

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary							
Fund	2004-05 Base Year Doubled	2005-07 Governor	2005-07 Jt. Finance	2005-07 Legislature	2005-07 Act 25	Act 25 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$1,953,162,000	\$2,002,818,300	\$1,966,296,800	\$1,930,890,800	\$1,930,780,800	-\$22,381,200	- 1.1%
FED	1,788,664,000	1,794,222,800	1,792,800,800	1,792,800,800	1,792,800,800	4,136,800	0.2
PR	3,854,265,400	4,156,862,700	4,156,732,800	4,156,732,800	4,156,732,800	302,467,400	7.8
SEG	<u>47,915,400</u>	<u>47,915,400</u>	<u>48,071,400</u>	<u>48,071,400</u>	<u>48,071,400</u>	<u>156,000</u>	0.3
TOTAL	\$7,644,006,800	\$8,001,819,200	\$7,963,901,800	\$7,928,495,800	\$7,928,385,800	\$284,379,000	3.7%

FTE Position Summary						
Fund	2004-05 Base	2006-07 Governor	2006-07 Jt. Finance	2006-07 Legislature	2006-07 Act 25	Act 25 Change
						Over 2004-05 Base
GPR	18,327.63	18,253.58	17,987.16	17,987.16	17,987.16	- 340.47
FED	4,863.55	4,888.10	4,878.10	4,878.10	4,878.10	14.55
PR	7,392.52	7,385.52	7,388.52	7,388.52	7,388.52	- 4.00
SEG	<u>101.60</u>	<u>101.60</u>	<u>102.60</u>	<u>102.60</u>	<u>102.60</u>	<u>1.00</u>
TOTAL	30,685.30	30,628.80	30,356.38	30,356.38	30,356.38	- 328.92

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget for: (a) removal of noncontinuing items including auxiliary enterprise funding for the Lawton minority undergraduate grant (-\$1,842,100 PR annually), graduate student financial assistance auxiliary enterprise funding (-\$1,650,000 PR annually), and Center for Tobacco Research and Intervention (-\$1,004,000 PR and -7.5 PR positions annually); (b) full funding of 2003-04 craftworker pay plan (\$144,700 GPR and \$49,700 PR annually); (c) full funding of fringe benefits (\$18,611,800 GPR and \$16,064,400 PR annually), primarily related to retirement and health insurance costs; (d) full funding of Smith-Lever cooperative extension pay plan for 2003-04 and 2004-05 (\$144,700 GPR annually);

	Funding	Positions
GPR	\$40,727,000	0.00
PR	<u>24,240,800</u>	<u>- 7.50</u>
Total	\$64,967,800	- 7.50

and (e) full funding for discretionary compensation adjustments and performance recognition awards paid in 2002-03 and 2003-04 (\$1,462,300 GPR and \$502,400 PR annually).

2. FUEL AND UTILITIES EXPENSES [LFB Paper 775]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,685,500	\$0	\$20,685,500
PR	<u>60,867,400</u>	<u>- 902,500</u>	<u>59,964,900</u>
Total	\$81,552,900	- \$902,500	\$80,650,400

Governor: Provide \$22,543,900 GPR and \$15,583,700 PR in 2005-06 and -\$1,858,400 GPR and \$45,283,700 PR in 2006-07 for fuel and utility expenses for the UW System. The funding provided reflects projected fuel and utility rate increases and increased fuel and utility costs related to new space. Utility costs are funded through a combination of GPR and PR tuition and fee revenues. Currently, UW System non-auxiliary operations utility costs are paid from a GPR-funded fuel and utilities appropriation with base funding of \$56,921,200 GPR in 2004-05.

The proposed funding adjustments in the bill are shown in the following table:

Fuel and Utility Funding Adjustments

	<u>2005-06</u>	<u>2006-07</u>	<u>2005-07</u>
GPR			
General Program Operations	-\$13,647,900	-\$17,630,200	-\$31,278,100
Fuel and Utilities	<u>36,191,800</u>	<u>15,771,800</u>	<u>51,963,600</u>
Subtotal -- GPR	\$22,543,900	-\$1,858,400	\$20,685,500
PR			
Tuition	<u>\$15,583,700</u>	<u>\$45,283,700</u>	<u>\$60,867,400</u>
Total -- All Funds	\$38,127,600	\$43,425,300	\$81,552,900

