UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary

<table>
<thead>
<tr>
<th>Fund</th>
<th>2016-17 Base</th>
<th>2017-19 Governor</th>
<th>2017-19 Jt. Finance</th>
<th>Joint Finance Change to: Governor</th>
<th>Joint Finance Change to: Base</th>
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</thead>
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<td></td>
<td>2016-17 Base</td>
<td>Governor Year Doubled</td>
<td>Jt. Finance</td>
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<td>Percent</td>
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<tr>
<td>FED</td>
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<td>- 8.2</td>
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<td>PR</td>
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<td>104,319,600</td>
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<td>SEG</td>
<td>59,525,000</td>
<td>59,525,000</td>
<td>52,161,400</td>
<td>- 7,363,600</td>
<td>- 12.4</td>
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<td>TOTAL</td>
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<td>$12,431,997,800</td>
<td>$12,183,273,500</td>
<td>- $248,724,300</td>
<td>- 2.0%</td>
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FTE Position Summary

<table>
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<tbody>
<tr>
<td>GPR</td>
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<td>17,813.49</td>
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<td>- 222.39</td>
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<td>PR</td>
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<td>SEG</td>
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<td>137.12</td>
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<td>TOTAL</td>
<td>35,400.86</td>
<td>35,560.08</td>
<td>35,338.49</td>
<td>- 221.59</td>
<td>- 62.37</td>
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Budget Change Items

1. PERFORMANCE FUNDING AND REPORT CARDS [LFB Paper 635]

    | Governor (Chg. to Base) | Jt. Finance (Chg. to Gov) | Net Change |
    |-------------------------|---------------------------|------------|
    | GPR $42,500,000         | - $11,250,000             | $31,250,000 |

    **Governor**: Provide $21,250,000 annually through the UW System's general program operations appropriation and specify that, beginning in the 2017-18 fiscal year, these funds would be distributed based on a plan developed by the Board of Regents and approved by the Secretary of the Department of Administration (DOA). The bill would define the amount of funding allocated for making distributions in a fiscal year under the plan approved by the DOA Secretary as performance funding. Require the Board of Regents to submit a plan for distributing
the performance funding based on each institution's rank on criteria specified in the bill and criteria specified by the Board to the DOA Secretary no later than January 1, 2018. Specify that the plan would include the Board's method for ranking performance regarding each set of performance criteria specified in the bill and by the Board. The DOA Secretary would have 30 days to approve the plan or to require the Board to submit a revised plan. If the Board is required to submit a revised plan, the DOA Secretary would have 30 days to approve the plan or require another revised plan. The Board could not implement a plan for the distribution of the performance funding until such a plan was approved by the DOA Secretary. If the Board is unable to distribute the performance funding provided in the 2017-18 year, the Board would be required to distribute the entire amount of performance funding provided in the biennium, $42,500,000, in the 2018-19 year. The Board may only distribute the performance funding as specified in the plan approved by the DOA Secretary and may not otherwise spend the performance funding.

The bill would require the Board to rank each institution's performance on five sets of criteria for each fiscal year and specify the proportion of the performance funding that would be distributed to the institutions based on their relative ranking on criteria in that set. The five sets and the proportion of the performance funding that should be distributed based on the criteria in that set are as follows: (a) affordability and attainability, 30%; (b) work readiness, 15%; (c) student success in the state workforce, 30%; (d) efficiency, 10%; and (e) service, 5%. The remaining 10% of the performance funding would be distributed based on each institution's rank on two additional criteria specified by the Board. The bill would specify between one and eight criteria within each of the five sets and require the Board establish a formula for distributing the proportion of the performance funding provided to be based on an institution's ranking on criteria in that set and the two criteria specified by the Board. Require that each formula ensure that an institution receives a distribution that is greater than any other institution with a lower ranking. Specify that in ranking institutional performance and establishing formulas for the distribution of the performance funding, the Board would control for the number of students enrolled at each institution so that institutions with larger enrollments are not advantaged over institutions with smaller enrollments.

The affordability and attainability criteria would be: (a) the average length of time for students to obtain each degree awarded by the institution; (b) participation in dual enrollment programs; (c) percentage of students who were awarded degrees who completed degree requirements within three years; (d) percentage of students who were awarded degrees who completed degree requirements within four years; (e) percentage of students who were awarded degrees who completed degree requirements within six years; (f) percentage of students awarded degrees in healthcare, science, technology, engineering, or mathematics; (g) the graduation rate of low-income students as determined in a manner specified by the Board; and (h) faculty instructional hours. The bill would define dual enrollment programs as programs or courses of study designed to provide high school students the opportunity to gain credits in both a high school and a university or UW Colleges campus. These programs would include transcripted credit programs or other education services provided by contract between a school district and a university or UW Colleges campus and the early college credit program.

The work readiness criteria would be: (a) the average number of high-impact practices
experienced at any time during undergraduate enrollment by bachelor's degree graduates; and (b) the percentage of students who participated in internships at any time during their undergraduate enrollment. The bill would define high-impact practices as techniques and designs for teaching and learning that the Board has identified as proven to be beneficial for student engagement and successful learning among students from many backgrounds.

The student success in the state workforce criteria would be: (a) the percentage of students awarded degrees who obtained full-time postgraduate employment; (b) the percentage of students awarded degrees who obtained full-time postgraduate employment in a field related to the degree awarded; (c) the percentage of the state workforce, defined by the bill as the number of state residents aged 25 to 64, who graduated from the institution in the five prior fiscal years; (d) the percentage of students awarded degrees who are employed or continuing their education within one year of graduation; and (e) the number of degrees awarded by the institution that are in high-demand fields. Under the bill, the Department of Workforce Development would determine what constitutes high-demand fields and revise the determination as necessary.

