

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 05/28/99

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Larsen**

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Drafter: **champra**

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Pre Topic:

LFB:.....Larsen -

Topic:

Position authorization authority for UW System

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	champra 05/28/99	jgeller 05/28/99	jfrantze 05/28/99	_____	lrb_docadmin 05/28/99		

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/1	champra	1 5/28 jlg	7/6 5/28	7/6 5/28			

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Legislative Fiscal Bureau

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RAC
JTK

May 25, 1999

Joint Committee on Finance

Paper #990

GPR Position Authority (UW System)

[LFB 1999-01 Budget Summary: Page 623, #8]

CURRENT LAW

GPR positions can be created or abolished by the Legislature by law or by the Joint Committee on Finance acting under s. 13.10 of the statutes.

GOVERNOR

Permit the Board of Regents to submit a proposal, during the 1999-01 biennium, to the Secretaries of the Department of Administration (DOA) and the Department of Employment Relations (DER) to increase its authorized FTE positions that are funded in whole or in part with GPR. Provide that the Board could propose an increase of up to 1% above the base level of authorized GPR positions. Require that the proposal include the Board's methodology for accounting for the cost of funding the positions. Provide that the Secretaries of DOA and DER could only approve such a proposal if the incremental costs for the positions, as determined by the Secretaries, would not be included in any subsequent biennial budget request submitted by the Board. Provide that if the Secretaries of DOA and DER jointly approve the proposal, the positions would be authorized. Prohibit the Board from requesting any funds for compensation adjustments for these positions during the 1999-01 biennium. Require the Board to report to the Secretaries of DOA and DER no later than the last day of the month following the close of each calendar quarter, on the number of positions authorized under this provision that have been filled by the Board during the preceding calendar quarter and the source of funding for each of the positions.

DISCUSSION POINTS

1. The UW System is currently authorized 18,250.94 GPR positions. However, the bill

would provide an additional 29.0 GPR positions over the biennium, resulting in total GPR positions of 18,261.44 in 1999-00 and 18,290.44 in 2000-01. Thus, under the Governor's recommendation, the University could create approximately 183 new GPR positions during the biennium. However, the 1% limit would be based on the number of authorized GPR positions at the time the proposal is submitted, which could be higher than the level authorized in the budget act due to additional positions authorized under s. 13.10 of the statutes or separate legislation.

2. In its 1999-01 agency budget submission, the UW System requested authorization increase the number of authorized GPR positions up to a limit of 3% above the base level without prior approval of the Governor or Legislature. UW staff argued that the position flexibility would allow the University to address changing needs quickly, and to avoid the usual legislative approval processes which "can take a significant amount of time." In its proposal, the University stated that "any positions created under this mechanism would be funded through the base."

3. The Governor's recommendation is intended to provide the UW System with limited position authorization flexibility while maintaining a measure of oversight by requiring the approval of the Secretaries of DOA and DER. Essentially, the University would be required to identify the methodology that it intends to use to ensure that no additional state funding would be required for the positions in 1999-01 or in future biennia. The flexibility would be provided for the 1999-01 biennium only.

4. While the UW System has stated that any new GPR positions created under the proposed provision would be funded using base resources, UW System staff indicate that the methodology the University would use to account for the cost of funding the positions, as would be required under the bill, has not yet been determined.

5. As of April 1, 1999, the number of GPR vacancies within the UW System was 233.68 positions, or approximately 1.3% of the total number of authorized GPR positions. Typically, UW vacancies vary seasonally due to variations in student enrollments and recruitment and hiring patterns. Since April, 1998, the number of GPR vacancies has ranged from 167.83 (0.9%) to 439.89 (2.4%).

6. GPR position vacancies at individual UW campuses currently range from 0% to 3.2% (27.05 positions). As part of its annual budget process, UW System allocates position authorizations among the UW institutions based on prior year allocations and the purposes of any additional funding and positions provided in the biennial budget or other legislation. Campuses that require additional position authority often arrange to "borrow" positions from one or more other campuses that have excess position authority. Typically, positions are loaned on a temporary basis, usually for one to three years. For example, in 1998-99, Madison has a total of 41.19 GPR positions currently on loan to other campuses while La Crosse has borrowed 27.0 GPR positions.

7. Individual campuses may have an insufficient number of authorized positions for a variety of reasons including: the provision of continuing education programs offered for local businesses; differential tuition initiatives under which additional tuition revenues are generated and

used to increase services to students or course sections; and increasing enrollments, particularly in the fall semester. As an example, UW-La Crosse received an increase in GPR funding in the 1997-99 budget for its allied health programs. Because the campus planned to reallocate vacant positions, no additional position authority for the programs was requested. However, the vacant positions had to be filled to accommodate greater than anticipated enrollment increases and so were not available for the allied health programs.

8. Under current law, the Board of Regents has the authority to create and abolish positions funded from the University's appropriations for: auxiliary enterprises; general operations receipts; gifts and donations; federal aid; federal indirect cost reimbursement; and trust fund income. The Board is required to submit a quarterly report to DOA and the Joint Committee on Finance concerning the number of positions funded from these appropriations that were created or abolished during the preceding calendar quarter and the source of funding for each position.

