

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary							
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$2,231,160,000	\$2,357,768,500	\$2,243,868,500	- \$113,900,000*	- 4.8%	\$12,708,500*	0.6%
FED	3,455,558,600	3,455,558,600	3,455,558,600	0	0.0	0	0.0
PR	6,670,828,800	6,878,333,700	6,878,333,700	0	0.0	207,504,900	3.1
SEG	<u>65,592,600</u>	<u>66,212,600</u>	<u>65,592,600</u>	<u>- 620,000</u>	<u>- 0.9</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,423,140,000	\$12,757,873,400	\$12,643,353,400	- \$114,520,000	- 0.9%	\$220,213,400	1.8%

*This does not include \$45 million GPR for the UW System and \$8.8 million GPR for a Dairy Innovation Hub provided in the Joint Finance Committee's supplemental appropriation. Including this funding, the Joint Finance Committee GPR change to the Governor would be -\$60.1 million and -2.5%, and GPR change to the base would be \$66.5 million and 3.0%.

FTE Position Summary					
Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to:	
				Governor	2018-19 Base
GPR	17,813.49	17,834.49	17,814.49	- 20.00	1.00
FED	5,534.53	5,534.53	5,534.53	0.00	0.00
PR	12,538.79	12,758.63	12,758.63	0.00	219.84
SEG	<u>165.51</u>	<u>165.51</u>	<u>165.51</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	36,052.32	36,293.16	36,273.16	- 20.00	220.84

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$5,863,000
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Governor/Joint Finance: Modify the base budget by \$2,892,600 in 2019-20 and \$2,970,400 in 2020-21 for: (a) full funding of continuing position salaries and fringe benefits (\$2,829,800 annually); and (b) full funding of lease and directed moves costs (\$62,800 in 2019-20 and \$140,600 in 2020-21).

2. RESIDENT UNDERGRADUATE TUITION FREEZE [LFB Paper 755]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$50,400,000	- \$50,400,000	\$0

Governor: Prohibit the Board of Regents of the UW System from charging resident undergraduates enrolled in an institution or college campus in the 2019-20 or 2020-21 academic year more in tuition than it charged resident undergraduates enrolled in that institution or college campus in the 2018-19 academic year. Provide \$16,800,000 in 2019-20 and \$33,600,000 in 2020-21.

Beginning in the 2013-15 biennium, each biennial budget act has prohibited increases in resident undergraduate tuition rates. The administration estimates that a 1% increase in resident undergraduate tuition would result in an increase in tuition revenues of approximately \$8.4 million. The administration indicates the funds provided under the bill are intended to replace resident undergraduate tuition revenue which could have been generated based on a tuition increase of 2% in each year of the biennium.

Joint Finance: Delete \$16,800,000 in 2019-20 and \$33,600,000 in 2020-21, but still prohibit the Board of Regents from charging resident undergraduates enrolled in an institution or college campus in the 2019-20 or 2020-21 academic year more in tuition than it charged resident undergraduates enrolled in that institution or college campus in the 2018-19 academic year.

3. STUDENT SUCCESS AND ATTAINMENT [LFB Paper 756]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$45,000,000	- \$45,000,000	\$0

Governor: Provide \$20,000,000 in 2019-20 and \$25,000,000 in 2020-21 in the UW System's general program operations appropriation. Require the Board of Regents to allocate this funding to advance student success and attainment.

Executive budget documents indicate that initiatives supported by this funding could include time to degree, advising, and participation in internships, undergraduate research, and community partnerships.

Joint Finance: Delete provision. Instead, provide \$22,500,000 in 2019-20 and \$22,500,000 in 2020-21 in the Joint Committee on Finance supplemental appropriation for release to the UW System upon submission of a plan by the UW System for the use of this funding. The fiscal effect of this item is shown under Program Supplements.

4. NURSE EDUCATORS [LFB Paper 757]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$10,000,000	\$0

Governor: Provide \$10,000,000 in 2019-20 in a new continuing appropriation for a nurse educators program. Require the Board of Regents to establish a nurse educator program that provides: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice or doctor of philosophy in nursing; (b) postdoctoral fellowships to recruit faculty for system nursing programs; and (c) educational loan repayment assistance to recruit and retain faculty for system nursing programs. Specify that the program require individuals who receive fellowships or loan repayment assistance under the program to make a commitment to teach for three consecutive years in a UW-System nursing program.

Joint Finance: Delete provision.

5. DAIRY INNOVATION HUB

Joint Finance: Provide \$1,000,000 GPR in 2019-20 and \$7,800,000 GPR in 2020-21 in the Joint Committee on Finance supplemental appropriation for release to the UW System upon request and approval by the Committee. The fiscal effect of this item is shown under Program Supplements.

