

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2003-04

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Colleges and
Universities
(AC-CU)

(Form Updated: 11/20/2008)

COMMITTEE NOTICES ...

➤ Committee Reports ... CR
**

➤ Executive Sessions ... ES
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➤ Public Hearings ... PH
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**INFORMATION COLLECTED BY COMMITTEE
FOR AND AGAINST PROPOSAL ...**

➤ Appointments ... Appt
**

Name:

➤ Clearinghouse Rules ... CRule
**

➤ Hearing Records ... HR (bills and resolutions)
**

➤ Miscellaneous ... Misc

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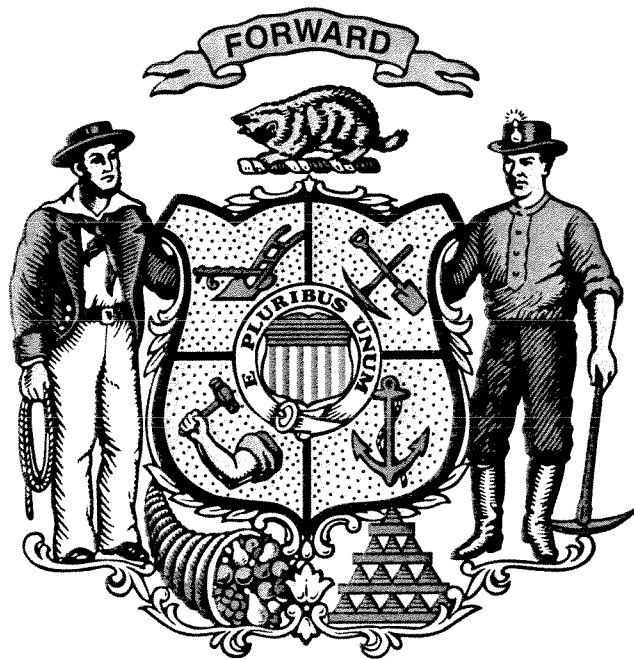
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Colleges and Universities Committee

October 29, 2003, 225 Northwest, State Capitol, 10:30 a.m.

Testimony, Toby Marcovich, President, Board of Regents

Thank you Chairman Kreibich and Committee members. I am Toby Marcovich, President of the Board of Regents. I welcome this opportunity to meet members of the Colleges and Universities Committee and hope we can continue our dialogue on this and many issues important to maintaining quality higher education for the future of our state.

I'm here today to share with you the steps the Board has taken to insure full compliance with the open meetings law and changes to our executive salary setting process. Several weeks ago, Regent Walsh spoke with you outlining the steps the Board was planning to take later that same week at its October 10 Board meeting to reconsider its action on executive pay ranges. I believe, as I know you do, that it is important for the public to know and understand the issues that need attention in order to preserve our accessible and affordable public higher education system in Wisconsin. We need the public's trust and support, as we do yours. That is why I sent a letter to the Board of Regents in early September, before the Attorney General had launched an investigation, informing members that I had requested that this issue be reconsidered at our next meeting along with input from a national consultant.

The Board, as was reported to each of your offices October 10, passed a resolution which rescinded its previous action on pay ranges and referred

this matter to our Business and Finance Committee. The Committee was charged with gathering further information from our Technical Colleges and other states which might identify new ways in which we might work together to attract and keep our important managers.

We also passed a resolution to change our procedures with regard to determining executive salary ranges, and setting executive salaries, to specify that:

- Salary ranges will be adopted by a majority of the full membership of the Board
- by roll call vote
- in open session
- at a regularly scheduled meeting.

These two actions were taken with only two members of the Board, myself and Regent Vice-President Walsh, aware that they would be discussing a settlement agreement with the Attorney General later in the day. The Board was acting without pressure of the settlement hanging overhead. I wanted the Board of Regents to decide this matter on its own merits, not under threat of a lawsuit by the Attorney General.

The other thing the Board did at its October Board meeting was to discuss in a properly noticed closed session a settlement with the Attorney General in which the Board acknowledged:

- that the wording of the notice for its September 2, 2003 could have been more specific
- any action the Board had taken at that meeting would be voided
- the Board in the future would be as specific as possible using terms like “salaries”, “pay” or “compensation” as appropriate when these matters were considered, and
- provide appropriate training to those staff members and employees whose duties include preparing public notices, etc. This, by the way, has already been implemented.

