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Overview of Proposed 2017-19 Biennial Budget Request

The UW System is not anticipating the need to submit a Cost-to-Continue request (Page 26), which has averaged \$88 million in GPR (state funds) over the last 6 biennia. Not needing to request Cost-to-Continue should free up state dollars for other priorities, including a request for 2020FWD initiatives.

A 1% increase in the first year and a 2% increase in the 2nd year would result in the following increases:

1% in the 1 st Year	\$10.5 million	\$21.0 million
2% in the 2 nd Year.....	\$21.5 million	<u>\$21.5 million</u>
Total		\$42.5 million biennial

At least 10% of new funding would be performance based in the second year. The percentage would increase to 20% in year three and 30% in year four.

2020FWD Initiatives				
	2017-18	Increase in 2018-19	Ongoing	Biennial
Focus on Education Pipeline	\$5,500,000	\$13,500,000	\$19,000,000	\$24,500,000
Focus on University Experience	\$3,000,000	\$3,000,000	\$6,000,000	\$9,000,000
Focus on Business & Community Mobilization	\$2,000,000	\$1,000,000	\$3,000,000	\$5,000,000
Funding for Performance Metrics	<u>\$0</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>
2020FWD Initiatives	\$10,500,000	\$21,500,000	\$32,000,000	\$42,500,000

General Fund Capital Bonding Request \$454,632,000
 1) \$100 M in "All Agency Funds"
 2) Only one GPR project is for a "new building" (Engineering at Platteville)
 3) All other projects are renovation, remodeling, or rehabilitation

Program Revenue Bonding Request \$191,687,000

Language/Flexibility Request:

- 1) Revenue Bonding Authority and Project Management of PR Projects
- 2) Procurement



Remarks by UW System President Ray Cross

Joint Finance Committee

March 30, 2017

Thank you Co-Chair Darling/Co-Chair Nygren, Committee Members, Fiscal Bureau and legislative staff.

I appreciate the opportunity to come before the committee today to discuss the Governor's proposed biennial budget.

Let me begin by saying we are very pleased with what the Governor has proposed. It provides the first investment of new state dollars the UW System has received in more than a decade. We appreciate this recognition of the critical role we play in strengthening Wisconsin's economy and its workforce. Research continues to show that an investment in the UW System yields at least a ten-fold return.

We are also pleased the Governor's proposed budget reflects the priorities and direction expressed in our 2020FWD strategic framework, a copy of which we've provided to each of you. We unveiled the 2020FWD plan last August, and it served as the basis for our biennial budget request. We presented the strategic framework – which aligns UW System resources with Wisconsin's greatest needs – to the Governor last November and it's clear he listened. As you will see, there are a number of parallel themes between his budget and our request.

Before I discuss a few specific items today, I want to remind you that the strategic framework was developed with input from over 5,000 Wisconsin citizens, including business leaders, community leaders, professionals, parents, and legislators, including a number of you. The Governor held listening sessions at the same time and clearly he heard many of the same themes.

I've shared a spreadsheet with each of you that shows how the Board's biennial budget request compares to the Governor's proposal. I won't go line by line through that document, rather, let me focus on five major areas.

First, affordability. We know there are multiple factors that affect college affordability. As I've said before, time to degree has the largest impact on college affordability. That is why we recommend robust initiatives to help students graduate on time, such as expanding early college credit options in high school and making it easier to transfer college credits between institutions. While some of the tactics we propose are different, the Governor's budget also embraced these initiatives. We all recognize that when students graduate on time, they save money and they get into the workforce more quickly.

Obviously, tuition and financial aid are key factors as well. That's why the Board of Regents requested \$19 million over the biennium in additional financial aid for students through the Wisconsin Grant program. The Board also passed a plan that freezes tuition in year one and

allows for an increase of up to inflation in year two. Like, the Governor is also clearly focused on affordability, with both an increase in financial aid and funding to offset a tuition cut included in his plan. Affordability is our shared destination - we just have slightly different paths to get there. We prefer efforts to target financial aid because that will directly help the students with the most need. Quite frankly, we don't think we're far apart, and we look forward to working with this committee and the administration to take steps in this budget that keeps college both affordable and accessible for Wisconsin students and families.

