

**UW System Board of Regents  
Meeting of the Business & Finance Committee  
University of Wisconsin-Milwaukee  
Zelazo Center, Room 250  
2419n E. Kenwood Blvd., Milwaukee, Wisconsin  
June 9, 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 Atwell, Beightol, Jones, Klein, Miller, Peterson, Rai, and Weatherly.

Absent: None.

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 J., UW-Madison Contractual Agreement with Foremost Farms USA, Cooperative, LLC, and Item K., UW Master Research Agreement with Kohler Co. Regent Vice Chair Jones recused himself from voting on Item K., the Kohler contract and Item J., the Foremost Farms contract. Regent Miller recused himself from voting on Item N., UW Madison Contractual Agreement with Oracle America, Inc. Regent Klein recused herself from voting on Item K., the Kohler contract. Regent Rai recused himself from Item O., UW-Madison Request for an exception to Board Policy on Large Unendowed Bequests for the Carbone Cancer Center.

**C. Approval of the Minutes of the April 7, 2022, Meeting of the Business and Finance Committee**

**Corrections:** None

**Questions/ Comments:** None

**Motion made by:** Vice-Chair, Regent Jones

**Motion seconded by:** Regent Miller

**Discussion:** None

Upon the motion of the Vice Chair, Regent Jones, and the second of Regent Miller, the Committee unanimously approved the minutes of the April 7, 2022, Business and Finance Committee meeting.

**D. UW-Milwaukee Presentation – “Expanding UWM’s Impact: Investing in our Future”**

The Committee first heard a presentation from the host campus, entitled “**Expanding UWM’s Impact: Investing in our Future.**” Vice Chancellor for Finance and Administrative Affairs, Robin Van Harpen detailed how in the face of inflation-adjusted reductions in state support and tuition revenue, UW-Milwaukee’s focus on student success initiatives has led to steady improvements in educational outcomes, including graduation rates. To support UWM’s unique dual missions of access and research, UWM urges additional investment in student financial aid, student support services, and research and innovation activities.

Ms. Van Harpen shared that it is UWM's mission to be a major urban doctoral university and to meet the diverse needs of Wisconsin's largest Metropolitan area. We do this through a wide array of degree programs, through research and innovation and through our engagement with the community.

UWM continues to be one of the top research universities in the nation with R1 standing. UWM is 1 of 146 Carnegie R1 universities in the nation and 1 of 2 R1 universities in the state.

UWM is a leading contributor to the workforce in Wisconsin. The breakdown of the number of UWM graduates employed by major employers in the state shows significant contributions.

Ms. Van Harpen stated trends in state appropriations and enrollment have a unique impact on their research programs. Revenue sources show the dependence on Tuition and fees and State support. The pandemic provided short term relief but has brought further strain and inflationary impacts. The university is squeezed to sustain for the future.

The impact of the nine-year tuition freeze places UWM in the second to last when compared to their institution peers for tuition and fees. With inflation there has been a 32% decline in Tuition revenue. They have done extreme cutting to accommodate. One of the areas most impacted is their faculty numbers. Loss of faculty directly impacts the number of research proposals and the ability to maintain the R1 research status. It is challenging for the students because it affects scholarships and grants offered. The students unmet financial need is disproportionately high.

UWM works hard on philanthropic fundraising initiatives. Their fundraising exceeds over \$30 million annually.

The prioritization of student success allowed UWM to achieve six-year graduation rates of 46.9%, 4-year graduation rates of 28.3% and year one retention rates of 74.6%. With a goal of a 60% six-year graduation rate the anticipation is there will be growth of 30% more graduates added to the talent and employment pool.

The leadership sees three needs to move towards continued growth:

- Increased Financial Aid.
- Improved Student Success Infrastructure.
- Renewed Prioritization of Research and Innovation.

In conclusion if UWM recognizes the opportunity, and the vital role the university plays the "moon" is achievable.

