

Representative Nygren  
Senator Darling  
Senator Harsdorf  
Representative Strachota

UNIVERSITY OF WISCONSIN SYSTEM  
HIGHER EDUCATIONAL AIDS BOARD

Omnibus Motion  
[LFB Papers #365 to 367, #675 to 683]

Motion:

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

1. *PR Appropriation Balances:* Direct the UW System to develop an appropriate methodology to calculate the tuition and extension fees appropriation balances and other relevant appropriation balances. Require the UW System to submit this proposed methodology to the Joint Audit Committee by September 1, 2013, for its review and approval. In addition, require the UW System to submit proposed appropriation balance limits for the UW System as a whole, and for individual UW institutions and related reporting requirements, by January 1, 2014, to the Joint Finance Committee for approval through a 14-day passive review process. Further, require the submission for JFC approval to also include UW System policies regarding: (1) the annual distribution of tuition revenues and state GPR funds to UW institutions; and (2) the expenditure of GPR funds and tuition revenues during the fiscal year.

In addition, adopt Alternative #B1 of Paper #675, which would specify that undergraduate, resident tuition in 2013-14 and 2014-15 cannot exceed the amount charged at each institution in 2012-13. Specify that only differential tuitions approved prior to June 1, 2011, would be exempt from this limit. In addition, specify that the allocable portion of segregated fees charged at each UW institution in 2013-14 and 2014-15 cannot exceed the amount charged in 2012-13.

2. *GPR Funding Increase and Compensation Plans:* Adopt Alternative #4 of Paper #676 which would transfer the GPR funding provided for compensation increases for UW employees to the compensation reserve and delete the related statutory language. In addition, delay the effective date of provisions adopted under 2011 Act 32 related to the creation of personnel systems for UW employees that would be separate from the state personnel system until July 1, 2015. Specify that the personnel systems would have to be approved by the Joint Committee on Employment Relations before they could take effect. [-\$32,388,500 GPR and \$32,388,500 GPR compensation reserves in 2013-14 and -\$57,056,000 GPR and \$57,056,000 GPR compensation reserves in 2014-15]

3. *Base Budget Reduction:* Reduce the UW System's GPR general program operations appropriation by \$32,844,300 annually.

4. *Incentive Grants:* Adopt Alternative #A2 of Paper #677 which would delete \$10,000,000 GPR annually and require the Board of Regents to allocate \$10,000,000 in each year of the biennium from its program revenue appropriation for general operations to the new incentive grant program. In addition, adopt alternatives #B2, #B4, and #B5. The alternatives would: (1) specify that grants awarded for the creation or expansion of programs, courses, or services could be awarded for a period of up to three years; (2) require the Board of Regents to jointly determine with DWD high-demand fields for workers with bachelor's, master's, and doctoral degrees and permit the Board of Regents to award grants to increase the number of degrees awarded by UW institutions in those fields instead of fields jointly determined by DWD and the WTCS Board; (3) require the Board of Regents and the UW-Madison Chancellor to include the goals, results, and budget for each program that was awarded funds through the incentive grant program and, in the case of the report submitted by the Board of Regents, a systemwide summary of this information in the annual accountability report submitted to the Governor and the Legislature; and (4) require the Board of Regents and the UW-Madison Chancellor to include the following measures in the annual accountability reports: (a) economic development programs undertaken; (b) the number of degrees awarded in fields for which the occupational demand is high or in fields that are jointly determined by DWD and the Board of Regents to be high-demand fields; (c) the number of students participating in internships and cooperative work experiences; (d) the average time required to obtain a degree; (e) the number of high school pupils who have earned credit at UW institutions; and (f) improvements made in the transfer of credit between institutions of higher education. In addition, require that the plan that would be submitted by the Board of Regents to the DOA Secretary for his or her approval also be submitted to the Joint Committee on Finance for approval under a 14-day passive review process.

