

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2012-13 Adjusted Base	Governor		2013-15 Change Over Base Year Doubled		2012-13	Governor		2014-15 Over 2012-13	
		2013-14	2014-15	Amount	%		2013-14	2014-15	Number	%
GPR	\$1,124,903,400	\$1,200,147,000	\$1,231,007,000	\$181,347,200	8.1%	18,432.76	18,439.26	18,445.76	13.00	0.1%
FED	1,843,593,700	1,843,593,700	1,843,593,700	0	0.0	5,602.60	5,602.60	5,602.60	0.00	0.0
PR	2,811,321,900	2,908,733,600	2,926,100,200	212,190,000	3.8	10,492.18	10,492.18	10,492.18	0.00	0.0
SEG	<u>32,663,000</u>	<u>32,663,000</u>	<u>32,663,000</u>	<u>0</u>	0.0	<u>148.42</u>	<u>148.42</u>	<u>148.42</u>	<u>0.00</u>	0.0
TOTAL	\$5,812,482,000	\$5,985,137,300	\$6,033,363,900	\$393,537,200	3.4%	34,675.96	34,682.46	34,688.96	13.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$20,789,500
PR	<u>7,881,800</u>
Total	\$28,671,300

Governor: Adjust the base budget by \$10,375,700 GPR in 2013-14 and \$10,413,800 GPR in 2014-15 and \$3,940,900 PR annually for:

(a) full funding of continuing position salaries and fringe benefits (\$9,550,500 GPR and \$3,940,900 PR annually); and (b) full funding of lease and directed moves costs (\$825,200 GPR in 2013-14 and \$863,300 GPR in 2014-15).

2. INCREASE GPR FUNDING

GPR	\$89,444,500
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Governor: Provide \$32,388,500 in 2013-14 and \$57,056,000 in 2014-15 in the four appropriations shown below. In addition to the 2013-15 increases, the table shows the base funding for each appropriation and the percentage increase in each year of the biennium.

	2012-13 Base	Increase over Base		% Increase Over Prior Year	
		2013-14	2014-15	2013-14	2014-15
General Program Operations	\$884,145,600	\$31,688,000	\$55,982,000	3.6%	2.7%
State Laboratory of Hygiene	9,374,300	285,700	438,000	3.0	1.6
Veterinary Diagnostic Laboratory	5,018,200	165,100	253,100	3.3	1.7
UW System Administration	<u>7,089,000</u>	<u>249,700</u>	<u>382,900</u>	3.5	1.8
Total	\$905,627,100	\$32,388,500	\$57,056,000	3.6%	2.6%

The funding increases for the State Laboratory of Hygiene, Veterinary Diagnostic Laboratory, and UW System Administration have been allotted for salary and fringe benefit costs

and would be used to provide compensation increases for employees. The \$87.7 million funding increase under the general program operations appropriation has not been allotted for specific purposes. However, the administration has indicated that the funding increase in the general program operations appropriation is similarly provided for compensation increases for UW employees.

Under another budget provision, the Board of Regents and the UW-Madison Chancellor would be granted the authority to establish compensation plans for UW employees. If that provision is approved, the Joint Committee on Employment Relations would not approve a compensation plan for UW System employees and the UW System would not receive supplements from the compensation reserve.

3. COMPENSATION PLANS

Governor: Authorize the Board of Regents to establish compensation plans for all UW System employees except those employees assigned to UW-Madison and authorize the UW-Madison Chancellor to establish compensation plans for all UW System employees assigned to UW-Madison. Delete the requirement that the Director of the Office of State Employment Relations submit a proposal for adjusting compensation and employee benefits for UW System employees to the Joint Committee on Employment Relations (JCOER). Delete four program supplement appropriations to fund the cost of pay and related adjustments approved by the JCOER for UW System employees and related references. Under the bill, JCOER would not approve a compensation plan for UW System employees and the UW System would not receive supplements from the compensation reserve.

Specify that the Board of Regents should set the salaries of each UW System employee subject to the limitations included in the pay plans approved by the Board of Regents and the UW-Madison Chancellor, instead of the pay plan approved by JCOER under current law. Delete current law language limiting the Board of Regents' authority to increase employee salaries and a related report. Under current law, the Board of Regents may not increase employee salaries unless those increases conform to the pay plan approved by the JCOER, correct salary inequities, fund job reclassifications or promotions, or recognize competitive factors. The Board of Regents is required to submit an annual report to the Joint Finance Committee, the Secretary of the Department of Administration, and the Office of State Employment Relations regarding the amounts of salary increases granted to recognize competitive factors and the institutions at which those salary increases were granted.