6. REESTIMATE DEBT SERVICE

GPR	\$6,549,900
PR	<u>20,495,900</u>
Total	\$27,045,800

Governor/Joint Finance: Provide \$3,390,700 GPR and \$8,230,700 PR in 2019-20 and \$3,159,200 GPR and \$12,265,200 PR in 2020-21 to reestimate debt service costs.

7. ADDITIONAL UW COLLEGES FUNDING [LFB Paper 758]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Provide \$2,500,000 in 2019-20 and in 2020-21 in the UW System's general program operations appropriation. Require the Board of Regents to allocate at least \$2.5 million of this funding in each fiscal year to the UW Colleges for student support services. Specify that this be in addition to any other amount allocated to UW Colleges by the Board and that this allocation be a bona fide increase of funding to the UW Colleges above the level that would otherwise have been provided.

Joint Finance: Delete provision.

8. UW-EXTENSION COOPERATIVE COUNTY AGRICULTURE AGENTS [LFB Paper 759]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$3,500,000	20.00	-\$3,500,000	- 20.00	\$0	0.00

Governor: Provide \$1,500,000 and 20.0 positions beginning in 2019-20 and \$2,000,000 in 2020-21 in the UW System's general operations appropriation. Require the Board of Regents to allocate \$1.5 million GPR in fiscal year 2019-20 and \$2 million GPR annually thereafter for extension county-based agriculture positions.

UW-Extension agricultural agents and educators work with counties to utilize University research and knowledge to address community agricultural and natural resource needs.

Joint Finance: Delete provision.

9. STATE LAB OF HYGIENE -- FORENSIC TOXICOLOGY

	Funding	Positions
GPR	\$295,600	1.00

Governor/Joint Finance: Provide \$126,800 in 2019-20 and \$168,800 in 2020-21 and 1.0 position beginning in 2019-20 for the State Laboratory of Hygiene's forensic toxicology unit. Executive budget documents indicate that the faculty position would conduct research on trends in opioids, novel psychoactive substances, and drugs and further collective efforts to curtail opioids and other drug abuse.

10. REESTIMATE TUITION REVENUES

	Funding	Positions
PR	\$187,009,000	219.84

Governor/Joint Finance: Provide \$93,504,500 annually and 219.84 positions beginning in 2019-20 to reflect increases in tuition revenues that have been incorporated into UW System's operating budget since 2016. Based on the UW System's agency budget request, these increases are attributable to the following: (a) changes in enrollment (\$39,240,300); self-supporting programs (\$14,232,200); (c) differential tuition increases (-\$711,200); and (d) increases in nonresident and graduate tuition (\$40,743,400).

Tuition revenues are deposited in the UW System's PR general program operations appropriation. That appropriation is an all-moneys-received appropriation meaning that the UW System can expend all moneys deposited in the appropriation regardless of the amount shown in the appropriation schedule. In addition, the Board of Regents and the UW-Madison Chancellor may create or abolish positions funded with tuition revenue without the approval of the Legislature or the Joint Committee on Finance.

11. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is a citizen of a country other than the U.S., while they continue to be a resident of Wisconsin, would be entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees, if that person meets all of the following requirements: (a) the person graduated from a high school in Wisconsin or received a declaration of equivalency of high school graduation from Wisconsin; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in Wisconsin or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in an institution and provides that institution with proof that the person has filed or will file an application for a permanent resident visa with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for a person who is not a legal permanent resident of the United States and who meets the criteria specified in the bill.

Joint Finance: Delete provision.

12. SUPPLEMENTAL PAY PLAN AND PERFORMANCE [LFB Paper 760]

Governor: Specify that, during the 2019-21 biennium, the Board of Regents may provide supplemental pay plans, in addition to the 2019-21 state compensation plan, for all of its employees, other than employees assigned to UW-Madison. In addition, specify that, during the 2019-21 biennium, the Chancellor of UW-Madison may provide supplemental pay plans, in addition to the 2019-21 state compensation plan, for all employees assigned to UW-Madison. Require the Chancellor to submit the supplemental pay plans to the Board of Regents and implement them only with the approval of the Board. Further, prohibit the Board from requesting supplemental funding to pay the costs of the supplemental pay plans, and prohibit the Board from requesting any funding of increases in salary and fringe benefit costs provided in these plans through the UW System agency budget request. Additionally, specify that, for each fiscal year of the 2019-21 biennium, instead of allocating \$26,250,000 for performance based funding, the Board of Regents may allocate all or a portion of that amount to fund the supplemental pay plans allowed under the bill. If the Board allocates a portion of that amount for supplemental pay plans, the Board is required to allocate the remainder to distribute to institutions under the performance based formula. The \$26,250,000 GPR for performance based funding is included in the annual base budget of the UW System.

