

UNIVERSITY OF WISCONSIN SYSTEM

Omnibus Motion

Motion:

Move to make the following modifications to the bill related to the University of Wisconsin System:

1. *University of Wisconsin-Madison Authority:* Adopt Alternative #2 of LFB Budget Paper #690 which would delete the Governor's recommendation to create UW-Madison as an authority. Since UW-Madison would not be created as an authority, no action is required on LFB Budget Paper #691.

2. *Base Budget Reduction:* Adopt Alternatives A1, B2b, and C1 of LFB Budget Paper #740 which would approve the Governor's recommendation of a \$125 million annual GPR base reduction for UW System including a \$2.4 million annual reduction for UW System Administration but would specify that the Board of Regents would allocate the GPR base reduction to each UW institution as it has under previous budgets. Under this motion, it is estimated that UW-Madison's share of the GPR base reduction would be \$47.2 million annually compared to \$62.5 million under the bill. In addition, modify summary item #4 on page 498 to require the Board of Regents to submit a plan to the Secretary of DOA and to the Joint Finance Committee by September 1, 2011, specifying its preferences for allocating the funding reduction to UW System Administration. Provide that the Joint Committee on Finance would approve or approve and modify the plan through a 14-day passive review process and require the Board of Regents to implement the plan as approved or modified and approved by Joint Finance. Reduce the number of GPR positions authorized for UW System Administration from 126.17 to 75.

3. *Tuition:* Adopt Alternative #4 of LFB Budget Paper #741 which would prohibit the UW System Board of Regents from increasing resident undergraduate tuition in 2011-12 or 2012-13 by more than 5.5% annually. Specify that only differential tuitions approved prior to June 1, 2011, would be exempt from this limit. Delete current law language limiting increases in resident undergraduate tuition.

4. *Budgeting Flexibilities:* Adopt Alternative A2a of LFB Budget Paper #743 which would create two GPR appropriations for the UW System, one GPR "block grant" to fund general program operations and one GPR debt service appropriation. Specify that the Board of Regents would allocate GPR general program operations funding to UW System institutions in the form of block grants. In addition, specify that separate GPR appropriations for UW System Administration, the state laboratory of hygiene, and the veterinary diagnostic laboratory would be maintained. Delete all other UW System GPR appropriations.

5. *Financial Management Flexibilities:* Create a segregated fund for UW System and specify that all program revenues received by the UW System would be deposited in the segregated fund. Create four appropriations for expenditures from the new segregated fund, including one for general program operations, a second appropriation for self-amortizing debt service, a third for gift and grants, and a fourth for interagency transfers. Require the Board of Regents to establish accounts for each institution and UW-Extension, including an account for segregated student fees, and ensure that interest earned related to the accounts of each institution within the segregated fund would be credited to the accounts of that institution. Specify that segregated students fees could not be used for any purpose other than the purpose for which they were charged. Existing segregated fund appropriations under the UW System would be retained.

6. *Supplemental Pay Plans:* During the 2011-13 biennium, the Board of Regents could provide supplemental pay plans for UW System classified and unclassified employees, excluding UW-Madison employees, and UW-Madison could provide supplemental pay plans for UW-Madison classified and unclassified employees. These supplemental pay plans would be in addition to compensation plans approved for such employees by the Joint Committee on Employee Relations (JCOER). The UW-Madison supplemental pay plan would require approval by the Regents and both the UW-Madison supplemental pay plan and the UW System supplemental pay plan would require approval by JCOER. These supplemental pay plans would be funded with resources available to the Board of Regents and UW-Madison including the GPR block grant, tuition, gifts and grants, and other resources. The Board of Regents would not receive pay plan supplements or request full funding of increases in salary and fringe benefit costs through the biennial budget process for costs related to these supplemental pay plans. Under this motion, the UW System and UW-Madison will be eligible for pay plan supplements through the compensation plan approved by JCOER. Reduce funding provided through the GPR general programs operations block grant by \$7 million in 2011-12 and \$14 million in 2012-13 to reflect the removal of funding that would have been added under the UW-Madison authority in lieu of pay plan supplements. Increase the compensation reserves by these amounts.