Accountability is the second area where the Governor's budget aligns with our strategic plan. The UW System was the first higher education system in the nation to implement an accountability report, and we post this data online in a graphical format, something we started in 2014. This data includes a broad spectrum of higher education performance metrics related to access, affordability, educational performance, and much more. While we are very proud of the transparency this information provides, we also want to provide data that compares our performance against a set of goals. That's why both the Governor and the UW System embraced a report card, one that would reveal our progress toward established goals. We want to show where we have been, where we are, and where we want to go – we want to show the progress we are making to meet our goals.

Closely connected to the report card is tying a portion state support to outcome-based funding. You will often hear this referred to as performance based funding, but I agree with Senator Harsdorf, who believes we should be focused on investing in, measuring, and rewarding outcomes rather than inputs. Both the Governor and UW System have embraced this idea and propose different funding models to incentivize outcomes at our institutions. While each take a different approach, the broad goals are the same. As we work to refine the formula and metrics associated with outcomes based funding, we will also work to make sure the fiduciary role of the Board of Regents is maintained, that the uniqueness of the UW System and each institution is recognized and valued, that any outcomes based metrics are measurable, and that these metrics are of value to the state, while also reflecting our commitment to the core values of a comprehensive and quality higher education experience.

Third, we have placed an emphasis on employee compensation. As I have said before and will continue to say, our faculty and staff work incredibly hard and are valued by Wisconsin students. Our institutions compete for talent at an international level and strong benefit packages, including retirement, health care, and salaries are critical. Our faculty and staff are the reason the institutions within the UW System are some of the best in the world. Simply put, we need to continue to attract and retain talented faculty to best serve our students and prepare them for the future economy by delivering a quality experience for students, families, taxpayers, businesses and communities. Also, the research they perform improves our lives, our communities, and our economy. Last year UW System faculty and staff generated 171 new patents. Let me put that in context – every week UW System faculty and staff generated 3.3 patents! That is why innovation is important to the future of this state. That's why the Board took the unusual step of including a request for an increase in compensation as part of our formal budget request in August of last year.

So, we sincerely appreciate the Governor's recognition that our employees deserve general wage adjustments and hope you will agree to continue to support this investment.

Fourth, we are calling for a larger investment in our infrastructure. The UW System carefully developed a reasonable capital budget to perform a limited amount of work each year. We are mindful of the costs and concerns associated with bonding. That's why we focused our plan on renovations, remodeling, and the maintenance of existing buildings. Our plan only includes one new academic building, a desperately needed engineering building at UW-Platteville. To reinforce just how conservative and targeted we have been in this process, the capital infrastructure plan we submitted only impacts about 3% of our existing inventory – and it renovates only 1.6% of our gross square footage.

The Governor's capital budget proposal will allow us to do some general maintenance across the UW System. While we greatly appreciate this proposed investment in our infrastructure, we do have some concerns. We want to make sure that UW System receives a proportional amount of the bonding available, since the majority of state owned facilities are managed by the UW System. Second, as we all know, when projects are delayed, their costs go up. Increasing our investment now can save taxpayers and students millions of dollars later.

Finally, we appreciate that the Governor has again provided some **increased flexibility** in the area of procurement. Please know that we appreciate these new tools. This is a step in the right direction because, according to a 2011 NCHEMS study, the UW System is one of the four most regulated university systems in the country. I have worked as a faculty member and department head in Michigan, a president in Minnesota, New York, and now Wisconsin and let me tell you – that study is pretty accurate.

At a time when leaders in Washington and Madison are working to reduce regulatory burdens on all levels of government, we are asking legislators and the Governor to work with us to continue to reduce costly red tape and help move us lower on this less than desirable ranking.

One of the ways you could help us is to continue to give the Board of Regents more latitude to govern. I have to note, we have a very thoughtful, deliberate, and engaged Board of Regents. They are not a rubber stamp – believe me, they are not a rubber stamp! They volunteer an incredible amount of their time and talents to help guide and transform the operations of the UW System. They bring a unique and impressive blend of corporate, government, and community experience. They are major drivers and strong partners in our strategic vision, our budget request, and our efforts to reform our processes.

In closing, affordability, accountability, compensation, infrastructure maintenance, and flexibilities are important to the university system. As I have said before, this is the best budget the UW System has seen in a decade. We look forward to working with this committee to ensure this budget continues to reflect our shared goals and delivers the best possible return on the state's investment. Thank you again for having us here today. I'm happy to take any questions.

