

**RECORD OF THE SPECIAL MEETING OF THE
UNIVERSITY OF WISCONSIN SYSTEM BOARD OF REGENTS**

Tuesday, August 22, 2023
9:30 a.m.

Room 1820
Van Hise Hall
1220 Linden Drive
Madison, Wisconsin
and via Zoom Videoconference

-President Walsh presiding-

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The recording of this meeting's open session is available at: [August 22, 2023 Webcast](#)

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CALLING OF THE ROLL

[\[Recording: 00:00:06\]](#)

PRESENT: Regents Angela Adams, Robert Atwell, Amy Bogost, Evan Brenkus, Héctor Colón, Mike Jones (virtual), James Kreuser, Edmund Manydeeds (virtual), John Miller, Cris Peterson (virtual), Joan Prince, Jennifer Staton, Mark Tyler, Jill Underly, Dana Wachs (virtual), Karen Walsh (virtual), and Kyle Weatherly

UNABLE TO ATTEND: Regent Ashok Rai

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DECLARATION OF CONFLICTS

Before considering any items on the open session agenda, President Walsh asked if any Board members wished to declare any conflicts of interest as per Regent Policy Document 2-4, "Ethics and Conflict of Interest Policy for the UW System Board of Regents."

No conflicts were declared.

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APPROVAL OF RECORD(S) OF THE JULY 6-7, 2023 MEETING OF THE UW SYSTEM BOARD OF REGENTS

[\[Recording: 00:01:56\]](#)

The record of the July 6-7, 2023 meeting of the UW System Board of Regents was provided. There were no corrections, and the meeting record was approved as distributed.

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2022-23 FINAL BUDGET-TO-ACTUALS PERFORMANCE REPORT & APPROVAL OF 2023-24 UW SYSTEM ANNUAL OPERATING BUDGET

[\[Recording: 00:02:10\]](#)

President Rothman said the presented budget had been based on the state's biennial budget signed by Governor Tony Evers on July 5, 2023. He noted the Board had already taken action on some components of the annual operating budget. In March 2023 the Board approved rates for academic tuition, segregated fees, room and board, and textbook rates for 2023-2024. The cost of attendance for resident undergraduates students will increase an average of 4.2% for the 2023-2024 academic year, the first increase in a decade.

President Rothman provided a brief overview of the current environment within the UW System. He said ten of the 13 universities are projected to have structural deficits in the current year, which is not sustainable. President Rothman said the chancellors have been charged with undertaking a review of their circumstances and developing a plan to deal with any budget deficits.

President Rothman noted the increased reliance on reserves within the last decade. He said declining state support over the last ten years has contributed to the current financial situation, as well as declining participation rates in higher education and birth rates.

President Rothman said the strategic plan approved by the Board in December 2022 includes a requirement that universities eliminate their structural deficits. He said the system has also engaged with Deloitte Consulting to assist in the universities' financial assessments. President Rothman said the goal is to stabilize the universities financially so they can continue their mission to educate students. President Rothman emphasized the direct alignment between the budget to be presented and the strategic plan.

Sean Nelson, Vice President of Finance and Administration, presented the 2022-23 final budget-to-actuals performance report and the 2023-24 UW System Annual Operating Budget to the Board.

Vice President Nelson reported the total revenues for FY23 exceeded the budget by \$387.4 million, \$235.3 million of which came from restricted sources such as gifts, grants, and contracts. He said expenses from all funds exceeded the budget by \$250.8 million.

Vice President Nelson echoed President Rothman's remarks on growing inflation, declining state support, and declining participation in higher education. He said the general purpose revenue (GPR) and tuition balances for FY 2024 are down \$51.6 million, 17%, from FY 2023.

Vice President Nelson outlined the budget sources for the FY 2024 annual budget. He said the estimated expense budget for FY 2024 is \$7.53 billion. He said there is \$15.9 million in supplemental funding held by the Joint Committee on Finance (JFC). Vice President Nelson said the JFC funding is contingent upon approval of UW System's proposal to support workforce development, he noted the proposal will be presented to the Board at the October 2023 meeting.

Vice President Nelson highlighted the Wisconsin Grant and the Nursing Educations Initiative, which are both GPR budget items funded through the Higher Education Aids Board (HEAB).

