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☞ Details: Proposed Audit: Personnel Policies and Practices, University of Wisconsin System

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Joint

(Assembly, Senate or Joint)

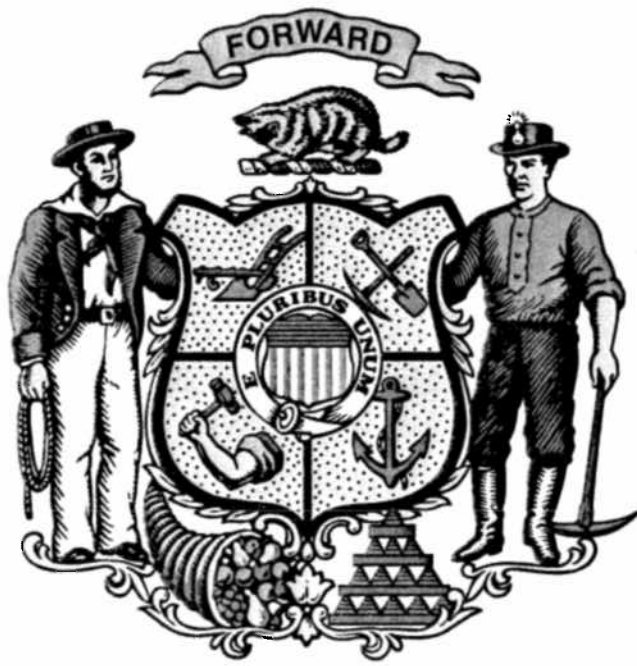
Committee on Audit...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**





State Representative

Samantha J. Kerkman

October 13, 2005

Kevin Reilly, President
University of Wisconsin-Madison
1720 Van Hise Hall
1220 Linden Drive
Madison, WI 53706

Dear President Reilly:

I am writing to you about the much ballyhooed "reforms" the Board of Regents touted at its recent meeting in Oshkosh. Among the short-term fixes implemented to restore some credibility to the UW after a summer of scandals was a "freeze" on backup or concurrent appointments to new hires from outside the UW System. My question is straightforward, how many exemptions or exceptions to the freeze of backup jobs have been made since you enacted the freeze?

I'm told of at least one example where the ban on backup jobs has been waived for a high level administrative job search. If true, highlighting reform on the issue of backup jobs, and then behind the scenes waiving the restriction is not what we had in mind when we pushed the Board of Regents to make long overdue changes to its employment excesses. As a member of the Legislative Audit Committee who heard promises of reform, and follow through, this development, if correct, would concern me and my colleagues greatly.

Thank you for providing me on the number of exceptions to the backup appointment freeze, the procedures used to obtain a waiver, and the reasons necessary for granting exceptions to policy only a couple of months old. I appreciate your research of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Samantha".

Samantha J. Kerkman
State Representative
66th Assembly District

Cc: Representative Suzanne Jeskewitz, Co-Chair Joint Committee on Audit
Senator Carol Roessler, Co-Chair Joint Committee on Audit
Representative Rob Kreibich, Chair Committee on Colleges and Universities





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

Media Advisory

FOR IMMEDIATE RELEASE

October 17, 2005

For further information, contact:

Sen. Carol Roessler (608) 266-5300
Rep. Suzanne Jeskewitz (608) 266-3796

Committee Meets Tuesday To Consider An Audit of UW System

(Madison)... The Joint Legislative Audit Committee, co-chaired by Sen. Carol Roessler (R-Oshkosh) and Rep. Suzanne Jeskewitz (R-Menomonee Falls), will meet Tuesday to consider approving a proposed audit of the University of Wisconsin (UW) System's personnel policies and practices. Obtaining Committee authorization for a comprehensive audit by the nonpartisan Legislative Audit Bureau (LAB) is the next in a series of action steps the co-chairs outlined last summer in response to concerns about employment practices within UW System.

At the public hearing, the Committee will review a scope memorandum, prepared by LAB, describing the specific parameters of the proposed audit. Copies of this memorandum are available on LAB's website at www.legis.state.wi.us/lab and extra copies will be available in the hearing room.

The Committee will also conduct a public hearing on LAB's audit of voter registration practices in Wisconsin (report 05-12). LAB found that current voter registration practices are not sufficient to ensure the accuracy of voter registration lists used by poll workers or to prevent ineligible persons from registering to vote. The audit addresses numerous recommendations to the State Elections Board to improve administration of the voter registration process. Copies of the voter registration audit are available on LAB's website at www.legis.state.wi.us/lab.

The hearing, which will be open to the public for comment, will begin at 9:30 a.m. in Room 411 South of the State Capitol. A live audio stream of the public hearing may be accessed on the Internet at <http://www.legis.state.wi.us/lab>.

###



Asbjornson, Karen

From: Shorter, Ginnie
Sent: Monday, October 17, 2005 12:26 PM
To: Asbjornson, Karen
Subject: FW: Your Letter of October 13

Attachments: Rep Kerkman ltr 10-05.pdf; Sheila Harsdorf 10-10-05.pdf; personnel policies res. Attachment I.doc; Sick Leave res Attachment II.doc; Internal Audit Function res Attachment III.doc



Rep Kerkman ltr
10-05.pdf (32 ...



Sheila Harsdorf
10-10-05.pdf (...



personnel policies
res. Attach...



Sick Leave res
Attachment II.d...



Internal Audit
Function res At...

CR email

-----Original Message-----

From: Kevin Reilly [mailto:kreilly@uwsa.edu]
Sent: Monday, October 17, 2005 12:24 PM
To: Rep.Kerkman
Cc: Rep.Jeskewitz; Sen.Roessler; Rep.Kreibich
Subject: Your Letter of October 13

Representative Kerkman:

Attached please find my response to your October 13 letter, with relevant attachments.

Kevin

--

Kevin P. Reilly, President
University of Wisconsin System
1220 Linden Drive
1720 Van Hise Hall
608-262-2321
608-262-3985 (fax)
kreilly@uwsa.edu



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October 17, 2005

Representative Samantha Kerkman
109 West, State Capitol
P.O. Box 8952
Madison, Wisconsin 53708

Dear Representative Kerkman:

On October 13th you wrote me to ask:

1. How many exemptions or exceptions to the freeze of back-up jobs have been made since you enacted the freeze? Answer: None.
2. The procedures for a waiver? Answer: Chancellor writes to me with a request and justification for an exemption.
3. Reasons necessary for granting exceptions? Answer: Each would be judged on its own merits.

Let me explain. On July 26th I sent to the 15 University of Wisconsin System Chancellors a memo which confirmed the suspension of new administrative back-up appointments in the UW System, effective immediately. My memo also pointed out that "if you are attempting to hire someone as an administrator from outside the UW System who would be eligible for faculty tenure at your institution, such an offer of prospective tenure may still be made, pending completion of the normal tenure process."

On September 9th, the Board of Regents adopted an eight-point resolution. The first point affirms that "the Board of Regents supports the President's suspension of the practice of granting administrative back-up appointments for new employees and the granting of further indefinite academic staff back-up appointments unless approved by the UW System President."