7. *Personnel Systems:* Authorize the Board of Regents to establish a personnel system for all UW employees excluding UW-Madison employees and authorize UW-Madison to establish a personnel system for UW-Madison employees. Require UW-Madison to create its personnel system in consultation with the Board of Regents. Specify that these personnel systems would include a civil service system and a grievance process. The UW-Madison personnel system would require approval by the Regents and both the UW-Madison personnel system and the UW System personnel system would require approval by JCOER. Beginning July 1, 2013, exempt UW System from all Chapter 230 provisions and transfer all UW employees from the state personnel system to the new personnel systems. Specify that UW classified employees who have achieved permanent status as of July 1, 2013, would retain protections related to demotion, suspension, discharge, layoff, reduction in base pay, and reinstatement privileges. Specify that UW classified employees who have not achieved permanent status as of July 1, 2013, would have the same protections and privileges if they successfully complete their probationary periods. All employees hired after July 1, 2013, would have the protections, privileges, and rights afforded to them by the personnel systems.

8. *Labor:* Specify that current represented classified UW employees would continue to have collective bargaining rights consistent with the laws governing other state employees. Effective July 1, 2013, create bargaining units under chapter 111 for UW System employees other than UW-Madison employees and for UW-Madison employees. These collective bargaining units would mirror existing statewide collective bargaining units. Require the Wisconsin Employment Relations Commission (WERC) to assign UW titles and classifications to collective bargaining units based on how classified service titles and classifications are assigned to bargaining units under current practice. No faculty or academic staff members would be assigned to these bargaining units. Specify that WERC would assign any new title or classification created by the UW System or UW-Madison to a bargaining unit or designate that title or classification as academic staff within 30 days of being notified by the UW System or UW-Madison of the new title or classification. Beginning July 1, 2013, the Board of Regents would bargain as the employer with UW System employees who are members of bargaining units other than UW-Madison employees and UW-Madison would bargain as the employer with UW-Madison employees who are members of bargaining units. Contracts negotiated by UW-Madison would require approval by the Regents and both UW-Madison contracts and UW System contracts would require approval by JCOER and the full Legislature consistent with contracts negotiated by OSER under current law.

9. *Employee Benefits and Position Control:* Provide that UW System employees, including UW-Madison employees, would continue to participate in state group health insurance plans and the Wisconsin Retirement System. Provide that UW System employees, including UW-Madison employees, would remain state employees but would not be counted in state position reports beginning on July 1, 2013. Beginning July 1, 2011, UW-Madison and the Board of Regents would have the authority to create and abolish positions funded with all fund sources other than the GPR general program operations block grant. Positions funded through the GPR block grant would be created or abolished by the full Legislature or the Joint Finance Committee except as provided under current law. Modify the current law provision to permit UW-Madison in addition to the Board of Regents to create or abolish positions funded through the GPR block grant under conditions specified by current law. Require the Board of Regents and UW-Madison to report the number of positions created or abolished to DOA and the Joint Committee on Finance annually. Require the Board of Regents to continue to submit quarterly position reports to DOA and the Legislative Fiscal Bureau. Specify that the Board of Regents reports would include both UW System and UW-Madison positions.

10. *Dual Employment:* Specify that compensation received by a full-time employee of a UW System institution or the UW-Extension for work performed in addition to that employee's normal duties at that institution, another UW institution, or UW-Extension would not be limited by statute. Under current law, full-time employees of state agencies and authorities are prohibited from receiving more than \$12,000 in compensation for work performed at a state agency or authority in addition to their normal duties.

11. *Travel by UW System Employees:* Maintain current law regarding travel by UW System employees. Beginning on July 1, 2013, the Board of Regents would establish travel

policies for UW System employees and establish a schedule for reimbursement of UW System employees for travel expenses. Under current law, DOA establishes travel policies all state employees and JCOER approves a uniform travel schedule for the reimbursement of state employees for travel expenses.

12. *Capital Planning:* UW System projects with costs of less than \$500,000 and funded entirely with gifts and grants would not require approval by the Building Commission. These projects would also be exempt from DOA supervision and oversight, exempt from current law provisions regarding bidding, and would not be charged the current 4% fee, unless UW System chooses to use DSF services. Prohibit the UW System from designating work related to a project as a separate project to be exempted under these provisions.

13. *Competitive Bidding Rules:* Require the Board of Regents to establish rules for competitive bidding for projects funded entirely with gifts and grants with costs of less than \$500,000 which would be exempt from current law provisions related to bidding under the motion. Specify that these rules must be approved by the Building Commission and the Joint Committee on Finance through a passive review process. Provide that all projects would be subject to current law provisions regarding public and competitive bidding until the competitive bidding rules developed by the Board of Regents are approved by the Building Commission and the Joint Committee on Finance.