The service measures would be: (a) the number of state residents served by the UW-Extension and outreach programs at the institution; and (b) expenditures at the institution on student community service programs that do not award academic credit. Efficiency would be measured by each institution's performance in minimizing expenditures for supplies, services, personnel, and other administrative expenses.

Provide that the Board may substitute different criteria to apply to the UW Colleges if the Board determines that different criteria are appropriate for evaluating the performance of the UW Colleges. The Board may also exempt the UW Colleges from any ranking and distribution of the performance funding if the Board determines the criteria should not apply to the UW Colleges.

Specify that, beginning in the 2018-19 fiscal year, the Board of Regents would require each institution to prepare an evaluation designated as the "performance funding report card." The performance funding report card would summarize the institution's performance during the prior fiscal year with respect to the performance criteria identified by the bill and specified by the Board and other metrics specified by the Board. If the Board specifies others metric that should be reported by the institutions, those metrics would apply to all institutions. The performance funding report card prepared by each institution would compare the performance of the institution on those criteria and metrics to the performance of the other UW institutions. The Board may require the institutions to include additional information in their performance funding report cards including the information the Board and the UW-Madison Chancellor are required to include in their current law annual accountability reports regarding performance, access and affordability, undergraduate education, graduate and professional education, and faculty. Specify that each institution's performance funding report card would be prepared in a single-page format specified by the Board, would be accessible via a prominent link on the institution's Internet home page, and would be updated as necessary at the end of each semester.

In addition, require the Board to publish data on the UW System's online accountability dashboard regarding each institution's performance with respect to the performance criteria identified by the bill and specified by the Board and any other metrics included in each
institution's performance funding report card as specified by the Board.

**Joint Finance**: Delete the Governor's recommendation and reduce funding by $16,250,000 in 2017-18 and provide an additional $5,000,000 in 2018-19, for net funding of $5,000,000 in 2017-18 and $26,250,000 in 2018-19. Instead, establish the following goals for the UW System: (a) grow and ensure student access; (b) improve and excel at student progress and completion; (c) expand contributions to the workforce; and (d) enhance operational efficiency and effectiveness. Require the Board of Regents to identify at least four metrics to measure progress towards meeting each of the four goals established by the Legislature. Specify that the Board of Regents could identify different metrics for the UW-Extension where appropriate. Specify that each institution would select one metric identified for each goal on which the institution would improve and one metric identified for each goal on which the institution would maintain excellence.

Require the Board of Regents to submit an outcomes-based funding formula to the Joint Committee on Finance by February 15, 2018, for approval, or modification and approval, through a 14-day passive review process. Require the Joint Finance Committee to consult with the appropriate standing committee in each house prior to approving, or modifying and approving, the outcomes-based funding formula. Specify that no more than 30% of the funding distributed through the outcomes-based funding formula could be distributed to institutions for maintaining excellence on the selected metrics. Specify that the $26,250,000 of funding provided in 2018-19 be distributed using the outcomes-based funding formula developed by the Board of Regents and approved by the Joint Committee on Finance.

In addition, require the Board of Regents to: (a) identify baseline data sets for the four goals established by the Legislature; (b) identify degree programs that qualify as high demand for each institution; and (c) approve a peer group for each institution that would include institutions with comparable missions and service populations.

Require the Board to submit an annual report to the Joint Committee on Finance beginning in 2018-19 that describes how the funding provided has been distributed to the institutions using the outcome-based funding formula. Require that the report describe all of the following: (a) the amount distributed to each institution in that fiscal year by the formula; (b) the performance of each institution with respect to each metric included in the outcomes-based funding formula; (c) the methodology used to distribute the funding provided based on each institution's performance on the metrics; (d) the performance of the UW System as a whole with respect to each of the metrics identified by the Board of Regents; and (e) any other information used to administer the outcomes-based funding. Require the Board to make the report available to the public and require each UW institution to post the report on its website.

Require that the $5,000,000 provided in 2017-18 be distributed by the Board of Regents to UW institutions to increase enrollments in high demand degree programs. Specify that these funds would be distributed to the institutions through a competitive process involving a request for proposals.
2. **FUNDING FOR A 5% TUITION REDUCTION IN 2018-19** [LFB Paper 636]

<table>
<thead>
<tr>
<th></th>
<th>Governor (Chg. to Base)</th>
<th>Jt. Finance (Chg. to Gov)</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPR</td>
<td>$35,000,000</td>
<td>-$35,000,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Governor**: Increase the amount of funding provided through the UW System's general program operations appropriation by $35,000,000 in 2018-19. According to the Executive Budget Book, this funding is provided to fund a 5% reduction in tuition in that year and should be allocated to the institutions in proportion to the estimated reduction in revenues as a result of the tuition decrease. The bill does not include any statutory or nonstatutory language regarding the amount by which tuition should be decreased or for which students or program tuition should be decreased.

**Joint Finance**: Delete $35,000,000 provided to offset the reduction in resident undergraduate tuition in 2018-19 and specify that resident undergraduate tuition would be frozen in the 2017-18 and 2018-19 academic years.

