

2001 DRAFTING REQUEST

Bill

Received: **01/04/2001**

Received By: **mlief**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Fath**

This file may be shown to any legislator: **NO**

Drafter: **mlief**

May Contact:

Alt. Drafters:

Subject: **Higher Education - UW System**

Extra Copies: **PG**

Pre Topic:

DOA:.....Fath -

Topic:

PR position flexibility for UW

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mlief 01/09/2001	wjackson 01/09/2001	ismith 01/09/2001	_____	lrb_docadmin 01/10/2001		

FE Sent For:

<END>

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1?	mlief	11 WJ 1/9	IS 1/9/01	IS/KM 1/9/01			

FE Sent For:

<END>

Cancel adelon

From: Fath, Erin
Sent: Wednesday, January 03, 2001 2:27 PM
To: Lief, Madelon
Cc: Grant, Peter
Subject: UW budget draft - separate tuition appropriation

I've had some discussions with UW and with Bob Hanle about the question you asked the other day, with respect to creating a separate tuition appropriation for the UW, out of which they could create/abolish FTE without legislative approval.

Your question (as I understood it) concerned the revenue that would go into that appropriation - revenues generated from courses taught via "distance education" or revenues generated by courses taught at "non-traditional times".

The intent behind creating this flexibility for the UW is really about allowing the UW to create 100% fee-funded positions when they have adequate revenue to do so. The point to creating a separate appropriation is to ensure DOA that the positions are indeed fully fee-funded, and remain so.

To that end, I think the solution is to specify that the new appropriation would contain revenues generated by courses for which students are charged on a fee-recovery basis (i.e., students pay the full cost of instruction). Courses taught on a fee-recovery basis might include a distance education/on-line course, or an on-campus course taught during non-traditional hours. I think that by using fee-recovery as the basis for differentiation for the new appropriation, we can avoid specifying whether the new appropriation is for revenues generated via distance education or non-traditional courses, and having to identify what those terms mean.

UW would then have the ability to create fully-fee funded positions for courses that are paid for completely with tuition revenue.

I hope this is helpful. If you have additional questions, please call me.

Erin K. Fath

State Budget Office
Education and Training Team
Erin.Fath@doa.state.wi.us
(608) 266-2843 voice
(608) 267-0372 fax

PR POSITION FLEXIBILITY (FEE-FUNDED POSITIONS)

Provide UW System with the flexibility to create fee-funded positions to manage staffing needs associated with the delivery of distance education/on-line courses and programs. ← only?

The intent is to allow System the flexibility to use revenue as they are generated, for courses in which students are charged on a fee-recovery basis. The rationale is that it would allow System to be more responsive to market demands in higher education. Generally speaking, System would use the revenue to hire additional faculty/staff to develop and teach courses (although supplies/equipment for course delivery would be legitimate expenditures). PR-C

1. Create a new PR continuing appropriation for student academic fees separate from System's existing appropriation for student academic fees [20.285(1)(im)]. ← only
 - Possible name for new appropriation: *academic student fees; supplemental*
2. Allow System to transfer funds from its existing student academic fees appropriation to this new appropriation.
3. Allow System to create positions as needed from this new appropriation without legislative approval:
 - s. 16.505(2m) gives System the authority to create/abolish positions in certain PR and FED appropriations without legislative approval; amend s. 16.505(2m) to include this new appropriation.
4. These new positions would be entirely fee funded.
5. Compensation increases for these positions in future years would also be entirely fee funded.

I'm wondering if we could set this up so as to avoid the need for JCF approval to transfer fee revenues between Chapter 20 appropriations? Perhaps the solution would be to simply provide budget authority in the appropriation up front (rather than having UW transfer funds from one to the other)?

DOA decision → no new app → no transfer → add (im) to 505 (2m)?

CR, 20.285(i)(ir)
a *academic student fees; supplemental*

All moneys received from courses for which students pay the full cost of instruction for purposes of creating positions under 16.505 (2m)

Report to go to both DOA + JCF

Am. (i)(im) to include x-ref to (i)(ir)

Lief, Madelon

From: Fath, Erin
Sent: Saturday, January 06, 2001 1:13 PM
To: Lief, Madelon; Grant, Peter
Cc: Hanle, Bob
Subject: UW - PR Flexibility

Lonnie / Peter:

I apologize for not getting back to either of you sooner about the outstanding question on the drafts for PR position flexibility for the UW (separate student academic fees appropriation with positions flexibility). I've had a difficult time connecting with the UW.

The outstanding question concerned the purpose for the separate appropriation and the purpose for which the faculty who are paid for with revenues from the separate PR appropriation would be hired. I had told you that revenue in this new appropriation would be generated by courses in which students are charged on a "fee recovery basis", and that the positions hired under this appropriation would be the faculty/staff teaching those courses.

Peter noted confusion arising from using the term "fee recovery basis", as non-resident, degree seeking students are charged 100% (actually more, I think) of the cost of student instruction. Lonnie was wondering we're looking to allow this flexibility for certain kinds of courses, i.e., distance education or non-traditional courses.

The distinction here is that for this new appropriation, UW could deposit revenues that are generated for the individual courses for which the UW charges the full cost of instruction for that course. That is, every student enrolled in the course - whether resident or non-resident - is charged the same fee, which covers the full cost of instruction (another phrase that UW uses to describe this fee structure is "service based pricing").