5. *Carbone Cancer Center:* Adopt Alternatives #2, 3, and 4 of Paper #678 which would delete \$3,750,000 GPR in 2013-14 and the related appropriation and require the Board of Regents to allocate \$3,750,000 over the biennium from its program revenue appropriation for general program operations for translational imaging research. Specify that these funds must be drawn from PR appropriation balances held by UW System. In addition, delete the language requiring the Carbone Cancer Center to submit a fundraising plan to the DOA Secretary and instead specify that the Carbone Cancer Center could not expend the program revenue identified for this purpose until it has demonstrated that \$3,750,000 from federal, private, and other sources has been secured for the same purpose. Require the Carbone Cancer Center to submit an expenditure plan to the Joint Committee on Finance for approval through a 14-day passive review process and specify that none of the funds provided may be expended until that plan has been approved.

6. *Funding for Medical School Programs:* Adopt Alternative #2 of Paper #679 which would delete \$1,500,000 GPR annually provided under the bill for this purpose and instead require the Board of Regents to allocate \$1,500,000 in each year of the biennium from its program revenue appropriation for general program operations for the WARM and TRIUMPH programs.

7. *Flexible Option:* Adopt Alternative #2 of Paper #680 which would delete \$650,000 GPR in 2013-14 and \$1,300,000 GPR in 2014-15 and 13.0 GPR positions provided under the bill for this purpose and instead require the Board of Regents to allocate the same amounts of funding from its program revenue appropriation for general program operations for the flexible option.

8. *Plan for Funding Initiatives with PR Appropriation Balances:* Require the Board of Regents to submit a plan to the Joint Committee on Finance identifying the sources of the PR funds that would be used to fund the incentive grant program, Carbone cancer center translational imaging research at the Carbone cancer center, the medical school programs, and the flexible option as described in items #4-7 of this motion. Specify that the plan should be submitted within 90 days of the effective date of the bill and would be approved by the Joint Committee on Finance through a 14-day passive review process.

9. *Core General Education Courses Transfer Agreement:* Adopt Alternatives #1 and #4 of Paper #681 which would delete the phrase "without loss of credit toward graduation or toward completion of a specific course of study" and replace it with "and would satisfy general education requirements at the receiving institution."

10. *Eligibility of Veterans for Tuition and Fee Remissions:* Adopt Alternatives #1 and #2 of Paper #682 which would specify that a veteran must have been a resident for five consecutive years immediately preceding enrollment to be eligible for tuition and fee remissions and delay the effective date of the requirement that a veteran maintain a cumulative grade point average of at least 2.0 to remain eligible for tuition and fee remissions until the first semester beginning after January 1, 2014.

11. *Eligibility of Children and Spouses of Certain Veterans for Tuition and Fee Remissions:* Adopt Alternatives #1 and #2 of Paper #683 which would restore the current law requirement that the veteran must have been a Wisconsin resident at the time of entry into service for children and spouse benefits to be received and delay the effective date of the requirement that a student maintain a cumulative grade point average of at least 2.0 to remain eligible for tuition and fee remissions until the first semester beginning after January 1, 2014.

12. *Transfer Funds from the UW PR Appropriation Balances to WHEG-UW Program Under HEAB:* Create a new PR appropriation under HEAB for the WHEG-UW program and transfer \$58,345,400 in 2013-14 from the UW System's PR appropriation balances to the new appropriation. Delete the \$58,345,400 GPR in 2013-14 that would be provided under the bill for the WHEG-UW program. Repeal the PR appropriation that would be created for the WHEG-UW program on June 30, 2015.

13. *Mandatory Refundable Fees:* Specify that the Board of Regents may provide students with the opportunity to pay an additional fee to support inter-institutional student government organizations but may not require students to pay such fees whether or not they are refundable.

14. *Report on Fees:* Require the Board of Regents to provide a list of all fees charged to students at each institution and the amounts by which these fees have increased in each of the last five years to the Joint Finance Committee and the Joint Audit Committee annually by October 15.

