

Universities of Wisconsin Board of Regents
Meeting of the Business & Finance Committee
Varsity Hall, 2nd Floor, UW-Madison Union South
1308 W. Dayton Street, Madison, Wisconsin
& via Zoom Videoconference
February 6, 2025

The meeting of the Business and Finance Committee was called to order at 10:30 a.m. by Chair, Regent Ashok Rai.

A. Calling of the Roll

Present: Regent Hector Colon, Regent Haben Goitom, Regent Jim Kreuser, Regent Timothy Nixon, Regent Chris Peterson, Regent Chair Ashok Rai, Regent Jack Salzwedel and Regent Karen Walsh.

Absent: None

B. Declaration of Conflicts

The chair asked committee members to identify any conflicts of interest regarding items on the agenda. No conflicts were identified.

C. Approval of the Minutes of the December 5, 2024, Meeting of the Business & Finance Committee

Corrections: None

Upon the direction of Regent Rai, hearing no corrections, the minutes of the December 5, 2024, meeting were approved as distributed.

D. UW-Madison Host Campus Presentation

UW-Madison Vice Chancellor for Finance and Administration Rob Cramer and Associate Vice Chancellor for Finance David Murphy provided an overview of finances, challenges, and priorities at UW-Madison. Included among the risks the university is facing are the intense competition for the top students, maintaining its momentum on research spending, and preparing for an uncertain political environment. Federal actions including a pause on grants and loans, changes to student aid policies, and reduced investment in research will have an impact. The university is taking actions over the next 18 months that include the “go live” of Workday, exploration of a new budget approach to improve transparency, and centralized processing of additional services. UW-Madison’s financial metrics are strong, but a culture of continuous improvement in an environment of external risks will position the university for continued success.

Questions/Comments: Regent Walsh asked for an example of how the new budget approach will affect specific departments. The presenters responded that, at the school and college level, a portion of revenue will be tied more directly to factors such as

enrollment and research. Regent Walsh asked for clarification on planned changes to the position control process. AVC Murphy replied that the transition to Workday will offer greater visibility to inform better decision-making on future personnel needs, using metrics to demonstrate the advantage of shared services for administrative efficiency. Regent Peterson asked for a schedule for completion of the school of veterinary medicine expansion, to which VC Cramer responded that he would follow-up with the answer. Regent Colon commended the university on its financial metrics and research ranking, and asked if there are opportunities to improve, or challenges in maintaining that status. VC Cramer replied that there are opportunities to diversify the research portfolio, citing corporate research as an example, along with potential pivots to areas that align with federal priorities. He also noted that the university is investing in research computing power to support the research infrastructure. Regent Rai stressed the importance of preparing to demonstrate returns on investment in the Administrative Transformation Program. VC Cramer shared that ATP's original business case focused less on cost savings than on items like cost avoidance and reductions in ancillary systems, but expects future reports to the Board on financial and operational benefits.

E. UW-Milwaukee Contractual Agreement with ReUp Education, Inc.

UW-Milwaukee Vice Chancellor for Finance and Administrative Affairs Robin Van Harpen and Associate Vice Chancellor of Enrollment Management Kay Eilers presented an agreement with ReUp Education, to provide re-enrollment and retention services to students who left the university prior to degree completion. Under the initial four-year term of the agreement, UWM will pay a percentage of tuition for each returning student. This initiative is part of UWM's continued efforts to improve graduation rates and student outcomes.

Questions/Comments: Regent Walsh inquired about coaching services offered to students. VC Van Harpen and AVC Eilers replied that the company has expertise in providing ongoing services to a population of typically nontraditional students to keep them engaged and encouraged to persist to graduation. Karen Walsh expressed concern that successful engagement would require the company to have deep knowledge of the university. AVC Eilers replied that there is an onboarding process with the company that will address that issue. In response to a concern from Regent Walsh, UWM replied that the university will monitor student success rates for those receiving support from ReUp. Regent Walsh encouraged collaboration between the company and UWM staff. Regent Goitom asked UWM had explored a financial model based upon student graduation. VC Van Harpen shared that under the per-semester model, the company is incentivized to assist student retention through graduation. Regent Rai asked if this is the first and only agreement with ReUp among the Universities of Wisconsin, to which UWSA Vice President Julie Gordon responded that UW-Parkside is currently exploring an agreement with company. In response to a question from Regent Nixon, UWM confirmed the university is aware of the baseline number of students who have left prior to degree completion to measure if the contract is serving UWM well. In response to a question from Regent Rai, UWM confirmed that if a student reenrolls but leaves temporarily and enrolls again, that student remains engaged with ReUp. Regent Salzwedel applauded

UWM on taking this initiative and noted it offers an opportunity to learn lessons on how to address this issue.

Motion to adopt made by: Regent Walsh

Motion seconded by: Regent Salzwedel

Motion carried unanimously (voice vote)

F. UW-Milwaukee Contractual Agreement with Scot Industries, Inc.

VC Van Harpen presented a memorandum of agreement on behalf of UWM regarding the naming of laboratories in recognition of a private donation made to the UWM Foundation. The \$2 million gift supports the Great Lakes Research Vessel Construction Fund for the School of Freshwater Sciences.

