Mr. Cramer stated that not only are we proud of the steps that have been taken over the last several years to increase revenue, but we need to think about how institutions in the Big Ten, including elite peers of UW-Madison, are doing with respect to growing their revenues because revenue growth is part of the very competitive environment the UW-Madison operates

in. Competition for faculty, competition for researchers, competition for top students is partly being able to direct resources to this initiative. Mr. Cramer further stated that revenue strategies this committee, and others, have seen over the years includes summer session enrollment growth, philanthropic support, research and development, professional and non-resident tuition, professional master's degrees, and undergraduate enrollment growth. These top six are what has aided UW-Madison in its revenue growth over the last several years and there is continued room for growth in these areas. Mr. Cramer stated that strategies UW-Madison has executed well, the simpler things, are not going to be available again, so there will be a need to get more intentional and focused on some of these and continue to move forward with the next steps of revenue innovations. Mr. Cramer reported that the corporate and industry engagement continues in addition to looking at what do we do with respect to the auxiliary and asset optimization. Mr. Cramer believes there are real potential strategies in the short-term, like around the real estate work, but in the long-term UW-Madison will need to continue to make sure that the resources needed to really thrive going forward are available.

Mr. Cramer turned the presentation over to Mr. Murphy who focused on efforts to raise more revenue, but also highlighted some of the items UW-Madison is doing to reduce costs and to access better data in order to make better decisions. Mr. Murphy reported on cash management and how, in October, it was presented how a portion of our gift balances would be invested with SWIB to improve upon the 0.1% that was earned last year on this money. Mr. Murphy stated that he wanted to underline how important and how impactful this investment plan will be to UW-Madison. Later this month, UW-Madison will invest its first tranche of \$400 million with SWIB, this is for our gift balance, and this is all we are currently statutorily entitled to invest. However, current pending legislation at the State Capital would expand the number of revenue sources that UW-Madison could invest in if the pending legislation were to pass. Mr. Murphy gave the example, if we are able to achieve, not a return of 0.1%, but say of 3% per year, we would be looking at approximately \$20 million in annual revenue for this university. Mr. Murphy reaffirmed how Mr. Cramer stated that research is one of our six pillars and since it is our largest source of revenue and there are a number of things UW-Madison is doing in relation to efforts in research. Mr. Murphy stated that in the most recent HERD rankings, UW-Madison is ranked 8th overall, but within business and industry is ranked 52nd. This is a place we want to focus more on, and a recent effort was to provide \$6 million in seed money to SMPH to help them expand their clinical trials which have the potential to really help us expand in that area. Mr. Murphy stated that when we look at FY2021 data, which is not yet reflected in the HERD data, some movement can be seen for UW-Madison in this area which is an encouraging first sign, but he thinks we'll see a lot more as this seed money starts to take hold. Additionally, Mr. Murphy noted that the campus is seeing new buildings such as the chemistry building, which just opened, the upcoming groundbreaking for CDIS, and future plans to expand UW-Madison's footprint within engineering. Not only will these buildings address student demand in these disciplines, but they will also allow us to expand our research in these key fields. Mr. Murphy stated that one of the pain points in recent years for this campus has been, when a new faculty member is hired, the extend amount of time it takes to get their lab ready so they can start conducting research. In response to this dilemma, the Facilities, Planning and Management (FP&M) created a separate task force within FP&M just to work on resolving this situation. Mr. Murphy stated he feels this effort will assist with the time it takes to begin conducting research, but it also will help with the retention and recruitment efforts of faculty. Finally, in the research area, Mr. Murphy stated that across the

campus, cluster hires have been made in a number of different disciplines. These hires have all had great impact, but when looking specifically at areas of research growth we see it in the disciplines of Data, Quantum Sciences, and Virology. These are part of the cluster hire strategy that have been very effective for UW-Madison.