15. *WiscNet:* Delete the AB 40 provision and instead permit the Board of Regents, each UW institution, each UW Colleges campus, and the UW-Extension to serve as a member, shareholder, or partner in or with such third-party entities that satisfy one of the following conditions: (1) the primary purpose is to advance the academic research of higher education

establishments and the Board, institution, UW College campus, or the UW-Extension served as a member, shareholder, or partner in or with the third-party entity on February 1, 2013; or (2) prior to service as a member, shareholder, or partner, the Secretary of the Department of Administration issues a determination to the Board, institution, UW Colleges campus, or the UW-Extension that the primary purpose of the third-party entity is to advance the academic research of higher education establishments. Provide that the Board, each UW institution, each UW Colleges campus, or the UW-Extension may use the services of such third-party entities that satisfy the conditions in par. (1) and (2) above. Modify current law to permit the Board, each UW institution, each UW Colleges campus, or the UW-Extension to participate in the operations of, provide telecommunications services for the purpose of interconnection to, or provide technical support services to, a those third-party entities that satisfy the conditions in par. (1) or (2) above but only in connection with the use of the services offered by those third-party entities. Define "interconnection" as linking with a third-party network for the mutual exchange of traffic.

In addition, specify that the definition of "third-party entity" would include Broadband Optical Research, Education and Sciences Network, Internet2, and the Northern Tier Network Consortium, and does not include WiscNet or its affiliates, successors, or assigns.

Beginning on January 1, 2014, prohibit the Board of Regents from employing any individuals who are also employed by WiscNet, prohibit the Board of Regents from permitting WiscNet to occupy any facilities owned or leased by the Board of Regents, and prohibit the Board of Regents from owning any assets or property in conjunction with WiscNet.

16. *Reestimate Wisconsin Covenant Scholars Grants:* Adopt Alternative #A2 from Paper #365 which would reestimate Wisconsin Covenant Scholars grant program expenditures at \$9,230,000 GPR in 2013-14 and \$12,170,000 GPR in 2014-15. Decrease funding under the bill for the Wisconsin Covenant Scholars grant program by \$2,820,000 GPR in 2013-14 and \$3,940,000 GPR in 2014-15 compared to the bill. In addition, adopt Alternative #B1 which would set maximum grant amounts for third and fourth year students equal to the maximum grant amounts for first and second year students established by HEAB administrative rule. In addition, modify the Wisconsin Covenant Scholars grant appropriation such that it is a sum sufficient appropriation, which would allow HEAB to fully fund the statutory grant amounts in the case that actual demand exceeds budgeted funding.

17. *Funding for WHEG-TCS and Tuition Grant Programs:* Provide \$2,000,000 GPR for the Wisconsin higher education grant (WHEG) program for technical college students and \$1,000,000 GPR for the tuition grant program in 2013-14.

18. *Dental Education Contract:* Adopt Alternative #1 from Paper #366.

19. *Minnesota-Wisconsin Student Reciprocity:* Reestimate payments under the agreement at \$8,250,000 GPR in 2013-14 and \$7,200,000 GPR in 2014-15, which would be \$350,000 less in 2013-14 and \$1,400,000 less in 2014-15 compared to the bill (Paper #367).

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Note:

In addition to tuition charges, all students are assessed segregated fees which are used to finance a wide variety of student activities and services including student unions and student centers, student health services, student activities and organizations, intercollegiate and recreational sports, parking and transportation services, and child care. The total segregated fee amount paid by the student consists of allocable fees and nonallocable fees. According to Board of Regents policy, allocable fees are those fees that constitute substantial support for student activities such as student organizations, concerts, lectures, and bus passes. Nonallocable fees are defined as fees that support fixed obligations and programs that require stable funding such as debt service, base operating funds for student unions, and minimum student health services.

Under Board of Regent policy, a mandatory refundable fee (MRF) may be charged to support a Board-recognized student organization with a UW System inter-institutional governance support purpose. After the Board of Regents has approved a MRF, the students at any UW institution may conduct a referendum as to whether to begin such a fee and, once initiated, whether to continue the fee. A referendum to initiate or terminate the MRF at a particular institution may be called by the majority of the student government body at that institution or by a petition signed by at least ten percent of the student body. The referendum language must specify that the amount of the MRF plus postage is refundable upon written request within 45 days of the first day of class.