UW System- Operating & Capital Budget Provisions - DRAFT (3/29/17)

Item #	Item Name	Item Description	Item Location	Item Amount	Item Status	Item Notes
OPERATING BUDGET ITEMS APPROVED BY THE GOVERNOR						
1	Tuition	Requires an additional year of the resident undergraduate tuition freeze in FY2017-18, and a tuition cut for resident undergraduate students in FY2018-19. The budget will include a \$35 million State GPR increase in the UW System's block grant to pay for the tuition cut. The funds will be allocated throughout the UW System campuses in proportion to the estimated reduction in revenues as a result of the tuition decrease.		FY18: \$0 FY19: \$35,000,000	In October 2016, the Board of Regents approved a 0% tuition increase in FY18 and an increase of no more than the rate of the Consumer Price Index in FY19. *The Board of Regents separately made a \$19.2 million request for financial aid across the biennium. (See Budget Item HEAB #1)	
2	Performance Funding	Provides \$42.5 million GPR over the biennium (\$21,250,000 in each fiscal year) to reward UW System institutions that perform well on affordability, workforce development, and other state priorities. Funding will be provided as a block grant. Each institution will be required to publish a "Performance Funding Report Card" and would receive funding based upon its ranking and size of student population. Performance markers include: Improving affordability and attainability: 30% Enhancing work readiness: 15% Ensuring student success in the workforce: 30% Administrative efficiency: 10% Service: 5% Two other metrics determined by the Board of Regents: 10%		FY18: \$21,250,000 FY19: \$21,250,000	As part of the 2020FWD 'Operational Excellence' initiative, the Board of Regents requested \$4 million, or 10% of the new funding requested for FY19 for performance funding. The UW System requested funding in the second year of the biennium to allow time to develop appropriate metrics for the UW System. Under the proposal the UW System would be judged as a System with the Board of Regents allocating resources according to campus proposals as described in the 2020FWD plan.	Operational Excellence FY18: \$0 FY19: \$4,000,000 (See also Budget Item #24)
3	Allocable Segregated Fees	Allows students to opt out of allocable segregated fees at the time the student pays tuition beginning with the 2018-19 academic year. This will allow students the option of whether or not to fund student organizations and select campus activities. Bill sections: 616, 618, 619, 621, 622, 9348 (2)			No specific request was made by the Board of Regents on this item. The Board sets policies on the review and approval of segregated fees in accordance with state statutes. The UW System is in the process of implementing recommendations of a 2016 systemwide segregated fee working group. These changes include clarifying and monitoring allocable & non-allocable fees, setting thresholds for requiring student referenda, and providing detailed fee information on institutional websites.	
4	Report Card	Require each institution to publish a "Performance Funding Report Card" beginning in FY19. Associated with performance funding criteria established under item #2			2020FWD also called for a report card that tracks implementation of the strategic plan and its progress as a System and by institution toward stated goals.	
5	Flexible Option Program	Requires the Board of Regents to increase the number of programs offered under the Flexible Option by at least 50% over the number offered on the effective date of the bill. New programs must begin enrolling students by Dec. 31, 2019 and be accredited by HLC. These new programs are to include one program to include training nonteacher school district employees to become teachers, and one program to train CNAs to become RNs.			In 2020FWD, the UW System focused on expanding educational opportunities for adult/non-traditional students to complete a degree, including through the Flexible Option Program, called "New Traditional." The programs offered should be directed by market demands and compatible with UW Flex.	