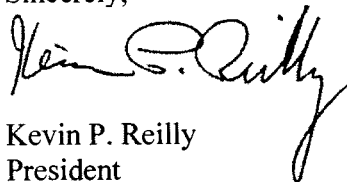
As you know, we still need to attract and retain the best faculty and leaders in a nationally competitive marketplace. Both of these actions are directed at the suspension of administrative back-up positions for new employees and were not designed to make it impossible for faculty who assume administrative appointments to return to teaching sometime in the future. It was also not intended to strip the tenure earned by a candidate from outside the UW System if our faculty deemed them tenurable in our system.

Representative Samatha Kerkman
October 17, 2005
Page Two

In your letter to me you refer to "much ballyhooed reforms the Board of Regents touted" and "short term fixes." I don't believe that is an accurate or fair characterization of what we've been doing. For further information on this matter, I am including as an attachment to this letter a letter I sent to Senator Harsdorf on October 12th that outlines all of the actions taken to date to reform and strengthen university employment policies and practices. The letter demonstrates that this effort has been substantive and diligent, and will continue with the assistance of the audit I requested by the Legislative Audit Bureau.

I'd be happy to follow up with you on any of this if you have additional questions. Congratulations on your new baby boy, and best of luck with parenthood, one of the biggest employment challenges any of us faces!

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Reilly". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Kevin P. Reilly
President

Attachments

Copy: Representative Jeskewitz (w/attachments)
Senator Roessler (w/attachments)
Representative Kreibich (w/attachments)



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October 12, 2005

Senator Sheila Harsdorf
131 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Harsdorf:

Thank you for the invitation to discuss the changes the University of Wisconsin System is making in its employment practices. I look forward to joining you and your colleagues on October 19.

As you know, the UW System has been working diligently to review and reform policies and procedures with the Board of Regents and the Chancellors. We have now taken numerous actions, such as accelerating the investigation of those convicted of felonies, suspending the granting of all administrative back-up positions, and requiring written approval of sick leave by a health care professional triggered by a 5-day absence.

Outlined below is the chronology of all of our actions taken to date:

- On July 19, 2005, I testified before the Joint Committee on Employment Relations that we would review our employment policies and procedures and if we found them broken, we would fix them.
- On July 26, 2005, I suspended offering new administrative back-up appointments in the UW System, effective immediately.
- On August 23, 2005, I made a request of the co-chairs of the Joint Legislative Audit Committee for an audit of our unclassified staff employment policies and practices.
- On September 2, 2005, I submitted a report to the co-chairs of the Joint Legislative Audit Committee in response to their questions regarding our use of so-called "back-up" appointments, including a detailed listing by campus, and at UW System, of every employee with, or in, a "back-up" appointment.
- On September 9, 2005, the Board of Regents passed an eight-point resolution which takes specific actions to reform our unclassified staff employment policies and practices, including requiring my approval of any settlements involving termination of limited appointees, revision to our sick leave policy, and assurances that employees charged with a felony will be immediately investigated and disciplinary action, if any, will be determined in a timely manner (see Attachment I).

Senator Sheila Harsdorf
October 12, 2005
Page Two

- On September 13, 2005, I testified before the Joint Legislative Audit Committee responding to questions members had asked based on my September 2nd report.
- On October 7, 2005, the Board of Regents passed a resolution strengthening our sick leave policy for UW System unclassified staff requiring a written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 days, and in cases of suspected abuse regardless of the length of absence (see Attachment II). This makes the UW System sick leave policy the most stringent of all state agencies.
- On October 7, 2005, Regent President Walsh announced that he would appoint a committee to review university rules and policies, and state law, and make recommendations of changes that will balance due process requirements with the need to act expeditiously in disciplinary matters, particularly those involving criminal activity.
- On October 7, 2005, at my recommendation, the Board of Regents also passed a resolution to strengthen the internal audit function by:
 - renaming the Business and Finance committee the Business, Finance, and Audit Committee;
 - officially designating the Vice Chair of the Business and Finance Committee as the audit liaison to the Board of Regents;
 - authorizing any Regent to submit a request for an audit, or review, for consideration by the Committee through the Audit Liaison;
 - requiring the audit plan be presented to the Committee for approval;
 - providing the Audit Director unfettered access to the President and the Board;
 - requiring the Director to meet at least quarterly with the President in a private conference; and
 - revising the organizational chart to formalize the special reporting and access relationship between the Audit Director and the Board, and the Audit Director and the President. (See Attachment III).

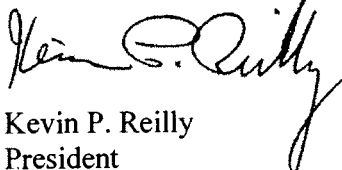
I am happy to discuss these and other changes that we are making and outline the reviews still under way. As you know, the Joint Legislative Audit Committee will be meeting October 18th to define the scope of their audit. I requested this third party independent review of our actions in order to strengthen the confidence of the public in the appropriateness of our procedures, and to assure that they are being followed.

The attached documents should facilitate our dialogue on these subjects. With regard to any specific, individual personnel matters however, I am sure that you understand that I will not be able to discuss details that might affect the outcome of pending litigation.

Senator Sheila Harsdorf
October 12, 2005
Page Three

I look forward to discussing all these actions in greater detail and working with the Legislative Audit Bureau to address issues you and other legislators have raised. I believe these steps demonstrate that we have listened and are responding to your concerns and advice.

Sincerely,



Kevin P. Reilly
President

Attachments: Board of Regents resolutions (3)

Copy: Senate Higher Education Committee
UW Regents
UW Chancellors
Cabinet

Review of Employment Policies and Practices

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.c.

The Board of Regents recognizes the need to review and reform the employment policies and procedures within the University of Wisconsin System. Given that recognition, no new concurrent or "back-up" appointments will be granted until the Regents are satisfied that processes are in place to ensure two principles are being followed: 1) No one will be paid for not working; and 2) People will be paid at a rate commensurate with their current job, not any prior one.

Therefore, upon the recommendation of the President of the UW System and the Business and Finance Committee,

- (1) The Board of Regents supports the President's suspension of the practice of granting administrative back-up appointments for new employees and the granting of further indefinite academic staff back-up appointments unless approved by the UW System President. This suspension will remain in effect until lifted by the Board of Regents. With input from appropriate governance groups, position titles designated as limited appointments shall be reviewed, and the practice of negotiating fixed-term contracts for administrators in lieu of limited term appointments shall be considered. A report on that assessment will be presented to the Board of Regents no later than its November, 2005 meeting;
- (2) Because the Board of Regents shares the deep concerns of citizens of the state and legislators over the criminal activity of any of our employees, the Board of Regents directs and requires that the UW System Administration determine and establish policies and procedures to assure to the public and the Legislature that any employee charged with a felony will be immediately investigated and disciplinary action, if any, will be determined in a timely manner. In the event such policies and procedures are precluded by applicable law, the Board of Regents and the UW System President will work with the Legislature to enact appropriate changes to the law to effectuate the intent of this resolution. Nothing herein shall preclude institutions from otherwise following normal disciplinary procedures;
- (3) All UW institutions shall be required to seek approval from the UW System President for any settlement involving the termination of a limited appointee. Such settlements shall be reported to the Board of Regents;
- (4) UW System Administration shall revise its policy such that when administrators return to their faculty position, they will be compensated at a salary rate consistent with other faculty members of the same rank in the department (when considering years of service, previous salary as a faculty member, length of time served as an administrator and other factors normally considered when setting faculty salaries). The UW System