### **Questions/Comments:**

Regent Chair Beightol shared he can remember the same presentation in terms of the critical need made last June. We say come to this access institution then saddle students with unmet financial need being the highest in the system, which is wrong. I know many of us are willing to lean in on this to do the work to see the "Moon shot" come to realization. I see this as a pilot program for success that we can use as an example throughout the system. He thanked Vice Chancellor Van Harpen for illuminating the Board members, calling attention to the problem

that the R1 status is tenuous and should not be taken lightly. “We certainly have room within Wisconsin for a second strong R1 institution.”

Regent Atwell agreed with Regent Chair Beightol and stated that the data on the underfunding of low-income students at Milwaukee is very telling for the students we have and what it does not capture is funding on the students we do not have that we could be reaching as part of our urban access mission. Regent Atwell wonders if it would not be more effective if we took a more optimistic view in terms of bipartisan support for lower income and underrepresented students in the state. He shared he may be optimistic, but he thinks people care but they do not know or understand.

Vice Chancellor Van Harpen shared they felt they needed to be transparent with the Regents with their presentation, but they shared in Regent Atwell’s optimism.

Regent Rai shared that the use of one-time federal funds used to focus on student success and the bigger message is it is upon us to make sure that financing continues. “It causes me great concern for resources this institution needs to follow the success of that funding to make sure that it stays there.”

Regent Klein thanked the Vice Chancellor for her great presentation and stated that she was supportive of the effort put forth by UWM. Additionally, Regent Klein shared that it is a new day with the new chancellor at UW-Madison who understands system-ness and had keen insights on the Wisconsin Idea. Sometimes, said Regent Klein, we need to engineer against competition between the institutions to allow all boats to rise in order to answer the question, “How do we propel both?”

Vice Chancellor Van Harpen shared she has seen this with ATP which has been successful. UW-Madison is taking the lead role in driving it.

Regent Jones shared that we need a sustainable source of revenue for this.

Regent Chair Beightol shared that he knew Chancellor Mone was anxious to comment but would have his opportunity later this afternoon.

**E. UW-Milwaukee License Agreement with New Cingular Wireless PCS, LLC, d/b/a AT&T**

Vice Chancellor Robin Van Harpen shared how this agreement allows for continued rooftop placement of Cingular Wireless PCS, LLC, d/b/a AT&T equipment at Bolton Hall, with an increase in the license fee paid to UW-Milwaukee. This is a five-year agreement with up to three, five-year renewal terms with an annual license fee of \$50,000 with a 3.5 % escalator with a \$40,000 signing bonus. Ms. Van Harpen shared UWM may have one or two contracts which will be brought to the committee in the future with a total value not to exceed \$1 million.

**Questions/ Comments:** None

**Motion made by:** Regent Jones

**Motion seconded by:** Regent Klein

**Discussion:** None

**Motion** carried unanimously (voice vote).

**F. UW System Service agreement with Berry Dunn McNeil and Parker, LLC**

Brent Tilton, Director of Procurement for UW Shared Services presented a \$1.4 million service agreement with Berry Dunn McNeil and Parker for quality assurance services to ensure that implementation of the Workday Software associated with the Administrative Transformation Program (ATP) is completed properly, on time, and on budget. This will be a three-year contract.

**Questions/ Comments:** None

**Motion made by:** Regent Jones

**Motion seconded by:** Regent Atwell

**Discussion:** None

**Motion** carried unanimously (voice vote)

**G. UW-System Amendment to Service Agreement with Huron Consulting Services, LLC**

Brent Tilton, Director of Procurement for UW Shared Services presented the amendment to a service agreement with Huron Consulting to implement the Workday Software for ATP. As discussed in the December and February 2022 committee meetings, ATP Leadership has decided to incorporate, at a cost of just under \$200,000, the Prism Analytics module which will be added to the current scope of work to facilitate the extraction, modeling, and export of data from the workday platform for use in data analytics.

