A. **Calling of the Roll**

Present: Regents Atwell, Colon, Jones, Kreuser, Peterson, and Rai

Present via Webex Video Conference: None

Absent: Regents Adams and Staton, 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 June 8, 2023, Meeting of the Business and Finance Committee**

Corrections: None

Motion made by: Regent Jones

Motion seconded by: Regent Atwell

Questions/ Comments: None

Upon the direction of Regent Rai, a voice vote was taken, and the Committee unanimously approved the minutes of the June 8, 2023, Business and Finance Committee meeting.

D. **UW System Status Report on Large/High-Risk Information Technology Projects**

The Committee received a semiannual status report from Steven Hopper, Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, UW System Administration on the Large/High-Risk Information Technology Projects. The overall portfolio totals $256.8 million, which is a 2.5% increase from the $251 million reported at the February 2023 Board of Regents meeting. This increase can be attributed to the closing of one (1) project at the February 2023 meeting and adding one (1) project at the June 2023 meeting. While Covid 19 disruptions have passed we continue to be impacted by supply chain issues and hiring challenges. The project dashboard shows the status of each project. The project schedule status for ATP has been moved to Red. He is working to get the plan defined. They are in the process of reprioritization. Procure to Pay with Jaggaaer overlapping with Workday has proved challenging. Looking forward, they hope to be able to provide a status or a new timeline at the October meeting. Steven Hopper requested adoption
of Resolution D., approving submission of the required reports to the legislative joint committee.

**Motion made by:** Regent Atwell  
**Motion seconded by:** Regent Colon

**Discussion:** Regent Peterson noted the $1 million in savings per year and asked about the four campuses which have not been integrated. She also shared appreciation for the report. Steven shared that the first nine campuses were a pilot program, and the others will be brought on soon. They are currently in conversation with those campuses. Regent Jones shared a comment that they really like hearing the good news, but it is more important for the committee to hear about what is not going according to plan. Regent Peterson asked if October was the deadline for completion. Steven Hopper shared that the work is never done. Regent Kreuser shared that his answer was partially answered about the vendor having a blind check. Steven shared he thinks this refers to the quality assurance verification provided by Berry Dunn. This is the external quality assurance to provide independent validation and verification source to keep an eye on the progress. He shared that they have built a lot of peer connections with other institutions. Huron is our system integration partner in the Workday process. Regent Kreuser shared he wanted to echo in on the critical path, he is an advocate for knowing the bad news first. Chair Regent Rai asked for a timeline for the remaining four institutions to be added to the system. He asked Steven to work with Sean to establish that timeline. There is an established savings there. Regent Peterson asked where Huron’s home office is. Steven shared they are primarily based in Chicago, but they have several locations.

**Motion** carried unanimously (voice vote)

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

Brent Tilton, Director of Procurement, UW System Administration with Steven Hopper, Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, UW System Administration requested approval for a proposed amendment associated with the software implementation for the Administrative Transportation Program (ATP) to increase the maximum allowable billable hours is equivalent to up to 4.65 million hours. This will allow an extended testing stage for the Workday program and provides supplemental support for integration and reporting associated with these workstreams.

**Motion made by:** Regent Atwell  
**Motion seconded by:** Regent Kreuser  
**Questions/ Comments:** None

**Motion** carried unanimously (voice vote)

**F.**  
**UW System Amendment to Software as a Service Agreement with Workday, Inc**

Brent Tilton, Director of Procurement, UW System Administration with Steven Hopper, Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, UW System Administration requested approval for a proposed amendment to the contractual agreement between the Board of Regents of the UW System and Workday Inc. This is being requested to cover gaps identified between desired functionality and the original contract. This proposal will add three new modules to support candidate engagement, messaging to support recruitment and Cloud Connect to track learner content and
skills development to support retention efforts. The amendment does not jeopardize the project budget.

Motion made by: Regent Peterson
Motion seconded by: Regent Jones
Questions/ Comments: None
Motion carried unanimously (voice vote)

G. UW System Service Agreements with Avaap U.S.A., LLC and Strata Information Group, Inc.

Brent Tilton, Director of Procurement, UW System Administration requested approval for a contractual service agreement between the Board of Regents and Avaap U.S.A. LLC and Strata Information Group, Inc for a four-year term. This agreement provides for additional vendor support to help with the implementation of Workday. The contracts are projected to exceed $1,000,000 on one of the contracts as new statements of work are added. The UW System is seeking preemptive approval for expenditures of up to $5,000,000 per contract.

Motion made by: Regent Atwell
Motion seconded by: Regent Jones
Questions/ Comments: Regent Rai asked where we are on the $5 million scale right now. Brent shared with Strata we are at $250,000. For Avaap, we are at $700,000. Regent Rai asked where we were at on the budget for these two. Steven shared that we had budgeted for direct hires and due to the market, this budget was affected. The $5 million threshold is the threshold for all other projects and this change would put this in line with Regent Policy 13-1. Regent Kreuser asked for an update on this in the 6-month review.
Motion carried unanimously (voice vote)

H. UW System 2023-24 Annual Operating Budget Preliminary Update

Sean Nelson, Vice President for Finance & Administration, UW System provided an update on the status of the 2023-25 state budget bill approved by the legislature and enacted by the governor. The final budget will be presented for BOR Consideration and approval at a future meeting. Ten of 13 Campuses have structural deficits, and we are proactively planning to eliminate these through expenditure reductions, program specific tuition rates, position reviews, program array and enrollment strategies.