Office of Human Resources shall approve all such salaries along with appropriate justification prior to implementation;

(5) All UW institutions shall require that employees who are returning to the faculty from an administrative position, and are being offered transition time to prepare to teach, shall provide the equivalent of a sabbatical proposal and subsequent report of work accomplished during the transition. The transition period should be no longer than one academic semester unless the person has served in a limited position for five or more years, whereby two academic semesters may be allowed;

(6) UW System Administration, in consultation with UW institutions, shall develop a revised sick leave policy by October 1, 2005 that specifies the time period after which a health professional's certification for use of sick leave will be required;

(7) The Board of Regents shall review and approve as appropriate the total compensation package for the President and each Chancellor; and

(8) In light of Sarbanes-Oxley regulations, the President shall review and prepare for the Board a recommendation on whether the internal audit function is sufficient and whether the System Auditor shall report directly to the President and the Board.

Certification of Medical Necessity Requirement for
Faculty, Limited Appointees, and Academic Staff use of Sick Leave

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Regent Business and Finance Committee, the following additions to Unclassified Personnel Guideline (UPG) 10 is recommended for adoption:

UW institutions shall require written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 consecutive full working days, except where the use of sick leave is authorized in advance, pursuant to the Wisconsin or Federal Family and Medical Leave Acts.

Where an institution is aware of an emergency that prevents communicating with or obtaining information about the condition of the employee, such written certification shall not be required until such time as communication is possible and appropriate, given the condition of the employee.

In cases of suspected abuse of the sick leave privilege, the institution shall be authorized to require written certification from a health care provider to verify the medical necessity for the employee's absence regardless of the length of absence.

Supervisors will be provided a copy of the revised UPG 10, along with instruction and training on the application of policy by the Director of Human Resources of the UW institution or other appropriate officer, depending on the needs and organizational structure of the specific institution.

Review of the Internal Audit Function

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves strengthening the internal audit function by the following:

1. The Business and Finance Committee will be renamed the Business, Finance, and Audit Committee, and the Director will meet quarterly with the Committee.
2. The Vice Chair of the Business and Finance Committee will be officially designated as the audit liaison to the Board of Regents.
3. Any Regent may submit a request for an audit, or review, for consideration by the Business and Finance Committee through the Audit Liaison.
4. The Director will present an audit plan for periodic approval by the Business and Finance Committee, report to the Committee on audits completed and underway, and solicit from the Committee input for proposed audits and reviews.
5. At the sole discretion of the Director, he or she will have unfettered access to the UW System President and/or the Board at any time.
6. The Director will meet at least quarterly in a private conference with the UW System President.
7. The organizational chart will be formalized to show the special reporting and access relationships described above between the Director and the Board, and the Director and the UW System President.



Testimony
Joint Legislative Audit Committee
UW System President Kevin P. Reilly
Tuesday, October 18, 2005

Thank you, Senator Roessler and audit committee members. Good morning. I must admit that appearing before you as many times as I have in the past few months, I'm beginning to feel like a member of the committee.

Seriously, there are worse things than being a student of the Joint Legislative Audit Committee, and my interactions with you have added to my appreciation for the work that all of you – and our state auditor Jan Mueller and her staff at the Legislative Audit Bureau – do. Thank you for those efforts, and for the opportunity to continue the dialogue on the important issues before us.

When I wrote to the co-chairs on August 23rd and requested this audit, I told them that I wanted the people of Wisconsin to have every confidence that their public university system respects, and properly invests, in the employees who serve UW students, campuses and communities. I also indicated that a review by the nonpartisan Legislative Audit Bureau would reassure the public and strengthen actions that the Board of Regents, the chancellors, and I would be taking during our own thorough look at employment policies and practices.

I am pleased to report that the UW System has been working diligently to review and reform policies and procedures with the Board of Regents and the Chancellors. We have now taken numerous actions, including:

- Suspending the offering of new administrative back-up appointments in the UW System, effective July 26.
- Submitting a report to the co-chairs of this committee on September 2 in response to their questions regarding our use of so-called “back-up” appointments. The report included a detailed listing by campus, and at UW System, of every employee with, or in, a “back-up” appointment.
- Passing an eight-point resolution at the September 9 Board of Regents’ meeting which identified specific actions to be taken to reform our unclassified staff employment policies and practices, including requiring my

counsel, Patricia Brady. They are available to help in the question and answer period as needed.

As I mentioned earlier, the Board of Regents and I have made substantial progress in tightening up our employment practices, and the leadership of our Regent President has been instrumental in our progress. David Walsh is a proud alumnus of the UW-Madison, and has given substantial time and resources to his alma mater for more than three decades.

Let me turn this over to David for a few brief remarks, and then we'll do our best to respond to your questions.



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For Immediate Release

October 18, 2005

Contact: Doug Bradley
dbradley@uwsa.edu
(608) 262-5061

Testimony to Joint Legislative Audit Committee

David G. Walsh, President
UW System Board of Regents

Tuesday, October 18, 2005

Related:

- [President Kevin P. Reilly's Testimony to Joint Legislative Audit Committee](#)

Thank you, President Reilly. On behalf of my Board of Regents colleagues, I want to extend our appreciation for your time and consideration. And a special thanks to co-chairs, Rep. Jeskewitz and Senator Roessler, for their courtesies and assistance.

I should note that Rep. Jeskewitz and I have had an energetic dialogue about university employment practices and state statutes. I also appreciate the fact that she joined us at our Board of Regents meeting in West Bend in September to listen to our discussion about these complex issues which resulted in our eight-point resolution. We appreciate her concern, and also her participation.

Let me reassure you that my Regent colleagues and I are taking all these matters very seriously. We take our jobs seriously, and when there is criticism it is our responsibility to act, and to act quickly.

Since July, we have dedicated most of our time and attention to reviewing employment policies and practices. As public trustees, we are working hard, as is President Reilly, to ensure openness, public accountability, and, just as important, the stewardship of the UW System's funds and resources.

As I said in July, if this review determines that any policy, practice, or public trust is broken, we will "fix it." Well, there is one practice that I believe needs fixing, and it has to do with the university's disciplinary process when there are charges of criminal conduct against one of our employees. I've identified this issue as one of concern, and we are going to move quickly.

The disciplinary system of UW employees honors a delicate balance. On the one hand, our System tries to preserve and afford due process to all employees giving appropriate consideration for concepts of academic freedom and an individual's property right in employment. But, on the other hand, our disciplinary process also attempts to recognize and give deference to the need for public safety, enforcement of high standards of behavior, and good stewardship of public funds.

Recent incidence of felony charges against UW System employees demonstrate that our disciplinary process needs to be re-examined. Stated simply, in egregious cases, the process is broken. It does not

work in egregious cases. It needs to be fixed. We owe it to the public to determine the problems with it and to take those steps to guarantee the safety of our many, many stakeholders and also to assure the public that we take seriously the discipline of such conduct.

