



## Legislative Fiscal Bureau

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May 27, 2015

Joint Committee on Finance

Paper #675

### Creation of the UW System Authority (UW System)

[LFB 2015-17 Budget Summary: Page 52, #3, Page 54, #4, Page 141, #10,  
Page 462, #13 thru 513, #33 (except 494, #52)]

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#### CURRENT LAW

The UW System is a state agency that is governed by the Board of Regents.

#### GOVERNOR

Convert the UW System to a public authority governed by the Board of Regents.

#### DISCUSSION POINTS

1. The Joint Finance Committee Co-Chairs have indicated their intention not to proceed with the proposed conversion of the UW System to a public authority. The items relating to this proposal include all items in the Legislative Fiscal Bureau's "Summary of the Governor's 2015-17 Budget Recommendations" beginning with item 13 on page 462 and ending with item 33 on page 513 except for item 52 on page 494 which was previously removed as non-fiscal policy. If the Committee were to delete these items the UW System would remain a state agency and current law regarding the UW System would be maintained.

2. The Legislative Fiscal Bureau has prepared budget papers on a number of items included in the Governor's proposal to convert the UW System to a public authority. The Committee could consider those items separately or could delete those items along with all of the other items related to the authority proposal. Those items are as follows:

**Items Related to the Governor's Proposal to Convert the UW System  
to a Public Authority Addressed in Other Budget Papers**

| <u>Page</u> | <u>Item #</u> | <u>Title</u>   |
|-------------|---------------|--|
| 463         | 16            | Delete appropriation for telecommunications services                           |
| 464         | 17            | Delete rural physician residency assistance program                            |
|             | 18            | Delete physician and dentist and health care provider loan assistance programs |
|             | 19            | Delete fertilizer research funds*  |
| 465         | 20            | Delete aquaculture demonstration facility                                      |
|             | 21            | Delete environmental program grants and scholarships                           |
|             | 22            | Delete discovery farm grant program  |
| 466         | 23            | Oneida programming at UW-Green Bay   |
|             | 24            | Delete Center for Cooperatives   |
| 467         | 27            | Minnesota-Wisconsin student reciprocity  |
| 477         | 14            | Future GPR funding levels  |
| 482         | 24            | Authority to set employee salaries   |
| 482         | 25            | GPR position authority and reporting   |
| 486         | 37            | Authority to issue bonds   |
| 487         | 38            | Oversight by the State Building Commission                                     |
| 488         | 39            | DOA involvement in UW System Authority building projects and leases            |
| 489         | 44            | Procurement authority  |
| 502         | 9             | Delete provisions related to auxiliary enterprises funds                       |

\*The Committee deleted this item during its executive session on the Department of Agriculture, Trade and Consumer Protection on May 12, 2015.

3. A number of items included in the Governor's budget are not related to the proposal to convert the UW System to a public authority. These items are 1 through 12 shown on pages 459 to 462 of the LFB's "Summary of the Governor's 2015-17 Budget Recommendations." Items 2 through 5 and 9 through 12 are addressed in separate papers and items 1, 6, 7, and 8 are shown on the UW System's back sheet.

**ALTERNATIVES**

1. Approve the Governor's recommendation.

2. Delete all of the items shown in Attachment 1. This is all of the items related to the Governor's proposal to convert the UW System to a public authority other than the items for which separate papers have been prepared. Attachment 1 also includes corresponding items under the Department of Agriculture, Trade, and Consumer Protection related to the transfer for the State Laboratory of Hygiene (SLH) and the Veterinary Diagnostic Laboratory (VDL) and a corresponding provision under the Educational Communications Board related to the affiliation agreement with the Board of Regents. Under this alternative, the UW System would remain a state agency, SLH and VDL would remain attached to the UW System and current law related to the UW System would be maintained except in the areas for which Legislative Fiscal Bureau budget papers have been prepared. The Committee would act on those items separately.