3. **GENERAL WAGE ADJUSTMENTS AND FRINGE BENEFIT COSTS FOR UW EMPLOYEES** [LFB Papers 161 and 642]

<table>
<thead>
<tr>
<th></th>
<th>Governor (Chg. to Base)</th>
<th>Jt. Finance (Chg. to Gov)</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPR</td>
<td>$11,644,400</td>
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<td>$0</td>
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</table>

**Governor**: Provide $126,500 in 2017-18 and $11,517,900 in 2018-19 to fund the following: (a) expected inflation in fringe benefit costs in each year of the biennium; and (b) general wage adjustments for UW employees of 2% on both September 30, 2018, and May 26, 2019. These general wage adjustments would be equal to those proposed for other state employees in 2018-19. According to the Budget in Brief, the amounts provided are the net of the estimated costs of (a) and (b) above and anticipated savings to the UW System if the Joint Committee on Finance potentially were to approve a contract to self-insure health care costs for state employees. The bill specifies that the Board of Regents could not request any funds from the state's compensation reserve during the 2017-19 biennium to fund compensation and fringe benefit costs.

**Joint Finance**: Modify the Governor's recommendation to provide the 2% general wage adjustments on July 1, 2018, and January 1, 2019. In addition, transfer the funding provided for increases in salary and fringe benefit costs for UW employees from the UW System's GPR general program operations appropriation to the compensation reserve and delete language specifying that the Board of Regents could not request any funds from the state's compensation reserve during the 2017-19 biennium. The compensation reserve amounts provided for the UW System are shown under "Budget Management and Compensation Reserves."
4. THOMPSON CENTER ON PUBLIC LEADERSHIP

Joint Finance: Provide $1,500,000 annually in a new appropriation under the UW System for general program operations of the Tommy G. Thompson Center on Public Leadership. Create at the UW-Madison the Tommy G. Thompson Center on Public Leadership (Center) that has as its mission the facilitation of research, teaching, outreach, and needed policy reforms regarding effective public leadership that improve the practice of American government. Require the Center to endeavor to carry out its mission throughout all the institutions of the System.

Create a public leadership board (Board) attached to the UW System, whose members would consist of: (a) the Director of the Center; (b) the President of the Thompson Family Charitable Foundation, Inc. or his or her designee; (c) one member, appointed for a three-year term, who worked under the personal direction of former Governor Thompson during his career in state or federal government; (d) two members appointed for three-year terms from a list of at least three names submitted by the Speaker of the Assembly; and (e) two members appointed for three-year terms from a list of at least three names submitted by the Senate Majority Leader. The members under (d) and (e) would be appointed by the Governor without Senate confirmation.

Require the Board to appoint a director of the Center for a three-year term upon the joint recommendation of the Chancellor of the UW-Madison and the Dean of the College of Letters and Science at UW-Madison. Specify that the Center may do any of the following: (a) make grants to support faculty research that objectively studies public leadership in American political and legal institutions, policy making, and policy implementation; (b) conduct an annual competitive grant contest for encouraging faculty research described in (a) that has direct and urgent relevance for the state of Wisconsin; (c) publicize the findings of the research that is supported by the Center; (d) foster public debate over critical issues regarding effective public leadership and facilitate dialogue between academics and policy makers on those issues; (e) conduct and promote programs and events that bring timely political and policy issues to the attention of larger audiences; and (f) take any other action that is consistent with the mission of the Center.

Require that annually not less than $500,000 of the amount appropriated to the Center be allocated by the Board for speaking engagements sponsored by the Center at campuses other than the UW-Madison campus. Require that the Director of the Center propose an annual budget itemizing expenditures of the moneys appropriated to the Center, including expenditures for grants to proposed recipients, which would be subject to the approval of the Board. Specify that upon the approval of the Board, the Director could make substantive changes to the annual budget only with the subsequent approval of the Board.

5. CARBONE CANCER CENTER

Joint Finance: Provide $490,000 annually through the UW System's GPR general program operations appropriation to expand precision medicine at the UW Carbone Cancer Center through the Precision Medicine Molecular Tumor Board by: (a) increasing access to precision medicine for cancer patients in Wisconsin; (b) providing genomics resources to
patients in need; and (c) developing a precision medicine statewide database.

6. **FINANCIAL AID FOR STUDENTS ENROLLED IN UW FLEXIBLE OPTION PROGRAMS** [LFB Paper 637]

<table>
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<th></th>
<th>Governor (Chg. to Base)</th>
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<th>Net Change</th>
</tr>
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<tbody>
<tr>
<td>GPR</td>
<td>$700,000</td>
<td>- $52,000</td>
<td>$648,000</td>
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</table>

**Governor:** Provide $700,000 in 2018-19 through the UW System's appropriation for general program operations. According to the Executive Budget Book, this funding would be used to provide financial aid to students enrolled in programs offered through the UW Flexible Option platform.

**Joint Finance:** Modify the Governor's recommendation to provide $271,100 in 2017-18 and reduce funding by $323,100, for a net amount of $271,100 in 2017-18 and $376,900 in 2018-19 for financial aid for students enrolled in UW Flexible Option programs.

7. **INCREASE FLEXIBLE OPTION DEGREE AND CERTIFICATE PROGRAMS** [LFB Paper 637]

**Governor:** Require the Board of Regents to ensure that the total number of accredited competency-based degree and certificate programs offered through the UW Flexible Option platform is increased by at least 50% by December 1, 2019. Specify that the number of programs offered through the UW Flexible Option platform on the effective date of the bill should be used for the purpose of calculating the increase. Provide that if the number of programs offered on the effective date of the bill is odd, the increase should be calculated using the next even number. Require that the new programs created between the effective date of the bill and December 1, 2019, include: (a) at least one program that assists certified nursing assistants in becoming registered nurses; and (b) at least one program that prepares nonteacher school district employees to successfully complete a standardized examination prescribed by the State Superintendent as a condition for obtaining a professional teaching permit or an initial teaching license.

