ASSEMBLY BILL 646 (LRB -3595)

An Act to repeal 13.094, 233.04 (7) (f), 233.04 (8), 233.05 (3) and 233.27; to renumber and amend 15.96; to amend 15.07 (1) (a) 6., 15.07 (4), 15.96 (title), 233.02 (1) (a), 233.02 (1) (am), 233.02 (8), 233.03 (11), 233.04 (1), 233.04 (3b) (a) 1., 233.04 (10) and 233.10 (2) (intro.); to repeal and recreate 15.07 (4); and to create 15.96 (2) and 233.20 (3m) of the statutes; relating to: the University of Wisconsin Hospitals and Clinics Board and the University of Wisconsin Hospitals and Clinics Authority.

2007

12-21.	A.	Introduced by Representatives **Rhoades** and **Black**; cosponsored by Senators **Risser** and **Olsen**.	
12-21.	A.	Read first time and referred to committee on State Affairs	411

2008

01-08.	A.	Public hearing held.	
01-15.	A.	Executive action taken.	
01-17.	A.	Report passage recommended by committee on State Affairs, Ayes 9, Noes 0	445
01-17.	A.	Referred to committee on Rules	445
01-17.	A.	Placed on calendar 1-23-2008 by committee on Rules.	
01-23.	A.	Read a second time	461
01-23.	A.	Ordered to a third reading	461
01-23.	A.	Rules suspended	461
01-23.	A.	Read a third time and **passed**	461
01-23.	A.	Ordered immediately messaged	461
01-24.	S.	Received from Assembly	536
01-25.	S.	Read first time and referred to committee on Ethics Reform and Government Operations	540
02-14.	S.	Executive action taken.	
02-18.	S.	Report concurrence recommended by committee on Ethics Reform and Government Operations, Ayes 5, Noes 0	590
02-18.	S.	Available for scheduling.	
02-26.	S.	Rules suspended to withdraw from committee on Senate Organization and take up.	
02-26.	S.	Read a second time.	
02-26.	S.	Ordered to a third reading.	
02-26.	S.	Rules suspended.	
02-26.	S.	Read a third time and **concurred in**.	
02-26.	S.	Ordered immediately messaged.	
02-26.	A.	Received from Senate concurred in.	

07

2007
ENROLLED BILL

07en A B- 646

ADOPTED DOCUMENTS:

☒ **Orig** ☐ **Engr** ___ **SubAmdt** ___ **07-3595/3**

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Rel

2-27-08
Date

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2007 ASSEMBLY BILL 646

December 21, 2007 – Introduced by Representatives RHOADES and BLACK, cosponsored by Senators RISSER and OLSEN. Referred to Committee on State Affairs.

1 AN ACT ***to repeal*** 13.094, 233.04 (7) (f), 233.04 (8), 233.05 (3) and 233.27; ***to***
2 ***renumber and amend*** 15.96; ***to amend*** 15.07 (1) (a) 6., 15.07 (4), 15.96 (title),
3 233.02 (1) (a), 233.02 (1) (am), 233.02 (8), 233.03 (11), 233.04 (1), 233.04 (3b) (a)
4 1., 233.04 (10) and 233.10 (2) (intro.); ***to repeal and recreate*** 15.07 (4); and ***to***
5 ***create*** 15.96 (2) and 233.20 (3m) of the statutes; **relating to:** the University
6 of Wisconsin Hospitals and Clinics Board and the University of Wisconsin
7 Hospitals and Clinics Authority.

Analysis by the Legislative Reference Bureau

Under current law, the board of directors of the University of Wisconsin Hospitals and Clinics Authority (UWHCA) must contract with the University of Wisconsin Hospitals and Clinics Board (UWHCB) for all nonprofessional services performed at the UWHCA. This bill makes various changes to current law regarding both the UWHCA and UWHCB.

UWHCA changes. The bill changes the membership of the board of directors of the UWHCA. Under current law, three members of the board of directors are appointed by the governor, with the advice and consent of the senate, for three–year terms. Under this bill, the governor must appoint, with the advise and consent of the senate, six members for five–year terms. The bill also allows each chair of the joint committee on finance (JCF) to appoint any member of the legislature as a member

of the board of directors. Current law limits each chair's appointment authority to a member of the JCF, rather than to any member of the legislature. The bill also changes the quorum required for a meeting of the board of directors to eight voting members, rather than the six voting members required under current law.

The bill also creates requirements that apply to bonds issued by the UWHCA, or indebtedness that the UWHCA incurs to the Wisconsin Health and Educational Facilities Authority. The bill prohibits the UWHCA from issuing bonds or incurring such indebtedness unless the bonds or indebtedness are a refinancing of existing bonds or indebtedness, or unless the JCF votes to approve the bonds or indebtedness and the secretary of administration, or his or her designee, has issued a written approval.