14. *Gifts of Real Property:* Increase the current law threshold for approval by the Building Commission of gifts of real property to the Board of Regents from \$30,000 to \$150,000. In addition, authorize the Board of Regents to accept gifts of vehicles.

15. *Purchasing and Procurement:* Require DOA to delegate to UW-Madison and to the Board of Regents the authority to enter into contracts for materials, supplies, equipment, or services that relate to higher education and that agencies other than the UW System do not commonly purchase. Increase the threshold for lowest responsible bids, sealed bids and sealed proposals from \$25,000 to \$50,000 for the UW System and UW-Madison. In addition, exempt the UW System and UW-Madison from all of the following: (a) DOA rules regarding the procurement of contractual services, including approval and monitoring processes for contractual service contracts; (b) the requirement that a uniform cost-benefit analysis of proposed contractual services purchases and renewals greater than \$25,000 be conducted in accordance with DOA rules; (c) periodic review by the UW System or DOA of the appropriateness of continuing the contractual services entered into by UW System or UW-Madison; (d) the requirement that a written justification be submitted to DOA when the use of vendors for contractual services is requested; (e) the stipulation that DOA only approve contractual services for which the justification provided conformed to DOA rules; and (f) the requirement that the Office of State Employment Relations (OSER) review proposed contractual services contracts. In addition, exclude the UW System and UW-Madison from the report that DOA is required to submit year to the Governor, the Joint Committee on Finance, the Joint Audit Committee, and the Chief Clerk of each house of the Legislature, concerning the number, value, and nature of contractual service procurements authorized for each agency during the previous year.

16. *Accountability Report:* Require UW System and UW-Madison to submit accountability reports to the Governor and the Legislature on an annual basis. These accountability reports should include the following measures:

- **Performance:** graduation rate, total number of graduates, time to graduation, credits-to-degree, retention rates, placement of graduates, and the percentage of resident and non-residents who live in Wisconsin within ten years of graduation; and

- **Financial:** financial reports from each institution and each UW Colleges campus using GAAP reporting standards; and

- **Access and affordability:** the profile of enrolled students, including mean per capita family income, percentage of resident nonresident students who are low-income, percentage of resident and nonresident students who are members of minority groups, transfers from other UW System and in-state institutions, "sticker" price and actual cost to Wisconsin residents, and increases in available institutional financial aid for students with demonstrated need; and

- **Undergraduate education:** access to required courses, access to popular majors, majors offered, improvements in overall student experience, efforts to close the achievement gap between majority and underrepresented minority students, and post-graduation success; and

- **Graduate and professional education:** number of graduate degrees awarded, number of professional graduates in key areas including physicians, nurses, business, engineers, pharmacists, veterinarians, and lawyers, and provide incentives for staying in Wisconsin after graduation; and

- **Faculty:** the profile of faculty, including faculty teaching loads, success or failure in recruiting and retaining scholars and teachers who are rated at the top of their fields; and

- **Economic Development:** the amount and source of research funding and other new revenue brought into the state, the number of government contracts received, the number of research projects in progress or completed, the number of patents and licenses for University inventions, the number of new start-ups, the number of new businesses created or spun off, the number of secondary businesses affiliated with the UW or UW-sponsored research projects, support provided to existing industries throughout the state, job growth from support to existing industries and business start-ups, the number of jobs created in campus areas, the number of jobs created statewide, a comparison of economic indicators for campus areas and non-campus areas; and

- **Collaboration:** partnerships and collaborative relationships with UW System Administration and other UW institutions.

17. *Special Task Force on UW Restructuring and Operational Flexibilities:* Create a Special Task Force on UW Restructuring and Operational Flexibilities. The task force would be comprised of 17 members. Specify that the Assembly Speaker and the Senate Majority leader would each appoint six members to the task force. These members would include: (a) three