Joint Finance: Delete provision.

13. PERFORMANCE FUNDING ALLOCATIONS

Governor: Modify the current performance funding program to provide that any university, including any branch campus associated with the university as a result of the UW system restructuring, any operational unit of the UW-Madison assigned former functions of the UW-Extension as a result of the system restructuring, and any operational unit of System Administration assigned former functions of the UW-Extension as a result of the system restructuring are included as "institutions" for the purposes of the allocation of performance funding. Define "system restructuring" as the system's restructuring plan approved by the Higher Learning Commission on or about June 28, 2018. In addition, specify that the requirement that the Board of Regents approve a peer group for each institution that includes institutions of higher education with comparable missions and service populations does not apply to operational units assigned former functions of the UW-Extension as a result of the system restructuring.

The 2017-19 budget (2017 Act 59) created the performance funding program for the UW System which establishes the following goals for the UW System: (a) growing and ensuring student access; (b) improving and excelling at student progress and completion; (c) expanding contributions to the workforce; and (d) enhancing operational efficiency and effectiveness. For each goal, the Board of Regents was required to identify at least four metrics to measure an institution's progress toward meeting the goal. The Board was authorized to specify different metrics for UW-Extension (units assigned former UW-Extension functions under the bill). Act 59 also required the Board to develop a formula for distributing the \$26.25 million provided in 2018-19 among the institutions based on each institution's performance with respect to the metrics subject to approval by the Joint Committee on Finance. In April, 2018, the Joint Committee on Finance approved the outcomes-based funding formula proposal submitted by the UW System. Because of the ongoing restructuring of the UW System, UW Colleges and UW-Extension were removed from consideration for the outcomes-based funding formula. Under the bill, all units of the UW-System would be eligible for funding under the formula.

Joint Finance: Delete provision.

14. ENVIRONMENTAL EDUCATION GRANTS [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually from the conservation fund and create an environmental education grant program. Under the environmental education grant program, require UW-Stevens Point to award grants to nonprofit corporations, and public agencies including county, city, village, town, public inland lake protection and rehabilitation districts, lake sanitary districts, or school districts, or agencies of those public agencies or the state, for the development, dissemination, and presentation of environmental education programs. Require programs to be funded on an 18-month basis. In addition, specify that no grant could be awarded under the program unless the grant recipient matches at least 25 percent of the amount of the grant. Provide

that matching moneys could include private funds and in-kind contributions. Specify that grants from the program could not be used to replace funding available from other sources. Further, provide that no more than one-third of the total amount awarded in grants in any fiscal year could be awarded to state agencies.

Require UW-Stevens Point to consult with all of the following to assist in identifying needs and establishing priorities for environmental education, including needs for teacher training, curriculum development and the development and dissemination of curriculum materials: (a) the State Superintendent of Public Instruction; (b) other UW System institutions with expertise in the field of environmental education; and (c) conservation and environmental groups, including youth organizations and nature and environmental centers. Require the Board of Regents to, in consultation with the Chancellor and faculty of UW- Stevens Point, promulgate rules establishing the criteria and procedures for awarding grants under the program. If the amount in the appropriation is insufficient in any fiscal year to fund all applications for grants, require UW-Stevens Point to use the priorities established in consultation with other entities for awarding grants. Further, require UW-Stevens Point to seek private funds to support the grant program.

Joint Finance: Delete provision.

15. UW-STEVENSON POINT PAPER SCIENCE PROGRAM

Governor/Joint Finance: Delete current law that specifies that \$78,000 must be allocated for the paper science program from an appropriation under the UW System with \$136,700 of annual base funding from the conservation fund. Further, require that the Board of Regents ensure that at least 1.0 full-time equivalent position, funded from this appropriation, is created in the paper science program at UW-Stevens Point.

Under current law, the appropriation is restricted to \$78,000 annually for the paper science program and the remaining balance for grants to forest cooperatives. Under the bill, the appropriation would provide the amounts in the schedule of appropriations (\$136,700) for the paper science program and grants to forestry cooperatives.