After broad consultation with attorneys, legislative leadership, including Rep. Jeskewitz, Speaker Gard, Senate Majority Leader Schultz, outside labor counsel, and campus administrators, I have appointed a committee as of this Monday to examine the UW System's disciplinary process to identify what restricts us from making more expeditious decisions in egregious situations, including recommending statutory changes. In other words, we need help from you for making decisions in personnel matters to eliminate the restriction on the use of criminal convictions as a basis for discrimination.

Regent Michael Specter of Milwaukee will lead this effort and will be joined by Regents Peggy Rosenzweig and Brent Smith, UW System General Counsel Pat Brady, UW-Platteville Chancellor David Markee, and law school professor and former head of the Wisconsin Department of Corrections, Walter Dickey. I have asked the committee to prepare recommendations to the Board to be considered at our December meeting. That will be a very tight timeline given what's before us, but we recognize the need to move quickly.

Thank you again for your time and attention. My fellow Regents and I pledge to continue our commitment to serving students and Wisconsin citizens, to be responsible in our stewardship, and to be forward-thinking and innovative – as a world-class university should be. We stand ready to work with the Legislative Audit Bureau as it conducts its review of employment policies and practices, in light of constitutional rights, academic freedom, and the need for shared governance. The bottom line for us is to assure the public that on an issue that involves the safety of our students or visitors, we will move to fix the problem.

President Reilly and I and our UW System colleagues would be happy to respond to any questions.

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Direct questions or comments to universityrelations@uwsa.edu
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1. Call Hearing to Order (Co-chair Roessler)
2. Roll Call (Karen)

Proposed Audit: *Personnel Policies & Practices, UW-System*

Opening Statement (Timeline)

We are here today to consider approving an audit of UW System personnel policies and practices. This action is the next in a series of steps my co-chair and I outlined back in July to respond to serious concerns about employment practices at UW System. For the benefit of those in the room, and those listening via the Internet, I will briefly summarize the actions the co-chairs and the Committee have taken thus far.

On July 19, Representatives Kerkman and Kreibich submitted a written request to the co-chairs for an audit of the UW System's use of back-up appointments and paid leaves.

On July 25, the co-chairs sent a letter to President Reilly and committee members, expressing concern about the use of back-up appointments and paid leaves after retirement. The letter requested a written report by September 2 that:

- **identified the employees at each UW System campus with back-up positions as of June 2005;**
- **identified the employees at each UW System campus who were reassigned to a**

back-up position from July 1, 2002 through June 30, 2005; and

- identified any employees at any UW System campus who were granted paid leave after resigning from July 1, 2002 through June 30, 2005.

On August 19, Representatives Kerkman, Kestell, Kleefisch, Kreibich, Musser, Pettis, Suder, Vos, and Wood submitted a written request to the co-chairs for an audit to determine the number of convicted felons employed by UW System.

On August 23, President Reilly wrote the co-chairs to request an audit of UW System employment practices by the nonpartisan Legislative Audit Bureau.

On September 2, President Reilly submitted a written report to the co-chairs. The key highlights of this report were:

- 1,092, or 3.3 percent of 33,063 UW System employees, have “back-up” appointments;
- 79, or 0.24 percent of UW System employees, moved from a limited appointment to a back-up over the past three years; and
- although there are situations in which an employee may be placed on paid leave as

part of a transition from a limited appointment to a back-up appointment or in connection with the resolution of an employment dispute, no UW System employees were granted paid leave after resigning.

On September 13, Senator Cowles and Representatives Kerkman, Kreibich, Lasee, Suder, and Vos submitted a written request to the co-chairs for an audit of the UW System's use of consultants and the workload of UW System employees in "back-up" positions.

On September 13, this Committee conducted an informational hearing and received testimony from President Reilly on UW System employment practices and the Board of Regents' plans to review those practices. At this hearing, the co-chairs directed the Legislative Audit Bureau to prepare a scope memorandum for a proposed audit of UW System employment practices.

Consideration of scope memorandum for the proposed audit
(FOCUS)

- The hearing today will remain focused on the parameters of the proposed audit of UW System personnel policies and practices.

- **Members have before them a copy of the scope memorandum, which is dated October 10th. Additional copies are available in the hearing room as well.**
- **I'd like to remind guests in the audience that if you would like to register or testify on either of the topics before the committee today to fill out a hearing slip at either of the entrances to the room and give to page.**
- **At this time, I will ask the State Auditor, Jan Mueller, to come forward and describe the general parameters she has outlined for this proposed audit.**

B. Testimony order

1. LAB (Janice Mueller, State Auditor; Julie Gordon (financial); Kate Wade (programmatic))
2. Legislators?
3. President Reilly and Board of Regents President David Walsh (Other UW Staff present: Pat Brady, General Counsel; Al Crist, Assoc. Vice President, Human Resources; Ron Yates, Director of Internal Audit)
4. Public Testimony

C. Executive Session

1. Call Committee into Executive Session (co-chair Roessler)
2. Roll Call (Karen)
3. Is there a motion to approve the scope as set forth in the memorandum from the Legislative Audit Bureau, dated October 10, 2005? Is there a second?
4. Is there any discussion?
5. Vote (Karen calls roll call vote)
6. Adjourn executive session



Office of the President

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March 17, 2006

Senator Alan Lasee
State Capitol, Room 219 South
P.O. Box 7882
Madison, WI 53708

Representative John Gard
State Capitol, Room 211 West
PO Box 8952
Madison, WI 53708

Dear Senator Lasee and Representative Gard:

On September 21, 2005, I reported to you action steps that the Board of Regents and I had taken as of that time in response to concerns expressed by the Joint Committee on Employment Relations about specific aspects of the employment practices of the university system. I am enclosing that communication for your reference (Attachment A).

I believe the University of Wisconsin System has made substantial progress in tightening up our practices, and I would like to take this opportunity to provide you with an update on the additional steps the Board of Regents and I have taken since my September 21 progress report:

- On October 7, 2005, the Board of Regents adopted Resolution 9068 (Attachment B) that strengthens the sick leave policy for UW System unclassified staff. The resolution requires a written certification from a health care provider of the medical necessity of use of sick leave for absences of more than 5 consecutive days or in cases of suspected abuse. The UW sick leave policy for unclassified staff is now the most stringent of all state agencies.
- On October 7, 2005, Regent President Walsh announced he would appoint a committee to review university rules and policies, and state law, and make recommendations of changes that will balance due process requirements with the need to act expeditiously in disciplinary matters, particularly those involving criminal activity. The Committee on Faculty and Academic Staff Disciplinary Process was formed and is chaired by Regent Michael J. Spector.
- On October 7, 2005, at my recommendation, the Board of Regents adopted Resolution 9069 that strengthens the internal audit function. The resolution outlines the revised duties and responsibilities and I am enclosing it for your reference (Attachment C).