In addition, define "continuous service" as service performed while employed by a state agency or the Board of Regents. The length of an employee's continuous service is used to determine the employee's annual allotment of leave (vacation) time and post-retirement health insurance premium credits.

[Bill Sections: 66, 67, 469 thru 475, 498 thru 500, 576, 577, 586, 587, 605, 1999, and 2011 thru 2013]

4. DEBT SERVICE REESTIMATE

GPR	\$42,413,200
PR	39,046,800
Total	\$81,460,000

Governor: Provide \$16,579,400 GPR and \$10,840,100 PR in 2013-14 and \$25,833,800 GPR and \$28,206,700 PR in 2014-15 to reestimate debt service costs. Annual base level funding for debt service is \$219,276,300 GPR and \$127,182,200 PR.

5. INCENTIVE GRANTS

GPR	\$20,000,000
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Governor: Provide \$10,000,000 annually in a new biennial appropriation for incentive grants. Specify that the Board of Regents would award grants from this appropriation to UW institutions to fund the following: (a) economic development programs; (b) programs that have as their objective the development of an educated and skilled workforce; and (c) programs to improve the affordability of postsecondary education for resident undergraduates.

Economic development programs would be defined as programs or activities that: (a) have the primary purpose of encouraging the establishment and growth of business in this state, including the creation and retention of jobs; and (b) receive funding from the state or federal government through state appropriations and provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

Programs that have as their objective the development of an educated and skilled workforce would include those that: (a) would increase the number of degrees awarded in fields for which the occupational demand is high or in fields that are jointly determined to be high-demand fields by the Department of Workforce Development and the Wisconsin Technical College System Board; (b) would increase the number of opportunities available to students to gain work experience in their fields through internships or cooperative work experiences; and (c) increase or enhance research development.

Programs to improve the affordability of postsecondary education for resident students would include those that: (a) reduce the time required to obtain a degree; (b) increase the opportunities available for high school pupils to earn credit toward a postsecondary degree; and (c) improve the transfer of credit between institutions of higher education.

Require the Board of Regents to submit a plan for the establishment of the incentive grant program to the Secretary of the Department of Administration (DOA) for his or her approval within 90 days after the effective date of the bill. Require that the plan include: (a) application procedures and procedures and criteria for awarding grants; (b) a plan to establish performance goals and accountability measures for each grant recipient; (c) a plan to track and report program results reported by grant recipients; and (d) an acknowledgment that the amounts awarded are not base building. In addition, require the Board of Regents to submit an annual report to the DOA Secretary on the programs that have been awarded an incentive grant. Require that the report include the goals, results, and budget for each program as well as a systemwide summary of this information.

[Bill Sections: 249, 591, and 9148(1)]

6. CARBONE CANCER CENTER

GPR	\$3,750,000
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Governor: Provide \$3,750,000 in 2013-14 in a new biennial appropriation for translational imaging research and require that the funds provided be used for costs incurred by the University of Wisconsin Carbone Cancer Center related to translational imaging research, research imaging and scanning, research imaging equipment, and the Wisconsin Oncology Network. Require the center to submit a plan to the Secretary of the Department of Administration (DOA) for raising an additional \$3,750,000 from federal, private, and other sources for the same purposes. Prohibit the release of funds from the appropriation unless the DOA Secretary approves the Center's fundraising plan.

[Bill Sections: 250 and 590]

7. FUNDING FOR MEDICAL SCHOOL PROGRAMS

GPR	\$3,000,000
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Governor: Provide \$1,500,000 annually in the UW System's GPR general program operations appropriation and require the Board of Regents to allocate that amount for the Wisconsin Academy for Rural Medicine and the Training in Urban Medicine and Public Health Program at the University of Wisconsin School of Medicine and Public Health.

