

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, December 5, 2024**

The December 5, 2024, meeting of the Capital Planning and Budget Committee, which was held in the Overture Room of the Gordon Dining & Event Center on the UW-Madison campus and via Zoom Videoconferencing, was called to order at 10:45 a.m. by Committee Vice Chair Regent Jim Kreuser.

A. Calling of the Roll

Present: Regents Jim Kreuser, Tim Nixon, Cris Peterson, Joan Prince, Ashok Rai and Karen Walsh

By Videoconferencing: Regent Edmund Manydeeds (joined after roll call at 10:48am)

Absent: Regent Mark Tyler

B. Declaration of Conflicts

Before considering any items on the agenda, Committee Vice Chair Regent Kreuser asked if any Board members wished to declare any conflicts of interest as per Regent Policy Document 2-4, "Ethics and Conflict of Interest Policy for the UW System Board of Regents." No conflicts of interest were declared.

C. Approval of the Minutes of the September 26, 2024 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the September 26, 2024, meeting of the Capital Planning and Budget Committee were approved as presented.

D. Proposed Consent Agenda

1. UW-Oshkosh: Authority to Sell a Parcel of Improved Land
2. UW System: Authority to Construct 2023-25 Classroom Renovation/ Instructional Technology Improvement Program Projects
3. UW System: Authority to Construct All Agency Maintenance and Repair Projects
4. UW System: Authority to Construct a Minor Facilities Renewal Project

Resolution D. was moved by Regent Nixon, seconded by Regent Rai, and adopted unanimously on a voice vote.

E. UW System: Authority to Adjust Budgets for UW-Eau Claire Science/Health Science Building, UW-Whitewater Winther Hall/Heide Hall, UW-Madison New Engineering, UW-Stout Heritage Hall and UW System All Agency Small Projects, and Authority to Construct UW-Madison New Engineering and UW-Whitewater Winther Hall/Heide Hall

Senior Associate Vice President, Alex Roe, explained the item covers four projects and one program which she went through each individually since that is normally how projects are brought forth. In consultation and at the behest of their colleagues at the Department of

Administration, the Capital Planning and Budget (CPB) office structured the document this way. The same approach will be used with the State Building Commission later this month.

SAVP Roe began with UW-Whitewater's Winther/Heide Hall project. It was included in the recent enumeration this last spring. It will renovate Winther Hall for the College of Education and Professional Studies. Winther Hall will get a comprehensive renovation so it can continue to serve as the primary location for teacher education. The other part of the project is to replace the roof and windows and construct new entrances at Heide Hall.

As UW-Whitewater got into design, they uncovered the need to improve the electrical systems in Heide Hall as well as replace the emergency generator. In addition, they have underground utilities near the buildings that require replacement. Rather than request a new enumeration and undertake the work later, costing additional time and money, it was elected to be included within the Winther project as it will be more efficient to do the work with the main project. They elected to increase the budget by \$10,567,00 to include these items and provide some cushion for unforeseen circumstances. SAVP Roe is asking for the authority to complete design and proceed to construction. They anticipate releasing the project for bidding in summer 2025.

Next at UW-Madison, they are requesting authority to complete design and start construction on the new Engineering Building as well as increase the overall project budget by \$72,464,000. This project was also included in the recently passed capital budget amendment this spring.

A budget increase is requested to accommodate the original program and the addition of one floor to the building to support university-industry partnership space. This additional space will allow more students to engage with industry throughout their education. It will provide opportunities to further enhance the research enterprise enabling an interdisciplinary partnership approach to translate basic science discoveries more quickly and efficiently into practice which is critical for major research initiatives today.

The capital budget estimate was established prior to an A/E of Record and Construction Manager being on board to develop a full program and cost estimate based on an actual design. This budget increase is requested to accommodate several changes since the design team have completed the preliminary design. SAVP Roe provided a couple of examples: the elevation of the building had to be changed upwards during design to accommodate new stormwater and flood plain calculations that were not available before the start of the project. As well as due to an adjacent utility project, the building foundation had to be changed from slab-on grade to micro piles which is more expensive to navigate around utilities and accommodate vibration requirements.