Priority Item (UW System Category)	UW System Category	UW System Title	Legislation	Governmental Financial	Gov. Budget	Board of Regents Proposal	Impact of the Budgetary Decision
6	4	Institutional Financial Aid	38.04 Bill section: 627	Provides \$700,000 in financial aid for students taking Flex Option courses who are not eligible for other financial aid.	FY18: \$0 FY19: \$700,000	The UW System requested this exact language to support students in these programs who are not otherwise eligible for other financial aid.	Focus on the Educational Pipeline - New Traditional Fin. Aid FY18: \$0 FY19: \$700,000
7	21	Early College Credit	36.11 (3)(b) 1 & 2, 36.11 (3)(c), 36.11 (9)(m) 4., 36.11 (7)(a), 118.55 Bill sections: 597-601, 1544 et seq.	Provides for: 1. the restoration of the part-time open enrollment program; 2. The development of a new program that governs all situations in which a high school student may take a college course for credit; 3. limiting per-credit charges; 4. defining the responsibility for credit costs; and 5. funding to expand participation and offerings for Early College Credit.	FY18: \$2,600 (DPI) \$1,150,300 (DWD) FY19: \$2,600 (DPI) \$1,753,500 (DWD)	The Board of Regents, as part of its 'Focus on the Educational Pipeline' budget item, prioritized the need to: 1. increase the number of students involved in the College Options Program. 2. expand the number of courses being offered and the number of locations that offer such courses. The UW System will provide language that allows negotiation and flexibility within limits under one overall plan.	Focus on the Educational Pipeline - College Options FY18: \$0 FY19: \$5,400,000
8	18	Three-year degree programs	36.25 (1)(a) - (c), 36.65 (2) (de) Bill sections: 610, 624	Requires UW System institutions to submit statements to the Board of Regents specifying how students may complete a bachelor's degree within three years. These statements must indicate how 10% of programs could be compliant by January 1, 2018, and 60% of programs by June 30, 2020. Students will have the option to choose one of these pathways to save time and money, and become part of the workforce more quickly to gain. System will also report the number of three-year graduates and percentage of three-year degree programs in its annual accountability report.	-	In the 2020FWD framework, reducing the time to degree is prioritized in two of the four main initiatives. For example: The UW System is pursuing an initiative, in conjunction with the Early College Credit project, to develop '1+3' projects in which students would earn one year of college credit while in high school, effectively creating a path to a 3 year degree.	-
9	19	Require Internships/Work Experience	36.11 (7)(b) Bill section: 602, 9348 (1)	Requires undergraduate students first enrolling in the 2018-19 academic year pursuing a degree from a UW System institution to have an internship or work experience before graduation.	-	The 2020FWD plan prioritizes internship experiences for students as a key, high-impact practice that students should receive before they graduate, but does not mandate it in order to receive a degree. Any such proposal should provide flexibility for students in financial need or for those already near completion so that time to degree is not lengthened.	-
10	6	Funding for Rural Physician Residency Assistance Program	20.285 (1)(qe) Bill section: 183	Provides \$200,000 to expand the Wisconsin Rural Physician Residency Assistance program	FY18: \$100,000 FY19: \$100,000	This appropriation is aligned with 2020FWD's priority of supporting the workforce needs of rural and underserved communities.	-
11	7	Funding for Alzheimer's Research	20.285 (1)(pe) Bill section: 183	Provides \$100,000 for Alzheimer's research at UW-Madison Alzheimer's Disease Research Center	FY18: \$50,000 FY19: \$50,000	This appropriation is aligned with 2020FWD's priority of supporting research.	-
12	8, 24	Academic Freedom	36.02 (1) - (4) Bill section: 594	Inserts into a new statutory provision a statement of academic freedom. Provides funding for the UW System to review and revise policies related to academic freedom. Provides \$10,000 in 2017-18 for UW System to review and revise policies.	FY18: \$10,000	In December 2015, the Board of Regents approved a similar statement reiterating its commitment to academic freedom and freedom of expression.	-

