

Universities of Wisconsin Board of Regents
Meeting of the Business & Finance Committee
Via Zoom Videoconference
October 9, 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 Chair Ashok Rai, Regent Haben Goitom, Regent Noah Fritz, Regent Jim Kreuser, Regent Timothy Nixon, Regent Tom Palzewicz, and Regent Karen Walsh.
Absent: Regent Jack Salzwedel

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 September 18, 2025, Meeting of the Business & Finance Committee

Corrections: None

Motion to adopt made by: Regent Walsh

Motion seconded by: Regent Fritz

Motion carried unanimously (voice vote)

Upon the direction of Regent Rai, hearing no corrections, the minutes of the September 18, 2025, meeting were approved as distributed.

D. Approval of Proposal for Market-Based Compensation to Attract Faculty in High Demand Fields of Study as Provided in 2025 Wisconsin Act 15 (2025-27 Biennial

Jason Beier, Associate Vice President and Chief Human Resource Officer, and Julie Gordon, Interim Vice President for Finance and Administration, presented the plan for the use of funds provided in the state budget for market-based compensation for faculty in high-demand fields of study. In addition to \$2 million legislatively earmarked for UW-Madison, \$25 million would be allocated to the 13 universities based on undergraduate student credit hours. High-demand fields of study are identified based on data from the Department of Workforce Development, although a university may use up to 15% of its allocation under an alternative approach if approved by UW Administration. Each university will identify the individual awards and amounts, with no salary increase

exceeding 20% of base pay. The proposal will be submitted to the legislature's Joint Committee on Employment Relations for review. Jason Beier provided clarification that these funds would be limited to faculty, as defined in state statute. These funds may be applied to newly hired faculty as well as existing faculty.

Questions/Comments: Regent Krueser asked for clarification on the process that will be used for the distribution of funds. VP Gordon outlined the parameters by which each university would make their determinations. Regent Nixon asked VP Gordon to explain the concept of salary compression, which she described as the situation in which market changes result in incoming employees being compensated at the same or higher level than existing employees. Regent Walsh asked how UW-Madison would fulfill the legislative intent of its earmarked funding to advance diversity of thought. VP Gordon responded that the funds are expected to be referred to the UW-Madison Center for Research on the Wisconsin Economy. Regent Nixon shared his appreciation for the work of VP Gordon, President Rothman and their staff, and VP Gordon recognized the efforts and input of the universities in the development of the plan.

Motion to adopt made by: Regent Nixon

Motion seconded by: Regent Palzewicz

Motion carried unanimously (voice vote)

E. **Approval of the Distribution of Funding Provided in 2025 Wisconsin Act 15 (2025-27 Biennial Budget)**

VP Gordon presented the proposed framework for the distribution of additional funding changes enacted in the state budget. These include: \$11.25 million to be distributed based on undergraduate student credit hours, with no single university eligible to receive more than 25% of the total allocation; \$15.25 million to be distributed based on FTE student enrollment to the 11 universities with declining enrollment over the previous ten years; \$3.5 million for the provision of tele-mental health services to the non-UW-Madison universities based on student head count; and a base funding decrease of \$8.0 million.

These allocations will be released to the UWs upon approval of the forthcoming instructional employee workload policy by the Board of Regents and the Joint Committee on Employment Relations.

Questions/Comments: Regent Rai thanked VP Gordon and her staff for the work done to develop the framework.

Motion to adopt made by: Regent Nixon

Motion seconded by: Regent Fritz

Motion carried unanimously (voice vote)

F. Collective Bargaining Agreements with the Building and Construction Trades Council of South Central Wisconsin

UW Administration Chief Human Resource Officer Jason Beier and UW-Madison Chief Human Resource Officer Patrick Sheehan presented the collective bargaining agreements negotiated by UW System and by UW-Madison with the Building and Construction Trades Council of South Central Wisconsin (BTC). In each agreement, the parties negotiated for a 2.95% increase effective for fiscal year 2026. These terms are consistent with the agreement between BTC and the Department of Administration. Both agreements will be submitted to the Joint Committee on Employment Relations for final approval.

Questions/Comments: Chair Rai proposed, without objection, that the resolutions be considered as one combined motion.

Motion to adopt made by: Regent Walsh

Motion seconded by: Regent Fritz

Motion carried unanimously (voice vote)

G. 2024-25 Budget-to-Actuals Performance Report

VP Gordon presented the year-end Budget-to-Actuals Report, which reflects the status of the UW's fiscal year 2025 budget by major area of activity in comparison to actual financial experience for that year. The report provides this information for each individual university, but in aggregate, revenues exceeded the budget by 2.5% (or \$198 million) due largely to additional revenue received from gifts and nonfederal grants and contracts. Overall expenses were less than the budget by 0.05% (or \$3.8 million). Total revenues exceeded total expenses by about \$93 million (or 1.1%).

Questions/Comments: Regent Rai shared that the evolution of reporting has resulted in much better representation of the financial data. Regent Nixon asked for the status of federal funding for TRIO programs. Chris Patton, VP of University Relations, responded that funding was renewed for most of the UWs. Regent Goitom asked about the transition from cash to accrual accounting, and how that might impact the ability to look at historical information and discern trends. VP Gordon replied that Workday will make the report easier to prepare, but the largest differences will be in the areas of accounts payable and accounts receivable, making it difficult to draw comparisons to prior years.

No further action by the committee was required for this informational item.

H. Semi-Annual Report on Gifts, Grants, and Contracts

Senior Associate Vice President for Finance Josh Smith presented the report on gifts, grants, and contracts awarded to the Universities of Wisconsin in fiscal year 2025. Total

awards were approximately \$2.5 billion, a 10.7% increase from the previous year. Non-federal awards at UW-Madison, driven largely by transfers from the foundation, accounted for most of the increase. Federal awards increased nearly \$48 million overall (3.8%).

Questions/Comments: Regent Nixon asked AVP Smith whether there are systemic or anomalous factors behind the larger year-to-year deviations in the report. AVP Smith replied that because the report captures awards rather than expenditures, much of the variation reflects the timing and cycle of federal awards, making it difficult to draw larger conclusions based on the data in the report. Regent Nixon asked if there are any areas of concern in the report. AVP Smith replied that while the future status of federal funding is an area of concern in general, the information in this report does not suggest a reason for more or less concern.

No further action by the committee was required for this informational item.

The meeting was adjourned at 11:31 am.

Respectfully submitted,

Brenda L. Joyce
Recording Secretary