At UW-Stout, they are asking to increase the Heritage Hall Addition and Renovation Project budget by \$5,424,000 to strengthen the allocated project contingency. It is expected that renovating the building will strip it down to its basic structural system but they are unable to do extensive investigative demolition on an occupied building prior to bidding. An increase to

the overall project contingency will allow a safeguard in case unforeseen conditions are discovered. The project will be released for bidding soon.

The last increase request is for the Small Project Program. The Universities of Wisconsin (UW) has exceeded its All-Agency allocation for the Small Project Program less than a year into the biennium. In fact, Capital Planning and Budget has received around 256 individual project requests against the original funding target of \$25M. They are requesting an increase of an additional \$25,000,000 to allow the UW to continue approving critical infrastructure demand requests at the 13 universities.

In consultation with DOA, the UW requests an adjustment to the project budget for the UW-Eau Claire Science/Health Science Building and Lower Campus Chiller and Cooling Tower Replacement Project by \$70,064,000. Bids for these combined projects were received in March 2024 and construction is well underway for the new Science Building and Chiller Plant project. Unexpectedly, bids came in lower than the enumerated estimate due to a drop in uncertain inflationary pricing. Disbursement of the \$70M is spread out among the three projects and one program previously revealed. UW-Eau Claire was provided with an opportunity to review the project to determine if the original intent of the project was fully funded. As a result of those conversations, the original equipment budget was doubled as well as the project contingency.

Regent Rai inquired about the All Agency funds and whether the Regents or the State determines the threshold before it is brought for BOR & SBC approval. SAVP Roe responded that the \$600,000 minimum is in statute. Regent Rai added that even \$600K seems low in relation to construction costs. Since the funds are needed for critical repairs, it's too time consuming to go through the process of BOR and SBC approvals. SAVP Roe stated that she continues to have conversations with DOA about raising that number as well as increasing the maximum threshold from \$3M to \$5M. Regent Rai asked who the Regents need to advocate for the change. SAVP Roe stated in collaboration with UW's Government Relations, the discussion would be with DOA.

Regent Walsh asked for more clarification on how the UW-Eau Claire's project came in under bid. SAVP Roe explained there were a few factors that affected the bid. First was when the project was enumerated, they were using the high inflation percentage that DOA dictated during Covid times. Second, different parts of the state have different markets in relation to construction. Since Eau Claire is in the northern region, their market is similar to Minneapolis versus places like Milwaukee whose market is Chicago. Lastly, SAVP Roe informed the Regents that they were working off the architect's estimation. Regent Walsh stated that we will continue to see regional differences and to not be surprised. SAVP Roe added that the labor market also determine costs. For example, the cost of an electrician in Madison and Platteville will be more expensive due to high demand and low availability versus other areas of the state. She also stated that they are adding additional contingency to these projects because of the potential issues with tariffs, dock worker strikes, and supply change challenges.

Regent Rai added to the discussion about FF&E costs and special equipment needs. Since UW-Eau Claire and UW-Madison's buildings are Science and Engineering, a large chunk of the equipment needed will be coming internationally. SAVP Roe agreed and stated that UW-Eau Claire's budget for equipment has been doubled as well as an increase to their contingency to assure their original academic goals were covered.

Resolution E. was moved by Regent Rai, seconded by Regent Walsh, and adopted unanimously on a voice vote.

F. UW-Madison: Authority to Complete Design and Construct the UW Managed Lakeshore Nature Preserve Frautschi Center

The university's 300-acre Nature Preserve serves as an outdoor classroom. It encompasses Picnic Point which offers a wonderful vantage point overlooking Lake Mendota, the university and downtown Madison. The Regents recently approved the naming of the new Outreach Center which will be an 11,000 GSF building on the preserve. It will provide hands-on-learning space, expand the research and teaching capacity and include a public gathering space along with restrooms. It allows the consolidation of staff and their equipment from six locations into one.

Regent Walsh inquired if the Outreach Center will be open 7 days a week and SAVP Roe confirmed it will.

Resolution F. was moved by Regent Rai, seconded by Regent Prince, and adopted unanimously on a voice vote.

