

**UW System Board of Regents**  
**Meeting of the Business & Finance Committee**  
**University of Wisconsin- Platteville**  
Nohr Gallery, Ullsvik Hall  
1 University Plaza, Platteville, Wisconsin  
& via Zoom Videoconference  
April 4, 2024

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: Regents Rai, Colon, and Peterson attended in person while Regents Kreuser and Atwell attended virtually via Zoom videoconference.  
Absent: Regents Adams and Jones

**B. Declaration of Conflicts**

The Chair asked Committee members to identify any conflicts of interest regarding items on the agenda. There were none.

**C. Approval of the Minutes of the February 8, 2024, Meeting of the Business and Finance Committee**

**Corrections:** None

**Motion made by:** Regent Peterson

**Motion seconded by:** Regent Colon

Upon the direction of Regent Rai, a voice vote was taken, and the Committee unanimously approved the minutes of the February 8, 2024 Business and Finance Committee meeting.

**D. UW-Platteville Host Campus Presentation**

The Committee first heard a presentation from the host campus, UW-Platteville, entitled “Rowing Together: Charting A Sustainable Financial Future.” Chris Patton, Vice Chancellor (VC) for Administration and Finance, provided an update on the university’s recent efforts to address its structural deficit and ensure it meets its goal of submitting a balanced budget for fiscal year 2025. The presentation highlighted best practices around building the case for change and provided examples of the near-term actions the university is taking to realign expenses to revenues through expense reductions, revenue maximization, and increased efficiencies. Additionally, the presentation discussed the financial turnaround and cultural transformation that is occurring through the implementation of sound financial and budget practices, increased accountability, and a renewed commitment to “rowing together.”

**Questions/ Comments:** Regent Peterson asked what the keys were to the cultural change that was implemented. VC Patton shared the importance of being open, transparent and inclusive across the campus in sharing information throughout the organization. He also stressed the importance of maintaining diligence and focus on the task of addressing structural changes for the long-term.

Regent Colon asked for more detail on how the university established its enrollment projections. VC Patton replied that a variety of data is used to identify three sets of targets, but that the most conservative estimate is used in developing the overall budget. Initial projections for FY25 are on par with FY23 enrollment.

Regent Peterson asked if any changes or new approaches have been made to the university's recruiting efforts. VC Patton shared that both the Direct Admissions initiative and the zero-based budgeting approach provided an opportunity to have a thoughtful conversation about what recruitment and communication strategies would be most effective.

Regent Atwell shared his appreciation for the level of transparency and candor in both the university's budget process and the presentation of that information to the Board. He added that for many years across the system, there had been a lack of seriousness in addressing enrollment challenges and positioning the institutions to be financially strong. He noted the importance of establishing budget integrity to encourage future investment by the state.

Regent Rai stated that the presentation was of the type he has long wanted to see, in terms of both the budget detail and the plan for achieving financial stability, commending the university for its work. He asked what the university's top priorities are for revenue diversification. VC Patton replied that while expense control is a higher focus, revenue opportunities include regional business partnerships directly with the university, capital campaigns conducted by the foundation, and leveraging the campus' unique location in the tristate region. Regent Rai then asked how the financial analysis performed by Deloitte was most helpful to the university. VC Patton shared that the largest benefit was in the validation that came with a third-party analysis, which reassured the campus community of the accuracy of their own data. He added that they look forward to the opportunity to benchmark their performance to the other UW institutions.

#### **E. Approval of 2024-25 Tuition and Auxiliary Rates**

Universities of Wisconsin Vice President for Finance, Sean Nelson, presented the 2024-25 tuition and auxiliary rate recommendations. The presentation outlined the key factors that were considered in developing the proposal. First, the universities face increased costs due to the pay plan enacted in the state budget. With 70% of the expense funded by the state, the remaining share is borne by the institutions. Second, the level of UW tuition relative to peers in Midwestern states was compared. Third, cumulative inflation from 2020-2025 is estimated at 25%, resulting in a loss of purchasing power. Fourth, total tuition and state support per FTE in Wisconsin is 42<sup>nd</sup>

in the nation. Lastly, VP Nelson highlighted efforts being made at the institutions to reduce costs.

As a result of those considerations, the proposal recommends a base tuition increase of 3.75% for resident undergraduates. Accounting for a combined tuition and segregated fee increase averaging 4.4%, and an increase in room and board rates averaging 3.1%, the proposed average increase in the cost of attendance for Wisconsin resident undergraduate students at the four-year campuses would be 3.8%. The proposal also provides for increases to graduate tuition and nonresident undergraduate tuition which vary by university. In addition to the base tuition adjustment, most of the universities propose an increase to program-specific tuition in one or more fields of study to offset the expenses of certain high-cost programs.

VP Nelson concluded by noting that the Committee's materials include details on the intended use of new tuition revenue for each university.