3. Delete all items related to the Governor's proposal to convert the UW System to a public authority. Those items begin with item 13 on page 462 and end with item 33 on page 513 of the Legislative Fiscal Bureau's "Summary of the Governor's 2015-17 Budget Recommendations" with the exception of item 52 on page 494 which was previously removed as policy. In addition, delete corresponding items under the Department of Agriculture, Trade, and Consumer Protection related to the transfer for the State Laboratory of Hygiene and the Veterinary Diagnostic Laboratory and a corresponding provision under the Educational Communications Board related to the affiliation agreement with the Board of Regents. Under this alternative, the UW System would remain a state agency, SLH and VDL would remain attached to the UW System and current law related to the UW System would be maintained.

Prepared by: Emily Pope  
Attachment



## ATTACHMENT

### LFB Summary Items That Could be Deleted if the Joint Finance Committee Deletes the Governor's Proposal to Convert the UW System to a Public Authority

| <u>Item #</u> | <u>Title</u>   |
|---------------|--|
|               | <b>Department of Agriculture, Trade, and Consumer Protection (Page 52)</b> |
| 3             | State Laboratory of Hygiene  |
| 4             | Wisconsin Veterinary Diagnostic Laboratory                                 |
|               | <b>Educational Communications Board (Page 141)</b>                         |
| 10            | Affiliation Agreement with the UW System                                   |
|               | <b>UW System (Page 459)</b>  |
| 13            | Delete UW PR and Federal Appropriations                                    |
| 14            | PR Debt Service Appropriation Under DOA                                    |
| 15            | Delete Trust Fund Income Appropriation                                     |
| 25            | Delete Outdoor Skills Training Agreement and Related Funding               |
| 26            | Delete Funding for Great Lakes Fish Studies                                |
| 28            | Transfer State Laboratory of Hygiene to DATCP                              |
| 29            | Transfer Veterinary Diagnostic Laboratory to DATCP                         |
|               | <b>Create UW System Authority (Page 469)</b>                               |
| 1             | Convert UW System to UW System Authority                                   |
| 2             | Lease of State-Owned Property and Facilities                               |
| 3             | Create a State System of Higher Education                                  |
| 4             | UW System Authority Board of Regents                                       |
| 5             | General Responsibilities of the Board of Regents                           |
| 6             | Establish UW System Mission  |
| 7             | Institutional Missions and Educational Programs                            |
| 8             | Representation by the Attorney General                                     |
| 9             | Administrative Rules, Policies, and Procedures                             |
| 10            | Parking Rules, Fees, and Fines   |
| 11            | Lobbying   |
| 12            | Establish Annual Budgets   |
| 13            | GPR Funds Provided Quarterly   |
| 15            | Biennial budget requests   |
| 16            | Deposit of Cash Balances in the Local Government Pooled-Investment Fund    |
| 17            | Application for and Acceptance of Federal Funds                            |
| 18            | Exemption from Property, Corporate, and Sales and Use Taxes                |
| 19            | Payment of Municipal Services  |
| 20            | Payment for Extraordinary Police Services                                  |
| 21            | Employment by the UW System Authority Board                                |