G. UW-Madison: Authority to Complete Design and Construct the UW Managed Campuswide Access Controls

At UW-Madison, they are seeking to install electronic access control systems in 42 buildings. This new system will allow the police department to secure buildings more effectively. This phase 2 effort is part of a large IT infrastructure project approved by the Business and Finance Committee in previous meetings. However, as it is technically both an IT and building project, we are asking this committee to review and consider this project. It is a UW Managed project.

Resolution G. was moved by Regent Peterson, seconded by Regent Manydeeds, and adopted unanimously on a voice vote.

H. UW System: Status Report on Real Estate Transactions June 1, 2024 through November 30, 2024

Regent Kreuser asked if there were any questions about the report located in their packet. There were none.

I. UW System: Status Report on UW Solely Managed Capital Projects June 1, 2024 through December 1, 2024

Director of the UW Managed Program, Pat Rebholz, provided a review of the program as well as a slide show of a few projects. Since its inception in July 2015, the program has included a total of 179 projects. The total value of the projects that are or have been part of the program has increased from \$646,847,552 in June 2024 to \$868,946,273. Currently there are 55 active projects valued at \$638 million.

Regent Walsh inquired if CDIS was on schedule and Director Rebholz stated it was and provided some breakdown of the schedule.

J. UW-Stout: Presentation, "University Long-Range Plan"

Chancellor Frank, Provost Rodríguez, and Vice Chancellor Guenard provided a presentation that showcased UW-Stout's new ten-year Long-Range Plan. Aligned with the university's longstanding Baldrige approach to strategic planning, the plan was developed through a collaborative process that involved hundreds of students, faculty, staff, administrators, alumni, community members, and business/industry partners. The Long-Range Plan charts the university's strategic vision for UW-Stout's campus that both honors and amplifies the unmatched value of their polytechnic mission. Furthermore, the Long-Range Plan capitalizes on their natural environment and complements the community, thereby reinforcing the university's role as a nationally recognized steward of place.

Regent Walsh inquired if the projects they listed were in priority order. Provost Rodriguez responded that the order was created as if walking the Regents through the campus from the gateway building of Sorensen Hall and down the street to Innovation Hub, Swanson Library and finally the 10<sup>th</sup> Avenue transformation. The Innovation Hub, though, is their 1<sup>st</sup> priority.

Regent Rai asked if there was a dollar amount to these projects and if they were planning to finance them through corporate partnership, state support, etc. Chancellor Frank responded that it will be a combination of all opportunities. They aim to be very ambitious in moving these projects forward. The final dollar amount was not readily available, but Vice Chancellor Guenard stated they broke the cost down by biennium and by funding.

Regent Nixon shared his recent visit to UW-Stout and his understanding of what polytechnic means. He stated that an undergrad needs roughly 120 credits to graduate. 40 of those credits are traditional learning but 80 are hands on and that essentially is what separates them out. Provost Rodriguez explained that their campus has 3x the number of labs as traditional classrooms because their curriculum is designed for hands on experience. Regent Nixon stated that he was very impressed with the campus. He gave an example of them researching and creating cardboard boxes for a supplier and how they utilized many other

campus departments like the art department to design. He also added that UW-Stout has a unique situation in which they are land locked and they cannot build much further out.

Regent Walsh inquired about where AI fits into their long-range plan. Chancellor Frank answered that AI is being integrated across campus both academically and operationally. She stated that they have a university-wide AI team along with a consultant they hired. She added that as a Polytechnic campus of the future they need to create smarter and more flexible space given their footprint as Regent Nixon mentioned.

Regent Walsh asked about UW-Stout's plan for the Swanson Library when libraries are becoming more obsolete. Provost Rodriguez answered that they are leaning towards a learning center where students can interact and collaborate. Regent Walsh inquired if students are participating in the development of their plans. Provost Rodriguez confirmed they are and mentioned various groups on campus that are providing input.

Regent Nixon brought up the collaboration between Stout, UW-Stevens Point and Northcentral Technical College. Provost Rodriguez explained that they partnered together and created a Wisconsin AI Resource Center for the western part of the state.