**Questions/ Comments:** None

**Motion made by:** Regent Atwell

**Motion seconded by:** Regent Peterson

**Discussion:** None

**Motion** carried unanimously (voice vote)

**H. UW-System Contractual Agreement with Qualtrics, LLC**

Continuing with contracts, Mr. Tilton presented a contract between UW Systems Administration with Qualtrics, LLC, for an Enterprise Survey Tool which has been under contract since 2009, with the current contract expiring on June 30, 2022. After careful review by an 11-member team representing all system campuses, it was determined that Qualtrics met all the desired outcomes of the Request of Proposal. The survey tool will be available for use by all UW System Institutions, to be used by general academic users, institutional researchers, and partnerships with non-academic entities conducting university related work. The contract cost is \$1.3 million over the initial 3-year term with renewal for 2 more years.

**Questions/ Comments:** None

**Motion made by:** Regent Jones

**Motion seconded by:** Regent Rai

**Discussion:** None

**Motion** carried unanimously (voice vote)

**I. UW-System Amendment to Report on Strategic Plans for Major IT Projects**

Steven Hopper, UW System Associate Vice President for Learning and Information Technology Services and Chief Information Officer presented the plan for an addition to the strategic plan for Major IT Projects. The Enterprise Analytics Platform has two underlying motivations, the current platform is data rich, but information poor. This platform will allow for automation of data and will also support ATP to establish a data analytics infrastructure that will enable participating institutions to integrate HR Data, Financial Data, student data, and other local datasets to significantly improve data informed decision-making. A contract executing this work will be presented for approval at a future meeting. By doing this at the system level we are taking advantage of the economies of scale and will be able to expand to other campuses. Mr. Hopper stated that this request is for the approval of the project to move forward.

**Questions/ Comments:** Regent Atwell stated this is a subject that has dogged him for years and that is the ability of the regents to see aggregate data that are real actual projected before they approve a budget. My understanding is ATP is the answer to that, is this correct? Why does it take 5 to 7 years?

Mr. Hopper confirmed budgeting and forecasting is part of the ATP process.

Regent Atwell asked why it takes so long to get data that is so basic?

Mr. Hopper deferred the question to UW System Administration Vice President for Finance, Sean Nelson.

Vice President Nelson stated we do have the ability to extract data, we do this on a regular basis, obviously we have better insight at the end of the year than at any given point in the year. ATP will step up our sophistication. Mr. Nelson reported that it is not as agile as we would like it to be right now, and this effort will help us to integrate those data elements. It is elements like this that will get us to where we need to be. We are much further along today than we were five years ago. Vice President Nelson asked if his summary gave Regent Atwell additional assurance?

Regent Atwell stated, he was not (assured). We have fiduciary responsibility to approve a budget and we do not see a projected actual for the year. Regent Atwell deferred further comment until discussions later in the day. His question now is how can he assess a trend line without seeing the actuals? Regent Atwell stated that he is not seeing the numbers until after they have voted on the budget.

Regent Klein shared that every time Mr. Hopper comes before the committee, he moves us ahead. She believes that the addition to the strategic plan for Major IT projects is going to propel us. She shared that Mr. Hopper seems to see the ways the campuses can be working together, and she appreciates the direction we are heading. She shared that this seems to be one that will move us forward and she wanted to show appreciation for the efforts.

Regent Chair Beightol stated we all want progress, and we all are impatient as is Mr. Hopper. Regent Chair Beightol requested a motion.

**Motion made by:** Regent Atwell

**Motion seconded by:** Regent Klein

**Discussion:** None

**Motion** carried unanimously (voice vote)

**J. UW-Madison Contractual Agreement with Foremost Farms, USA, Cooperative**

UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer, presented a series of contracts. The first is with Foremost Farms, extending a long relationship with the University for the purchase of daily shortages and the sale of excess milk produced by the UW-Madison College of Agricultural and Life Sciences. The five-year contract estimates annual net revenues of over \$5 million.

