

UW System Board of Regents
Meeting of the Business & Finance Committee
in Madison
Symphony Room, Gordon Dining & Event Center
770 W. Dayton Street
Madison, Wisconsin
& via Zoom Video Conference
November 9, 2023

The Meeting of the Business and Finance Committee was called to order at 8:45 AM by Chair, Regent Ashok Rai

A. Calling of the Roll

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

Non-Committee Members Present: Evan Brenkus (virtual), Amy Bogost (joined at 9:14 a.m.), John Miller, Edmund Manydeeds, Jill Underly (joined at 9:37 a.m.), Dana Wachs, and Karen Walsh

Absent: Regent Adams. 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 October 5, 2023, Meeting of the Business and Finance Committee

Corrections: None

Motion made by: Regent Jones

Motion seconded by: Regent Stanton

Questions/ Comments: None

Upon the direction of Regent Rai, a voice vote was taken, and the Committee unanimously approved the minutes of the October 5, 2023, Business and Finance Committee meeting.

D. UW System Plan for Workforce Development Funding Included in the 2023-25 Biennial Budget

Sean Nelson, Vice President for Finance and Administration, UW System presented the plan for workforce development funding that was included in the 2023-25 state biennial budget.

The state budget placed about \$32 million in the Joint Finance Committee’s supplemental appropriation for release to the Universities of Wisconsin upon request and approval for performance on “expanding contributions to the workforce” which is one of the four goals for which outcomes-based funding is allocated to the UW.

The plan was developed following thoughtful analysis of Wisconsin’s workforce needs. By 2032, our state will need another 5,200 computer scientists, 5,500 business and finance professionals, 9,700 nurses and other medical specialists, and 2,800 engineers above and

beyond what we currently graduate. While workforce shortages exist across multiple industries, these four fields are the focus of the UW's workforce plan.

In recognition that labor shortages are a statewide challenge, every UW institution developed initiatives designed to increase the number of graduates in one or more of these academic disciplines, with annual funding ranging from \$1 million at the comprehensives to about \$2.5 million at the R1s, totaling \$15.9 million in each year of the biennium.

The plan plays to the unique strengths of each university. Once fully phased-in, these initiatives are projected to provide the Wisconsin workforce with an additional 9,350 graduates over a five-year period across these high-demand fields.

While this plan will not entirely close the workforce shortage gaps, it represents one step toward addressing employer needs, and reflects one of the pillars of our UW Strategic Plan in advancing economic prosperity.

The workforce plan will be submitted to the Joint Finance Committee following the Board's approval.

Motion made by: Regent Atwell

Motion seconded by: Regent Stanton

Questions/ Comments: Regent Rai thanked the campuses for their work and detail in the packets. Regent Colon asked if these new initiatives would create a greater hole in the budget and whether DEI funding considerations were part of this. VP Sean Nelson shared that this is a funding request for additional capacity. If the universities do not get the funding the initiatives will not be pursued. There is no consideration of DEI as part of this packet. Regent Rai clarified the question to ask if there is any impact to existing programs as part of this proposal and the answer from VP Nelson was "No". Regent Rai again thanked the campuses for their work and commented that hopefully this does create the workforce for those jobs.

Motion carried unanimously (voice vote)

E. UW-River Falls Contractual Agreement with Shorelight LLC

Next, Brent Tilton, Director for Procurement, UW Administration and Johannes Britz Interim VP of Academic affairs presented two contracts to the committee for approval - one on behalf of UW-River Falls and the other on behalf of UW-Whitewater - with Shorelight LLC. Shorelight provides services as an international recruitment agent aggregator, engaging with agents to identify and recruit international students to these universities.

Each of these five-year agreements falls under the terms of a non-exclusive Master Services Agreement established by UW Administration to drive efficiency and promote consistency across the institutions.

This effort is one component of an Internationalization Plan developed by a multi-campus team that was convened to increase international student enrollment in support of the UW Strategic Plan. This is an approach that is believed to have high potential, and it is anticipated

that additional institutions will develop similar agreements in the months ahead, whether with Shorelight or another vendor.