Senator Alan Lasee
Representative John Gard
March 17, 2006
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- On October 12, 2005, I provided Senator Harsdorf as Chair of the Senate Higher Education and Tourism Committee with a progress report on the employment practices and policies review. Enclosed is a copy of my progress report (Attachment D).
- On October 18, 2005, Regent President Walsh and I provided testimony to the Joint Legislative Audit Committee. Enclosed are the written testimonies (Attachment E).
- On October 19, 2005, I provided testimony to the Senate Higher Education and Tourism Committee on the progress report of the employment practices and policies review. Enclosed is a copy of my progress report (Attachment F).
- On November 11, 2005, the Board of Regents adopted Resolution 9091 that outlines the policies for use of limited appointments and concurrent appointments. The effect of the resolution is to eliminate "back-up" appointments. Resolution 9091 is enclosed (Attachment G).
- On February 10, 2006, the Committee on Faculty and Academic Staff Disciplinary Process presented to the Board of Regents a proposed UWS Chapter 7, Procedures for Dismissal of Faculty in Special Cases. The Proposed UWS Chapter 7 would create a new chapter of the Board's administrative rules outlining a new, expedited process for the disposition of disciplinary matters involving serious criminal misconduct.
- During the months of February and March, 2006, the proposed UWS Chapter 7 is in the university's shared governance review process.
- On February 28, 2006, the Legislative Audit Bureau issued its Letter Report, "Employment of Felons by the UW System." The LAB report contained four recommendations. The recommendations and the UWS action steps are:
 - *Recommendation 1: We recommend University of Wisconsin System Administration direct University of Wisconsin institutions to conduct internal investigations to determine whether the convictions of the felons we identified are substantially job related and whether any action is appropriate.*

UWS Action Step: Upon receiving the report, each institution with an identified felon was asked to immediately review the situation to determine the relationship of the felony to the job being performed and take appropriate action.

Senator Alan Lasee
Representative John Gard
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- *Recommendation 2: We recommend that the University of Wisconsin Board of Regents clarify the process and appropriate circumstances for terminating the employment of academic staff.*

UWS Action Step: The Regent Committee on Faculty and Academic Staff Disciplinary Process has been charged with this task.

- *Recommendation 3: We recommend that the University of Wisconsin Board of Regents discuss the process and appropriate circumstances for terminating the employment of classified staff.*

UWS Action Step: Processes for classified staff are largely governed by collective bargaining and policies issued by the State Office of Employment Relations and already provide for timely action. The Board of Regents' authority is limited to unclassified positions.

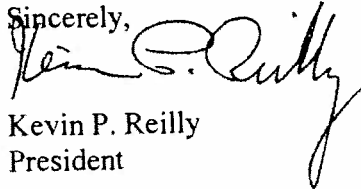
- *Recommendation 4: We recommend that the University of Wisconsin Board of Regents determine the types of jobs for which background checks should be conducted and promulgate system-wide policies for conducting background checks of candidates for employment.*

UWS Action Step: We've begun working with the UW institutions and the State Office of Employment Relations to develop uniform and consistent policies on conducting background checks. Discussions on this serious topic had begun before the LAB letter report was issued.

I would be pleased to discuss the actions outlined above with you in greater detail. I hope these steps demonstrate that we have listened and have responded to your concerns and advice. Based on these steps, I ask that you release the pay plan for the current biennium for our senior executives.

Thank you.

Sincerely,



Kevin P. Reilly
President

Attachments

Copy: Members, Joint Committee on Employment Relations
Karen Timberlake, OSER
Board of Regents
Chancellors
Cabinet



Office of the President

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ATTACHMENT A

September 21, 2005

Senator Alan Lasee
State Capitol, Room 219 South
P.O. Box 7882
Madison, WI 53708

Representative John Gard
State Capitol, Room 211 West
PO Box 8952
Madison, WI 53708

Dear Senator Lasee and Representative Gard:

On July 19, 2005, the Joint Committee on Employment Relations (JCOER) approved the recommendations of the Director of the Office of State Employment Relations (OSER) for the 2005-07 pay plan for faculty, academic staff, non-represented graduate assistants, and university senior executives. At that time, the Committee also indicated that no salary increases could be provided during the 2005-06 and 2006-07 fiscal years to university senior executives until such time as I, on behalf of the Board of Regents, report to the Committee regarding concerns members raised about specific aspects of the employment practices of the university system.

Since your committee's action, the Board of Regents and I have taken various steps in response to your concerns:

- On July 26, 2005, I suspended new administrative back-up appointments in the UW System, effective immediately.
- On August 23, 2005, I requested of the co-chairs of the Joint Legislative Audit Committee that the Legislative Audit Bureau conduct an audit of our unclassified staff employment policies and practices.
- On September 2, 2005, I submitted a report to the co-chairs of the Joint Legislative Audit Committee in response to questions they and other legislators had regarding our use of so-called "back-up" appointments.

Senator Alan Lasee
Representative John Gard
September 21, 2005
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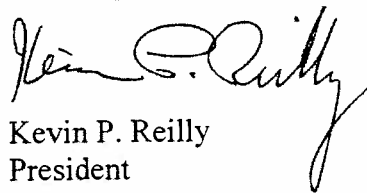
- On September 9, 2005, the Board of Regents passed the attached eight-point resolution which takes specific actions to reform our unclassified staff employment policies and practices, including requiring my approval of any settlements involving termination of limited appointees, revision to our sick leave policy, and assurances that employees charged with a felony will be immediately investigated and disciplinary action, if any, will be determined in a timely manner.
- On September 13, 2005, I testified before the Joint Legislative Audit Committee responding to questions members had asked based on my September 2nd report.

The testimony I provided to the Joint Legislative Audit Committee also addresses concerns you and your committee raised. I have attached a copy of my testimony as part of this report.

I would be pleased to discuss the actions outlined above with you in greater detail. We will also have the benefit of working with the Legislative Audit Bureau in further improving our employment operations. I hope these steps demonstrate that we have listened and have responded to your concerns and advice, and that based on these steps you will release the pay plan for the 2005-06 and 2006-07 fiscal years for our senior executives.

Thank you.

Sincerely,



Kevin P. Reilly
President

Attachments

Copy: Board of Regents
Chancellors
Cabinet

UWS BOARD OF REGENTS
RESOLUTION 9068
(adopted October 7, 2005)

That, upon the recommendation of the Regent Business and Finance Committee, the following additions to Unclassified Personnel Guideline (UPG) 10 is recommended for adoption:

UW institutions shall require written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 consecutive full working days, except where the use of sick leave is authorized in advance, pursuant to the Wisconsin or Federal Family and Medical Leave Acts.

Where an institution is aware of an emergency that prevents communicating with or obtaining information about the condition of the employee, such written certification shall not be required until such time as communication is possible and appropriate, given the condition of the employee.

In cases of suspected abuse of the sick leave privilege, the institution shall be authorized to require written certification from a health care provider to verify the medical necessity for the employee's absence regardless of the length of absence.

Supervisors will be provided a copy of the revised UPG 10, along with instruction and training on the application of policy by the Director of Human Resources of the UW institution or other appropriate officer, depending on the needs and organizational structure of the specific institution.

