



## Legislative Fiscal Bureau

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June 2, 2011

Joint Committee on Finance

Paper #751

### Plan for UW-Milwaukee Authority (UW System)

[LFB 2011-13 Budget Summary: Page 500, #11]

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#### CURRENT LAW

No provision.

#### GOVERNOR

Require the Board of Regents to submit a plan to the Secretary of the Department of Administration (DOA) for the conversion of UW-Milwaukee to an authority by October 1, 2012. Require the Board to allocate \$250,000 from the appropriation for UW System administration general program operations for the development of this plan. Require the Board to submit a plan to the DOA Secretary by October 1, 2011, specifying how the Board would allocate the funds. Require the Board to implement the plan as approved by the DOA Secretary which may include modifications made by the DOA Secretary.

#### DISCUSSION POINTS

1. If the Committee does not approve the creation of the UW-Madison authority, it may be unproductive for the Board of Regents to develop a plan for the conversion of UW-Milwaukee to an authority. The Committee could modify the provision to require the Board of Regents to conduct a study on another topic of interest, such as how additional operational flexibilities could be extended to individual UW institutions within the state agency model, and to submit a report to the Committee and the Secretary of DOA along with its 2013-15 biennial budget request. Alternatively, the Committee could delete this provision altogether.

2. Arguably, UW System Administration in concert with the various UW institutions should be able to develop a plan or conduct a study within its base resources and with existing staff. Prior to the introduction of the bill, UW System developed recommendations as to how operational flexibilities could be extended to all UW System institutions and UW-Madison developed recommendations as to how these flexibilities could be extended to that campus in particular. In

addition, UW-Madison developed a plan for the conversion of that institution to an authority. For this reason, the Committee could require that the Board of Regents develop or plan or conduct a study without specifying an amount of money that should be spent or requiring the Board of Regents to submit a plan specifying how funds for the development of the plan or the study would be allocated.

3. However, as both the UW System and UW-Madison have already submitted recommendations related to operational flexibilities, it may be more beneficial if the Committee were to create a commission to study this topic. As an example, the Legislature created a school funding commission in 1993 Act 437. Based on that example, the commission could consist of the Governor or his designee, the President of the UW System, the Chancellor of UW-Madison, the Speaker of the Assembly, the Senate Majority Leader, the Minority Leader in each house of the Legislature, the Co-Chairs of the Joint Committee on Finance, and the chairpersons of the Higher Educational committees in each house of the Legislature. The commission could issue its recommendations in the form of draft legislation to be introduced in the Legislature.

4. Under another provision of the bill, the appropriation for UW System Administration general program operations would be reduced by 25% annually. By requiring the Board of Regents to allocate \$250,000 from that appropriation to develop a plan for the conversion of UW-Milwaukee to an authority or to otherwise conduct a study during the 2011-12 year, the Committee would in effect by approving an additional 3% reduction in that year.

## **ALTERNATIVES**

1. Approve the Governor's recommendation.

2. Modify the Governor's recommendation such that the Board would be required to study how additional operational flexibilities could be extended to individual UW institutions. Require the Board of Regents to submit the study report to the Secretary of DOA and the Joint Finance Committee by September 15, 2012, which is the date by which the Regents must submit their 2013-15 biennial request. Delete the requirement that the Board allocate \$250,000 for this purpose and submit a plan to the DOA Secretary specifying how the Board would allocate those funds.

3. Delete provision. Instead, to study how additional operational flexibilities could be extended to individual UW institutions within the state agency model. Specify that the commission would consist of could consist of the Governor, or his designee, the President of the UW System, the Chancellor of UW-Madison, the Speaker of the Assembly, the Senate Majority Leader, the Minority Leader in each house of the Legislature, the Co-Chairs of the Joint Committee on Finance, and the chairpersons of the higher educational committees in each house of the Legislature. Require the commission to issue its recommendations in the form of draft legislation.

4. Delete provision.

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