Motion made by: Regent Colon

Motion seconded by: Regent Jones

Questions/ Comments: Regent Rai thanked Brent for his effort to include all campuses in this agreement. Brent Tilton shared that they are also working with another vendor and would be open to additional Master Service Agreements for this purpose. Regent Jones shared that he felt this was a win-win-win for international globalization. UW will get more students who will be paying tuition at a higher level. He feels this is very important. Regent Atwell asked if additional campuses would come under this agreement. Brent shared there are other campuses waiting for this approval to move forward. Regent Atwell asked how this works. Johannes Britz shared there is a lot of interest in this from other campuses. Agents recruit the student. There is no upfront fee. The fee for the agent comes from the first-year tuition, with a lower fee every year thereafter. Shorelight is a middleman between agents and the students. Regent Atwell stated it is targeted to the international students who can afford to pay non-resident tuition, which limits diversity. Johannes shared that UW has very few Canadian students Systemwide and these agents are required for the recruitment.

Motion carried unanimously (voice vote)

F. UW-Whitewater Contractual Agreement with Shorelight LLC

There was not a second presentation for the UW-Whitewater agreement as the explanation in the presentation for item E. covers both.

Motion made by: Regent Colon

Motion seconded by: Regent Stanton

Questions/ Comments: Regent Rai asked if there were any questions related specifically to the agreement with UW-Whitewater.

Motion carried unanimously (voice vote)

G. Regent Policy Document Review: Tuition Policies

Julie Gordon, Senior Associate Vice President for Finance, UW Administration presented a proposal to rescind, update, and consolidate seven Regent Policies related to tuition and fees into a single Regent tuition policy.

Substantive changes include:

- reclassifying institution-wide differentials as base tuition starting in the next academic year;
- continuing to allow for program-specific tuition rates, while allowing but not requiring student involvement;
- removing two current Tuition Policy Principles - one that is under the purview of lawmakers; the other that is more appropriately tasked to management; and
- modifying language to better reflect provisions in state statute

Motion made by: Regent Jones

Motion seconded by: Regent Atwell

Questions/ Comments: Regent Rai noted that most committee members received student communication in regard to differential tuition and he wanted to acknowledge the students' questions. He felt Julie had done a good job of addressing the concerns raised. He asked that the Universities follow-up with their shared governance groups, particularly the student governance, on this policy.

Motion carried unanimously (voice vote)

H. Office of Trust Funds Intermediate Term Fund Presentation

Next, the committee heard a report on the Intermediate Term Fund from Chief Investment Officer Charles Saunders of the Office of Trust Funds. This fund was established to increase revenue-generating opportunities for cash balances through intermediate term investments. Chuck shared an overview of the asset allocation model, fund performance, and governance structure.

Questions/ Comments: Regent Rai asked for the presentation to continue to the next agenda item.

I. Regent Policy Document Review: RPD 31-XX, "Intermediate Term Cash Management Fund Investment Policy Statement: Key Elements and Review Process"

The committee then approved a new Regent Policy Document related to the Intermediate Term Cash Fund. The policy sets forth the key elements to be incorporated in the Investment Policy Statement, including investment objectives and policies, the roles and duties of those responsible for its management, and reporting obligations to the Board of Regents through the Business and Finance Committee.

Motion made by: Regent Peterson

Motion seconded by: Regent Atwell

Questions/ Comments: Regent Atwell shared losses avoided do matter and offered kudos to the committee. He shared that the loan market is very questionable right now. Charles Saunders agreed. Regent Atwell expressed that caution is needed with loan investments and believes there are lots of bankers trying to offload floating rate loans. Charles shared they recognize and monitor the risks.

Motion carried unanimously (voice vote)

J. Trust Funds Quarterly Investment Report

Lastly, Chuck Saunders presented the Investment Report for the period ending June 30. As of that date, Trust Funds assets totaled \$580.1 million. For the quarter, the Long Term Fund increased in value 2.37%, slightly out-performing its benchmark. The Income Cash Fund gained 1.24% for the period.

Questions/ Comments: Regent Atwell thanked Chuck Sanders for the integrity of the report.

The meeting adjourned at 9:54 AM.

Respectfully submitted,

Brenda L. Joyce
Recording Secretary