16. PHYSICIAN AND DENTIST LOAN ASSISTANCE PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$120,000	- \$120,000	\$0

Governor: Provide \$60,000 SEG annually over annual base level funding of \$250,000 SEG and \$488,700 PR from the critical access hospital assessment fund for the physician and dentist and health care provider loan assistance programs. Specify that dentists who agree to practice in one or more eligible practice areas or dental health shortage areas in Wisconsin and who agree to practice in a rural area are eligible for loan repayment of up to \$100,000 by the UW Board of Regents under the physician and dentist loan assistance program and subject to current loan

repayment terms that apply to physicians practicing in rural areas under that program. Specify that this first applies to dentists whose applications for the physician and dentist loan assistance program are received on the effective date of the bill.

Currently, under the physician and dentist loan assistance program, the UW Board of Regents may repay up to \$50,000 in education loans on behalf of a physician or dentist who agrees to practice in one or more eligible practice areas or dental health shortage areas in this state. For physicians who additionally agree to practice in a rural area, the UW Board of Regents may make loan repayments of up to \$100,000. Under the bill, dentists who additionally agree to practice in a rural area would also be eligible for loan repayments of up to \$100,000.

Joint Finance: Delete provision.

17. HEALTH CARE PROVIDER LOAN ASSISTANCE

Governor: Expand eligibility to dental therapists under the health care provider loan assistance program. The bill would create a license to practice dental therapy (see "Safety and Professional Services").

Under the health care provider loan assistance program, the Board may repay up to \$25,000 in education loans on behalf of a health care provider, defined as a dental hygienist, physician assistant, nurse midwife, or nurse-practitioner, who agrees to practice in one or more eligible practice areas in this state.

Funding from this program is drawn from the same appropriations as the physician and dentist loan program in the previous entry.

Joint Finance: Delete provision.

18. DUAL ENROLLMENT [LFB Paper 593]

Governor: Delete the early college credit program under which high school students can take courses offered by the UW System under current law (see "Public Instruction -- Choice and Charter"). Instead, create a dual enrollment program under which a student attending high school in Wisconsin may be admitted as a non-degree student and may enroll in courses of instruction offered for transcribed credit at any UW institution. Specify that for a student to enroll in such courses, the student must meet the requirements and prerequisites of the course, and there must be space available in the course. Define "transcribed credit" as a program under which the institution in which a high school student is enrolled awards postsecondary credit for successful course completion and issues a transcript from the institution documenting successful completion of the course and the credits awarded for the course, if such a transcript is requested.

Require the Board of Regents to establish policies and implement the program, and to consult with DPI and coordinate with school districts and the governing bodies of private schools where the high school students are enrolled in establishing the program. Prohibit the Board of Regents from charging any tuition, academic fees, or segregated fees to any high school student,

or to the school district or private school in which the student is enrolled, in connection with the student's participation in the program or the student's enrollment in any course under this program.

Require a student who intends to enroll in an institution under this program to notify the school board of the public school district in which the student is enrolled or the governing body of the private school in which the student is enrolled no later than March 1 if the student intends to enroll in the fall semester, or October 1 if the student intends to enroll in the spring semester. Require the notice to include the titles of the courses in which the student intends to enroll and the number of credits of each course, and specify whether the student will be taking the courses for high school credit as well as post-secondary credit.

If the student intends to take a course for high school credit, require the school board or the private school governing body to determine whether the course satisfies any requirements necessary for high school graduation and the number of high school credits to award the student for the course, if any. Require the State Superintendent to develop guidelines to assist school districts and participating private schools in making these determinations. Require the school board or governing body to notify the student of its determinations, in writing, before the beginning of the semester in which the student will be enrolled. Provide that a public school student may appeal a school board's decision to the State Superintendent within 30 days after the decision, and that the State Superintendent's decision would be final and not subject to review under current law governing administrative actions and judicial review. Provide that a student attending a participating private school may appeal the decision to the governing body of the private school within 30 days after the decision.

Require the Board of Regents to implement the program no later than 30 days after the effective date of the bill. If the Board has already received payments of tuition, academic fees, or segregated fees under the early college credit program for the first semester beginning after the effective date of the bill, require the Board to refund all such fees received.

Require the Board of Regents to include postsecondary credits earned by a high school student under this program in policies it is required to establish under current law regarding the appropriate transfer of credits between institutions within or outside of the System, and to permit a student to earn credits through a passing score on an examination to determine the student's competency in the subject area of the course if it is determined that the credits are not transferable.

Under current law, high school students enrolled in a public or private school can attend UW institution courses under the early college credit program. Under the program, the cost of a course is shared between the student's school or school district and the state, if the student will receive high school credit for the course, or between the school or school district, the state, and the student, if the student will receive only postsecondary credit for the course. Tuition charged by the UW institution cannot exceed one-third of the amount that would be charged to an individual who is enrolled as a Wisconsin undergraduate student.

Joint Finance: Delete provision.