**Recused:** Regent Chair Beightol, and Regent Vice-Chair Jones

**Questions/ Comments:** Regent Miller stated usually we spend money; however, the prospect of earning it is exciting. When excess milk is sold, does the profit go to the UW-Madison College of Agricultural and Life Sciences or to general coffers?

Mr. Cramer responded that it does go back to the UW-Madison College of Agricultural and Life Sciences to support their programming.

Regent Rai admitted that as a city boy he knows nothing about this topic but whenever we talk about not going out for RFP's (Requests for Proposals) we do have the fiduciary duty to still make sure we are getting the best deal. Regent Rai asked what kind of cost escalators are there such as transportation? Do we expect this level of revenue or is this a variable cost situation?

Mr. Cramer responded that he had similar concerns, including cost of delivery and who is a dependable partner. Who wants to do this type of work for us? So, at this point it is more of a partnership.

Regent Miller shared that she did not think it is correct that the federal government sets the price of the milk. It is the Chicago Mercantile Exchange and right now the price of milk is extremely high.

**Recused:** Regent Chair Beightol, Regent Vice Chair Jones, and Regent Klein

**Motion made by:** Regent Rai

**Motion seconded by:** Regent Atwell

**Discussion:** None

**Motion** carried unanimously (voice vote)

**K. UW Madison Master Research Agreement with Kohler Co.**

UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer then presented a series of research and fee for service contracts with Kohler Company. The agreement covers sponsored research projects ranging from materials research, water quality monitoring, smart manufacturing, and diagnostic capacities, primarily with the UW-Madison College of Engineering. This agreement is important to allow UW-Madison to retain its stature as one of the top ten research universities in the country. Mr. Cramer stated that we recognize how tenuous that is. We have been able to grow our research at 3.5% and our competition is growing at a rate of 3.8 % so we need to find ways to maintain our status in the top 10%. Mr. Cramer reported that the agreement will be followed by specific statements of service.

**Recused:** Regent Chair Beightol, Regent Vice Chair Jones, and Regent Klein

**Questions/ Comments:** Regent Weatherly stated these Master Service agreements, both this and Item M, are fantastic, but it strikes him that we are not overseeing anything, it may go over five years, it may go over \$1 million dollars. It seems purposely vague and given the relationship, maybe, it needs to be. Regent Weatherly asked Mr. Cramer if he provides reports on an annual basis on the status of these agreements, as well as wanting to know how the committee members receive updates.

Mr. Cramer responded, historically we have not done a good job looking back on these. He believes, going forward with the changes being made to 13.1, his office should also be looking at how changes to these contracts get reported to the committee.

Regent Weatherly deferred to the rest of the committee members and believes it would be wise to have some sort of recording function.

Mr. Cramer responded that they would track the dollars and bring it back to the committee. Additionally, Mr. Cramer reported that he is bringing this to the committee now because we anticipate this going over \$1 million.

**Motion made by:** Regent Atwell

**Motion seconded by:** Regent Weatherly

**Discussion:** None

**Motion** carried unanimously (voice vote)

**L. UW-Madison Amendment to contractual agreement with Valo Health, Inc.**

Next, UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer presented an amendment to a current service agreement that increases the project budget to \$1.2 million, necessitating Board approval. In this project, Valo Health is obtaining the services of the UW-Madison Reading Center in evaluating retinal images in support of a clinical trial aimed at treating various ophthalmological diseases.

**Questions/ Comments:** None

**Motion made by:** Regent Miller

**Motion seconded by:** Regent Klein

**Discussion:** None

**Motion** carried unanimously (voice vote)

**M. UW-Madison Master Services Agreement with the Emmes Company, LLC.**

UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer presented the five-year master service agreement with the Emmes Company, LLC, a contract research organization working on behalf of the National Eye Institute to conduct clinical trial services related to retinal disease. Again, the UW-Madison Reading Center will be a key partner under this agreement, having worked with the organization previously in providing services related to the evaluation of retinal images.