[Bill Sections: 588 and 589]

8. FLEXIBLE OPTION

	Funding	Positions
GPR	\$1,950,000	13.00

Governor: Provide \$650,000 in 2013-14 and \$1,300,000 in 2014-15 and 6.5 positions beginning in 2013-14 and an additional 6.5 positions beginning in 2014-15 to increase the number of courses and programs offered through the new flexible option platform. Flexible option degree programs are targeted to adult learners and are self-paced and competency-based. Through these programs, students can be awarded credit for demonstrating college-level competencies learned through coursework, independently, or through employment. Beginning in fall, 2013, students will be able to enroll five degree programs and one certificate program offered through the flexible option.

9. ADJUST PR GENERAL PROGRAM OPERATIONS APPROPRIATION TO REFLECT 2012-13 OPERATING LEVELS

PR	\$165,261,400
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Governor: Provide \$82,630,700 annually to reflect increases in tuition revenue and revenues from self-supporting operations that occurred during the 2011-13 biennium. The UW System's program revenue general program operations appropriation is an "all moneys received" appropriation, meaning that all revenues may be spent regardless of the amount shown in the appropriation schedule.

10. CORE GENERAL EDUCATION COURSES TRANSFER AGREEMENT

Governor: Require the Board of Regents and the Wisconsin Technical College System (WTCS) Board to enter into and implement an agreement that identifies core general education courses totaling not fewer than 30 credits that will be transferable between and within each institution participating in the agreement. Define core general education courses as those courses generally required for an undergraduate degree that are prerequisites or otherwise in addition to the courses required for an undergraduate degree in a specific course of study. The agreement shall establish policies ensuring that, beginning in the 2014-15 academic year, credits for completing the courses identified by the agreement will be transferable without loss of credit towards graduation or toward completion of a specific course of study. Provide that the Wisconsin Association of Independent Colleges and Universities (WAICU), on behalf of its constituent institutions, and the governing boards of tribally controlled colleges in this state may be parties to the agreement. Require the Board of Regents and the WTCS Board to ensure that WAICU and the governing boards of the tribally controlled colleges have the opportunity to participate in the agreement. Specify that the courses identified in the agreement be included in the computer-based credit transfer system maintained by the Board of Regents. Require the Board of Regents to include a description of the agreement and a summary of the Board's implementation of the agreement in the annual accountability report submitted by the Board to the Governor and the Legislature beginning with the report for the 2014-15 academic year.

[Bill Sections: 581 thru 583, 601, and 609]

11. ELIGIBILITY OF VETERANS FOR TUITION AND FEE REMISSIONS

Governor: Provide that a veteran who would otherwise be eligible to receive tuition and fee remissions but was not a resident of this state at the time of his or her entry into the Armed Forces would be eligible to receive tuition and fee remissions if he or she has been verified by the Department of Veterans Affairs (DVA) as being a resident of this state for at least five consecutive years. In addition, specify that the state from which a veteran entered service would be irrelevant in determining the veteran's state of residence at the time of entry into service. Under current law, a veteran is eligible to receive tuition and fee remissions if he or she has been verified by DVA as being all of the following: (a) a resident of this state for the purpose of receiving state veterans benefits; (b) a resident at the time of his or her entry into the Armed Forces; and (c) having qualifying military service.

The bill would also require that a veteran maintain a cumulative grade point average of at least 2.0 to remain eligible for tuition and fee remissions. This requirement would apply beginning in the first semester after the effective date of the bill.

[Bill Sections: 598 thru 600 and 9348(1)]

12. ELIGIBILITY OF CHILDREN AND SPOUSES OF CERTAIN VETERANS FOR TUITION AND FEE REMISSIONS

Governor: Provide that the child, spouse, or unremarried surviving spouse of a deceased or disabled veteran who would be eligible for tuition and fee remissions under current law if the veteran had been a resident of this state at the time of his or her entry into the Armed Forces would be eligible to receive tuition and fee remissions if the veteran resided in this state for at least five consecutive years. In addition, specify that the state from which a veteran entered service would be irrelevant in determining the veteran's state of residence at the time of entry into service. Under current law, the children and unremarried surviving spouse of a deceased veteran are eligible for tuition and fee remissions if the veteran: (a) was a state resident at the time of entry into the service; (b) served under honorable conditions; (c) either died on active duty, died on inactive duty for training purposes, or died as the result of a service-related disability; and (d) was a resident of this state at the time of death. The children and spouse of a disabled veteran are eligible for tuition and fee remissions if the veteran: (a) was a state resident at the time of entry into service; (b) served under honorable conditions; and (c) has been awarded at least a 30% service-connected disability rating by the U.S. Department of Veterans Affairs.