Mr. Murphy then stated how having better access to data allows an institution to make better decisions. With this goal in mind, Mr. Murphy reported on the recent investment in a product called Snowflake. This product allows the user to run queries 50-100% faster, is much easier to use, and when it's rolled out many more members of the campus community will have access to more data, better data, and will be able to run queries quicker. Snowflake will provide daily snapshots of course enrollment data to show where demand is bottlenecked and where to open up additional teaching sessions, so it will be very responsive to student needs. Another area Snowflake will be useful is in the area of tuition revenue. Mr. Murphy stated that UW-Madison has a pretty good sense of what the retention rates are among upper classmen, but predicting the freshman class can be difficult. Snowflake will assist in tracking the melt to help UW-Madison to have a better sense of where the freshmen class size is going to end up. Another advantage that Snowflake provides is the ability to consolidate all of UW-Madison's most important data into one place. Whether it be student, research, finance, or space data, Snowflake will allow UW-Madison to run integrated reports. Additionally, Mr. Murphy stated Snowflake has implications for hiring and training practices going forward, such as all the data pulling from shadow systems, so the employee focus shifts to individuals who can analyze the data and act on it. Moving on, Mr. Murphy reported on administrative efficiencies and the ATP system which will provide state of the art systems in the financial and human resource applications which, being Cloud-based, will be continually updated. ATP will also allow UW-Madison to retire the hundreds of shadow systems that currently exist across campus. Mr. Murphy stated that if UW-Madison is successful in leveraging how work can be completed differently, and how work processes can be redesigned because of ATP and these new systems, then the potential is there to achieve, over time and through attrition, significant salary savings in the administrative areas which can then be turned back to mission. Finally, Mr. Murphy notes that UW-Madison contracts with a number of benchmarking services that allow us to compare ourselves to our peers. The findings do prompt us to look at our operations to understand where we may be lacking relevant to other institutions in areas such as deferred maintenance. However, Mr. Murphy stated that UW-Madison needs to invest more in our facilities, and this needs to be done on many fronts. First, Mr. Murphy stated outdated buildings that are no longer suitable for cutting edge research and teaching and which cost far too much to maintain, need to be evaluated for demolition. This, Mr. Murphy stated is followed by buildings that are in better shape, but still need capital investment to be fully functional. To help prioritize the work in this area, UW-Madison plans to work with an outside consultant to conduct facility condition assessments of buildings to inspect and rate them so there is a better understanding of the level of investment needed in this area. Mr. Murphy noted that one factor that will go into determining the prioritization of which buildings will be selected first which level, will be how much is currently being spent on annual maintenance. So, this will be one area where some good cost savings can be generated. Mr. Murphy also noted that energy commodity prices are up nearly 50% over the last 12 months and climate change is not only an existential threat, but it extracts a huge cost if buildings are not resilient therefor, a doubling down on sustainability efforts is in place. Finally, Mr. Murphy addressed a result of the pandemic and how UW-Madison will soon learn if the pandemic has permanently

changed the way UW-Madison does work. If so, Mr. Murphy stated it does open up opportunities for repurposing buildings for different institutional uses or to house revenue generating programs.

In conclusion, Mr. Cramer restated how it's really about looking ahead and ensuring that UW-Madison is thriving going forward so we can support Wisconsin and ensure our core missions of education, research, and outreach are being met. It really comes down to focusing on ensuring we have revenue growth to provide resources so that we can really bring to the campus, to the UW-Madison, the best faculty and staff, of which there are about 20,000 employees, who want to be here and who are contributing because they are driven by our mission. Mr. Cramer stated that UW-Madison serves 45,000 students and that's a critical part of having both those investments in financial aid, but also having facilities that meet the needs whether it's our academic spaces, our rec wellness spaces, or our housing and dining spaces. Also, continuing the focus on the growth of student aid to support the affordability aspects mentioned earlier in the presentation. Mr. Cramer stated that the investment by the State, he believes, is a good investment as each dollar of state monies provided generates about \$26 in return and UW-Madison overall has about a \$30 billion impact on the State of Wisconsin. Mr. Cramer stated it's up to us to look forward and make sure we are attending to building on that success and, in ten years from now, really having an institution that is thriving.

Before opening the session to questions from the committee, Chair Jones complimented UW-Madison and Chancellor Blank, Mr. Cramer, Mr. Murphy, and their teams for this work because revenue enhancement and cost reduction are with us for the foreseeable future and the work being done is really important. Mr. Cramer made himself, and Mr. Murphy, available to answer questions from the Committee.