Questions/ Comments: Regent Colon asked if we need to present a proposal to Joint Finance for equity and diversity that is acceptable to them for the $32 million workforce development funds. Per Jeff Burandt the EDI issue is outside the scope of the workforce proposal. Regent Colon asked what has been identified as priorities to address with existing resources. Sean shared that it is best that the chancellors answer this question. He stated access and affordability topped the list as we didn't get an increase in the Wisconsin Grant, we did not get funding for the Tuition Promise, the cost of attendance has gone up and we have not had an increase in financial aid. Regent Atwell asked how this is allocated to the different campuses. Sean shared this is system driven. Regent Peterson asked how long the campuses have been experiencing structural deficits. Sean shared since the onset of the tuition freeze over 10 years
ago, institutions have been depleting reserves to pay for ongoing expenses, which is unsustainable. Regent Atwell shared that the COVID federal funds provided a reprieve. He shared we are back where we were pre-pandemic, which is essentially in a state of disagreement with the state legislature about how to fund everything which has yet to be resolved. Per Regent Peterson, it forces us to be more resourceful in how we spend our money. You can’t keep cutting everything. Per Regent Atwell it does not resolve the funding issue we have with the legislature. We need more constructive engagement with the legislature to understand their point of view. We have particularly vulnerable campuses. Per Regent Rai, understanding on a campus-by-campus level the deficits and the spend down is necessary. He would like to understand the System’s plan to go back to JFC for more money. Regent Atwell stated workforce development initiatives tied to additional costs don’t address structural deficits. He asked whether there exists a “code red” list on a campus-by-campus basis. Regent Rai would like to be more proactive as a board. Regent Atwell shared there is risk in sharing the “code red” list in a public forum and would like to see better data in terms of costs per student by location. Sean stated he hopes to get more insight with Deloitte’s involvement. Sean stated that OPAR can provide an approximation. Regent Rai shared that all Regents would like that information. Regent Atwell stated he does not want to create fear, but we need to create urgency in the legislature. He feels there is information we are afraid to look at in a public forum. If we are at a point where we can’t fund the campuses, then we are back in a Richland Center position where the public does not understand the cuts. Regent Rai shared that the high-level discussions have not gotten us very far at this point. Regent Atwell suggested people do not fully understand the financial problems. Regent Kreuser asked that a modest funding formula revision be put on the table. Sean stated they are reviewing this and there will be more information going forward.

I. UW System Presentation: UW 403(b) Supplemental Retirement Program Update

Charles Sanders, Executive Director, Office of Trust Funds and Rose Stephenson, UW 403(b) SRP Plan Administrator, UWSA Office of Trust Funds provided a brief overview of the completed transition to the new Supplemental Retirement Program structure. The goal was to move our plan to industry best practices. The markets have not cooperated with this transition. Charles shared a 17% increase in participation.

Questions/ Comments: Regent Jones confirmed there are only two staff members overseeing this account. Rose confirmed it is busy. Charles Sanders shared that building in resiliency into the program would be helpful. Regent Rai asked for the percentage of those who are not participating. Rose shared participation is roughly 32%. We have a larger number of overall participants, but people don’t participate every year. Not everyone is currently active. Regent Rai asked what we are actively doing to train our staff because not everyone has a PhD understanding economics, and that this program provides an opportunity to retain our staff. Rose shared we send out links to on-demand presentations. Our education resources do extend to the campuses. Charles shared that preferences are changing, and we need to strengthen our online resources.

J. Cost-Benefit Analysis of Foundations and Associated Affiliated Organizations Report for Fiscal Year 2021-22
Lastly, Julie Gordon, Senior Associate Vice President for Finance, UW System provided a report of the 80 foundations and affiliated organizations in accordance with Regent Policy Document 21-11 which requires an annually prepared cost benefit report for all primary fundraising foundations and affiliated organizations that has received administrative support of $100,000 or more during the fiscal year. This requires approval once every five years. Administrative support includes staffing, dedicated space, and indirect costs, such as information technology assistance and utilities. The policy requires this reporting to be provided in Summary form.

UW-Madison reported 44 foundations and associated affiliated organizations, or 55.0% of all organizations identified within the UW System in FY 2021-22. UW-Stevens Point reported seven primary fundraising foundations and associated affiliated organizations (8.8%). All remaining UW institutions identified five entities or fewer.

**Questions/ Comments:** Regent Atwell asked about the two examples with costs without revenues. His understanding is the receiver of the funds is the primary fundraising foundation. Regent Peterson confirmed there has been an 80% increase. The largest increases are at UW-Madison and UW-Eau Claire. The campuses are recognizing the need for fundraising. Regent Jones inquired about the unsolicited funds that come to the campuses. Regent Atwell asked if there is any assessment of how well the campuses are doing in terms of fundraising. Julie shared we are looking at that. Regent Rai asked when the dollars come in, what is the percentage that comes in as restricted or committed to a specific project. Julie believes the majority of the funds come in this way.

The meeting adjourned at 10:09 AM.

Respectfully submitted,

Brenda L. Joyce
Recording Secretary