In addition, eliminate the time limitations on the receipt of tuition and fee remissions by the spouses of disabled veterans and the unremarried surviving spouses of deceased veterans. Under current law, a spouse may only receive tuition and fee remissions during the first ten years after the eligible veteran received the service-connected disability rating and an unremarried surviving spouse may only receive tuition and fee remissions during the first ten years after the veteran died or the first ten years after the youngest child that the spouse had with the veteran reaches or would have reached 18 years of age.

The bill would also require that the spouse, unremarried surviving spouse, or child of an eligible veteran maintain a cumulative grade point average of at least 2.0 to remain eligible for tuition and fee remissions. This requirement would apply beginning in the first semester after the effective date of the bill.

[Bill Sections: 592 thru 597 and 9348(1)]

13. PARTICIPATION IN THIRD-PARTY ENTITIES OFFERING TELECOMMUNICATIONS SERVICES

Governor: Modify current law to permit the Board of Regents, an UW institution or UW Colleges campus, or the UW-Extension to serve as a member, shareholder, or partner in or with certain additional third-party entities that offer, resell, or provide telecommunications services to the general public or to any other public or private entity. The Board of Regents, UW institutions, UW Colleges campuses, and the UW-Extension would be permitted to serve 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 Regents, UW institution, UW Colleges campus, or UW-Extension serving as a member, shareholder, or partner. 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. 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. Specify that the definition of "third-party entity" does not include WiscNet.

Under current law, 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 only if one of the following applies: (1) the third-party entity does not offer, resell, or provide telecommunications services that it did not offer, resell, or provide on June 15, 2011, and the third-party entity does not offer, resell, or provide telecommunications services to a private entity, to the general public, or to a public entity other than a university or a university-affiliated research facility or a facility approved by the Joint Committee on Finance related to the Building Community Capacity Through Broadband project grant, that the third-party entity was not serving on June 15, 2011; or (2) the third-party entity or other person is comprised entirely of universities and university-affiliated research facilities. In addition, the Board of Regents is prohibited from offering, reselling, or providing telecommunications services that are available from a private telecommunications carrier to the general public or to any other public or private entity.

[Bill Sections: 606 thru 608]

14. MEDICAL SCHOOL REPORTS

Governor: Require the UW-Madison Medical School to submit a report annually by October 15 to the Governor and the Chief Clerk of each house of the Legislature providing the following information: (a) the number of students enrolled in rural and underserved urban medicine programs; (b) the medical specialties and residency locations of the students in those programs; and (c) the initial postresidency practice locations of the graduates of those programs. Define "rural or urban medicine program" to include the Wisconsin Academy for Rural Medicine, the Training in Urban Medicine and Public Health program, and any other rural or underserved urban medicine program established after the effective date of the bill.

In addition, combine a report that the medical school is currently required to submit biennially to the Governor and the Joint Committee on Finance with a report that the medical school is required to submit by October 15 of each even-numbered year to the Governor and the chief clerk of each house. The combined report would be submitted to the Governor, the Joint Committee on Finance, and the Chief Clerk of each house by October 15 of each even-numbered year and would include the following information: (a) minority student recruitment policies and programs and the number of minority students enrolled; (b) number and percentages of

Wisconsin residents enrolled; (c) average faculty salaries compared to national averages; (d) development of cooperative educational programs with other institutions throughout this state; (e) placement of graduates of doctor of medicine and residency training programs; (f) the financial status of the family practice residency sites; (g) the number of family practice residents choosing to practice in medically underserved areas of the state upon graduation; and (h) the number of graduates entering family practice as a career.

[Bill Sections: 2 thru 6]

15. DISCOVERY FARM GRANTS

Governor: Change the source of funds for the discovery farm grants from the agricultural chemical cleanup fund to the agrichemical management fund.

[Bill Section: 251]

16. DELETE OBSOLETE APPROPRIATION

Governor: Delete the appropriation for the Special Task Force on UW Restructuring and Operational Flexibilities. Under current law, no funds can be encumbered from this appropriation after June 30, 2013.

[Bill Section: 468]