**Questions/ Comments:** None

**Motion made by:** Regent Jones

**Motion seconded by:** Regent Klein  
**Discussion:** None  
**Motion** carried unanimously (voice vote)

**N. UW-Madison Contractual Agreement with Oracle America, Inc**

Lastly, UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer presented the UW-Madison Contract with Oracle for its Exadata database system, which provides the computing infrastructure for the enterprise resource planning systems utilized by the UW System. The four-year contract will reduce UW-Madison's annual expense from over \$1.2 million to \$940,000, with terms that anticipate and support the future transition to Workday and hosting for other Oracle products.

**Questions/Comments:** None  
**Motion made by:** Regent Atwell  
**Motion seconded by:** Regent Peterson  
**Discussion:** Regent Chair Beightol stated the issue should be flagged for Regent Weatherly and kept in mind as we proceed.  
**Motion** carried unanimously (voice vote)

*(Regent Chair Beightol stated Jim Langdon, UW System Administration, Vice President for Administration will be remote and shared that the Board would go to Sean Nelson, UW System Administration, Vice President for Finance first for items O, P, & R and would then return to item Q with Mr. Langdon.)*

**O. UW-Madison Request for an Exception to Board Policy on Large Unendowed Bequests for the Carbone Cancer Center**

Sean Nelson, UW System Administration, Vice President for Finance, requested an exception to the Regent policy regarding unendowed gifts to the university, to allow for the partial expenditure of principal of the Comprehensive Cancer Center Discretionary Fund. This action allows the use of \$1 million toward the purchase of a proton therapy device for cancer treatment at the Carbone Cancer Center.

**Recused:** Regent Rai  
**Questions/Comments:** Regent Chair Beightol shared this request was supported by a letter from Dr. Howard Bailey, Director of the Carbone Cancer Center and Associate Dean of Oncology, and Regent Chair Beightol agrees that the request is a sensible one.

Regent Jones shared that he also serves on the Board of UW Health and that they are excited about offering this treatment. Regent Jones stated that it will be the first for the country and, if not, for the Midwest and he appreciates the support of the Board for this request.

Regent Beightol thanked Regent Jones for his service on the UW Health Board.

**Motion made by:** Regent Peterson  
**Motion seconded by:** Regent Jones  
**Discussion:** None



**Motion** carried unanimously (voice vote)

**P. Continuation of Illinois Non-Resident Tuition Rate Equivalent to the Midwest Student Exchange Program**

UW System Administration Vice President for Finance, Sean Nelson then presented the committee with the request for the continuation of tuition for Illinois residents at a rate equivalent to the Midwest Student Exchange Program (MSEP), which is a multi-state tuition reciprocity program in which students are charged no more than 150% of the resident tuition rate for selected programs. With no participating institutions in Illinois, this action allows the ten UW institutions that have opted into the program to competitively recruit those students to UW System campuses. This will be in perpetuity and will not sunset after one year.

**Questions/Comments:** Regent Beightol noted that UW-Milwaukee enjoys recruitment advantages and has a program targeting Illinois students and UW-Parkside, UW-Whitewater, and UW-Platteville benefit as well. This is an important piece to build a pipeline to Wisconsin and to build our residency.

Regent Klein commented that she was aware there were difficulties with reciprocity agreements as it relates to UW-Madison. She asked if UW-Madison was on-board with this.

Mr. Nelson stated they are involved with the Minnesota reciprocity agreement and are not part of this.

Regent Weatherly shared he had dinner with about 10-12 UW-Whitewater students of which 6-7 were from Illinois, who were D3 athletes. When asked why they came to Wisconsin they stated it was cheaper to go to UW-Whitewater than to go to school in Illinois. Regent Weatherly stated it was eye opening comment for him.

Regent Atwell asked if we were a net importer or exporter.

Mr. Nelson shared that we were a net importer by far.