**UWS BOARD OF REGENTS
RESOLUTION 9069
(adopted October 7, 2005)**

That, upon the recommendation of the President of the University of Wisconsin System, The Board of Regents approves strengthening the internal audit function by the following:

1. The Business and Finance Committee will be renamed the Business, Finance, and Audit Committee, and the Director will meet quarterly with the Committee.
2. The Vice Chair of the Business and Finance Committee will be officially designated as the audit liaison to the Board of Regents.
3. Any Regent may submit a request for an audit, or review, for consideration by the Business and Finance Committee through the Audit Liaison.
4. The Director will present an audit plan for periodic approval by the Business and Finance Committee, report to the Committee on audits completed and underway, and solicit from the Committee input for proposed audits and reviews.
5. At the sole discretion of the Director, he or she will have unfettered access to the UW System President and /or the Board at any time.
6. The Director will meet at least quarterly in a private conference with the UW System President.
7. The organizational chart will be formalized to show the special reporting and access relationships described above between the Director and the Board, and the Director and the UW System President.



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ATTACHMENT D

October 12, 2005

Senator Sheila Harsdorf
131 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Harsdorf:

Thank you for the invitation to discuss the changes the University of Wisconsin System is making in its employment practices. I look forward to joining you and your colleagues on October 19.

As you know, the UW System has been working diligently to review and reform policies and procedures with the Board of Regents and the Chancellors. We have now taken numerous actions, such as accelerating the investigation of those convicted of felonies, suspending the granting of all administrative back-up positions, and requiring written approval of sick leave by a health care professional triggered by a 5-day absence.

Outlined below is the chronology of all of our actions taken to date:

- On July 19, 2005, I testified before the Joint Committee on Employment Relations that we would review our employment policies and procedures and if we found them broken, we would fix them.
- On July 26, 2005, I suspended offering new administrative back-up appointments in the UW System, effective immediately.
- On August 23, 2005, I made a request of the co-chairs of the Joint Legislative Audit Committee for an audit of our unclassified staff employment policies and practices.
- On September 2, 2005, I submitted a report to the co-chairs of the Joint Legislative Audit Committee in response to their questions regarding our use of so-called "back-up" appointments, including a detailed listing by campus, and at UW System, of every employee with, or in, a "back-up" appointment.
- On September 9, 2005, the Board of Regents passed an eight-point resolution which takes specific actions to reform our unclassified staff employment policies and practices, including requiring my approval of any settlements involving termination of limited appointees, revision to our sick leave policy, and assurances that employees charged with a felony will be immediately investigated and disciplinary action, if any, will be determined in a timely manner (see Attachment I).

- On September 13, 2005, I testified before the Joint Legislative Audit Committee responding to questions members had asked based on my September 2nd report.
- On October 7, 2005, the Board of Regents passed a resolution strengthening our sick leave policy for UW System unclassified staff requiring a written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 days, and in cases of suspected abuse regardless of the length of absence (see Attachment II). This makes the UW System sick leave policy the most stringent of all state agencies.
- On October 7, 2005, Regent President Walsh announced that he would appoint a committee to review university rules and policies, and state law, and make recommendations of changes that will balance due process requirements with the need to act expeditiously in disciplinary matters, particularly those involving criminal activity.
- On October 7, 2005, at my recommendation, the Board of Regents also passed a resolution to strengthen the internal audit function by:
 - renaming the Business and Finance committee the Business, Finance, and Audit Committee;
 - officially designating the Vice Chair of the Business and Finance Committee as the audit liaison to the Board of Regents;
 - authorizing any Regent to submit a request for an audit, or review, for consideration by the Committee through the Audit Liaison;
 - requiring the audit plan be presented to the Committee for approval;
 - providing the Audit Director unfettered access to the President and the Board;
 - requiring the Director to meet at least quarterly with the President in a private conference; and
 - revising the organizational chart to formalize the special reporting and access relationship between the Audit Director and the Board, and the Audit Director and the President. (See Attachment III).

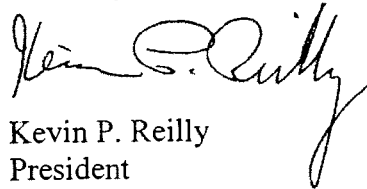
I am happy to discuss these and other changes that we are making and outline the reviews still under way. As you know, the Joint Legislative Audit Committee will be meeting October 18th to define the scope of their audit. I requested this third party independent review of our actions in order to strengthen the confidence of the public in the appropriateness of our procedures, and to assure that they are being followed.

The attached documents should facilitate our dialogue on these subjects. With regard to any specific, individual personnel matters however, I am sure that you understand that I will not be able to discuss details that might affect the outcome of pending litigation.

Senator Sheila Harsdorf
October 12, 2005
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I look forward to discussing all these actions in greater detail and working with the Legislative Audit Bureau to address issues you and other legislators have raised. I believe these steps demonstrate that we have listened and are responding to your concerns and advice.

Sincerely,



Kevin P. Reilly
President

Attachments: Board of Regents resolutions (3)

Copy: Senate Higher Education Committee
UW Regents
UW Chancellors
Cabinet

**Testimony to
Joint Legislative Audit Committee
Kevin P. Reilly, President
University of Wisconsin System
Tuesday, October 18, 2005**

Thank you, Senator Roessler and audit committee members. Good morning. I must admit that appearing before you as many times as I have in the past few months, I'm beginning to feel like a member of the committee.

Seriously, there are worse things than being a student of the Joint Legislative Audit Committee, and my interactions with all of you over the last several months have added to my appreciation for the work that all of you – and our state auditor Jan Mueller and her staff at the Legislative Audit Bureau – do. Thank you for those efforts, and for the opportunity to continue the dialogue on the important issues before us.

When I wrote to the co-chairs of this committee on August 23rd and requested this audit, I told them that I wanted the people of Wisconsin to have every confidence that their public university system respects, and properly invests, in the employees who serve UW students, campuses and communities all over the state. I also indicated that a review by the nonpartisan Legislative Audit Bureau would reassure the public and strengthen actions that the Board of Regents, the chancellors, and I would be taking during our own thorough look at employment policies and practices.

I am pleased to report that the UW System has been working diligently to review and reform policies and procedures with the Board of Regents and the Chancellors. We have now taken numerous actions, including:

1. Suspending the offering of new administrative back-up appointments in the UW System, effective July 26th.
2. Submitting a report to the co-chairs of this committee on September 2nd in response to their questions regarding the use of so-called "back-up" appointments. The report included a detailed listing by campus, and at UW System, of every employee with, or in, a "back-up" appointment.
3. Passing an eight-point resolution at the September 9th Board of Regents' meeting which identified specific actions to be taken to reform our unclassified staff employment policies and practices, including requiring my approval of any settlements involving termination of limited employees; revision to our sick leave policy; and assurances that employees charged with a felony will be immediately investigated and disciplinary action, if any, will be determined in a timely manner. Regent President David Walsh, who as you noticed is here with me today, can explain more about the Regent actions in a moment.