**Joint Finance:** Modify the Governor's recommendation to: (a) require the Board of Regents to ensure that the total number of accredited competency-based degree and certificate programs offered through the UW Flexible Option platform is increased by at least 25% by December 1, 2019, instead of by 50%; (b) delete the requirement that the new programs include at least one program that assists certified nursing assistants in becoming registered nurses; and (c) require the Board of Regents to ensure that at least one School of Education within the UW System has partnered with a school district to develop a teacher residency program by December 1, 2019 (the coursework provided by the School of Education would not be required to be delivered via the UW Flexible Option platform).
8. RURAL PHYSICIAN RESIDENCY ASSISTANCE PROGRAM [LFB Paper 638]

<table>
<thead>
<tr>
<th></th>
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<th>Net Change</th>
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<tbody>
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<td>SEG</td>
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<tr>
<td>Total</td>
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<td>$200,000</td>
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</table>

**Governor:** Provide $100,000 annually through the UW System's general program operations appropriation for the rural physician residency assistance program. Under current law, the Department of Family Medicine in the UW School of Medicine and Public Health receives $755,300 annually from the critical access hospital assessment fund to establish and support physician residency positions through the rural physician residency assistance program. To qualify for support through the program, a residency position must either be: (a) in a hospital that is located in a rural area or in a clinic staffed by physicians who admit patients to a hospital located in a rural area; or (b) include a rural rotation, begun after June 30, 2010, which consists of at least eight weeks of training experience in a hospital that is located in a rural area or in a clinic staffed by physicians who admit patients to a hospital located in a rural area. Only physician residencies in family practice, general surgery, internal medicine, obstetrics, pediatrics, or psychiatry may be supported with program funding.

**Joint Finance:** Provide an additional $100,000 SEG annually from the critical access hospital fund and delete the proposed $100,000 GPR annual increase.

9. ALZHEIMER'S DISEASE RESEARCH CENTER FUNDING

**Governor/Joint Finance:** Provide $50,000 annually through the UW System's general program operations appropriation for the Alzheimer's Disease Research Center at UW-Madison. Under 2005 Act 25, the Legislature provided $1,000,000 GPR in 2005-06 and $1,500,000 GPR in 2006-07 to the UW System to support Alzheimer's research. This funding was provided on an ongoing basis.

10. REVIEW OF POLICIES RELATED TO ACADEMIC FREEDOM

**Governor/Joint Finance:** Provide $10,000 in 2017-18 through the UW System's appropriation for general program operations for the UW System to review and revise policies related to academic freedom.

11. CREATE A RENEWABLE ENERGY APPROPRIATION

**Governor/Joint Finance:** Create a sum certain appropriation under the UW System for electric energy derived from renewable resources and provide $4,367,000 annually. Specify that these funds would be used for the premium cost incurred for the generation or purchase of
electric energy derived from renewable resources as defined under current law. Reduce the UW System's GPR general program operations appropriation by $4,367,000 annually and prohibit the Board of Regents from using funds provided through that appropriation for the premium cost incurred for the generation or purchase of electric energy derived from renewable resources.

12. REESTIMATE TUITION REVENUES AND POSITIONS

**Governor/Joint Finance**: Provide additional expenditure authority of $83,958,300 annually and 159.22 positions beginning in 2017-18 to reflect increases in tuition revenues and positions funded by those revenues that have been incorporated into UW System's operating budget since 2014. These increases are attributable to the following: (a) changes in enrollment ($9,659,000); (b) self-supporting programs ($15,970,400); (c) differential tuition increases ($5,869,700); and (d) increases in nonresident and graduate tuition ($52,549,200). Tuition revenues are deposited in the UW System's PR general program operations appropriation. That appropriation is an all-moneys-received appropriation meaning that the UW System can expend all moneys deposited in the appropriation regardless of the amount shown in the appropriation schedule. In addition, the Board of Regents and the UW-Madison Chancellor may create or abolish positions funded with tuition revenue without the approval of the Legislature or the Joint Finance Committee.

13. DELETE VACANT GPR FUNDED POSITIONS [LFB Paper 639]

**Joint Finance**: Delete 222.39 vacant GPR positions under the UW System's GPR general program operations appropriation that were identified in the UW's agency budget request for deletion.

14. REESTIMATE GPR DEBT SERVICE [LFB Paper 170]

<table>
<thead>
<tr>
<th>Governor (Chg. to Base)</th>
<th>Jt. Finance (Chg. to Gov)</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPR</td>
<td>- $13,024,300</td>
<td>$6,951,500</td>
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**Governor**: Reduce the GPR debt service appropriation by $2,977,500 in 2017-18 and by $10,046,800 in 2018-19 to reestimate debt service costs.

**Joint Finance**: Provide $2,236,500 in 2017-18 and $4,715,000 in 2018-19 to reestimate debt service costs based on May, 2017, projections.
15. **REESTIMATE PR DEBT SERVICE**

**Governor/Joint Finance:** Reduce the PR debt service appropriation by $6,409,600 in 2017-18 and by $1,542,500 in 2018-19 to reestimate debt service costs.