Questions/Comments: None

Motion to adopt made by: Regent Colon

Motion seconded by: Regent Walsh

Motion carried unanimously (voice vote)

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

UW Administration Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer Steven Hopper presented the UW Status Report on Large or High-Risk Information Technology Projects. The report provides the status and noteworthy updates for 7 major IT projects across the universities. The total project portfolio is \$243.3 million, a 1.3% decrease compared to the August 2024 report. The report requires Board approval to submit to the Legislature's Joint Committee on Information Policy and Technology, pursuant to state statute

Questions/Comments: Regent Walsh congratulated AVP Hopper and his staff for the fact that the projects have stayed on track.

Motion to adopt made by: Regent Walsh

Motion seconded by: Regent Colon

Motion carried unanimously (voice vote)

H. UW System Report on Strategic Plans for Major Information Technology Projects

AVP Hopper presented the annual Report on the Strategic Plans for Major IT Projects. The report offers an inventory of all ongoing and new projects, both enterprise-wide and university-specific, and includes information on each project's business need, impact, staffing requirements, and budget. The report requires Board approval to submit to the Legislature's Joint Committee on Information Policy and Technology, pursuant to state statute

Questions/Comments: Regent Goitom asked why only three universities are participating in the vendor risk assessment service. AVP Hopper confirmed that it launched as a pilot, and shared his belief that additional campuses will be willing to participate once the value has been demonstrated. Regent Rai stated that the committee may want to consider a policy on the review of all high-dollar, high-risk vendor contracts.

Motion to adopt made by: Regent Peterson

Motion seconded by: Regent Colon

Motion carried unanimously (voice vote)

I. Presentation: Universities of Wisconsin Student Affordability Review

UW Administration Associate Vice President for Policy Analysis and Research Ben Passmore presented the findings of the UW Student Affordability Review, which was first conducted in 2022. The review indicates that while the Universities of Wisconsin remain the most affordable in the Midwest, declining participation of low-income and first-generation students suggests that affordability remains a barrier for some. The report does show that the 2023-24 Wisconsin Tuition Promise led to enrollment gains for those student groups, underscoring the importance of this provision in our state budget request. No action was required; this item was for information and discussion.

Questions/Comments: Regent Walsh expressed appreciation for the report and noted that it demonstrates the impact of the Tuition Promise program. In response to a question she posed, AVP Passmore explained that a “last dollar” program is one that covers the remaining need after all other financial aid and scholarship funds have been applied. In response to a question from Regent Peterson, AVP Passmore recounted the history and funding of the 2023-24 Tuition Promise cohort.

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

UW Administration Vice President for Finance and Administration Julie Gordon provided an informational report on gifts, grants, and contracts awarded to all universities for the first six months of this fiscal year. Total awards through last December were approximately \$1.4 billion; this is an increase of over 20% from the same period in the prior year and is largely attributed to research grants.

Questions/Comments: None

K. 2024-25 Mid-Year Budget-to-Actual Performance Report

Vice President Gordon provided the mid-year Budget-to-Actuals Report, which reflects the status of the UWs’ budget by major areas of activity in comparison to actual financial experience for the first half of FY25. The report indicates that, in aggregate, revenues represent 51% of the revised budget forecast, and expenses represent 47.5%. No action was required; this item was for information and discussion.

Questions/Comments: Regent Rai commented that the difficult decisions required by some universities will position them for success moving forward, highlighting UW-Oshkosh in particular. Regent Salzwedel commented on the usefulness of the inclusion of the revised forecast information.

L. Trust Funds Quarterly Investment Reports

UW Administration Office of Trust Funds Chief Investment Officer Charles Saunders gave a preview of 2024 Q4 before providing the 2024 Q3 quarterly investment report. As of September 30, assets in the SWIB-managed portfolios totaled \$648 million, with gains in the Long-Term Fund and Income Cash Fund of 5.2% and 1.3%, respectively.

Assets in the Intermediate Term Fund totaled \$726 million after gains of 4.6% for that quarter, performing in-line with its benchmark. No action was required; this item was for information and discussion.

Questions/Comments: None

M. Amendments to Regent Policy Document 20-27, "Selection Process for System President, Chancellors, Vice Chancellors and UW System Senior Leadership Positions."

UW Administration Interim Associate Vice President for Human Relations Kelly Cook presented proposed policy revisions allowing the System President to determine the appropriate selection process for filling vacancies, in consultation with the Regent President and members of the Board's Executive Committee, for specified senior leadership positions at UW Administration.

Questions/Comments: Regent Walsh shared her appreciation that the revisions address earlier concerns.

Motion to adopt made by: Regent Nixon

Motion seconded by: Regent Kreuser

Motion carried unanimously (voice vote)

The meeting was adjourned at 12:02 pm.

Respectfully submitted,

Brenda L. Joyce
Recording Secretary