4. Testifying before this committee on September 13th and responding to your questions about the September 2nd report.
5. Strengthening our sick leave policy for UW System unclassified staff by requiring a written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 days, and in cases of suspected abuse regardless of the length of the absence. This makes the UW System sick leave policy the most stringent of all state agencies, including the policy that applies to state legislators and staff.
6. Appointing a committee to make recommendations of changes that will balance due process requirements with the need to act expeditiously in disciplinary matters, particularly those involving criminal activity. Again, I'll defer to Regent Walsh to elaborate on this reform measure.
7. Strengthening our internal audit function in a number of important ways, including:
 - o Renaming the Business and Finance committee the Business, Finance, and Audit Committee;
 - o Officially designating the Vice Chair of the Business and Finance Committee, Regent Eileen Connolly-Keesler, as the audit liaison to the Board of Regents;
 - o Authorizing any Regent to submit a request for an audit, or review, for consideration by the Committee through the Audit Liaison;
 - o Requiring the audit plan be presented to the Committee for approval;
 - o Providing the Audit Director unfettered access to the President and the Board;
 - o Requiring the Director to meet at least quarterly with the President in a private conference; and
 - o Revising the organizational chart to formalize the special reporting and access relationship between the Audit Director and the Board, and the Audit Director and the President.

So, I am happy to discuss these and other changes that we are making and outline the reviews still have under way. My hope is that we have not only shown our commitment to rebuilding a long-term, productive, trustworthy relationship with the public and the Legislature, but that we have also established a solid foundation for the Legislative Audit Bureau to undertake its assessment. We will work with you and the Legislative Audit Bureau on that and will provide access and as much assistance as we can.

Before I turn this over to our Regent President, let me point out that we are also joined today by UW System colleagues associate vice president for human resources, Al Crist; director of operations review and audit, Ron Yates; and general counsel, Patricia Brady. They are available to help in the question and answer period as needed.

As I mentioned earlier, the Board of Regents and I believe have made substantial progress in tightening up our employment practices, and the leadership of our Regent President has been very, very instrumental in our progress. David Walsh is a proud alumnus of the UW-Madison, and has given substantial time and resources to his alma mater for more than three decades now.

Let me turn this over to David for a few brief remarks from him, and then we'll do our best to respond to your questions.

**Testimony to
Joint Legislative Audit Committee
David G. Walsh, President
UW System Board of Regents
Tuesday, October 18, 2005**

Thank you, President Reilly. On behalf of my Board of Regents colleagues, I want to extend our appreciation for your time and consideration. And a special thanks to co-chairs, Rep. Jeskewitz and Senator Roessler, for their courtesy and assistance.

I should note that Rep. Jeskewitz and I have had an energetic dialogue about university employment practices and state statues. I also appreciate the fact that she joined us at our Board of Regents meeting in West Bend in September to listen to our discussion about these complex issues which resulted in our eight-point resolution. We appreciate her concern, and also her participation.

Let me reassure you that my Regent colleagues and I are taking all these matters very seriously. We take our jobs seriously, and when there is criticism it is our responsibility to act, and to act quickly.

Since July, we have dedicated most of our time and attention to reviewing employment policies and practices. As public trustees, we are working hard, as is President Reilly, to ensure openness, public accountability, and, just as important, the stewardship of the UW System's funds and resources.

As I said in July, if this review determines that any policy, practice, or public trust is broken, we will "fix it." Well, there is one practice that I believe needs fixing, and it has to do with the university's disciplinary process when there are charges of criminal conduct against one of our employees. I've identified this issue as one of concern, and we are going to move quickly.

The disciplinary system of UW employees honors a delicate balance. On the one hand, our System tries to preserve and afford due process to all employees giving appropriate consideration for concepts of academic freedom and an individual's property right in employment. But, on the other hand, our disciplinary process also attempts to recognize and give deference to the need for public safety, enforcement of high standards of behavior, and good stewardship of public funds.

Recent incidence of felony charges against UW System employees demonstrate that our disciplinary process needs to be re-examined. Stated simply, in egregious cases, the process is broken. It does not work in egregious cases. It needs to be fixed. We owe it to the public to determine the problems with it and to take those steps to guarantee the safety of our many, many stakeholders and also to assure the public that we take seriously the discipline of such conduct.

After broad consultation with attorneys, legislative leadership, including Rep. Jeskewitz, Speaker Gard, Senate Majority Leader Schultz, outside labor counsel, and campus administrators, I have appointed a committee as of this Monday to examine the UW System's disciplinary process to identify what restricts us from making more expeditious decisions in egregious situations, including recommending statutory changes. In other words, we need help from you for making decisions in personnel matters to eliminate the restriction on the use of criminal convictions as a basis for discrimination.

Regent Michael Spector of Milwaukee will lead this effort and will be joined by Regents Peggy Rosenzweig and Brent Smith, UW System General Counsel Pat Brady, UW-Platteville Chancellor David Markee, and law school professor and former head of the Wisconsin Department of Corrections, Walter Dickey. I have asked the committee to prepare recommendations to the Board to be considered at our December meeting. That will be a very tight timeline given what's before us, but we recognize the need to move quickly.

Thank you again for your time and attention. My fellow Regents and I pledge to continue our commitment to serving students and Wisconsin citizens, to be responsible in our stewardship, and to be forward-thinking and innovative – as a world-class university should be. We stand ready to work with the Legislative Audit Bureau as it conducts its review of employment policies and practices, in light of constitutional rights, academic freedom, and the need for shared governance. The bottom line for us is to assure the public that on an issue that involves the safety of our students or visitors, we will move to fix the problem.

President Reilly and I and our UW System colleagues would be happy to respond to any questions.

Testimony
Senate Higher Education and Tourism Committee
UW System President Kevin P. Reilly
Wednesday, October 19, 2005

Thank you, Senator Harsdorf and committee members. Good morning. I appreciate the opportunity to be with you today and to sustain a dialogue with you on the University of Wisconsin System's employment practices and policies.

When I became president of the UW System a year ago September, I pledged that the university would be open and transparent in all that it does. This includes sharing information about the policies and practices that allow the UW System to attract the best and brightest teachers, researchers, and other staff to serve our students and communities.

Yesterday, I testified before the Joint Legislative Audit Committee regarding a proposed LAB audit of our employment policies and practices. I had initially requested this audit in August, because I wanted the people of Wisconsin to have every confidence that their public university system respects, and properly invests, in the employees who serve UW students, campuses and communities all over the state. I also said I believed that a review by the nonpartisan Legislative Audit Bureau would reassure the public and strengthen actions that the Board of Regents, the chancellors, and I would be taking during our own thorough look at employment policies and practices.

I am pleased to report that the UW System has been working diligently to review and reform policies and procedures with the Board of Regents and the Chancellors. We have now taken numerous actions, including:

1. Suspending the offering of new administrative back-up appointments in the UW System, effective July 26th.
2. Submitting a report to the co-chairs of the Joint Legislative Audit Committee on September 2nd in response to their questions regarding the use of so-called "back-up" appointments. The report included a detailed listing by campus, and at UW System, of every employee with, or in, a "back-up" appointment.
3. Passing an eight-point resolution at the September 9th Board of Regents' meeting which identified specific actions to be taken to reform our unclassified staff employment policies and practices, including requiring my approval of any settlements involving termination of limited employees; revision to our sick leave policy; and assurances that employees charged with a felony will be immediately investigated and disciplinary action, if any, will be determined in a timely manner.