16. **REESTIMATE FED, PR, AND SEG APPROPRIATIONS**

[LFB Paper 639]

**Joint Finance:** Reestimate eight all-moneys-received appropriations based on 2015-16 actual expenditures as shown in the table.

<table>
<thead>
<tr>
<th>Appropriation Reestimates</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2017-19</th>
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<tr>
<td>Gifts and Nonfederal Grants and Contracts</td>
<td>$24,728,100</td>
<td>$24,728,100</td>
<td>$49,456,200</td>
</tr>
<tr>
<td>State Laboratory of Hygiene</td>
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<td>-983,200</td>
<td>-1,966,400</td>
</tr>
<tr>
<td>Veterinary Diagnostic Laboratory; Fees</td>
<td>496,200</td>
<td>496,200</td>
<td>992,400</td>
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<tr>
<td>Funds Transferred from State Agencies</td>
<td>28,749,800</td>
<td>28,749,800</td>
<td>57,499,600</td>
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<tr>
<td>Veterinary Diagnostic Laboratory; State Agencies</td>
<td>-831,100</td>
<td>-831,100</td>
<td>-1,662,200</td>
</tr>
<tr>
<td>Subtotal--PR Funding Adjustments</td>
<td>$52,159,800</td>
<td>$52,159,800</td>
<td>$104,319,600</td>
</tr>
<tr>
<td>Trust Fund Income</td>
<td>-$4,221,800</td>
<td>-$4,221,800</td>
<td>-$8,443,600</td>
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<tr>
<td>Federal Aid</td>
<td>-$147,750,100</td>
<td>-$147,750,100</td>
<td>-$295,500,200</td>
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<tr>
<td>Veterinary Diagnostic Laboratory; Federal Funds</td>
<td>-1,482,600</td>
<td>-1,482,600</td>
<td>-2,965,200</td>
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<tr>
<td>Subtotal--FED Funding Adjustments</td>
<td>-$149,232,700</td>
<td>-$149,232,700</td>
<td>-$298,465,400</td>
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<tr>
<td>Total Funding Adjustments</td>
<td>-$101,294,700</td>
<td>-$101,294,700</td>
<td>-$202,589,400</td>
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</table>

17. **WIST AT UW STEVENS POINT**

**Joint Finance:** Provide $440,000 SEG annually from the environmental fund in a new appropriation for the Wisconsin Institute for Sustainable Technology (WIST) at the UW-Stevens Point.

18. **DISCOVERY FARMS POSITION**

**Joint Finance:** Provide 0.80 SEG position beginning in 2017-18 under the appropriation for discovery farm grants.

19. **UW-EXTENSION WATERSHED-NONPOINT SOURCE CONTRACTS**

**Governor/Joint Finance:** Delete the requirement that the Department of Natural Resources allocate $500,000 annually from its appropriation for watershed-nonpoint source contracts for contracts for educational and technical assistance provided by UW-Extension.
Under current law, these funds are deposited in the UW System's program revenue appropriation for funds transferred from other state agencies. The bill would not reduce the amount of this appropriation to reflect this provision.

20. **DELETE TRIBAL GAMING REVENUE APPROPRIATION FOR UW-GREEN BAY PROGRAMMING** [LFB Paper 640]

**Governor:** Delete the appropriation under the Department of Administration for UW-Green Bay programming. This appropriation provides $247,500 annually from tribal gaming revenues for programming that is jointly developed by the Oneida Tribe and UW-Green Bay. Under current law, the funds provided by this appropriation are deposited in the UW System's program revenue appropriation for funds transferred from other state agencies. The bill would not reduce the amount of that appropriation to reflect this provision.

**Joint Finance:** Delete provision, which would restore the appropriation under the UW System.

21. **PERMIT STUDENTS TO DECLINE TO PAY ALLOCABLE SEGREGATED FEES**

**Governor:** Require the Board of Regents to ensure that each student has the opportunity to decline to pay all allocable segregated fees charged for a semester, session, or academic year at the time that the student pays tuition for that semester, session, or academic year. Require the Board to ensure that each student's tuition bill for a semester or session would include a statement that allocable segregated fees are optional and that a student may decline to pay all allocable segregated fees charged by the institution or UW Colleges campus.

In addition, require the Board to ensure that a statement that allocable segregated fees are optional and that a student may decline to pay all allocable segregated fees charged by an institution or UW Colleges campus is posted on each institution's and UW Colleges campus's Internet site. Under current law, the Board must ensure that the segregated fees applicable at each institution and UW Colleges campus are posted on the institution's or UW Colleges campus's Internet site along with detailed information on the organizations and activities for which allocable segregated fees are expended.

Under the bill, allocable segregated fees would be defined as segregated fees that provide substantial support for campus student activities and that students are responsible for allocating in consultation with the chancellor and subject to the final confirmation of the Board. These provisions would first apply to fees charged for the first semester or session of the 2018-19 academic year.

**Joint Finance:** Delete provision as a non-fiscal policy item. Instead, require the Board of Regents to revise its policies regarding student segregated fees to ensure that the classification of those fees as allocable or nonallocable is consistent across institutions. Require the Board of Regents to submit those revised policies to the Joint Finance Committee for approval through a 14-day passive review process. Specify that the Board of Regents may not approve an increase in the
allocable portion of segregated fees at any institution until the Joint Finance Committee has approved the revised policy.