Vice President Nelson said tuition will make up \$1.8 billion, 23.5%, of the budget, an increase of \$115.2 million from FY 2023. He said auxiliary operations will make up \$876 million, 11.6%, and general program operations will make up \$603 million, 8%, of the FY 2024 budget.

Vice President Nelson said gifts, grants, and contracts will source \$1.7 billion, 22.4%, of the budget. He said this includes research activity at UW-Madison as well as philanthropic activity. Vice President Nelson said federal indirect reimbursement makes up \$241 million, 3.2%, of the budget. He said federal financial aid and other funding makes up \$1 million, 13.7%, of the FY 2024 budget.

Vice President Nelson reported on the FY 2024 structural deficit, noting 10 of 13 UW System campuses are reporting a structural deficit for FY 2024. He said two campuses are reporting less than 1% of their expenses as structural deficits, five campuses are reporting between 1%-4%, and three campuses are reporting between 5%-10%. He said the three campuses reporting between 5%-10% are UW Oshkosh, UW-Parkside, and UW-Platteville. Vice President Nelson said each of the three campuses have been proactive and worked with UW System Administration on plans for the future.

Regent Kreuser asked about UW-Madison's salaries and fringe benefits exceeding their budget. Vice President Nelson said they had an increase in revenue, mainly from gifts, grants, and research, which funded the increase.

Regent Staton moved for the adoption of Resolution 12068. The motion was seconded by Regent Wachs.

In response to a question from Regent Miller on the process of submitting the supplemental funding request to the JFC, President Rothman said the UW System can apply for the release of funds but the JFC will have full discretion on whether and how those funds are granted.

Regent Atwell asked about the impact of COVID-19 relief funds on reserves. Vice President Nelson explained that separate efforts on campuses to reduce expenses helped recover some of the initial losses due to COVID-19 and universities were not able to fully expend all relief funds in the same year received, so the remaining funds were rolled over into the next fiscal year.

Regent Colón asked for more detail on the plan to eliminate the structural deficits in the next three years. President Rothman said the plans developed in consultation with Deloitte will be unique to each university and be informed by multiple metrics, including enrollment, retention, and level of state support.

Regent Adams asked if the budget reflected opportunities for increasing the level of philanthropic support for the universities. Vice President Nelson said philanthropic goals are not reflected in the proposed budget. President Rothman explained that discussion on long-term strategies to increase philanthropic support are ongoing. Regent Adams encouraged that future budgets take that into consideration in alignment with the goals of the strategic plan.

Resolution 12068 was approved on a voice vote.

Approval of the 2023-24 University of Wisconsin Annual Operating Budget

Resolution 12068 That, upon the recommendation of the President of the University of Wisconsin System, the Board approves the 2023-24 operating budget, as attached in the document, "2023-24 Operating Budget August 2023".

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RATIFICATION OF PRIOR APPROVAL OF UW-MADISON COLLECTIVE BARGAINING AGREEMENT WITH THE BUILDING AND CONSTRUCTION TRADES COUNCIL OF SOUTH CENTRAL WISCONSIN

[\[Recording: 00:40:56\]](#)

Dan Chanen, Associate Vice President and Chief Human Resource Officer for the UW System, reported that due to administrative error, the Board previously received and approved an incorrect version of the collective bargaining agreement between UW-Madison and the Building and Construction Trades Council of South Central Wisconsin in December 2022. UW-Madison is now seeking the Board's ratification of the correct agreement negotiated by the parties and subsequently submitted to and approved by the legislature and the Governor.

Noting a slight difference between the two versions of the agreement related to back pay provided to trades employees working in a project appointment, Associate Vice President Chanen affirmed that there are currently no eligible employees who would be impacted by the language change.

Regent Kreuser moved for the adoption of Resolution 12069. The motion was seconded by Regent Atwell and approved on a voice vote.

Ratification of Prior Approval of UW-Madison Collective Bargaining Agreement with the Building and Construction Trades Council of South-Central Wisconsin

Resolution 12069 That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison, the Board of Regents ratifies approval of the attached collective bargaining agreement between the Board of Regents and the Building and Construction Trades Council of South-Central Wisconsin (BTC).