E. UW System Semi-Annual Status Report on Large/High-Risk Information Technology Projects

Upon the motion of Regent Klein and the second of Regent Miller, the Committee approved the UW System Semi-Annual Status Report on Large or High-Risk Information Technology Projects. The report is required by Chapter 36 of the Wisconsin Statutes and Regent Policy 25-4. UW System Chief Information Officer, Steven Hopper, detailed 14 major IT projects within the System, three of which have been fully completed since the last report in August 2021, decreasing the total size of the portfolio by \$23 million. For those projects still in progress, Mr. Hopper shared status updates on each project's schedule, scope, and budget. Mr. Hopper noted that all the projects are on or under budget, some of them significantly, and all the projects are being proactively monitored by management. Mr. Hopper reported that one new project is being requested for approval and it is the Hybrid Cloud adoption for UW-La Crosse and UW System Administration. Mr. Hopper stated that this project is building on the work and partnership with UW-Madison, plus it's helping to consolidate data centers by offering to do this as a platform that other institutions can then join in the future. Mr. Hopper reported that he believes this will significantly shrink our attack surface from an information security perspective, lower our costs, improve our disaster recovery, and make us more resilient to staff

turnover. The budget for this project is \$2M consisting primarily of capital investments and some electronic gear. The timeline is still unknown due to supply chain delays related to COVID disruptions. Mr. Hopper reported that three projects have been completed since the last meeting. The first project completed was for UW-Madison and was their endpoint management roll-out which involved getting over 21,000 endpoints, or devices, under centralized management. This is a significant accomplishment for information security because we now have “eyes” on these devices. Additionally, UW-Madison completed the Hybrid Cloud infrastructure project, which was a partnership with the Department of Administration, and essentially moved our resident data centers to enable a more cost-effective IT infrastructure. The third project completed was the UW System budget and planning forecasting system (this item is also related to item G on the agenda). Mr. Hopper stated that this was the major project that really moved us off the old main frame and into a modern, budgeting environment. Mr. Hopper stated that this project has been successful in bringing modern, Cloud-based, budget and planning to the UW System. With the move towards Workday, as part of the ATP program, an actual business case analysis was conducted to see what it would take to retrofit the existing system with the new Workday system. Basically, Mr. Hopper stated that it was going to cost more money to retrofit this system than to just use the native Workday functionality. Mr. Hopper stated that it was decided, as part of the ATP implementation, to implement the native Workday functionality and have it all tightly integrated together. Mr. Hopper stated we are now closing out the last pieces of this project and item G is essentially the implementation contract to actually complete the budget integration work. Additionally, Mr. Hopper stated that we continue to see COVID-19 related impacts with almost all the projects and ranging from staffing delays, having to move personnel off projects to COVID response, supply chain issues, and the challenging hiring market for IT talent. While it was almost totally complete, they did have to change some scope which caused some delays because the staff working on it had to be moved off the project to respond to omicron demands and a variety of other waves due to the pandemic. Mr. Hopper stated that efforts are in place to get a timeline in place to finish this project this quarter. Mr. Hopper reported that it’s becoming increasingly difficult to secure shipment dates for receiving hardware. Under normal circumstances for shipments of hardware that would take 2-to-3 weeks, some vendors are saying it may take from 4 to 7 months for shipments of items that are electronic based to be delivered. Finally, Mr. Hopper highlighted two key projects that are being monitored. One is ATP and how two critical actions have been completed, since the last meeting, to get this project back into a healthy state. Mr. Hopper stated the first action was completing the RFP for the systems integrator which was awarded to Huron. As of January 2022, Huron is on board and starting the implementation roll-out in partnership with our local teams. The second key project was receiving approval to use the Master Lease Program from the Department of Administration as a means to finance this project over a number of years. Mr. Hopper reported that an executive director has been hired and starts this week. Additionally, Huron is on board, they are in the design phase at the moment, and we’re looking at potentially shortening some of the timelines for this project. Mr. Hopper will keep the committee updated on any changes that may come from the design and planning efforts. Finally, the Procure-to-Pay (P2P) automation project did successfully complete its first phase along with the stabilization phase and as now planned, is in the second phase of the project. Mr. Hopper reported that the executive sponsors decided to extend the timeline by an additional six months and that was really based on lessons learned from the initial roll-out and we want to do some things differently to give a little bit more time to do the change management and the variety of activities involved with rolling out a project of this magnitude. In conclusion, Mr. Hopper reported that the total project portfolio is \$269 million, most of which is allocated to the

Administrative Transformation Program (ATP). Mr. Hopper made himself available to answer questions from the Committee.