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Request Number	Request Title	Request Description	Request Amount	Request Status	Request Category	Request Priority	Request Date
13	Faculty Workload	Requires the UW System Board of Regents to establish a faculty workload policy. The Governor's release says, "Their plan must include policies for monitoring faculty and instructional academic staff teaching workloads, including requirements for individual faculty and instructional academic staff members to report the number of hours spent teaching to UW System administration. The plan must also develop policies for reawarding faculty and instructional academic staff who go above and beyond by teaching more than the standard academic load. This information would be made public and included in annual accountability reports."	36,115 (8), 36,65 (2)(cm), 36,65 (6)(a) & (b) Bill sections: 609, 625, 626	-	The UW System recognizes the need for accountability with workload and already reports average weekly group contact hours as part of its accountability dashboard. Average weekly contact hours through individualized instruction are also included on the current dashboard.	-	-
14	Credit Transfers	Instructs the Board of Regents and Technical College System Board to enter an agreement beginning in 2018-19 academic year that no less than 60 core general education course credits are able to transfer between each UW institution and technical college. Requires the Board of Regents measure the effectiveness of its policies on credit transfer and report to the Legislature by January 1, 2018 on any barriers to credit transferability within the UW System.	36,31 (2m)(b), 118,55 Bill section: 598, 600, 623	-	The "Focus on the Educational Pipeline" initiative of 2020FWD supports easier transfer between other educational institutions and the UW System. The UW System is broadly supportive of seamless transfer experiences and wants to work with educational partners more closely to determine appropriate levels of transferability while maintaining the UW System's mission and role in the state.	Focus on the Educational Pipeline - Seamless Transfer: FY18: \$0 FY19: \$1,000,000	-
15	Veterans Tuition and Fee Remission	Recommends expanding the Wisconsin G.I. Bill to the children and spouses of Veterans who have lived here for five or more years but did not enter service as Wisconsin residents. Previously, the "five-year window" was available only to Veterans and not their children and spouses.	36,27 (3n)(a) 1m.a. & b. Bill sections: 613, 614	-	The State of Wisconsin currently provides significant and welcome support to Veterans through the Wisconsin GI bill. The UW System is supportive of the existing program and wishes to ensure adequate funding is provided to support the program in its existing form and in any expanded configuration.	-	-
16	Compensation	Provides \$11.6 million block grant for the GPR share of a 2% pay plan on September 30, 2018 and an additional 2% on May 26, 2019. The UW System could not request any funds from the state's compensation reserve during the 2017-19 biennium to fund fringe benefit and compensation costs	Bill sections: 9101 (8), 9148 (1)	FY18: \$126,500 FY19: \$11,517,900	In December 2016, the Board of Regents requested a 2% + 2% pay plan fully funded from the State's compensation reserve. This request was based on the need to recruit and retain high-quality faculty and staff and the substantial gap in compensation between university employees and those at peer institutions. These funds should be distributed through the compensation reserve.	\$78,000,000	-
17	Student Academic Fees	Increases tuition expenditure authority to reflect changes in enrollments, differential tuition & non-resident and graduate tuition increases, and self-supporting program increases	-	FY18: \$83,958,300 (PR) FY19: \$83,958,300 (PR)	This is a standard adjustment. The Board requested an increase in its PR appropriation in FY18 & FY19 by \$83,958,300	FY18: \$83,958,300 (PR) FY19: \$83,958,300 (PR)	-
18	Renewable Energy Appropriation	Provides for transfer of funding to a new appropriation created to demonstrate specific costs of purchasing renewable energy. Cross-reference DOA, Item #22	20,285 (1)(a), 20,285 (1)(em), 20,485 (1) (kc) Bill section: 221, 222, 414	-	No specific request was made by the Board on this item.	-	-

Item #	Item Title	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency
Item #	Item Title	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency	Requesting Agency
19	DOA #2 Procurement Reform Initiative	16.75 (2m)(b), 16.75 (6)(c) Bill sections: 158, 160, 9301 (4) & (5)	(a) increase the statutory threshold required for official sealed bids from \$50,000 to \$100,000; (b) increase the statutory threshold for which the Governor must approve a waiver to general bidding requirements from \$25,000 to \$150,000; (c) require waivers between \$25,000 and \$150,000 be approved by the secretary of the Department of Administration.						
20	Lease Administration Transfer	36.11 (10) (b) Bill section: 596	Transfers authority for all UW System student-housing leases from the Department of Administration to the Board of Regents. The Board of Regents currently has authority for all other leases of real property by the system.						
21	Debt Service Reestimate	20.285 (1)(d) Bill section: 183	Reduces system base budget by \$9.4 million in FY 18 and \$11.6 million in FY19 to reflect reestimation of debt service on authorized bonds						
OPERATING BUDGET ITEMS NOT APPROVED BY THE GOVERNOR									
22	Focus on the University Experience	-	Not approve UW request						

The procurement flexibilities presented by the Governor in Item #19 are helpful in enhancing the overall procurement process in the state. The UW System requests consideration of two other flexibilities aligned with its original request:

Cost Benefit Analysis: Exempt the UW System from performing Cost Benefit Analysis for the procurement of services valued over \$50,000 that must be competitively bid. Provide that the UW System would not be required to conduct annual continued appropriateness reviews for contractual service contracts. This flexibility was granted to UWS in the 2013-15 biennial budget and deleted in 2015-17 biennial budget.

IT Authority: Grant UW System BOR direct authority to purchase IT goods and services.