In addition, other important steps have been taken to exceed the requirements of the settlement to improve accessibility of our meetings including:

- All meeting notices for Regent subcommittees, and any other special regent meetings are being posted on the Board of Regents website (in addition to the notices of the regular meetings).
- A new protocol for assembling agendas and posting notices has been written and shared with appropriate staff,
- All meeting notices are being e-mailed to any interested news reporters

You have heard the Attorney General’s presentation outlining the specific terms of the settlement. As was outlined, the Attorney General found that no law was broken in the timing of the meeting notice, the fact that it was a teleconference, or that the meeting was open. There was a room provided

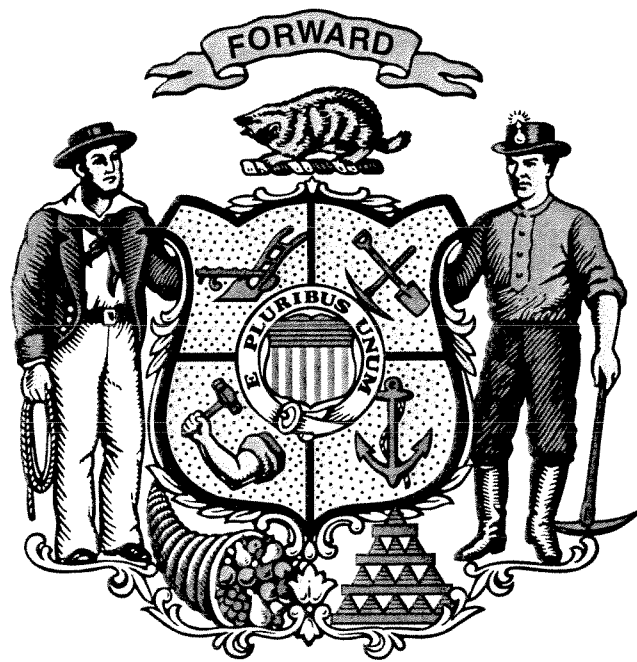
and notice given in a paper with a Sunday circulation of 300,000. Anyone, including the media, could have attended the meeting.

The Attorney General did find fault with the specific description of the meeting and we will now have legal counsel review all meeting notices and agenda to assure that the purposes of our meetings are in lay language and as clear to the public as possible. This may be a model for all public bodies covered by the open meetings law. Regarding our closed session to hear from legal counsel on the proposed settlement, in a letter Chairman Kreibich received dated October 23, the Attorney General said, "those reading the notice in effect received sufficient notice of the nature of the matter to be discussed" and "although it could have quoted the specific statutory exemption more thoroughly, I believe it met the statutory requirements." What we are doing is above and beyond the open meetings law.

Our goal is that the Board of Regents and UW System be a model of open public dialogue. If we had it to do over again, we would certainly have done things differently. We will be working hard to recover the public's trust.

I hope you will agree that appropriate steps have been taken to prevent the appearance of stealthy action by the Board in the future. Now we need your help to allow our staff to return to their duties to effectively manage our public resources during this period of unprecedented budget cuts to higher education and refocus on the fiscal crisis the state is facing and how the university can help address workforce needs, economic development, and improved quality of life for our citizens.

Thank you and I would be glad to answer any questions.



Stating his opinion

Doyle still disagrees with GOP legislators

By Tom Giffey
Leader-Telegram staff

Democratic Gov. Jim Doyle has been at odds with the Republican-controlled Legislature since taking office in January, tangling with them over Indian casino revenue and property taxes.

Now that the Legislature is back in session, Doyle and the GOP seem destined to keep butting heads on hot-button issues.

In an interview with the Leader-Telegram Thursday, Doyle criticized Republicans for pushing "divisive" bills such as the one to legalize concealed guns.

Among the issues Doyle wants to focus on is improving the state's economy through his "Grow Wisconsin" plan, which he released last month. Below is an edited version of the Leader-Telegram's interview with Doyle.

What has been the impact of on the UW System of the Board of Regents trying to circumvent the Open Meetings Law to increase pay ranges for top officials, and what does the system have to do to improve its image at the state Capitol?

I don't think there is any long-term damage. What I think there is, is they have to get this cleared up. They have to notice their meetings better if they are going to bring up this issue of salary range increases

They have now done the right thing. They have backed off their decision, and it will

come up in a completely open kind of discussion.