Currently, the United Council of the UW Students is the only Board-recognized student organization that is funded with a MRF. The MRF charged to support the United Council is \$3 per semester and is paid by students at the following UW institutions: Eau Claire, La Crosse, Madison, Milwaukee, Oshkosh, Parkside, Platteville, Stevens Point, Superior, and the UW Colleges. Based on the United Council's internal budget document, it is estimated that the MRF charged at these institutions generated \$808,500 in 2012-13.

Under the bill, the Board of Regents, UW institutions, UW Colleges campuses, and the UW-Extension would be permitted to service as a member, shareholder, or partner in or with such third-party entities that satisfy one of the following conditions: (1) the third-party entity advances research or higher education and the Board, UW institution, UW Colleges campus, or UW-Extension served as a member, shareholder, or partner in or with the third-party entity on February 1, 2013; or (2) the Secretary of the Department of Administration issues a determination that the third-party entity advances research or higher education prior to the Board of Regent, UW institutions, UW Colleges campus, or UW-Extension serving as a member, shareholder, or partner. The bill would provide that the Board of Regents, an UW institution or UW Colleges campus, or the UW-Extension may use the services of such third-party entities that satisfy the conditions in par. (1) or (2) above. The bill would provide that the Board, each UW institution, each UW Colleges campus, or the UW-Extension may use the services of such third-party entities that satisfy the conditions in par. (1) and (2) above. In addition, the bill would modify current law to permit the Board of Regents, an UW institution or UW Colleges campus, or the UW-Extension to participate in the operations of, or provide telecommunications services or technical support services to, those third-party entities that satisfy the conditions in par. (1) or (2) above but only in connection with the

use of services offered by those third-party entities. The bill would specify that the definition of "third-party entity" does not include WiscNet.

In December, 2012, the Legislative Audit Bureau (LAB) issued a report titled "UW System's Role in WiscNet and Grant-Funded Networks." In that report, the LAB noted that UW System institutions, and particularly UW-Madison, are members of a number of regional and national research and education networks including Internet2 and the Northern Tier Network Consortium. These networks allow members to transfer large amounts of data that may be required for various research projects to other members. Under 2011 Act 32, the Board of Regents, an UW institution or UW Colleges campus, or the UW-Extension may be a member, shareholder, or partner in or with any third-party entity that offers, resells, or provides telecommunications services to the general public or to any public or private entity if the third-party or other person is comprised entirely of universities and university-affiliated research facilities. It is believed that the intention of this provision was to allow UW institutions to remain members of national research and education networks such as Internet2 and the Northern Tier Network Consortium. However, the LAB report notes that, although most members of Internet2 and the Northern Tier Network Consortium are universities, both networks do include some number of corporate research entities and government agencies. The Act 32 provision could therefore be interpreted as prohibiting UW institutions from participating in networks such as Internet2 and the Northern Tier Network Consortium. Under the bill, the Board of Regents, an UW institution or UW Colleges campus, or the UW-Extension would be permitted to remain members of these networks and could become members of additional research and education networks with the approval of the Secretary of the Department of Administration.

The WHEG-TCS program provides need-based grants to resident students enrolled at least half-time in Wisconsin technical colleges. Base level funding for the WHEG-TCS program is \$18,797,900 in 2012-13; the bill would provide the same level of funding for the WHEG-TCS program in each year of the biennium. The tuition grant (TG) program provides need-based grants to resident undergraduates enrolled at least half-time in private, nonprofit postsecondary institutions in Wisconsin. Base level funding for the TG program is \$26,870,300 in 2012-13; the bill would provide the same level of funding for the TG program in each year of the biennium.

[Change to UW Compared to AB 40: -\$183,833,100 GPR; -13.0 GPR positions]

[Change to Compensation Reserves Compared to AB 40: \$89,444,500 GPR]

[Change to HEAB Compared to AB 40: -\$63,855,400 GPR, \$58,345,400 PR]