If the bonds or indebtedness are not a refinancing, or if the votes or approvals described above have not occurred, then the bill prohibits the UWHCA from issuing the bonds or incurring the indebtedness unless the UWHCA has a bond rating specified in the bill and the UWHCA notifies the JCF and the secretary of administration about the amount, and the use of the proceeds, of the proposed bonds or indebtedness. In addition, the UWHCA must wait 30 working days after providing such notifications. The bill allows the UWHCA to issue the bonds or incur the indebtedness only if the following conditions are satisfied: 1) the JCF does not notify the UWHCA before the end of the 30–day waiting period that JCF has scheduled a meeting to review the proposed bonds or indebtedness; and 2) the secretary of DOA does not notify the UWHCA before the end of the 30–day waiting period that the secretary will conduct further review of the proposed bonds or indebtedness.

In addition, the bill repeals a prohibition under current law on the UWHCA issuing bonds, or incurring indebtedness described above, if the aggregate principal amount of the UWHCA's outstanding bonds, together with all such indebtedness, would exceed $235,000,000. Also, the bill eliminates a requirement under current law that the UWHCA must use the building commission as financial consultant for the issuance of bonds.

The bill also does the following:

1. Eliminates a requirement for the JCF to review certain agreements between the board of directors of the UWHCA and the board of directors of the University of Wisconsin System (UW system).

2. Requires the UWHCA to maintain, control, and supervise the use of the University of Wisconsin Hospitals and Clinics for the purpose of delivering high–quality health care, rather than high–quality and comprehensive health care as required under current law.

3. Eliminates a requirement under current law that the board of directors must operate a statewide poison control center, but, except for correcting the name of a children's hospital, does not affect a requirement under current law for the board of directors to operate such a center if the children's hospital ceases to operate such a center.

4. Repeals outdated references to a payment that the Board of Regents of the UW system was required to make to the UWHCA board of directors in 1996.

UWHCB changes. The bill changes the membership of the UWHCB in the same manner that the bill changes the membership of the board of directors of the UWHCA. Under current law, three members of the UWHCB are appointed by the governor, with the advice and consent of the senate, for three–year terms. Under this bill, the governor must appoint, with the advise and consent of the senate, six members for five–year terms. The bill also allows each chair of the joint committee on finance (JCF) to appoint any member of the legislature as a member. Current law limits each chair's appointment authority to a member of the JCF, rather than to any member of the legislature. The bill also provides that the quorum required for a meeting of the UWHCB is eight voting members.

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

1 **SECTION 1.** 13.094 of the statutes is repealed.

2 **SECTION 2.** 15.07 (1) (a) 6. of the statutes is amended to read:

3 15.07 **(1)** (a) 6. Members of the University of Wisconsin Hospitals and Clinics
4 Board appointed under s. 15.96 ~~(8)~~ (1) (h) shall be appointed by the governor without
5 senate confirmation.

6 **SECTION 3.** 15.07 (4) of the statutes is amended to read:

7 15.07 **(4)** QUORUM. A majority of the membership of a board constitutes a
8 quorum to do business and, unless a more restrictive provision is adopted by the
9 board, a majority of a quorum may act in any matter within the jurisdiction of the
10 board. This subsection does not apply to actions of the University of Wisconsin
11 Hospitals and Clinics Board, the ethics board, or the school district boundary appeal
12 board as provided in ss. 15.96 (2), 19.47 (4) and 117.05 (2) (a).

13 **SECTION 4.** 15.07 (4) of the statutes, as affected by 2007 Wisconsin Act 1 and
14 2007 Wisconsin Act .... (this act), is repealed and recreated to read:

15 15.07 **(4)** QUORUM. A majority of the membership of a board constitutes a
16 quorum to do business and, unless a more restrictive provision is adopted by the
17 board, a majority of a quorum may act in any matter within the jurisdiction of the

board. This subsection does not apply to actions of the government accountability board, the University of Wisconsin Hospitals and Clinics Board, or the school district boundary appeal board as provided in ss. 5.05 (1e), 15.96 (2), and 117.05 (2) (a).

SECTION 5. 15.96 (title) of the statutes is amended to read:

15.96 (title) **University of Wisconsin Hospitals and Clinics Board; ~~creation.~~**

SECTION 6. 15.96 of the statutes is renumbered 15.96 (1), and 15.96 (1) (a) and (am), as renumbered, are amended to read.

15.96 **(1)** (a) ~~Three~~ Six members nominated by the governor, and with the advice and consent of the senate appointed, for ~~3–year~~ 5–year terms.

(am) Each cochairperson of the joint committee on finance or a member of the ~~committee~~ legislature designated by that cochairperson.

SECTION 7. 15.96 (2) of the statutes is created to read:

15.96 **(2)** Eight voting members of the University of Wisconsin Hospitals and Clinics Board constitute a quorum for the purpose of conducting the business and exercising the powers of the board, notwithstanding the existence of a vacancy.

SECTION 8. 233.02 (1) (a) of the statutes is amended to read:

233.02 **(1)** (a) ~~Three~~ Six members nominated by the governor, and with the advice and consent of the senate appointed, for ~~3–year~~ 5–year terms.

SECTION 9. 233.02 (1) (am) of the statutes is amended to read:

233.02 **(1)** (am) Each cochairperson of the joint committee on finance or a member of the ~~committee~~ legislature designated by that cochairperson.

