

Universities of Wisconsin Board of Regents
Meeting of the Business & Finance Committee
Varsity Hall I, 2nd Floor, UW-Madison Union South
1308 W. Dayton Street, Madison, Wisconsin
& via Zoom Videoconference
February 5, 2026

The meeting of the Business and Finance Committee was called to order at 8:45 a.m. by Chair, Regent Ashok Rai.

A. Calling of the Roll

Present: Regent Chair Ashok Rai, Regent Vice Chair Haben Goitom, Regent Noah Fritz, Regent Jim Kreuser (remote), Regent Timothy Nixon, Regent Tom Palzewicz, 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 4, 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 December 4, 2025 meeting were approved as distributed.

D. UW-Madison Host Campus Presentation: “Enhancing Operational Excellence at UW-Madison”

UW-Madison Office of Finance and Administration Vice Chancellor Rob Cramer and Associate Vice Chancellor David Murphy provided an overview of the university’s financial position, including a review of key financial metrics, operating and state support data, and efforts to exercise fiscal prudence. They introduced several initiatives under the theme of “operational excellence” that promote efficient and effective delivery of administrative services. These include an expanded shared services program for HR and Finance (LinkUW), and an Operational Excellence Advancement program to address recommendations made in the strategic and financial assessment of UW-Madison. They concluded with an overview of an AI for Enterprise Steering Committee established to coordinate the university’s approach for administrative areas.

Questions/Comments: Regent Nixon requested and received confirmation that state GPR appropriations account for 9% of UW-Madison's budget. In response to a follow-up on the expense of AI, VC Cramer noted that the university monitors utility costs but noted the need to balance those expenses with the needs of AI users such as researchers. He added that it underscores the need to increase overall efficiency in areas like procurement while enhancing the ability of the university to move quickly. Regent Goitom noted the explore opportunities for collaboration in this realm. Regent Walsh asked whether employees involved in the LinkUW effort are still embedded in their respective departments or colleges. VC Cramer replied that a blended approach was taken, and that early lessons will inform the approach for phase two of this pilot project. Regent Goitom noted the importance of achieving Cybersecurity Maturity Model Certification, and expressed interest in further discussion of how the Board can provide support through potential policy revisions. Regent Nixon asked whether the university is exploring the question of regulating appropriate uses of AI. VC Cramer noted the importance of continued education of users on that topic. In response to a question from Regent Salzwedel, VC Cramer noted that UW-Madison is engaged with UW Administration on its development of an Enterprise Risk Management program, while working closely with their own Office of Legal Affairs in an array of related areas beyond finance and administration. Regent Rai asked if the university is able to assess what research is at risk in order to target resources toward sustaining those deemed most critical. VC Cramer replied that those evaluations are typically driven by the deans of the colleges. Regent Walsh asked if the university is aware of faculty losses as a result of funding reductions in research. VC Cramer was unaware of such losses but expressed concern in maintaining research as an attractive career path for the next generation of researchers.

No further action was required by the Committee.

E. Universities of Wisconsin 2025 Annual Financial Report

UW Administration Office of Finance officials Rod Dole (Director of Financial Reporting), Josh Smith (Senior Associate Vice President for Finance), and Julie Gordon (Vice President for Finance & Administration) presented the UW Annual Financial Report for Fiscal Year 2025. The report notes that UW's Total Net Position as of June 30 stood at over \$6.9 billion, an increase of 3.7% from the prior year. The main contributors to this change include an increase in the total value of capital assets; an increase in net pension liability; and an increase in cash and cash equivalents as uncertainty in federal and state funding, as well as the transition to Workday, led to reduced or delayed expenditures near the end of the fiscal year. Revenues increased by 2.3%, while expenses increased by 6.2%, driven largely by non-cash accrual entries for pension and other postemployment benefits. The report concluded with a review of the Composite Financial Index scores for the UW universities.

Questions/Comments: Regent Nixon commented that while members did not raise questions during the meeting, there previously had been considerable review and discussion of the report.

No further action was required by the Committee.

F. 2025-26 Mid-Year Budget-to-Actual Performance Report

VP Julie Gordon presented the mid-year Budget-to-Actuals Report, which reflects the status of each university's budget by major areas of activity in comparison to actual financial experience for the first half of FY26. While there is variation among the UWs, the report indicates that, in aggregate, revenues represent 71% of the budget, as many universities assessed Spring tuition prior to the calendar year-end, while expenses represent 55.2% of the current budget. VP Gordon noted that the report suggests the universities are tracking to the budget and not moving toward positions of structural deficit.

Questions/Comments: Regent Nixon asked for clarification on whether instances of negative numbers reflect a change to accrual accounting. VP Gordon replied that they may also reflect one-time expenses and timing of costs such as capital projects, but do not suggest structural deficits. Regent Walsh asked if the change to Workday revealed any needs for adjustments in producing the report. VP Gordon noted that Workday will enable data to be retrieved directly rather than by direct request to the universities, allowing for more automation over time as the project continues to stabilize. Regent Palzewicz asked if expected percentages could be a component of future reports, which VP Gordon noted is being discussed as an iterative process. Regent Goitom and VP Gordon discussed the challenge of the accrual accounting work at the campus level. Regent Rai expressed interest in bringing a number of university chief business officers to report to the committee on their observations and experiences.

No further action was required by the Committee.

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

Steven Hopper, Senior Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, presented the UW Status Report on Large or High-Risk Information Technology Projects. The report provides the status and noteworthy updates for 6 major IT projects across the universities, including completion of the Administrative Transformation Program, at an estimated \$4.8 million under budget. The total project portfolio is \$238.4 million, a 3.0% decrease compared to the July 2025 report. VAP Hopper concluded his remarks with observations on the ATP project and opportunities for continuous improvements.

Questions/Comments: Regent Goitom asked how success will be measured through KPIs or other metrics. AVP Hopper replied that, in collaboration with UW-Shared Services, governance structures, systematic metrics, and dashboards are in development.

The Committee was asked to approve the report and its submittal to the legislative Joint Committee on Information Policy and Technology.

Motion to adopt Resolution G. made by: Regent Walsh
Motion seconded by: Regent Nixon
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. This 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. AVP Hopper also provided an overview of the IT as a service approach and its component projects.

Questions/Comments: None

The Committee was asked to approve the report and its submittal to the legislative Joint Committee on Information Policy and Technology.

Motion to adopt made by: Regent Goitom
Motion seconded by: Regent Walsh
Motion carried unanimously (voice vote)

I. UW Administration Presentation: AI in Administrative Operations

VP Julie Gordon and AVP Steven Hopper provided a presentation on the adoption of artificial intelligence in administrative operations at the UW, discussing the use of AI in automating workflows in administrative tasks, building integrated data ecosystems, and optimizing financial management and performance. The presentation identified nine pillars of AI use in higher education, offered a general evaluation of the UWs' adoption relative to institutions and systems nationwide, and concluded with an overview of the costs for various enterprise tools.

Questions/Comments: Regent Rai noted that the presentation was a useful introduction to how AI is being used on the business side of the university, and expressed interest in a further discussion of governance issues.

No further action was required by the Committee.

The meeting was adjourned at 10:37 am.

Respectfully submitted,

David Volz
Acting Committee Clerk