F. UW System Strategic Plans for Major Information Technology Projects

Upon the motion of Regent Klein and the second of Regent Peterson, the Committee approved a report on the UW System Strategic Plans for Major Information Technology Projects, also presented by UW System Chief Information Officer, Steven Hopper. The report provided an inventory of all ongoing and new projects, both enterprise-wide and institution-specific, and included information on each project's business need, impact, staffing requirements, and budget. Mr. Hopper stated that historically our campuses have followed a decentralized IT model with decisions being made at the campus level with a lot of non-standardization across our technology components and our environments, including how we manage these entities. Due to this, Mr. Hopper stated there is quite a bit of duplication which is a by-product of how we've historically been structured. From a cyber security perspective, Mr. Hopper stated we have a big attack surface which makes it difficult to protect all the components. Mr. Hopper stated we can find ways that we can work together better, increase our efficiencies, increase our quality, and improve our information security by leveraging our scale as an asset instead of a liability. Mr. Hopper stated that what it really boils down to is that here-to-fore, we have really duplicated all our infrastructure, all our management, all our over-head and all our licensing. It's Mr. Hopper's assertion that through this IT as a service (ITaaS) program, we can move away from this isolated model and towards this unified model where we can identify those commodities that we can do better together. Mr. Hopper stated we can deliver those as a service to institutions and institutions can then focus on the mission aspect of delivering IT, the things that make them unique, and the things that are focused on their particular programs. Mr. Hopper stated that he thinks these are the core of the strategy. To follow up on a question from Regent Weatherly, Mr. Hopper stated that what we're seeing from the results of COVID and working remotely during this time is really re-enforcing the validity of IT as a service (ITaaS) strategy and how the work doesn't necessarily have to happen on a campus for some back office operations that just need to be there and just need to work. Mr. Hopper stated we can do those collectively better together with staff distributed across the whole state. Since meeting on this topic last year, UW-La Crosse and UW System engineering and cyber security teams have been integrated. As of July 1, 2022, they became part of one team servicing both areas while also working towards building a modernized infrastructure that can be a platform for other institutions. Mr. Hopper stated that the individuals from UW-La Crosse continue to live in La Crosse and remain close, and engaged, to the campus, but we're able to build this broader staffing resilience across the two locations. Mr. Hopper reported that processes will not change all at once and that's why we developed what is called a pipeline of projects. It's an iterative way to systematically identify our biggest risks, go after those, show success, and then move on to the next one. Since last February, Mr. Hopper stated that we've rolled out a common integration platform for moving data around the institutions, we've deployed a common service management platform which we now have five institutions and UW Shared Services on and we'll be expanding to other institutions this year, and as I mentioned before we have partnered with UW-Madison for the hybrid Cloud infrastructure which will serve as the baseline for some of the new things we plan on doing. Also, Kathy Mayer and Ed Murphy, UW System Information Security, have done a great job rolling out some security rating service and security awareness training, system-wide, to help our cybersecurity posture.

Currently in process, Mr. Hopper reported that we are consolidating nine of our campuses student information systems into a common platform. Currently live with this consolidation is UW-Green Bay and UW-La Crosse. UW-Oshkosh is set to go live later this month with more in the pipeline. Additionally, Mr. Hopper stated we are continuing to pilot some of these cyber security initiatives such as managed detection and response and incident response with the goal of having a full team instead of having one person, at one campus, responsible for all of it. Instead, Mr. Hopper stated that we have a whole team of people with specialized expertise available to quickly respond to security threats. Both reports will be submitted to the Legislature's Joint Committee on Information Policy and Technology, pursuant to state statute. Mr. Hopper made himself available to answer questions from the Committee.