business or public leaders; (b) two current or former UW chancellors or members of the Board of Regents; and (c) one members of the Legislature. The Senate and Assembly minority leaders would each appoint one member of the Legislature from their respective houses. The Governor would appoint two members to the task force and the cochairs of the Joint Committee on Finance would appoint one member from the public to the task force and this member would serve as the chairperson. Require the UW System President, the Secretary of DOA, and the Legislative Fiscal Bureau to provide staff services for the task force. Specify that the task force should address the following issues: (1) whether there is a need to restructure the UW System and if so make recommendations as to a new governance structure; (2) how UW-Madison employees and all other UW System employees would be transitioned from the state personnel system to the new personnel systems; (3) whether tuition flexibility can be extended to the UW System while ensuring access and affordability and what role the Legislature should have in establishing tuition rates; (4) how pay plans for UW System employees should be determined in future biennia; (5) additional operational flexibilities that could be provided to UW System institutions; and (6) how articulation and the transfer of credits between UW institutions could be improved. Specify that the task force would submit a report to the Senate and Assembly standing committees on higher education and the Joint Committee on Finance no later than January 1, 2012. Create an appropriation for the task force under miscellaneous appropriations and provide \$50,000 GPR in 2011-12.

18. *Plan for UW-Milwaukee Authority:* Adopt Alternative #4 of LFB Budget Paper #751 which would delete the provision requiring UW System Administration to allocate \$250,000 to develop a plan for the conversation of UW-Milwaukee to an authority. Instead, delete \$125,000 GPR annually from the appropriation for UW System Administration.

19. *Tuition Remissions for Veterans, Children, and Spouses:* Adopt Alternative A2 of LFB Budget Paper #749 which would modify the Governor's recommended statutory language to clarify legislative intent. Specify that: (a) the Board of Regents and the technical colleges could continue to receive payments under the federal Post-9/11 G.I. Bill; (b) credits or semesters for which the amount paid under the Post-9/11 G.I. Bill covered 100% of resident tuition and fees would not be counted against the 128 credit or eight semester limit; and (c) in the case that the amount paid under the Post-9/11 G.I. Bill covered less than 100% of resident tuition and fees, the proportion of tuition and fees that were remitted by the institution would be counted against the 128 credit or 8 semester limit.

20. In addition, specify that the Board of Regents should remit the full amount of tuition and fees charged for any degree credit course, including distance education courses, online course, and cost recovery courses, to eligible veterans, children, and spouses. Consistent with current law, specify that the amount remitted should be reduced by the amount paid under the Post-9/11 G.I. Bill and certain other federal education programs.

21. *Corrections to GPR Funding:* Adopt Alternatives A2 and B2 from LFB Budget Paper #752 which would: (1) restore \$10,558,800 GPR annually for standard budget adjustment that was inadvertently deleted under the Governor's budget; and (2) restore \$4,578,500 GPR in 2011-12 and \$13,977,600 GPR in 2012-13 related to a reestimate of fuel and utility costs.

22. *Delete One-Time Funding:* Approve the modification described in LFB Budget Paper #753 which would delete \$1,000,000 GPR annually related to the WiSys Technology Foundation grant program and \$1,900,000 PR annually related to the tuition increase grants.

23. *Telecommunication Services:* Prohibit the Board of Regents, the UW System, any UW institution, or the UW-Extension, directly or indirectly, from doing any of the following: (a) receiving funds from any award from the National Telecommunications and Information Administration (NTIA) under the U.S. Department of Commerce for the Building Community Capacity through Broadband (BCCB) project; (b) disbursing, spending, loaning, granting, or in any other way distributing or committing to distribute any funds received with respect to, budgeted to, or allocated for the BCCB project; and (c) participating in the planning, organization, funding, implementation or operation of the BCCB project. In addition, require the Board of Regents to reduce the amount expended on telecommunications services during the 2011-13 biennium by the total value of any funds, goods, or services that have been or will be distributed or committed to be distributed by or on behalf of the Board of Regents, the UW System, any UW institution, or the UW-Extension on or after May 1, 2011, to any participant, contractor, or supplier related to the BCCB project.

24. Modify current law to specify that the Board of Regents shall not offer, resell, or provide telecommunications services, directly or indirectly, that are available from a private telecommunications carrier to the general public or to any other public or private entity. Define telecommunications services as including data and voice over Internet protocol services, Internet protocol services, broadband access and transport, information technology services, Internet access services, and unlit fiber.

25. Prohibit the Board of Regents, the UW System, any UW institution, or the UW-Extension from becoming or remaining a member, shareholder, or partner in or with any company, corporation, non-profit association, joint venture, cooperative, partnership, consortium, or any other individual or entity that offers, resells, or provides telecommunications services or information technology services to members of the general public, or to any private entity, or to any public entity other than the Board, the UW System, any UW institution, or the UW-Extension.

