



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

February 7, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 540/Senate Bill 518: Redevelopment Grants for UW System Campus Closures

Assembly Bill 540 was introduced on October 18, 2024, and referred to the Assembly Committee on Colleges and Universities. A public hearing was held on January 1, 2024. AB 540 was referred to the Joint Committee on Finance on February 2, 2024. Senate Bill 518 (the Senate companion bill) was introduced on October 16, 2024 and referred to the Senate Committee on Economic Development and Technical Colleges. A public hearing was held on December 6, 2023. Senate Amendment 1 was adopted by the Committee by a vote of Ayes 6, Noes 0, and passage as amended was recommended by the Committee on January 1, 2024.

A substitute amendment was introduced in both houses on February 5, 2024.

BACKGROUND

The UW System consists of two doctoral campuses (Madison, Milwaukee), which grant baccalaureate, master's, doctoral, and advanced professional degrees; eleven comprehensive campuses (Eau Claire, Green Bay, La Crosse, Oshkosh, Parkside, Platteville, River Falls, Stevens Point, Stout, Superior, and Whitewater), which grant associate, baccalaureate, and selected graduate and professional doctorate degrees; and thirteen two-year campuses that have been integrated with nearby doctoral or comprehensive campuses (Baraboo, Barron, Fond du Lac, Fox Cities, Manitowoc, Marathon, Marinette, Marshfield, Richland, Rock, Sheboygan, Washington and Waukesha). In November, 2017, the Board of Regents approved a proposal to restructure UW Colleges and UW-Extension, integrating UW Colleges campuses with UW four-year institutions, and assigning divisions within UW-Extension to UW-Madison and UW System Administration. The restructuring was approved by its accreditation agency, the Higher Learning Commission on June 28, 2018.

The 13 two-year college facilities are owned by the municipalities or counties in which they

are located. Generally, UW System is responsible for the academic program, movable equipment, custodial services, and utilities, while the municipality/county is responsible for repairs, improvements, and maintenance of the facilities.

In November, 2022, UW System President Jay Rothman announced that UW-Platteville Richland would be closing in July, 2023. In October, 2023, it was announced that in person instruction would be ending at two additional campuses: UW-Milwaukee at Washington County and UW Oshkosh, Fond du Lac campus.

SUMMARY OF BILLS

AB 540/SB 518 would provide \$6,000,000 GPR in fiscal year 2023-24 in a new, continuing appropriation under the Wisconsin Economic Development Corporation (WEDC) for branch campus redevelopment grants. The bill would require WEDC to award grants from the appropriation of up to \$2,000,000 to political subdivisions, including a city, village, town, or county, for costs, including planning costs, associated with the redevelopment of buildings or other sites owned by the political subdivision on a branch campus or former branch campus that are or will no longer be used for academic purposes. The bill defines a branch campus as any of the former college campuses that were partnered with a university in the UW System restructuring plan approved by the Higher Learning Commission on or about June 28, 2018. The bill would require WEDC to award a grant of \$2 million to Richland County before awarding any other branch campus redevelopment grants to any other political subdivisions.

SUMMARY OF SENATE AMENDMENT 1

Senate Amendment 1 would specify that, after the grant to Richland County is awarded, WEDC must award a grant to Fond du Lac County and a grant to Washington County, in the amount of \$2 million each, before awarding any other branch campus redevelopment grants. The amendment also increases the amount of available funding from \$6 million GPR to \$12 million GPR.

SUMMARY OF SUBSTITUTE AMENDMENT

A substitute amendment was offered to both the Senate and Assembly versions of the bill on February 5, 2024. The substitute amendment would increase the amount of funding available for the grants to \$20 million GPR, which would be placed in the Joint Finance Committee's supplemental appropriation. It also specifies that grants may be awarded only to fund activities that contribute to the overall economic improvement and enhancement of the community, including activities that facilitate job creation, workforce development, small business support, housing, or public infrastructure improvement.

The substitute amendment specifies that WEDC may not award a grant unless the political subdivision applying for the grant satisfies all of the following: (a) the political subdivision submits to WEDC community letters of support for the grant; and (b) the political subdivision provides matching funding from local sources of at least 20% of the amount of the grant awarded.

The substitute amendment would require WEDC to award a grant to Richland County before any other political subdivision. After the grant to Richland County is awarded, WEDC would be required to award grants to Fond du Lac County, Washington County, and Marinette County before awarding a grant to any other political subdivision. As under the original bills, grants could not exceed \$2 million.

WEDC would be required to submit a request for supplemental funding from the Joint Finance Committee upon receiving a political subdivision's request for a grant, with a separate request submitted for each grant. No later than 90 days after completion of a project for which a grant is awarded, the political subdivision receiving the grant would be required to submit to WEDC and to the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees a report containing all of the following information: (a) the name of the grant recipient and the amount of the grant awarded; and (b) a detailed description of how the grant funds were spent.

FISCAL EFFECT

AB 540 would provide \$6,000,000 GPR in 2023-24 in a new, continuing appropriation under WEDC. As a continuing appropriation, any amount not utilized in a fiscal year 2023-24 would carry forward for use in future fiscal years. SB 518, as amended, would provide \$12,000,000 GPR in 2023-24 in the continuing appropriation.

The substitute amendment would provide \$20,000,000 GPR in 2023-24.

Prepared by: Erin Probst