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

Upon the motion of Regent Peterson and the second of Regent Weatherly, the Committee approved an amendment to UW System's agreement with Huron Consulting Group to assist with implementation of Workday software related to the Administrative Transformation Program (ATP). UW System Director of Procurement, Brent Tilton, and North West Regional Assistant Purchasing Director, Todd Pooler, discussed a system integration contract amendment with Huron Consulting Group. Mr. Tilton stated the UW ATP leadership team has now decided to deploy a new budget and planning model available through our Workday contract and called adaptive planning. This amendment is to reflect this required change and we will now need Huron's assistance to integrate this module in addition to all of the other modules within Workday. Mr. Tilton stated the total cost of this contract amendment with Huron is \$5.5 million which is why it is requiring the Boards approval. The schedule for implementation of the module will correspond with the original implementation timeline and run from December 2021 thru December 2023. Additionally, Mr. Tilton reported that a business case analysis determined that it would be more cost effective for UW System to utilize the budget and planning capabilities of Workday, rather than to retrofit UW's existing budget system for that functionality. Mr. Tilton made himself, and Mr. Pooler, available to answer questions from the Committee.

H. UW System Amendment to Service Agreement with EAB Global

Upon the motion of Regent Klein and the second of Regent Weatherly, the Committee approved an amendment to UW System's service agreement with EAB Global, which currently provides its "Navigate" system, which is a student success platform, to 12 UW institutions and which supports communication and engagement for students and the entire campus community. UW System Associate Vice President for Policy Analysis and Research, Ben Passmore, and Director of Procurement, Brent Tilton, discussed how this amendment allows for the \$385,000 purchase of a new EAB product offering called "Academic Planner." Mr. Passmore reported that Academic Planner fully integrates into Navigate which means the work that's already been done we'll be able to build upon more easily. Mr. Passmore stated that what it provides is from day one, Academic Planner creates a clear course-to-graduation pathway that assists students in meeting their academic goals on time. Additionally, it intervenes when a student takes a wrong turn in accordance with their academic goals. Mr.

Passmore stated it's specifically designed for student use and to allow students to understand it in their own terms so students can make the sorts of decisions they need to make. Mr. Passmore reported that both UW-Milwaukee and UW-Parkside are already utilizing this tool under their "Moon Shot for Equity" program, with positive early results. Mr. Passmore stated we seek to add three additional participating institutions (UW Oshkosh, Platteville, and River Falls) all of which opted to join us in what we are characterizing a pilot program through the current contract term ending in 2023. Mr. Passmore reported that we will return in the fall to discuss the success of the implementation and the usage of it on the campuses at Parkside and Milwaukee. Mr. Passmore stated the current contract runs through the end of 2023 and by then take a look at whether or not, overall, has this whole project been successful before moving the needle on student success. Mr. Passmore made himself, and Mr. Tilton, available to answer questions from the Committee.

I. UW-Madison Sponsored Research Agreement with RxMapper, LLC

Upon the motion of Regent Peterson and the second of Regent Weatherly, the Committee approved a series of research contracts on behalf of UW-Madison. UW-Madison's Interim Vice Chancellor for Finance and Administration, Rob Cramer, reported the first of these is with RxMapper, a Mayo Clinic spin-off that seeks to better predict patient outcomes. The company will provide the UW-Madison Biotechnology Center with human cheek swab samples to generate DNA sequence data and provide a report of status of mutations of interest. Mr. Cramer reported that total funding under the three-year agreement is expected to reach \$10 million. Notably, with RxMapper choosing the Biotechnology Center as its academic partner, this agreement represents an opportunity for larger, future cross-campus collaboration between the parties. Mr. Cramer made himself available to answer questions from the Committee.

J. UW-Madison Standard Research Agreement with eGenesis, Inc.

Upon the motion of Regent Klein and the second of Regent Weatherly, the Committee approved a UW-Madison standard research agreement with eGenesis, a biotech company with a mission of ending the global transplant shortage and transforming the treatment of organ failure. UW-Madison's Interim Vice Chancellor for Finance and Administration, Rob Cramer, reported that this two-year agreement, anticipated to be exceed \$1 million, allows for an animal research study that may include transplantation of organs and tissues between different species, furthering UW-Madison's reputation in the field of xenotransplantation. Mr. Cramer stated the collaboration involves UW-Madison's Center for Biomedical Swine Research and Innovation and several partnering units on campus. Mr. Cramer made himself available to answer questions from the Committee.