Perhaps another way to look at it is that the UW has the ability to charge differential tuition/fees (as approved by the Board) for certain courses and programs [see s.36.27 Tuition (1) BOARD OF REGENTS TO ESTABLISH]. For example, differential tuition/fees are charged to students in the Occupational Therapy/Physician Assistant and Physical Therapy programs at UW La-Crosse. Residents and non-residents in these programs both pay a different rate of fees/tuition than their counterparts who are not enrolled in these programs.

So the revenues that UW could deposit into this separate appropriation for which the UW charges differential fees/tuition, and for which all students (resident and non-resident) are charged the same fee, and fee charged for the course represents the full cost of instruction per student. The positions created under this appropriation would be for faculty/academic staff teaching courses with this fee structure. These courses may include distance education courses (likely very many of the courses would be distance ed courses), but I do not want to limit the UW in statute to only "distance education courses".

Peter also inquired as to whether the courses would be only for special students. My guess is that it would be primarily special students (i.e., non-baccalaureate/masters/Ph.D. seeking candidates). However, I do not think we should limit it to only special students. If a degree seeking student wants to enroll in a course for which s/he is charged differential tuition/fees, and is willing to pay, I think we should allow the UW to deposit the revenue from said student into the separate appropriation.

Perhaps the name for the new appropriation could be "Academic student fees; service-based fees" or simply "Service-based academic student fees".

I hope this has cleared up the confusion about this item. I think that creating this separate student academic fees appropriation is workable, it's just a matter of coming up with the correct terminology. I hope to continue my conversation with the UW on this matter on Monday a.m. (as long as I can get a hold of someone). Perhaps after that conversation I could better clarify the issue to you, if there is still confusion.

Bob, feel free to comment if you think you can help clarify this.

Thanks,

Erin K. Fath



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-1774/1

MJL:/.....

WLJ

DOA:.....Fath - PR position flexibility for UW

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

SOON

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION ✓

HIGHER EDUCATION ✓

Under current law, the board of regents of the UW System (board) may create or abolish certain positions funded with program revenue without legislative approval if it reports the number of positions created or abolished and the funding source to DOA and JCF. This bill allows the board to create positions funded from program revenue generated from courses for which nonresident and resident students pay the same tuition and for which the tuition charged equals 100% of the cost of offering the course. The bill also imposes the same reporting requirement for these new positions.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.285 (1) (im) of the statutes is amended to read:

3 20.285 (1) (im) *Academic student fees*. Except as provided under pars. (ip), (ir),

4 (Lm) and (Ls), all moneys received from academic student fees for degree credit

1 instruction, other than for credit outreach instruction sponsored by the University
2 of Wisconsin-Extension.

History: 1971 c. 40 s. 93; 1971 c. 100 s. 23; 1971 c. 125, 215, 236; 1971 c. 323 s. 27; 1973 c. 90, 301, 333, 340; 1975 c. 39; 1975 c. 41 s. 52; 1975 c. 198 s. 63; 1975 c. 224; 1977 c. 29; 1977 c. 418 ss. 91 to 92, 924 (50), 929 (55); 1977 c. 422; 1977 c. 447 s. 206; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27 ss. 213 to 215m, 2202 (20); 1983 a. 237; 1983 a. 333 s. 6; 1985 a. 29, 120, 339; 1987 a. 27, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 269, 335, 353; 1991 a. 39, 167, 269; 1993 a. 16, 455; 1995 a. 27 ss. 600m to 615m, 1080b, 1085b, 1086b; 1995 a. 227, 228; 1997 a. 27 s. 257m, 263m, 271 to 281; 1997 a. 237, 252; 1999 a. 9, 32, 107; 1999 a. 150 s. 672.

3 **SECTION 2. 20.285 (1) (ir)** of the statutes is created to read:

4 20.285 (1) (ir) *Academic fees and tuition; supplemental.* All moneys received
5 from academic fees and tuition for courses for which nonresident and resident
6 students pay the same ^{academic fees or} ~~tuition~~ and for which the ^{academic fees or} ~~tuition~~ charged equals 100% of the
7 cost of offering the course, for instruction in such courses.

8 **SECTION 3. 16.505 (2m)** of the statutes is amended to read:

9 16.505 (2m) The board of regents of the University of Wisconsin System may
10 create or abolish a full-time equivalent position or portion thereof from revenues
11 appropriated under s. 20.285 (1) (h), (ip), (ir), (iz), (j), (m), (n) or (u) or (3) (iz) or (n).
12 No later than the last day of the month following completion of each calendar quarter,
13 the board of regents shall report to the department and the cochairpersons of the
14 joint committee on finance concerning the number of full-time equivalent positions
15 created or abolished by the board under this subsection during the preceding
16 calendar quarter and the source of funding for each such position.

17 History: 1977 c. 196, 418; 1979 c. 34; 1981 c. 20; 1983 a. 27; 1987 a. 27; 1989 a. 31, 127; 1991 a. 39, 269; 1993 a. 16; 1995 a. 27; 1997 a. 27.

(END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-1774/1
MJL:wlj:ijs

DOA:.....Fath - PR position flexibility for UW

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16 tuition charged equals 100% of the cost of offering the course, for instruction in such
17 courses.

18 (END)