SECTION 10. 233.02 (8) of the statutes is amended to read:

233.02 **(8)** The members of the board of directors shall annually elect a chairperson and may elect other officers as they consider appropriate. ~~Six~~ Eight

voting members of the board of directors constitute a quorum for the purpose of conducting the business and exercising the powers of the authority, notwithstanding the existence of any vacancy. The members of the board of directors specified under sub. (1) (c) and (g) may not be the chairperson of the board of directors for purposes of 1995 Wisconsin Act 27, section 9159 (2). The board of directors may take action upon a vote of a majority of the members present, unless the bylaws of the authority require a larger number.

SECTION 11. 233.03 (11) of the statutes is amended to read:

233.03 **(11)** Issue bonds in accordance with ss. 233.20 to ~~233.27~~ 233.26.

SECTION 12. 233.04 (1) of the statutes is amended to read:

233.04 **(1)** By October 1, 1997, and annually thereafter, submit to the chief clerk of each house of the legislature under s. 13.172 (2), the president of the board of regents, the secretary of administration and the governor a report on the patient care, education, research and community service activities and accomplishments of the authority and an audited financial statement, certified by an independent auditor, of the authority's operations. ~~The financial statement shall include a separate accounting of the use of the payment under sub. (7) (f).~~

SECTION 13. 233.04 (3b) (a) 1. of the statutes is amended to read:

233.04 **(3b)** (a) 1. Delivering ~~comprehensive,~~ high–quality health care to patients using the hospitals and to those seeking care from its programs, including a commitment to provide such care for the medically indigent.

SECTION 14. 233.04 (7) (f) of the statutes is repealed.

SECTION 15. 233.04 (8) of the statutes is repealed.

SECTION 16. 233.04 (10) of the statutes is amended to read:

233.04 **(10)** ~~Operate a poison control center under s. 146.57.~~ If Children's Hospital ~~of Wisconsin in the city of Milwaukee~~ and Health System ceases to operate a poison control center under s. 146.57, ~~the authority shall~~ administer a statewide poison control program.

SECTION 17. 233.05 (3) of the statutes is repealed.

SECTION 18. 233.10 (2) (intro.) of the statutes is amended to read:

233.10 **(2)** (intro.) Subject to subs. (3), (3m), (3r) and (3t) and ch. 40 and the duty to engage in collective bargaining with employees in a collective bargaining unit for which a representative is recognized or certified under subch. I of ch. 111, the authority shall establish any of the following:

SECTION 19. 233.20 (3m) of the statutes is created to read:

233.20 **(3m)** The authority may not issue bonds or incur indebtedness described under s. 233.03 (12) unless one of the following applies:

(a) The bonds or indebtedness are a refinancing of existing bonds or indebtedness.

(b) If the authority has an unenhanced bond rating in the category of A or better from Moody's Investor Service, Inc., or in the category of A or better from Standard & Poor's Corporation, or equivalent ratings from those or comparable rating agencies when such rating systems or rating agencies no longer exist, the authority has provided notice to the joint committee on finance and the secretary of administration of the bond rating of the authority, the amount of the proposed bonds or indebtedness, and the proposed use of the proceeds, and the joint committee on finance has not notified the authority within 30 working days after receipt of the notice that the joint committee on finance has scheduled a meeting to review the proposed bonds or indebtedness and the secretary of administration has not notified the authority

1 within 30 working days after receipt of the notice that the secretary will conduct
2 further review of the proposed bonds or indebtedness.

3 (c) The joint committee on finance votes to approve the amount of the bonds or
4 indebtedness and the secretary of administration, or his or her designee, has issued
5 written approval of the bonds or indebtedness.

6 **SECTION 20.** 233.27 of the statutes is repealed.

7 **SECTION 21. Nonstatutory provisions.**

8 (1) Notwithstanding section 233.02 (1) (a) of the statutes, as affected by this act,
9 of the initial terms of the 3 additional members of the board of directors of the
10 University of Wisconsin Hospitals and Clinics Authority appointed under section
11 233.02 (1) (a) of the statutes, as affected by this act, one term shall expire on July 1,
12 2010, one term shall expire on July 1, 2011, and one term shall expire on July 1, 2012.

13 (2) Notwithstanding section 15.96 (1) (a) of the statutes, as affected by this act,
14 of the initial terms of the 3 additional members of the University of Wisconsin
15 Hospitals and Clinics Board appointed under section 15.96 (1) (a) of the statutes, as
16 affected by this act, one term shall expire on July 1, 2010, one term shall expire on
17 July 1, 2011, and one term shall expire on July 1, 2012.

18 **SECTION 22. Initial applicability.**

19 (1) The treatment of section 233.02 (1) (a) of the statutes first applies to
20 appointments made on the effective date of this subsection.

21 (2) The treatment of section 15.96 (1) (a) of the statutes first applies to
22 appointments made on the effective date of this subsection.

23 **SECTION 23. Effective dates.** This act takes effect on the day after publication,
24 except as follows:

1 (1) The repeal and recreation of section 15.07 (4) of the statutes takes effect on
2 the initiation date specified in 2007 Wisconsin Act 1, section 209 (1), or on the day
3 after publication, whichever is later.

4 **(END)**