The UW System is supportive of this flexibility. The transfer of leasing authority is an extension of the management flexibility provided to the UW System in the 2015-17 biennial budget.

This is a standard reestimation by the Department of Administration.

The UW System requested funding for the "Focus on the University Experience" initiative which involves creating experiences that cultivate new ideas and increased understanding in the University community. The UW System requested \$6 million biennially for the following components:

U2 (a program that will provide resources for professional development and technology as well as support for high impact practices)

Cre-8 (a program that will help address the need for innovation and out-of-the-box thinking by offering professional development opportunities across the System),

UW Innovate (an investment of resources to encourage and reward innovation through basic and applied research)

ideas\$ (an initiative to facilitate academic technology transfer, intellectual property protection, contract management, and technology commercialization).

FY18: -\$9,387,100 (GPR + PR)
FY19: -\$11,589,300 (GPR + PR)

Focus on the University Experience
FY18: \$2,000,000
FY19: \$4,000,000

Item #	Item Description	Category	Amount	Comments	Impact	Notes
23	Focus on Business and Community Mobilization	Operational Excellence	\$0	Not approve UW request	The UW System requested funding for the 'Focus on Business and Community Mobilization' initiative to provide expertise and support for business and community growth and development while expanding collaborations with communities, nonprofits and local government. The UW System requested \$6.4 million biennially to increase creativity, knowledge transfer, and job opportunities across the state through the following programs: University Year, Wisconsin Vitality, and CareerConnect.	Focus on Business and Community Mobilization FY18: \$2,500,000 FY19: \$3,900,000
24	Focus on Operational Excellence	Operational Excellence	\$0	Not approve UW request	The UW System requested funding for the 'Focus on Operational Excellence' initiative to maintain a high level of performance at the UW System which has already produced a level of transparency and accountability that is often regarded as a key outcomes of performance-based funding implementation. The UW System requested \$4 million tied to performance-based funding to incentivize each UW institution to address areas where resources are needed to pilot additional programs.	Focus on Operational Excellence FY18: \$0 FY19: \$4,000,000 (See also Budget Item #2)
25	Capital Planning and Budget Operational Flexibilities	Capital Planning and Budget Operational Flexibilities	-	Not approve UW request	The Board of Regents requested authority to fund Program Revenue supported capital projects with the proceeds of UW revenue bonds that would be authorized for issuance by the State Building Commission. The UW revenue bonds would not be a debt of the state and the state would not be liable for such bonds. The bonding limit would be set in statutes.	-
26	Procurement Operational Flexibilities	Procurement Operational Flexibilities	-	Not approve UW request. However, certain thresholds for procurement were amended under UW System Item #19 to apply to all state agencies.	The Board also requested the authority to approve and manage building projects supported entirely by non-GPR funds.	-
27	FTE Position Reduction	FTE Position Reduction	-	Not approve UW request	See Budget Item #19 for current request related to Procurement flexibilities.	-
Other Exec. Budget Bill Provisions affecting UW System						
DOA #40	14 Tribal Gaming Revenue Appropriation for UW-Green Bay Programming	16,40, 20,505 (1)(k), 20,505 (8)(m)18r	16,40, 20,505 (1)(k), 20,505 (8)(m)18r	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.	-\$495,000 (PR)	The UW System supports the retention of the existing funding structure for programming between Oneida Tribe and UW-Green Bay.
HEAB #1	13, DNR ENV. QUALITY #4 UW-Extension Watershed-Nonpoint Source Contracts	281,65 (4g)	281,65 (4g)	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.	-\$1,000,000 (SEG)	The UW System supports continuation of this funding.
HEAB #2	Wisconsin Grants	20,234 (1)(e)	20,234 (1)(e)	Increases funding for Wisconsin Grants for the University of Wisconsin System (\$2,142,100 in FY18 and \$3,548,700 in FY19). This would be a biennial increase of \$5,690,800.	FY17: \$2,142,100 FY18: \$3,548,700	The UW System supports increased funding for the Wisconsin Grant. In June 2016, the Board of Regents recommended an increase of \$6,384,100 in 2017-18 and an additional \$6,384,100 in 2018-19, or a biennial increase of \$19,152,300.
DOA #8	DOA FACILITIES #6 Facilities Shared Services	Bill sections: 9101 (5)	Bill sections: 9101 (5)	Requires the Department of Administration to study the potential consolidation of state facilities duties in the executive branch of state government. Asks the Department to include a request related to that study in its s. 16.42 (1) 2019-21 biennial budget request.	-	The UW System has concerns about the scope of the study and its purpose as relates to the UW System.