26. Specify that WiscNet could no longer be a department or office within the UW-Madison Division of Information Technology beginning on July 1, 2012, and delete \$1,400,000 PR from the UW System related to WiscNet in 2012-13. Require the Legislative Audit Bureau to conduct a program audit and a financial audit of the Board of Regents' use of telecommunication services and relationship with WiscNet.

27. *Liability Protections for Scientific Researchers:* Specify that current law provisions prohibiting crimes against animals would not apply to persons engaged in bona fide scientific research at an educational or research institution or persons who are authorized or otherwise regulated under federal law to utilize animals for these purposes.

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Note:

*Telecommunication Services:* In August, 2010, the UW-Extension was awarded \$29.9 million through the Broadband Technology Opportunity Program (BTOP) for its Building Community Capacity through Broadband (BCCB) project. BTOP is administered by the National Telecommunications and Information Administration (NTIA) under the U.S. Department of Commerce. Funding for BTOP was authorized under the American Recovery and Reinvestment Act of 2009.

The BCCB project would create community area networks (CANs) in four demonstration communities: the Chippewa Valley region, Platteville, Superior, and the Wausau area. CANs employ a governance and operations model in which anchor institutions collectively decide how to connect facilities, provide broadband services, exchange traffic, and add institutions. According to the grant application, a total of 182 facilities run by 74 anchor institutions would be connected via the four CANs when the BCCB project is completed. The facilities that would be connected include 43 government facilities, 41 public safety facilities, 29 K-12 schools, 28 healthcare facilities, 17 community support organizations, ten UW facilities, ten community college facilities, and two public housing facilities.

According to a report submitted by the UW System to the NTIA on May 12, 2011, \$234,600, including \$200,400 in federal funds, had been spent related to the BCCB project through March 31, 2011. The UW System estimated that an additional \$7.4 million, including \$5.4 million in federal funds, would be spent from April 1, 2011, through June 30, 2011.

Under current law, the Board of Regents may use telecommunications services, including data and voice over Internet services, procured by the Board only for the purpose of carrying out its mission. The Board of Regents is prohibited from offering, reselling, or providing telecommunications services, including data and voice over Internet services, that are available from a private telecommunications carrier to the general public or to any other public or private entity.

WiscNet is a non-profit, membership-based association that provides internet access and other network services to member organizations. WiscNet currently serves over 450 public and private research, education, and government organizations and is governed by an 11 member board of directors. WiscNet is housed in the UW-Madison Division of Information Technology and WiscNet employees are UW-Madison employees. According the UW budget documents, WiscNet is funded by membership fees. Salaries (excluding fringe benefits) for WiscNet employees total \$1.0 million PR in 2010-11.

*Tuition Remissions for Veterans, Children, and Spouses:* The Board of Regents and each technical college district board is required to grant a full remission of resident tuition and fees for 128 credits or eight semesters, whichever is longer, less the amount of any tuition or segregated fees paid under the federal Post-9/11 G.I. Bill, to certain veterans, children, and spouses. For technical

college district boards, the 128 credit or eight semester limit is reduced by the number of credits or semesters for which the person received a remission of tuition and fees at any other technical college or UW institution. For the Board of Regents, the 128 credit or eight semester limit is reduced by the number of credits or semesters for which the person received a remission of tuition and fees at any technical college. The Board of Regents is also required to remit the nonresident portion of tuition to veterans who qualify as residents for the purpose of receiving veterans' benefits but not for tuition purposes.

Cost recovery courses are those for which the tuition charged equals at least 100% of the cost of offering the course. Under current practice, the Board of Regents remits only the amount of tuition and fees equal to the amount of tuition and fees charged to students enrolled in traditional courses to veterans, children, and spouses enrolled in many online, distance education, and cost recovery courses. Veterans, children, or spouses are charged the amount of tuition and fees that is above the amount of tuition and fees charged for traditional courses. In other cases, such as the UW-Madison Executive MBA program, veterans, children, and spouses are not granted a remission of any portion of the tuition and fees charged.

[Change to Bill: UW System: \$16,473,700 GPR and 6,985.26 GPR positions, \$1,761 million FED and 4,497.13 FED positions, -\$2,782 million PR and -3,691.19 PR positions, \$5,450 million SEG and 9,577.92 SEG positions; Compensation Reserves: \$21,000,000 GPR]

