

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: **06/15/2001**

Received By: **mlief**

Wanted: **As time permits**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Keckhaver**

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

Drafter: **mlief**

May Contact:

Addl. Drafters:

Subject: **Higher Education - UW System**

Extra Copies: **PG**

Submit via email: **NO**

Requester's email:

Pre Topic:

SDC:.....Keckhaver - CN1520,

Topic:

UW hospital and clinics board

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>
/?	mlief 06/16/2001	wjackson 06/16/2001		_____			
/1			jfrantze 06/17/2001	_____	lrb_docadmin 06/17/2001		

FE Sent For:

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1?	mlief	11 WJ 6/16	206/16	26/17 6/17			

FE Sent For:

<END>

Date: June 8, 2001

Re: Caucus Budget Request

In UW Hospital Board, make changes to s. 233.06, Stats. (See attached).
Prevents conflict of interest in labor negotiations.

CVISDO

~~RAE~~
mjk

Amendment #2. Conflict of interests prohibited.

Item # Page 1011, line 6: after that line insert:

" Sec. 233.06 is created to read:

(a) ^{person} No member of the board of directors may hold an ownership interest, be employed by, or affiliated with ~~any business~~ ^{person} providing services or goods to the ~~LJW Hospital and Clinics Authority~~ ^{authority.}. ~~No company may provide services or goods to the LJW Hospital and Clinics Authority if the company is ~~owned by~~ employs, or is in any manner affiliated with a member of the board of directors or a former member of the board of directors within one year of the board member's resignation from the board of directors. A violation of this section shall be punishable as a class A forfeiture. Each day shall constitute a separate violation.~~

or if the person is a company is owned by

SECTION 3095m.C.R;

The authority may not contract with ~~a company~~ ^{any person} for the provision of goods or services

(b) A person who violates this section is subject to a forfeiture of not more than \$10,000 ~~per~~ ^{day of} for each violation. Each ~~day of~~ violation constitutes a separate offense."

Lief, Madelon

From: Curt Pawlisch [pawlisch@cwpb.com]
Sent: Friday, June 15, 2001 4:55 PM
To: madelon.lief@legis.state.wi.us
Cc: John.keckhaver@legis.state.wi.us
Subject: UW Hospital Conflict of Interest

Lennie,

What we are trying to do is to prohibit any person from being a member of the board of directors for the UW Hospital and Clinics Authority if that person is a partner, shareholder (someone owning an ownership interest) or employee of a law firm providing services to the UW Hospital and Clinics Authority.

As you know, the Authority is a quasi-public agency so we believe bright lines with high ethical standards should be applied. Many legal experts on professional responsibility discourage lawyers from serving on boards of directors, especially if their firm is also providing services. It is a situation abounding in ethical conflict. And with respect to the appearance of conflicts and maintaining public trust in such situations, it looks like the board may not have sought legal services from a number of different firms but instead may have succumbed to inside pressure to go with the same firm that the board of directors member belongs to.

We thought the prohibition should work both ways, that is, it should be on both the law firm and the person who serves as a member of the board of directors. The law firm may not provide services to the authority; a person may not serve as a board member if the law firm is providing such services to the authority. Any law firm providing such services at the time of enactment would be required to stop providing those services; any board member with such a conflict would be required to resign.

--Curt

Let me know if you have more specific questions.

Curt F. Pawlisch
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2001

Date (time) needed _____

LRB h 0994 1 1

AMDT TO BUDGET SUB AMDT

MJC: WLJ: _____

See form AMENDMENTS — COMPONENTS & ITEMS.

SENATE AMENDMENT
TO SENATE AMENDMENT _____,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 55

At the locations indicated, amend the substitute amendment/amendment as follows:

#. Page .1011, line .6.: after that line insert
[INS A]

(end)

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

INS A

3095K. ↑

CR: 233.06

(B)

233.06 (Conflict of interests prohibited)

No ff

No member of the board of directors may

hold an ownership interest ⁱⁿ or be employed by,

or be affiliated with a person providing authority

goods or services to the authority. The authority

may not contract with a person

for the provision of goods and services if

~~that person~~ a former board member held

an ownership interest in, ~~the~~ was

employed by, or was affiliated with

the person within one year of the expiration of his or her term or

board membership (resignation from the board

of directors.)

A person who violates this section

is subject to a forfeiture of not more than

\$10,000 for each violation. Each day of violation constitutes a separate offense.

SDC:.....Keckhaver – CN1520, UW hospital and clinics board

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1011, line 6: after that line insert:

3 “**SECTION 3095k.** 233.06 of the statutes is created to read:

4 **233.06 Conflict of interests prohibited.** (1) No member of the board of
5 directors may hold an ownership interest in, be employed by, or be affiliated with a
6 person providing goods or services to the authority. The authority may not contract
7 with a person for the provision of goods and services if a former board member held
8 an ownership interest in, was employed by, or was affiliated with the person within
9 one year of the board member’s expiration of his or her term or resignation from the
10 board of directors.