Even as governor, these ranges they are talking about are more than double what I make as governor of Wisconsin. They have to just understand that it's a little hard to go out and claim poverty, even though it may be a legitimate claim, ... when they are saying we can't compete if somebody isn't making \$280,000 instead of \$240,000. It makes it a lot harder to make the case about the needs for the university.

Do you believe that the pay ranges have to be adjusted upward, or are top officials paid enough?

It's harder for them (UW officials) to make the case when talking about salaries in that range. They certainly seem more than adequate to me. I will see what the consultant's report is. This is a frustration I hear from other governors. You are out there preaching fiscal discipline, and the university really has lived with fiscal discipline in my budget. They really have. So they do all that good work ... It just hurts the case they are trying to make when this becomes the issue they focus on

When can we start to see the benefits of your "Grow Wisconsin" plan?

The plan has some sort of immediate things that we can do quickly and some longer-term things. ... I think we're

See **DOYLE**, Page 3B

Doyle/Prescription drug plan has merit, governor says

from Page 1B

going to see some fairly quick results in terms of half a year or a year if we can move on some of the investment provisions here and get some more capital into the market, as well as with some of the provisions ... (addressing) what we can do to help employers who are looking to expand in Wisconsin or come to Wisconsin. I hope that if I'm given some of those tools by the Legislature, that we can see some results happening fairly soon.

Obviously, a lot of that depends on what happens with the national economy. ... But my real goal here is to make sure as the national economy turns around that we are in good position to take advantage of it.

Several amendments were recently added to a bill allowing concealed guns in Wisconsin. Is there a possibility you'll sign the bill?

I don't think there's much possibility. ... I've always been opposed to concealed weapons and I'm going to continue to be opposed to concealed weapons. I stand with law enforcement on this issue. ...

It's interesting, all of these exceptions. Before they've even passed the law, they're already saying, "Maybe we're not so safe to have them in churches, and hospitals and day-care centers." If it isn't safe to have them in churches, is it that much safer to have them in a crowded shopping mall on a Saturday?

Sen. Ron Brown, R-Eau Claire, recently introduced a bill to change the state's mediation-arbitration laws, which he says favor unions over local governments. What do you think of the proposal?

I didn't see any part of it that I

liked. I haven't seen the whole bill exactly, but again, I think that collective bargaining is important and should be respected. ...

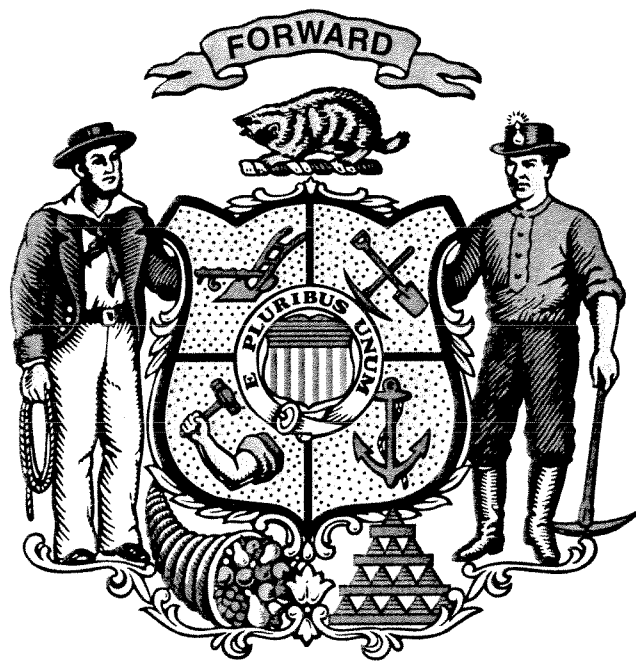
This bill was shown (to be) what it was when people discovered there was an exemption for the Milwaukee Police Department (union) in it. This is a political effort against public employee unions, and then the one union that has supported Republicans gets an exemption, gets a pass on it. We should understand what this bill is. You rarely see them reveal themselves quite so blatantly on what they're doing here.

Minnesota Gov. Tim Pawlenty recently announced a plan to help Minnesotans buy cheap prescription drugs from Canada. Does Wisconsin need a similar program?

I applaud him, and we may well (try it). He's got some significant legal hurdles to do that. There are federal laws and some action that (U.S. Secretary of Health and Human Services Tommy) Thompson could take to allow this to happen. I want us to be part of any effort ... particularly in the upper Midwest states, to permit purchase of drugs from Canada.