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APPROVAL OF A UW-MILWAUKEE SPONSORED RESEARCH AGREEMENT WITH CALCIGENIX, LLC

[\[Recording: 00:44:09\]](#)

Robin Van Harpen, UW-Milwaukee Vice Chancellor of Finance and Administrative Affairs, and Sam Wescott, UW-Milwaukee Office of Research Interim Grants Manager, presented a research agreement with Calcigenix, LLC, to the Board for approval. Vice Chancellor Van Harpen said the agreement is UW-Milwaukee's fourth 3-year agreement with Calcigenix, LLC.

Regent Colón moved for the adoption of Resolution 12070. The motion was seconded by Regent Prince and approved on a voice vote.

UW-Milwaukee Sponsored Research Agreement with Calcigenix, LLC

Resolution 12070 That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the contractual sponsored research agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Milwaukee, and CalciGenix, LLC for the term of July 1, 2023 through June 30, 2026.

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CLOSED SESSION

[\[Recording: 00:47:29\]](#)

President Walsh called upon Vice President Bogost to read the motion to move into closed session. The motion was seconded by Regent Manydeeds and adopted on a roll call vote, with Regents Adams, Atwell, Bogost, Brenkus, Colón, Kreuser, Manydeeds, Miller, Peterson, Prince, Staton, Tyler, Underly, Wachs, Walsh, and Weatherly voting in the affirmative. Regent Jones was present for the vote. There were no dissenting votes and no abstentions.

Closed Session Resolution

Resolution 12071 That the Board of Regents move into closed session to: a) consider a faculty member request for review of a UW-Madison disciplinary decision, as permitted by s. 19.85(1)(a), (b), (f), and (g), Wis. Stats.; b) consider a student request for review of a UW-Madison disciplinary decision, as permitted by s. 19.85(1)(a), (f), and (g), Wis. Stats.; c) consider personnel evaluations of chancellors, as permitted by s. 19.85(1)(c), Wis. Stats.; d) deliberate and negotiate UW System contracts that require a closed session for competitive or bargaining reasons, as permitted by s. 19.85 (1)(e), Wis. Stats; and e) confer with legal counsel regarding potential litigation in which it is likely to become involved regarding those contracts, as permitted by s. 9.85(1)(g), Wis. Stats.

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Regent Underly left the meeting at 12:17 p.m.

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During the closed session, Regent Wachs moved for the adoption of Resolution 12072. The motion was seconded by Regent Tyler and approved on a voice vote.

Student Request for Review of a UW-Madison Disciplinary Decision

Resolution 12072 That the Board of Regents adopts the attached proposed Decision and Order as the Board's Final Decision and Order in the matter of a student request for review of a UW-Madison disciplinary decision.

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Regent Atwell left the meeting at 3:18 p.m.

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During the closed session, Regent Manydeeds moved for the adoption of Resolution 12073. The motion was seconded by Regent Tyler and approved on a roll call vote with Regents with Regents Adams, Bogost, Brenkus, Colón, Jones, Kreuser, Manydeeds, Miller, Peterson, Prince, Staton, Tyler, Wachs, Walsh, and Weatherly voting in the affirmative. There were no dissenting votes or abstentions.

Open Session Resolution

Resolution 12073 That the Board of Regents reconvene in open session for discussion and possible action on items discussed in closed session.

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After reconvening in open session, Regent Manydeeds moved for the adoption of Resolution 12074. The motion was seconded by Regent Adams and approved on a roll call vote with Regents Adams, Bogost, Brenkus, Colón, Jones, Kreuser, Manydeeds, Miller, Peterson, Prince, Staton, Tyler, Wachs, Walsh, and Weatherly voting in the affirmative. There were no dissenting votes or abstentions.

Adoption of Decision and Order in the Matter of a Faculty Member Request for Review of a UW-Madison Disciplinary Decision

Resolution 12074 That the Board of Regents adopts the attached proposed Decision and Order as the Board's Final Decision and Order in the matter of a faculty member request for review of a UW-Madison disciplinary decision.

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The meeting was adjourned at 3:32 p.m.

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Submitted by:

/s/ Megan Wasley

Megan Wasley

Executive Director & Corporate Secretary

Office of the Board of Regents

University of Wisconsin System