22. **TUITION AND FEE REMISSIONS FOR THE CHILDREN AND SPOUSES OF DECEASED OR DISABLED VETERANS** [LFB Paper 641]

   **Governor:** Provide that, for the purpose of tuition and fee remissions for children and spouses, an eligible veteran is a person who meets all of the following criteria: (a) has service on active duty under honorable conditions in the U.S. Armed Force, in forces incorporated as part of the U.S. Armed Forces, in the National Guard, or in a reserve component of the U.S. Armed Forces; (b) was a resident of this state at the time of entry into that service or resided in this state for at least five consecutive years immediately preceding the beginning of any semester or session for which the person registers at an institution; and (c) either died on active duty, died as the result of a service-connected disability, or died in the line of duty while on active or inactive duty for training purposes while a resident of this state or has been awarded at least a 30% service-connected disability rating by the U.S. Department of Veterans Affairs. Under current law, an eligible veteran for the purpose of tuition and fees remissions for children and spouses is a person who meets the criteria described in (a) and (c) above and who was a resident of this state at the time of entry into service.

Under current law, the Board of Regents is required to grant a full remission of tuition and segregated fees for 128 credits or eight semesters, whichever is longer, to a resident student who is the spouse, unremarried surviving spouse, or child of an eligible veteran. The amount of tuition and fees remitted to such a student is reduced by the amount paid on behalf of the student by the U.S. Department of Veterans Affairs through the Post 9/11 G.I. Bill. Credits or semesters for which the student received a remission from a technical college district board are counted against the 128 credit or eight semester limit. To remain eligible for remissions, a student must maintain a cumulative grade point average of at least a 2.0. Children of eligible veterans are only eligible to receive remissions while they are at least 17 but not yet 26 years of age.

In 2015-16, the Board of Regents remitted $10.0 million in tuition and fees to the spouses, unremarried surviving spouses, and children of eligible veterans under current law. A sum certain general purpose revenue appropriation under the Higher Educational Aids Board partially reimburses the Board of Regents and the technical college district boards, which are also required to grant such remissions, for these remissions. In 2015-16, HEAB reimbursed the Board of Regents and the technical college district boards for 15% of tuition and fees remitted to spouses, unremarried surviving spouses, and children of eligible veterans.

**Joint Finance:** Modify the Governor's recommendation for veterans who did not reside in Wisconsin at the time of entry into service to specify that: (a) the children and unremarried surviving spouse of a deceased veteran would be eligible for tuition and fee remissions if the veteran had lived in this state for at least five consecutive years after he or she attained the age of 18; and (b) the children and spouse of a disabled veteran would be eligible for tuition and fee remissions if the veteran has lived in this state for at least five consecutive years immediately preceding the semester or session for which the child or spouse seeks a remission. In addition,
specify that the child, spouse, or unremarried surviving spouse of a deceased or disabled veteran who did not enter service from this state but who resided in this state for at least five consecutive years would only be eligible for tuition and fee remissions if the child or spouse has resided in this state for at least five consecutive years immediately preceding enrollment.

23. NATIONAL GUARD NONRESIDENT TUITION EXEMPTION

**Joint Finance:** Provide an exemption from nonresident tuition for students who meet all of the following criteria: (a) the student has resided in this state for six months immediately preceding the beginning of any semester or session in which the student enrolls; (b) the student is a member of the Wisconsin National Guard or a reserve unit of the U.S. Armed Forces when he or she registers at an institution and has been a member for the six months immediately preceding the semester in which the student enrolls; and (c) while enrolled, the student continues to be a member of the Wisconsin National Guard or a reserve unit of the U.S. Armed Forces, or is honorably discharged or released under honorable conditions from the Wisconsin National Guard or a reserve unit of the U.S. Armed Forces. Specify that a student who meets the criteria above and who withdraws from an institution during a semester or session because he or she is called into active duty with the Wisconsin National Guard or the U.S. Armed Forces for at least 30 days is entitled to an exemption from nonresident tuition if he or she reenrolls in a UW institution during the semester in which he or she is discharged, demobilized, or deactivated from active duty or in the following semester. Provide that a student who meets the criteria above would be eligible to receive an exemption from nonresident tuition for 128 credits or eight semesters, whichever is longer. This provision would first apply to students who enroll in an institution in the academic year beginning after the effective date of the bill.

24. ACADEMIC CREDIT FOR MILITARY TRAINING

**Joint Finance:** Require the UW System and the Wisconsin Technical College System to accept: (a) the American Council on Education's recommendation for credits that can be found on a service member's Joint Services Transcript; or (b) credits shown on the Community College of the Air Force transcript.

25. QUALIFICATIONS OF UW SYSTEM PRESIDENT, CHANCELLOR, OR VICE CHANCELLOR CANDIDATES

**Joint Finance:** Prohibit the Board of Regents or any institution from adopting any policy or promulgating any rule that requires the Board to consider only individuals who are faculty members or who have been granted tenure at UW institutions or other institutions of higher education or who hold terminal degrees for appointment as the UW System President or the chancellor or vice chancellor of a UW institution.

26. UW-GREEN BAY ENGINEERING SCHOOL

**Joint Finance:** Authorize the Board of Regents to create an engineering school at UW-
Green Bay.

27. **UW-OSHKOSH FOUNDATION**

   **Joint Finance:** Prohibit the Board of Regents from transferring funds to the UW-Oshkosh Foundation unless the transfer is first approved by legislative enactment.