**Questions/ Comments:** Regent Rai thanked VP Nelson for the presentation and stated that the impacts of inflation and the pay plan increases outpace the increase in tuition, necessitating the cost reduction efforts at many universities. Regent Peterson asked how many years it might take to resolve the issue of salary ranges. VP Nelson called upon UW Chief Human Resource Officer Dan Chanen, who responded that an aggressive approach would take 3-4 biennia to narrow the range, but it is dependent on the pace of future pay plan increases. Regent Colon asked when the last time a compensation study was performed. CHRO Chanen replied that the Title and Total Compensation project included a benchmarking of the jobs in 2019 but noted that the salary range recommendation in the current proposal is based on live data. Regent Kreuser stated he feels it is important to communicate that pay plan increases represent only progress and not completion toward meeting market rates. Regent Atwell stated the most important data to him is the reality that there is a 25% inflation rate and less than half of that has been made up with pay plan adjustments, and there is work to do to close the gap. Regent Rai asked whether the UW has any control over health insurance plans and pricing, to which VP Nelson replied that it is the purview of the state.

**Motion to adopt made by:** Regent Peterson

**Motion seconded by:** Regent Colon

**Motion** carried unanimously (voice vote)

#### **F. UW-Stevens Point Contractual Agreement with Shorelight, LLC**

Tracy Davidson, Associate Vice President for Academic Affairs, UW Administration and Justin Willis, Executive Director of Admissions and Financial Aid, UW-Stevens Point, presented a proposed agreement between UW-Stevens Point and Shorelight, LLC, an international recruitment agent aggregator that will engage with agents overseas to identify and recruit interested international students.

**Questions/ Comments:** None

**Motion to adopt made by:** Regent Peterson

**Motion seconded by:** Regent Colon

**Motion** carried unanimously (voice vote)

**G. UW-Whitewater Dining Services Agreement with Compass Group USA, Inc.**

Brent Tilton, UWSA Director of Procurement, Paul Schlough, UWSA Procurement Manager, and Angela Meldonian, University Center Executive Director presented a proposed agreement with Compass Group USA, Inc. to provide dining services for UW-Whitewater. The contract was awarded under a Request for Proposals process and is effective June 1, 2024. UW-Whitewater will receive the greater of an estimated annual commission of 15.4% of retail sales or minimum annual guarantee of \$435,000. The contractor will operate all dining services, including the residential dining program, retail operations, catering, conferences, camps, and summer activities.

**Questions/ Comments:** Regent Rai shared that he wants to make sure the UW is leveraging its buying power. He asked if there is a plan or commitment to continuity on campus as far as hiring the staff working for the current vendor. Angela shared that UW-Whitewater is working with the vendor on the retention of those employees. Regent Colon asked what this vendor had to offer over the current provider. Paul shared that this vendor best demonstrated an understanding of campus needs and programs, and a vision for growth. He added that Compass Groups has familiarity with the campus as a prior vendor and worked hard to earn the business back. To the question of where the company will target its \$3.8 million in capital improvements, Angela shared that they proposed changes to the retail locations, in adding brands that are more popular with the students, and in making technology investments.

**Motion to adopt made by:** Regent Peterson

**Motion seconded by:** Regent Colon

**Motion** carried unanimously (voice vote)

**H. UW System and UW-Madison Paid Parental Leave Policies**

Dan Chanen, Associate Vice President and Chief Human Resource Officer and Patrick Sheehan, Associate Vice Chancellor and Chief Human Resources Officer, UW-Madison, presented draft policies under their respective personnel systems to implement six weeks (240 hours) of paid parental leave within a 12-month period for the birth or adoption of a child. Regent policy requires the proposal to be reviewed, not formally acted upon, by the Board prior to implementation.

Providing this benefit helps to bring UWs and UW-Madison leave benefits in line with peer institutions. In a survey conducted by UW-Madison, data from across 19 different private sector employers across southeast and southcentral Wisconsin shows that on average, employers within south-central Wisconsin offer 8 weeks of paid leave, and employers within southeast Wisconsin offer 10 weeks of paid leave. The six-week

leave aligns with the benefits offered by seven of the Big Ten peer institutions. It positively benefits morale, recruitment, and retention at a modest cost.

**Questions/ Comments:** Regent Rai shared that, coming from the private sector, he was surprised to learn that this benefit was not already offered, and thanked UWSA and UW-Madison for bringing this forward.

**I. Semi-Annual Report of Gifts, Grants, and Contracts**

VP Nelson provided a summary report of the total gift, grant, and contracts awarded to the Universities of Wisconsin from July 1 to December 31, 2023. The report shows a 5.3% decrease from the same period of the prior year. The decrease is attributed to two major research grants being reported previously and a non-government reduction in research grants and gifts primarily at UW-Madison.

**Questions/ Comments: None**

**J. Trust Funds Quarterly Investment Report**

Charles Saunders, Executive Director of the Office of Trust Funds for the Universities of Wisconsin, provided an informational update on the Intermediate and Long-Term Funds, both of which exceeded or met their benchmarks. While the report covered 2023 Q4, he added that the market has been strong of late, and the performance of the fund has exceeded projections as a result.

The meeting was adjourned at 10:19 a.m.

Respectfully submitted,

Brenda L. Joyce  
Recording Secretary