(The state) could save the taxpayers of Wisconsin a lot of money in our state health plans, our institutions, and the Medicaid program (because) we're the single-biggest purchaser of prescription drugs in the state by far. I would like for Wisconsin as a state to go and get their prescription drugs there, and I want to help consumers be able to do that as well.

Leader-Telegram Managing Editor Doug Mell contributed to this report. Giffey can be reached at 833-9205, (800) 236-7077 or tom.giffey@ecpc.com.



Ex-official regrets letting UW regents set salaries

Says they have damaged public trust

By Aaron Nathans

The Capital Times

Former state Employment Relations Secretary Peter Fox regrets recommending that the University of Wisconsin Board of Regents be given the right to set executive salaries, and says he wouldn't do it now.

"At this point, if I was back in that chair, I would say that it needs to be rescinded. Because I think one of the most vital things for Wisconsin to have is the confidence of its citizenry in the good judgment of the people who are in leadership positions in state government," Fox said in a telephone interview from Wyoming. "Public confidence has been damaged."

He continued, "The thing that is troubling now is what is being reported, and what has transpired with the attorney general's office. It's a darn shame that the attorney general of the state of Wisconsin needs to look into whether the Board of Regents violated the open meetings law."

The regents caused a stir after it was revealed that they held a quiet Sept. 2 teleconference and raised salary ranges for UW System senior executives and chancellors. Attorney General Peg Lautenschlager later said the meeting was given improper public notice. In a settlement, the regents voided the action.

The Capital Times also recently reported that the regents' Executive Committee voted in 2002 to raise executive salaries during a Friday night meeting that was never legally noticed in the Wisconsin State Journal. Lawmakers are asking Lautenschlager to look into that meeting.

Attorney General Peg Lautenschlager says the UW Board of Regents did not break the law when it held its Oct. 10 meeting to discuss a settlement with her office over a previous meeting.

A legislative panel will meet at the Capitol Wednesday to review a plan to rescind the regents' right to set salaries, a flexibility they gained from the Legislature in 2001. Fox said he hasn't seen the bill, which would transfer power to the Legislative Joint Finance Committee, and had no comment about its specifics.

While Fox was employment relations secretary, a position he held from 1999 to January 2003, he recommended the Legislature give the regents the flexibility to set many executive salaries. They included those of UW President Katharine Lyall, her top deputies, and chancellors. Fox said at the time he believed it was a "good business" decision.

Under the old system, his office sent recommendations on all UW executive salaries to the legislative Joint Committee on Employment Relations, which made the final decision.

He thought the regents were



'It's a darn shame that the attorney general of the state of Wisconsin needs to look into whether the Board of Regents violated the open meetings law.'

Peter Fox

in a better position to track trends in higher education, Fox said, but times have changed.

Fox is now the manager of corporate communications and public affairs for Kenecott Energy Co. in Gillette, Wyo. From 1994 to 1999, he was the director of public information for the UW System, and before that editor of the Racine Journal Times.

He maintained that the UW needs to pay competitive salaries to keep good leaders, and said he doesn't take issue with the actual increases given to executives. But the process has been flawed, he said, adding that, in his opinion, when Lyall received a 43.9 percent salary increase in 2001, it was too much too fast. He said he recommended at the time that the regents increase executive salaries more gradually.

As for giving the regents the right to set the salaries, Fox said, "I would sadly and reluctantly say that my support of the proposal is something I regret."

Asked for comment on this, Regents Vice President David Walsh said the regents are in a better position than lawmakers "to analyze the data and either do it or make recommendations."

"What we all need to get back to is what the facts are, what the salaries are, what the peer groups are, and what the standards are, and whether we need to have certain salary levels to retain and recruit," he said.

Walsh joined the board this year and did not participate in the Sept. 2 conference call.

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AG lets regents off hook on 2nd meeting

Attorney General Peg Lautenschlager says the UW Board of Regents did not break the law when it held its Oct. 10 meeting to discuss a settlement with her office over a previous meeting.

executive salary ranges. Lautenschlager said the notice for the Sept. 2 meeting was too vague.

State Reps. Tom Reynolds, R-West Allis, and Rob Kreibich,

meeting notice was vague but still legal.

"Although the notice the regents employed might have been better were it more specific by quoting the statutory