#### K. Report of the Senior Associate Vice President

SAVP Roe provided an update on 2025-27 Biennial Capital Budget submission to DOA. She reminded the Regents that when they approved the budget in August, they also granted the President the ability to adjust budgets, as necessary. Two minor facility projects that were previously categorized as All Agency type projects were added; however, their cost has caused them to be ineligible for that type of funding and the changes are noted in their packet.

Starting with the two minor facilities projects that are critical exterior envelope maintenance requests inserted into the Minor Facilities Renewal Projects Program Group I: UW-Green Bay's Environmental Science & Laboratory Science Exterior Envelope Repairs and UW-Stevens Point's Trainer Natural Resources Greenhouse Renovation. Both projects were in active pre-design under the 2023-25 All Agency Projects program, however, current design consultant estimates significantly exceed that program's budget thresholds and they cannot be completed unless they are graduated to the Minors program. Both projects represent "must do" exterior envelope maintenance and repair work to correct active building leaks that cannot wait until 2027-29 funding.

In addition, DFD allowed updates to any major project budget requested for full enumeration, if the Architect of Record is in place. All projects remained within the previously estimated budgets except the Health Sciences Renovation at UW-Milwaukee, where the budget was adjusted upwards by \$1,249,000 to reflect the work of the university and design team over the last several months.

The other notable change was the requirement to submit an 8-year capital plan, not a 6-year plan due to DFD's budgeting software. There was little time to put together a fourth biennial but many of the projects on the list were carryovers from the 29-31 budget planning recommendations.

The Governor's recommendation, which is anticipated to be released sometime in early February 2025, will only address the 2025-27 biennial capital budget. If the DFD continues to require an 8-year plan, SAVP Roe will bring that forth for consideration at the next capital budget approval meeting.

The last update SAVP Roe provided was the collaboration with UW-Milwaukee Foundation. The UWM School of Freshwater Sciences is planning to seek construction of a new Great Lakes research vessel to replace its aging and outdated research vessel, the *Neeskay*. The new research vessel will allow UWM's School of Freshwater Sciences and its partners to explore, understand and manage the world's most valuable freshwater resource, the Great Lakes, and ultimately lead to healthier, safer water for the Great Lakes Region. It will be a "floating laboratory" with the same instrumentation and technologies deployed in oceanic research, as well as on-board classrooms.

Several years ago when this project was first brought to the Regents, the UWM Foundation was told they can begin the construction process once the full cost was raised and ultimately fully funded by gifts. At this time, UWM has raised more than originally intended for construction. However, during their fundraising period, inflation has impacted the cost of the vessel. While the exact cost is uncertain, the cost of construction may vary significantly from shipbuilder to shipbuilder. For that reason, the UWM Foundation intends to publish an RFP for the new vessel in the next few months. If the proposals indicate sufficient funds are in place for the proposed vessel, construction will proceed. If on the other hand the RFP shows that current fundraising is short, the Foundation will regroup.

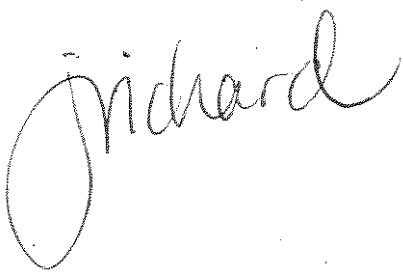
The Capital Planning and Budget Committee moved into close session at 11:52 am by a motion from Regent Walsh and seconded by Regent Prince.

During the closed session, Regent Rai moved for the adoption of Agenda Item L. the naming of the Wisconsin Athletics Camp Randall Sports Center (Shell) Replacement Facility at UW- Madison. The motion was seconded by Regent Walsh and adopted unanimously on a voice vote.

Regent Nixon moved for the adoption of Agenda Item M. the renaming of the Chemistry and Biology Building at UW-Stevens Point. The motion was seconded by Regent Rai and adopted unanimously on a voice vote.

The Capital Planning and Budget Committee adjourned at 12:09 pm by a motion from Regent Walsh and seconded by Regent Prince.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janis Richard". The signature is written in black ink on a white background.

Janis Richard  
Committee Clerk