28. **INDEPENDENT AUDIT**

   **Joint Finance:** Suspend current law during the 2017-19 biennium requiring the Legislative Audit Bureau to conduct an annual financial audit of the UW System. Instead, require the UW System to contract with an independent accounting firm which has been licensed by the State of Wisconsin for purposes of conducting the annual financial statement audit. Specify that the independent accounting firm would be contracted by, and would report to, the UW Board of Regents. Require that the independent audit firm provide the all of the following to the Board of Regents, the Governor, the Joint Legislative Audit Committee, and the Joint Finance Committee: (a) the audited financial statements; (b) performance improvement observations; and (c) a management letter complete with internal control deficiencies and audit differences. Specify that this provision would only apply to the fiscal years ending June 30, 2018, and June 30, 2019. In addition, provide that the independent audit firm may use the Legislative Audit Bureau to assist in conducting the audit to the extent the work relied upon does not modify the audit opinion with the exception of accepting the prior years unqualified opinion.

29. **LODGING RATES**

   **Joint Finance:** Prohibit the Board of Regents from providing for reimbursement of System employees for lodging expenses in Wisconsin at a rate that exceeds the maximum rate for such expenses incurred in the same location in Wisconsin under the approved uniform travel schedule incorporated into the current compensation plan. Specify that this prohibition would first apply to claims for reimbursement on the first day of the fourth month beginning after publication of the budget act. Contracts that are in effect on that day would be exempt from this provision.

30. **LEASES OF STUDENT HOUSING**

   **Governor:** Delete the exemption from the Board of Regents' lease authority for leases of real property to be used as student housing that were not in effect on July 14, 2015. Under current law, provision of all leases of real property to be occupied by the Board of Regents for use other than for student housing is the responsibility of the Board. The provision of leases for use as student housing is the responsibility of the Department of Administration, except for leases of student housing that were in effect as of July 14, 2015, which are the responsibility of the Board. Under this provision, the Board of Regents would be responsible for all leases of real property to be occupied by the Board.

   **Joint Finance:** Delete provision as a non-fiscal policy item.
31. THREE-YEAR DEGREE STATEMENTS

**Governor:** Require each university to submit to the Board of Regents and post on its website a statement describing how each major for which the university offers a bachelor's degree may be completed within three academic years. Specify that the chronology of the statement would begin with the fall semester of the student's first year of the bachelor's degree program. Under current law, university is defined as any baccalaureate or graduate degree granting institution, which would include the UW System's 13 four-year institutions and the UW Colleges which grant a bachelor's of applied arts and science degree.

Specify that the statement could include any of the following methods for contributing to earning a bachelor's degree in three academic years: (a) advanced placement credit; (b) international baccalaureate program credit; (c) satisfaction of degree and credit-hour requirements by completing courses that are widely available at technical colleges or through online programs offered by UW institutions or private, nonprofit institutions of higher education; (d) postsecondary credit earned through the early college credit program; (e) completion of course work during summer sessions; (f) waiver of foreign language degree requirements based on a proficiency examination specified by the university; or (g) any other method specified by the university. Specify that this provision would not require a university to take any action that would violate the requirements of any independent association that accredits bachelor's degree programs.

Under the bill, each university would be required to submit these statements for at least 10% of all bachelor's degree programs offered no later than January 1, 2018, and for at least 60% of bachelor's degree programs no later than June 30, 2020. Statements submitted to the Board would be provided to the State Superintendent of Public Instruction, who would be required to distribute copies of the statements to school boards, operators of independent charter schools, and the governing bodies of private schools that participate in the special needs scholarship program and the private school choice programs that operate high school grades. The school boards, governing bodies, and charter school operators would be required to make copies of the statements available to high school principals, guidance counselors, or equivalent positions.

In addition, the Board and the UW-Madison Chancellor would be required to include the number of bachelor's degrees that were completed within three academic years and the percentage of bachelor's degree programs for which statements were submitted to the Board in the annual accountability reports that they are required to submit to the Governor and Legislature under current law.

**Joint Finance:** Delete provision as a non-fiscal policy item.

32. REQUIRE BACHELOR'S DEGREE CANDIDATES TO HAVE AN INTERNSHIP OR WORK EXPERIENCE

**Governor:** Provide that the Board of Regents could not confer a bachelor's degree on a student enrolled in a university unless the student has had an internship or work experience while enrolled in the university and require the Board to establish policies for determining whether a
student has satisfied this degree requirement. Specify that this provision would first apply to students who first enroll in the 2018-19 academic year.

Joint Finance: Delete provision as a non-fiscal policy item.

33. CORE GENERAL EDUCATION COURSES TRANSFER AGREEMENT

Governor: Increase the number of credits for completing courses identified in the core general education courses transfer agreement from 30 to 60. Specify that, beginning in the 2018-19 academic year, the Board of Regents and the Wisconsin Technical College System Board (WTCS) would establish policies to ensure that credits for completing courses identified in that agreement would be transferable and would satisfy general education requirements at the receiving institution or college, and between and within each institution, UW Colleges campus, and technical college. In addition, specify that core general education courses completed by high school students enrolled in UW System institutions or other educational institutions through the early college credit program would be included in the agreement.

Under 2013 Act 20, the Board of Regents and the WTCS Board were required to enter into and implement an agreement that identified core general education courses totaling not fewer than 30 credits by the 2014-15 academic year. The Board of Regents and the WTCS Board were required to establish policies to ensure that the credits for completing those courses would be transferable and would satisfy general education requirements at the receiving institution or college, and between and within each institution, UW Colleges campus, and technical college. The governing boards of tribally controlled colleges in this state and the Wisconsin Association of Independent Colleges and Universities, on behalf of private colleges, may also enter into this agreement.