9. In the past, the UW System has been granted other position-related flexibilities not available to most other state agencies. For example, the University is permitted to retain and reallocate position authorization and funding from vacant positions. The reallocated funds become part of the University's permanent base for the items to which the funds are reallocated. If the positions ever need to be filled again, new state funding would have to be requested. In addition, the UW System is not part of the state's personnel management information system (PMIS), but has been permitted to create its own system. Funding for compensation increases authorized by the Legislature for a given biennium is based on University's actual payroll base for October of the year preceding the biennium. For example, compensation adjustments for 1999-01 would be based on the payroll for October, 1998. Therefore, any positions authorized in the 1999-01 biennium would not receive pay plan supplements until the 2001-03 biennium, which would use the October, 2000 payroll as the basis for the adjustments. The fact that the UW System does not participate in PMIS may make it difficult to monitor its use of the proposed flexibility.

10. The UW System also has the flexibility to pool GPR funding for general program operations with tuition revenues as well as funds from other appropriations. While most UW positions are funded through a combination of GPR and PR tuition revenues, the positions are traditionally classified as GPR positions. Given that a separate provision in the bill would allow the University to expend tuition and fee revenues as they are generated, without limit and without prior approval by the Governor or Legislature, a concern could be raised that the University could fund compensation increases for the newly-created positions through tuition increases. However, under the bill, the Board would have to report quarterly on the positions created and the source of funds used.

11. One could view the Governor's recommendation as a reduction in legislative oversight. In effect, the proposal represents a shift of some oversight from the Legislature to DOA and DER. This oversight function could be preserved, while still providing additional flexibility to the UW System, by specifying that the Joint Committee on Finance would also have to approve the Board's proposal to create the new GPR positions if the proposal is approved by DOA and DER. The approval process could be accomplished under a 14-day passive review process similar to that

currently used to increase agencies' PR position authorizations.

ALTERNATIVES

1. Approve the Governor's recommendation to permit the Board of Regents to request approval from the Secretaries of DOA and DER in the 1999-01 biennium, to increase the number of positions that are funded in whole or in part with GPR by 1% above the base level.

2. Modify the Governor's recommendation by specifying that any proposal by the Board of Regents to increase the number of authorized positions that are funded in whole or in part with GPR that has been approved by DER and DOA would then be subject to approval by the Joint Committee on Finance under a 14-day passive review process. Require the Board of Regents to report quarterly to the Joint Committee on Finance, as well as to the Secretaries of DER and DOA, on the number of positions that have been filled and the funding source for each of the positions.

3. Maintain current law.

RAC

Prepared by: Merry Larsen



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1974/4
RAC:kmg:km

DOA:.....Maternowski – GPR position authority for UW System

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE EMPLOYMENT

Under current law, with certain exceptions, positions in state government may only be authorized by the legislature by law or in budget determinations, by the joint committee on finance (JCF) and by the governor creating or abolishing certain positions funded from federal revenues. This bill authorizes the board of regents of the University of Wisconsin (UW) System (board) to increase its authorized full-time equivalent (FTE) positions that are funded, in whole or in part, with general purpose revenues by not more than 1% above the level authorized for the board. Under the bill, the board must submit the proposal to the secretaries of administration and employment relations, together with its methodology for accounting for the cost of funding these positions. If the secretaries of administration and employment relations jointly approve the proposal, the positions are authorized.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 9154. Nonstatutory provisions; University of Wisconsin System.

(1) POSITION AUTHORIZATION.

(a) Notwithstanding section 16.505 (1) of the statutes, during the 1999–2001 biennium, the board of regents of the University of Wisconsin System may propose to increase its authorized FTE positions that are funded, in whole or in part, with general purpose revenues by not more than 1% above the level authorized for the board under section 16.505 (1) of the statutes. The board shall submit any proposal under this subsection to the secretaries of administration and employment relations for approval, together with its methodology for accounting for the cost of funding these positions. The secretaries of administration and employment relations may only approve a proposal if the incremental costs for these positions, as determined by the secretaries of administration and employment relations, are not to be included in any subsequent request submitted by the board under section 16.42 (1) of the statutes. If the secretaries of administration and employment relations jointly approve the proposal, the positions are authorized.

(b) During the 1999–2001 biennium, the board may not include in any certification to the department of administration under section 20.928 (1) of the statutes any sum to pay any costs of a position authorized under this subsection.

(c) No later than the last day of the month following completion of each calendar quarter, the board shall report to the secretaries of administration and employment relations concerning the number of authorized positions under this subsection that have been filled by the board during the preceding calendar quarter and the source of funding for each such position.

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0460/1

RAC:.....

Joak

jlq

LFB:.....Larsen – Position authorization authority for UW System

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 1423, line 24: delete the material beginning with line 24 and ending
3 with page 1424, line 22.

4 (END)

