



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2007 Wisconsin Act 109
[2007 Assembly Bill 646]

**University of Wisconsin Hospitals
and Clinics Board; University of
Wisconsin Hospitals and Clinics
Authority**

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 service performed at the UWHCA. *Act 109* makes various changes to current law regarding both the UWHCA and UWHCB.

UWHCA CHANGES

1. Membership of Board of Directors of UWHCA

Changes the membership of the Board of Directors of the UWHCA. Under prior 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 *Act 109*: (a) the Governor must appoint, with the advice and consent of the Senate, six members for five-year terms; and (b) each chair of the Joint Committee on Finance (JCF) is allowed to appoint *any member of the Legislature* as a member of the Board of Directors. Prior law limited each chair's appointment authority to a member of the JCF, rather than to any member of the Legislature.

2. Quorum Requirement

Changes the quorum required for a meeting of the Board of Directors to eight voting members, rather than the six voting members required under prior law.

3. Requirements Applicable to Bonds Issued by the UWHCA or Indebtedness UWHCA Incurs to the Wisconsin Health and Educational Facilities Authority

Creates requirements that apply to bonds issued by the UWHCA, or indebtedness that the UWHCA incurs to the Wisconsin Health and Educational Facilities Authority.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

- ***Refinancing of Existing Bonds or Indebtedness OR Approval of JCF and Department of Administration (DOA) Secretary***

Prohibits the UWHCA from issuing bonds or incurring such indebtedness ***unless one of the following applies***: (a) the bonds or indebtedness are a refinancing of existing bonds or indebtedness; or (b) the JCF votes to approve the bonds or indebtedness and the Secretary of DOA, or his or her designee, has issued a written approval.

- ***Where Bonds or Indebtedness are NOT Refinancing OR if the Votes or Approvals Above Have Not Occurred***

If the bonds or indebtedness ***are not a refinancing, or if the votes or approvals described above have not occurred***, then Act 109 prohibits the UWHCA from issuing the bonds or incurring the indebtedness ***unless both of the following apply***: (a) the UWHCA has a bond rating specified in the bill; and (b) the UWHCA notifies the JCF and the Secretary of DOA 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 Act allows the UWHCA to issue the bonds or incur the indebtedness ***only if the following conditions are satisfied***: (a) 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 (b) 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.

- ***Repeals a Prohibition on Issuing Bonds, Incurring Indebtedness***

Repeals a prohibition under prior 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.***

- ***Repeals Requirement to use Building Commission***

Repeals a requirement under prior law that the UWHCA must use the Wisconsin Building Commission as ***financial consultant*** for the issuance of bonds.

4. Other Provisions Relating to UWHCA in Act 109

- 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).
- 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 prior law.
- Eliminates a requirement under prior 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.

- 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

1. Membership

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 prior law, three members of the UWHCB are appointed by the Governor, with the advice and consent of the Senate, for three-year terms. Under the Act, the Governor must appoint, with the advice and consent of the Senate, six members for five-year terms. The Act also allows each chair of the JCF to appoint any member of the Legislature as a member. Prior law limited each chair's appointment authority to a member of the JCF, rather than to any member of the Legislature.

2. Quorum

Provides that the quorum required for a meeting of the UWHCB is eight voting members.

Effective Date: Act 109 takes effect on April 1, 2008.

Prepared by: Don Salm, Senior Staff Attorney

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