4. Testifying before this committee on September 13th and responding to your questions about the September 2nd report.
5. Strengthening our sick leave policy for UW System unclassified staff by requiring a written certification from a health care provider of the medical necessity for use of sick leave for absences of more than 5 days, and in cases of suspected abuse regardless of the length of the absence. This makes the UW System sick leave policy the most stringent of all state agencies, including the policy that applies to state legislators and staff.
6. Appointing a committee to make recommendations of changes that will balance due process requirements with the need to act expeditiously in disciplinary matters, particularly those involving criminal activity.
7. Strengthening our internal audit function in a number of important ways, including:
 - Renaming the Business and Finance committee the Business, Finance, and Audit Committee;
 - Officially designating the Vice Chair of the Business and Finance Committee, Regent Eileen Connolly-Keesler, as the audit liaison to the Board of Regents;
 - Authorizing any Regent to submit a request for an audit, or review, for consideration by the Committee through the Audit Liaison;
 - Requiring the audit plan be presented to the Committee for approval;
 - Providing the Audit Director unfettered access to the President and the Board;
 - Requiring the Director to meet at least quarterly with the President in a private conference; and
 - Revising the organizational chart to formalize the special reporting and access relationship between the Audit Director and the Board, and the Audit Director and the President.

I am happy to discuss these and other changes that we are making and outline the reviews still have under way. My hope is that we have not only shown our commitment to rebuilding a long-term, productive, trustworthy relationship with the public and the Legislature, but that we have also established a solid foundation for the Legislative Audit Bureau to undertake its assessment, which they Joint Legislative Audit Committee voted to do yesterday. We will be working with them and will provide access and as much assistance as we can. I welcome your reactions and suggestions about this as well.

Before I read you some remarks from our Regent President, who will be joining us a little later, let me point out that I am also joined here today by my UW System colleagues vice president for finance Debbie Durcan; associate vice president for human resources, Al Crist; and general counsel, Patricia Brady. They are available to help in the question and answer period as needed.

As I mentioned earlier, I believe that the Board of Regents and I have made substantial progress in tightening up our employment practices, and the leadership of our Regent President has been very, very instrumental in our progress. David Walsh is a proud alumnus of the UW-Madison, and has given substantial time and resources to his alma mater for more than three decades now.

If I may, let me read a few brief remarks from him, and then we'll do our best to respond to your questions.

**UWS BOARD OF REGENTS
RESOLUTION 9091
(adopted November 11, 2005)**

Whereas, at its September, 2005 meeting, the Board of Regents approved an eight-point resolution addressing University of Wisconsin System personnel policies and practices; and

Whereas, among other items included in that resolution, the Board of Regents directed that "with input from appropriate governance groups, position titles designated as limited appointments shall be reviewed, and the practice of negotiating fixed-term contracts for administrators in lieu of limited term appointments shall be considered. A report on that assessment will be presented to the Board of Regents no later than its November, 2005 meeting;" and

Whereas, the advice of the governance groups has now been received, and it is the general consensus that fixed-term contracts for administrators should not be substituted for the current limited term appointments because of the likely additional costs associated with such a system, and the related loss of flexibility in dealing with administrators who no longer fulfill the requirements of the position; and

Whereas the governance groups have further suggested that, going forward, limited appointments should be restricted only to those identified in s. 36.17, Wis. Stats., unless otherwise authorized by the UW System President; and

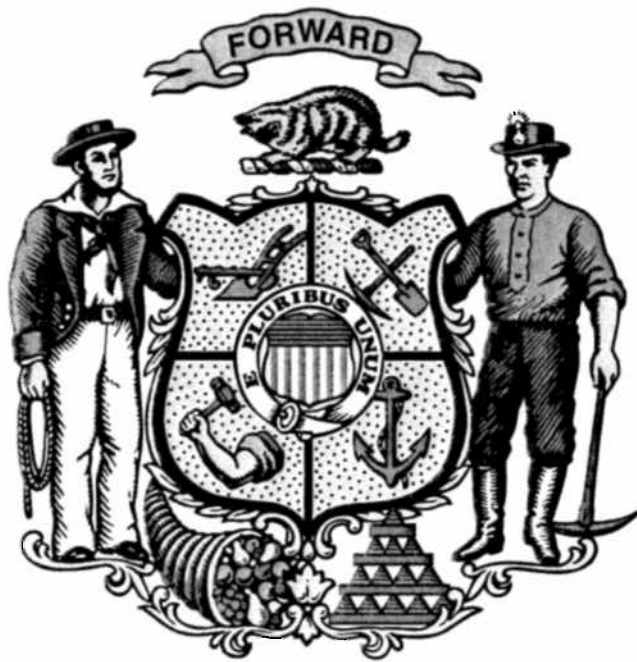
Whereas, the position titles designated as limited appointments and the practice of using fixed-term contracts for administrators in lieu of limited term appointments, have also been reviewed by appropriate UW System staff;

Now therefore be it resolved:

That, upon the recommendation of the President of the UW System, the Board of Regents adopts the following principles:

- (1) As required by s. 36.17, Wis. Stats., limited appointees holding concurrent UW System faculty or academic staff appointments under ss. 36.13 and 36.15, Wis. Stats., shall not lose those faculty or academic staff appointments upon accepting a limited appointment.
- (2) Limited appointees entering UW System employment from other institutions and either: (a) holding a tenured faculty position elsewhere or (b) having been recruited to a position with a requirement or expectation of tenurability, and who have been recommended for tenure by the appropriate UW department may be granted a concurrent tenure appointment as part of the employment contract process.
- (3) The status or the length of the term of a concurrent appointment held by a limited appointee may not be altered while the individual is serving in the limited appointment.
- (4) Limited appointees entering UW System from other institutions who do not hold tenure elsewhere and were not recruited with a tenurability requirement shall not be granted concurrent appointments; however, at the discretion of the appointing authority, such employees may be granted not more than six months notice of termination as permitted under s.UWS 15.01, Wisconsin Administrative Code, at the same salary, and with possible reassignment to other duties during this period.
- (5) From and after the date of this resolution, notwithstanding any institutional policies to the contrary, limited appointments shall be permitted only for those positions enumerated in s. 36.17, Wis. Stats., unless an institution demonstrates circumstances justifying the creation of additional limited appointments and the UW System President authorizes, in writing, the addition of such a limited appointment.

The effect of this resolution is to eliminate "back-up" appointments.





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March 28, 2006

Senator Carol Roessler
PO Box 7882
Madison, WI 53707-7882

Representative Suzanne Jeskewitz
PO Box 8952
Madison, WI 53708-8952

Dear Senator Roessler and Representative Jeskewitz:

Attached is a letter I sent recently to Senator Lasee and Representative Gard in their capacities as Co-chairs of the Joint Committee on Employment Relations.

As you can see, the letter and its attachments summarize the large number of University personnel policy and practices reforms we have undertaken over the last number of months. I wanted to share this information with you in connection with the audit by the Legislative Audit Bureau of the University's personnel system that you and I requested.

I hope you agree that we've made good progress. We'll continue to make more in the weeks and months ahead. As always, I'd be happy to answer any questions you might have about any of these materials.

Cordially,

A handwritten signature in black ink, appearing to read 'Kevin P. Reilly', written over a horizontal line.

Kevin P. Reilly
President

Attachment

Copy: Regent President Walsh
Jan Mueller