| <u>Item #</u> | <u>Title</u>   |
|---------------|--|
|               | <b>Create UW System Authority (continued)</b>  |
| 22            | Personnel Systems  |
| 23            | Employee Participation in WRS and Group Health and Salary Deductions   |
| 26            | Delete Language Related to Faculty Tenure and Probationary Appointments                                      |
| 27            | Delete Procedural Guarantees for Faculty and Academic Staff  |
| 28            | Collective Bargaining for Certain Employees  |
| 29            | Code of Ethics   |
| 30            | Civil Liability of UW Employees  |
| 31            | Sabbatical Leave   |
| 32            | Limits on Dual Employment  |
| 33            | UW Employees Not Covered by State Whistleblower Law  |
| 34            | Service by Employees as Election Officials   |
| 35            | Frequency of Payment of Employees  |
| 36            | Ability to Hold, Sell, and Lease Property  |
| 40            | Delete Eligibility for DOA Energy Conservation Projects  |
| 41            | Agreements with UW Hospitals and Clinics Authority   |
| 42            | Compliance of Building Projects with State Code, Exemption from Municipal Ordinances and Regulations         |
| 43            | Inventory of Real Property   |
| 45            | Travel Policies  |
| 46            | Participation in Risk Management Programs  |
| 47            | Exempt UW System Authority from State Printing Law   |
| 48            | Oversight of Information Technology (IT) Projects  |
| 49            | Access by the Legislative Fiscal Bureau  |
| 50            | Access and Audits by the Legislative Audit Bureau  |
| 51            | DOA Access to UW System Authority Financial Information  |
| 53            | Treatment of the Authority as a State Agency in Certain Areas  |
| 54            | Exempt UW System Authority from Certain Laws, Rules, and Procedures  |
| 55            | Exemption of Certain UW Documents from State Document Distribution Requirements                              |
| 56            | Relationship with SWIB   |
| 57            | Board of Regents Approval of County Extension Programs   |
| 58            | Psychiatric Institute  |
| 59            | Renewable Energy Goal Would Not Apply  |
| 60            | Review of Research Contracts for Conflict of Interest  |
| 61            | Definitions of Academic Staff, Faculty, and Chancellor   |
| 62            | Appointment to the Professional Standards Council for Teachers   |
| 63            | Delete the Requirement that the Regents Submit a List of Unclassified Appointments to the Secretary of State |
| 64            | Clarify Language Regarding Students Called into Active Military Duty   |
| 65            | Application for Admission of Hearing or Visually Impaired Students by State Superintendent                   |
| 66            | Acquisition and Sale of Hospitals  |
| 67            | Transfer of Information to Insurers  |

Item #

Title

**Delete Current Law Related to the UW System (Page 500)**

*By deleting these items, the Committee would maintain current law in these areas.*

- 1 Delete Shared Governance
- 2 Delete UW System Administration
- 3 Delete Restrictions on the Allocation and Use of GPR
- 4 Delete Current Law Governing Tuition Remissions
- 5 Delete Minority and Disadvantaged Student Programs
- 6 Delete Provisions Related to Student Financial Aid
- 7 Delete Academic Fee Increase and Study Abroad Grants
- 8 Delete Tuition Award Program
- 10 Delete Provisions Requiring or Authorizing Specific Schools and Programs
- 11 Delete Provisions Establishing Certain Centers and Institutes
- 12 Delete Required UW-Extension Programs
- 13 Delete Required Research and Public Service Programs
- 14 Delete Provisions Related to Public Broadcasting
- 15 Delete Required Business Programs
- 16 Delete Required Health Programs in Rural and Underserved Urban Areas
- 17 Delete Requirements Related to Economic Development Programs and Assistance
- 18 Delete Programs Related to K-12 Education
- 19 Delete Distinguished Professorships and Chairs
- 20 Delete Required Reports
- 21 Delete Application Fee Amounts
- 22 Soil and Water Conservation
- 23 Delete Responsibilities of the Water Resources Center Director
- 24 Delete Provisions Related to Student Tuition Bills and Tuition and Segregated Fees  
Information
- 25 Delete Language Related to Sexual Assault Information and Reporting
- 26 Delete Provision Related to Discipline of Students for Controlled Substance  
Violations
- 27 Delete Requirement for Agreement Relating to Research on Education Programs
- 28 Delete Basic Lumber Grading Training Program
- 29 Delete UW-Extension Agricultural Safety and Health Center and Grants
- 30 Delete Language Related to the Sale, Lease, or Purchase of Agricultural Land by the  
Board of Regents
- 31 Delete DHS Tobacco Research Grants
- 32 Delete Additional Current Law Provisions
- 33 Delete Obsolete Statutory Language and References