Background & Issues/Concerns/Alternative Solutions (if any)	LEP & LEPAS Issues/Concerns/Alternative Solutions (if any)	Regulatory Code	Administrative Authority	Comments/Issues	Cost Estimate	Areas of Potential Impact	Level of Potential Funding
DOA #18, Building Commission #1	DOA FACILITIES #3	Building Commission small projects review threshold & simplified bidding procedures	13.48 (10)(a), 13.48 (29) Bill sections: 6, 8	Raises the threshold for small projects review at the Building commission from \$185,000 to \$250,000. Explicitly leaves the threshold for simplified bidding policies and procedures at \$185,000 or greater. Note: there was also not an accompanying change to the threshold above which the department of administration must let a construction project using single prime contracting. Small projects in excess of \$185,000 would require single prime bidding.		The UW System supports increasing to \$250,000 the threshold at which simplified bidding policies and procedures for capital projects may be prescribed by the Building Commission. Additionally, the threshold above which the department of administration must let a construction project using single prime contracting would be more effective if it were increased to \$250,000.	
	ETF #3	State Employee Benefits	40.02 (21d)(intro.), 40.51, 40.513 (3)(b), 40.52, 40.65 Bill sections: 705 - 712, 719-725, 937(4)(1) & (2), 947(1)	Discontinue providing an option to state employees covered under the Wisconsin Retirement System or participating in a group health insurance plan offered through the Department of Employee Trust Funds (ETF) to enter into a domestic partnership for the purpose of extending related employee benefits to partners and dependents of partners. Eliminate all health insurance coverage for domestic partners, effective January 1, 2018. For employees or retirees whose date of death is January 1, 2018, or later, eliminate domestic partner survivorship benefits under the duty disability program (available only to protective occupation category employees and their survivors) and modify the statutory standard sequence to exclude domestic partners from deferred compensation survivorship benefits. Further, discontinue offering long-term care insurance policies through the Group Insurance Board to domestic partners of eligible employees or state annuitants.		The UW System supports continuing to offer these benefits to those in domestic partnerships.	
LIRC #1	LIRC #2	Eliminate Labor and Industry review Commission	15.06 (2) (a), 15.105 (15), 20.427, 20.445 (1) (n), (o), and (ra), 20.923 (4) (e) 4., 102.75 (1m), and 230.08 (2) (xc) Bill sections: 13, 33, 368, 402-404, 507, 1368, 1760, 9401 (3)	Eliminate Labor and Industry Review Commission beginning on 1/1/2018 or 1st day of 6th month after bill's publication		LIRC serves as an administrative appeals body for Workers Compensation cases. The proposed language indicates that under the new system appeals would go to the Division Head to make the final appeal judgement. After that cases would go to circuit court. It is unclear what the outcome of this change might be, however. The loss of the institutional expertise of LIRC may negatively affect outcomes on Wisconsin Fair Employment Act/Equal Rights Division (ERD) and WERC cases involving UW employees.	
2017-19 CAPITAL BUDGET							
	Capital Budget Request			The Governor's Capital Budget includes \$128,285,000 in funding for the UW System. The UW System does not know its share of the \$361.3 million All Agency budget (the UW System requested enumeration of \$159,636,000). The Governor recommended enumeration of 5 projects.	\$73,498,000 GFSSB \$0 EX-GFSSB \$0 PRSB \$49,107,000 EX-PRSB \$2,180,000 GIFTS/GRANTS \$0 Building Trust Funds \$3,500,000 PR-CASH	The UW System requested an all funds budget of \$794.5 million, including: 26 major projects; other maintenance, repair, and renovation projects; funding for the Instructional Space Projects Program; and planning funds for three projects. The UW System has requested revenue bonding and project management for non-GPR funded projects.	\$454,632,000 GFSSB \$13,268,000 EX-GFSSB \$214,052,200 PRSB \$67,853,000 EX-PRSB \$13,305,000 GIFTS/GRANTS \$4,318,400 Building Trust Funds \$27,102,800 PR-CASH

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