**Motion made by:** Regent Jones

**Motion seconded by:** Regent Miller

**Discussion:** None

**Motion** carried unanimously (voice vote)

**Q. Regent Policy Document Review: RPD 13-1, “General Contract Approval, Signature Authority, and Reporting”**

UW System Administration Vice President for the Office of Administration, James Langdon, submitted revisions to RPD 13-1, governing contract approval, signature authority, and reporting. Mr. Langdon thanked Stacy Ralston, Senior Associate Vice President for UW-Shared Services, Brent Tilton, UW System Administration, Director of procurement, Quinn Williams, General Consul and Rob Cramer, UW-Madison Vice Chancellor for Finance and Administration for their work on these revisions. The amendment clarifies signature authority

and establishes reasonable thresholds at which that authority for certain contracts is delegated to the chancellors or system president, increasing operational efficiency while maintaining the role of the Board in providing fiduciary oversight. This recommendation would allow for more expeditious and timely action of contracts. Mr. Langdon noted that IT projects are under a separate \$1 million threshold, and these will remain under separate board policy. The policy modifies the Athletic contract threshold, increasing it increases to \$3 million dollars.

**Questions/Comments:** Regent Chair Beightol shared that this policy has been under review for over a year. He thanked Vice President Langdon for his experience in procurement with the Department of Administration (DOA). Additionally, Regent Chair Beightol stated how Chancellor Blank urged the committee, as one of her last points of communication, to pass RPD 13-1.

Regent Klein said she thought this was good work and stated that the risk in a contract is with the person who is the authorized signer. The authorized signer is responsible for knowing budget availability, as well as has the contract been properly reviewed and budget availability is part of the signer's responsibility.

Regent Weatherly shared that he is incredibly supportive of the first aspect of moving to \$5 and \$10 million dollars as he believes it is long overdue. He is concerned about the Athletic contracts and questions what the problem is that the committee is trying to fix. Mr. Langdon referred the question to UW-Madison Vice Chancellor for Finance and Administration, Rob Cramer.

Regent Chair Beightol shared that this would apply to Coaches, Assistant Coaches and trainers, and others concluding that the economics are interesting for big sports.

Mr. Cramer shared that timing is critical with the recruiting and retaining of coaches. The board would still see the offers for the head coaches. Mr. Cramer stated that recruitments move very quickly and being able to respond quickly to retain current employees is important.

Regent Chair Beightol asked if Regent Weatherly was interested in making an amendment.

Regent Weatherly deferred to the wisdom of the committee.

Regent Klein stated she had a similar impression that this was a solution looking for a problem. She stated that our efforts to sign construction contracts after the procurement has been done by the state. There are no double signatures until higher than \$5 million. A lot of our closed session discussions are about dealing with these types of contracts that did not work out so well and I just want to make sure that whoever is signing these contracts has done their due diligence.

Mr. Cramer shared that this policy does not apply to construction contracts. Training and development would be important for all campuses.

Regent Weatherly confirmed his understanding of the \$50,000, 75% of the UW Systems presidents salary.

Jess Lathrop, UW System Executive Director, and Corporate Secretary shared that policy is currently be revised and it is different from this policy.

**Motion made by:** Regent Jones

**Motion seconded by:** Regent Miller

**Discussion:** Regent Chair Beightol thanked Vice President Langdon for walking the committee members through the process.

**Motion** carried unanimously (voice vote)

## **R. COVID-19 Financial Impacts Update**

UW System Administration Vice President for Finance, Sean Nelson, gave a brief update on COVID-19's impact on UW System finances, noting that over \$800 million in pandemic-related expenses and revenue losses have been partly offset by federal relief funds, resulting in a total impact on UW System of \$210 million through March 2022. Mr. Nelson stated that we want to look closely at where campuses were able to save particularly on travel expenses, staffing, and office supplies. It is fair to say we have weathered the pandemic very well and the federal funds were critical.

**Questions/Discussion:** Regent Chair Beightol is looking forward to having the numbers presented to them in the future.

The meeting adjourned at 11:56 AM.

Respectfully submitted,

*Brenda L. Joyce*

Brenda L. Joyce

Recording Secretary