Joint Finance: Delete provision as a non-fiscal policy item.

34. EARLY COLLEGE CREDIT TRANSFER POLICIES

Governor: Require the Board of Regents to establish policies for the appropriate transfer of postsecondary credits earned by high school students enrolled in courses at UW System institutions and at institutions outside the UW System through the early college credit program. If the Board determines that postsecondary credits earned by a high school student through the early college credit program would not be transferable, the Board would be required to permit the student to take an examination to determine the student's competency in the subject area of the course. If the student were to receive a passing score on the examination, the Board would be required to award equivalent credits to the student.

Joint Finance: Delete provision as a non-fiscal policy item.

35. CREDIT TRANSFER REPORT

Governor: Require the Board of Regents to measure the effectiveness of its policies regarding the appropriate transfer of credits between institutions within the UW System,
including postsecondary credits earned by high school students at UW institutions through the
early college credit program. Require the Board to submit a report that describes any barriers to
credit transferability within the UW System to the Chief Clerk of each house of the Legislature
by January 1, 2018.

**Joint Finance:** Delete provision as a non-fiscal policy item.

### 36. FACULTY AND ACADEMIC STAFF TEACHING WORKLOAD POLICIES AND REPORTING REQUIREMENTS

**Governor/ Joint Finance:** Require the Board of Regents to develop and implement a plan
that includes all of the following for each institution within the UW System, including UW-
Madison: (a) policies for monitoring teaching workloads of faculty and instructional academic
staff, including requirements for individual faculty and instructional academic staff members to
report the number of hours spent teaching to UW System Administration; and (b) policies for
rewarding faculty and instructional academic staff who teach more than a standard academic
workload. Specify that the Board and the UW-Madison Chancellor should revise their personnel
systems and employment relations policies and practices to ensure that those systems, policies,
and practices are consistent with the plan described above. Specify that any changes made to the
personnel systems to ensure that those systems are consistent with the plan would not require
approval by the Joint Committee on Employment Relations before they could be implemented.

Require the Board and the UW-Madison Chancellor to include aggregate data on teaching
hours reported to UW System Administration under the plan described above in the annual
accountability reports that they are required to submit to the Governor and Legislature under
current law. In addition, require the Board to publish the aggregate data on teaching hours
included in the annual accountability reports on the accountability dashboard published on the
UW System's Internet site and to make the teaching hours reported by individual faculty and
academic staff members accessible via links on the dashboard.

### 37. FREEDOM OF EXPRESSION

**Governor:** Require that the Board of Regents and each institution and UW Colleges
campus be committed to free and open inquiry in all matters and guarantee all members of the
UW System's community the broadest possible latitude to speak, write, listen, challenge, and
learn. Except to the extent limitations on that freedom are necessary to the functioning of the
UW System, require the Board and each institution and UW Colleges campus to fully respect
and support the freedom of all members of the UW System's community to discuss any problem
that presents itself.

Specify that, in the face of conflicting ideas, it is not the proper role of the Board or any
institution or UW Colleges campus to attempt to shield individuals from ideas and opinions they
find unwelcome, disagreeable, or even deeply offensive. Specify that although the Board and
each institution and UW Colleges campus greatly value civility, and although all members of the
UW System's community share in the responsibility for maintaining a climate of mutual respect,
concerns about the civility and mutual respect can never be used as a justification for closing off discussion of ideas, however offensive or disagreeable those ideas may be to some members of the UW System's community.

Specify that, although members of the UW System's community would have freedom to debate and discuss the merits of competing ideas, the Board and each institution and UW Colleges campus may restrict expression that violates the law, that falsely defames a specific individual, that constitutes a genuine threat or harassment, that unjustifiably invades substantial privacy or confidentiality interests, or that is otherwise directly incompatible with the functioning of the UW System. Provide that in addition, the Board and each institution and UW Colleges campus may reasonably regulate the time, place, and manner of expression to ensure that it does not disrupt the ordinary activities of the UW System. Require that these exceptions to the general principle of freedom of expression be construed narrowly and specify that they are not intended to be used in a manner that is inconsistent with the UW System's commitment to a completely free and open discussion of ideas. Specify that the UW System's fundamental commitment is to the principle that debate or deliberation may not be suppressed because the ideas put forth are thought by some or even by most members of the UW System's community to be offensive, unwise, immoral, or wrongheaded. Specify that it is for the individual members of the UW System's community, not for the Board or any institution or UW Colleges campus, to make those judgements by themselves, and to act on those judgements not by seeking to suppress speech, but by openly and vigorously contesting the ideas that they oppose. Specify that fostering the ability of members of the UW System's community to engage in such debate and deliberation in an effective and responsible manner is an essential part of the UW System's educational mission.

Specify that, as a corollary to the UW System's commitment to protect and promote free expression, members of the UW System's community must also act in conformity with the principle of free expression. Provide that although members of the UW System's community are free to criticize and contest the views expressed on the campuses of the UW System, and to criticize and contest speakers who are invited to express their views on these campuses, they may not obstruct or otherwise interfere with the freedom of others to express views they reject or even loathe. Specify that to this end, the Board and each institution and UW Colleges campus has a responsibility not only to promote a lively and fearless freedom of debate and deliberation, but also to protect that freedom when others attempt to restrict it.

Joint Finance: Delete provision as a non-fiscal policy item.