K. UW-Madison Clinical Study Agreement with Fate Therapeutics, Inc.

Upon the motion of Regent Klein and the second of Regent Weatherly, the Committee approved a clinical study agreement with Fate Therapeutics, a biopharmaceutical company developing cellular immunotherapies for patients with cancer. UW-Madison's Interim Vice

Chancellor for Finance and Administration, Rob Cramer, reported that in this five-year study valued at \$3.6 million, UW-Madison's Carbone Cancer Center will explore the safety and effectiveness of the company's novel treatments for B-Cell lymphoma, Chronic Lymphocytic Leukemia or B-cell Acute Lymphocytic Leukemia. Mr. Cramer reported that this too is a new partnership for UW-Madison, providing the opportunity for a longer-term relationship with this company. Mr. Cramer made himself available to answer questions from the Committee.

L. Semi-Annual Budget-to-Actuals Report

The Committee then received two reports from Vice President for Finance, Sean Nelson, received approval from Chair Jones to report on items, L and M, together because they are both inter-related. The midyear Budget-to-Actuals Report reflects the status of the UW System budget by major areas of activity in comparison to actuals for the period of July through December of 2021. The Semi-Annual Report on Gifts, Grants, and Contracts summarizes what has been awarded to UW System institutions, also for the period of July through December of 2021.

Mr. Nelson began his report by stating that twice a year, semi-annually, we do report out on our Budget-to-Actuals, as well as on our Semi-Annual Report on Gifts, Grants, and Contracts. Mr. Nelson stated that the mid-year look isn't as precise, of course, because it's mid-year and we have a lot of timing issues in terms of the variances. Mr. Nelson reported that on the gifts and non-federal grants and contracts, and on the federal grants and contracts, we're actually up about 15% or about \$139 million over the prior year which is remarkable. Mr. Nelson stated that a lot of this is related to the COVID relief, as well as some COVID related research primarily at the UW-Madison campus. Another area Mr. Nelson highlighted was our supply and expense line. Mr. Nelson stated that if you look at the expenses on the Budget-to-Actuals Report, we are trending far under what we were anticipating for the year and that is again, for the most part, a continuation of the lack of travel. Mr. Nelson stated that we have not seen a rebound in the overall travel and that is to be expected at this point. Mr. Nelson reported that we are projecting to save about \$40 million in travel by year end if this current rate continues. A couple of things Mr. Nelson noted that really aren't evident on the report are that we're seeing a lot of inflationary pressure at the campuses with respect to supply chain issues and labor shortages mainly in the dining area right now. Mr. Nelson reported that he has heard from campuses that there are some rate increases in terms of the cost of food, especially for those institutions that have self-operated dining services. Mr. Nelson stated that a lot of our institutions are under contract with a food supplier; however, when we come back to the Board in June we may report some inflationary pressure on rates especially on the dining side, but likely on the housing side as well. Mr. Nelson stated this is something we are keeping our eye on as we move forward throughout the year. The other item Mr. Nelson highlighted is on the non-federal award side which is up about \$107 million between the first half of fiscal years of 2019-21 and 2020-22. Mr. Nelson stated this increase is primarily at UW-Madison and relates to funds received from the Wisconsin Alumni Research Foundation. These funds support new research buildings, some pandemic support, and grants for the Morgridge Institute for Research. Overall, Mr. Nelson stated we are doing okay, we are seeing some reduction on the salary line, but we'll see how that bears out over the next six months. Mr. Nelson reported campuses are steady and very viable at the moment, so good news to report. This closes out

both items L and M. Mr. Nelson made himself available to answer questions from the Committee.

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

Vice President Nelson reported on agenda items, L and M, together because they are both inter-related. The following is a summary of information gleaned from the report. Total gifts, grants, and contracts for the six-month period were approximately \$1.1 billion, a 14.3% increase from the same period in the prior year. Federal awards increased \$31.6 million (4.9%), while non-federal awards increased by \$106.9 million (33.0%), largely attributed to funds received by UW-Madison from the Wisconsin Alumni Research Foundation.

The meeting adjourned at 11:43 AM.

Respectfully submitted,

Diana J. Trendt

Diana J. Trendt

Acting Recording Secretary