Joint Finance/Legislature: Modify by reducing the University's largest state operations appropriation by \$2,605,100 GPR annually and providing an increase to the University's fuel and utility appropriation by \$2,605,100 GPR annually to reflect the application of revenues received since 2002-03 from fuel and utilities charges assessed to students. In addition, adjust the funding amounts to correct the tuition offset and total funding provided for fuel and utility expense as shown in the following table:

	<u>2005-06</u>	<u>2006-07</u>	<u>2005-07</u>
GPR			
General Program Operations	-\$3,048,600	-\$25,638,200	-\$28,686,800
Fuel and Utilities	<u>1,190,200</u>	<u>27,496,600</u>	<u>28,686,800</u>
Subtotal -- GPR	-\$1,858,400	\$1,858,400	\$0
PR			
Tuition	<u>\$1,112,800</u>	<u>-\$2,015,300</u>	<u>-\$902,500</u>
Total -- All Funds	-\$745,600	-\$156,900	-\$902,500

3. DEBT SERVICE FOR UW-MADISON CO-GENERATION FACILITY [LFB Paper 184]

GPR	\$9,250,100
PR	11,944,200
Total	\$21,194,300

Governor: Provide \$4,157,500 GPR and \$5,768,400 PR in 2005-06 and \$5,092,600 GPR and \$6,175,800 PR in 2006-07 for debt service related to debt service costs for the UW-Madison co-generation electric power, steam, and chilled water facility. The GPR funding would be provided in a debt service appropriation, but should be shifted to the UW System's fuel and utilities appropriation, which is authorized to make these payments. The program revenue funding for the co-generation facility comes from debt service allocations to non-state entities that benefit from the facility and is paid from a PR appropriation established for this purpose, as well as from the auxiliary enterprises' debt service appropriation for their share of these debt service costs.

Joint Finance/Legislature: Modify to increase the UW fuel and utilities appropriation by \$4,157,500 GPR in 2005-06 and \$5,092,600 GPR in 2006-07 and reduce funding provided under the University's debt service appropriation by the same amount. Under current law, GPR-related debt service funding for UW-Madison's co-generation facility will be provided under the UW System's GPR-funded fuel and utilities appropriation.

4. FUNDING AND POSITION REDUCTIONS [LFB Paper 776]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$65,000,000	-200.00	-\$25,000,000	0.00	-\$90,000,000	-200.00

Governor: Reduce the UW System's GPR-funded general program operations appropriation by \$40,000,000 in 2005-06 and \$25,000,000 in 2006-07 and delete 200.0 positions starting in 2005-06. According to the administration, these reductions include the following: \$15,000,000 in 2005-06 and \$20,000,000 in 2006-07 associated with administrative position reductions; \$5,000,000 annually related to projected supplies and services procurement savings associated with the Governor's procurement consolidation initiative; and \$20,000,000 in 2005-06 related to the management or sale of assets.

In addition, require the UW System Board of Regents to submit a plan by May 30, 2006, to the Secretary of Administration for approval to eliminate the 200.0 administrative positions within the UW System. Require the Board to specify position classification and location in the plan. Suspend the Board's current law authority to create GPR positions in 2006-07 until the Secretary of Administration approves the position reduction plan. Under current law, the UW System has the authority to create or abolish faculty and academic staff positions funded from the UW System's largest GPR general program operations appropriation.

Joint Finance/Legislature: Modify to restore 100.0 GPR positions in 2005-06. In addition, delete an additional \$15,000,000 GPR in 2005-06 and \$10,000,000 GPR in 2006-07. Specify that \$1,500,000 annually of this reduction would be from the UW System administration appropriation, which represents an approximate 15% reduction to the base funding of \$9,897,000 GPR for that appropriation.

[Act 25 Section: 9152(3)]

5. ACROSS-THE- BOARD REDUCTIONS

GPR	- \$34,406,000
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Senate/Legislature: Reduce the agency's GPR appropriation for general program operations by \$17,117,400 in 2005-06 and by \$17,288,600 in 2006-07. This reduction amount is equal to approximately 2.3% of the agency's total GPR state operations appropriations, excluding appropriations for energy costs and debt service payments, in each fiscal year. Provide that the agency may submit a request to the Joint Committee on Finance under s. 13.10 to reallocate the reduction to any of the agency's other sum certain GPR state operations appropriations. Provide further that the agency may submit a request to the Committee for restoration of the GPR funding reduction, or in the case of a sum sufficient appropriation, to re-estimate expenditure level under the appropriation, in either case in an amount not to exceed the amount of reduction made to the agency's appropriation under this provision. In the case of an appropriation restoration or sum sufficient re-estimate, the funding amounts would come from total funding of \$96,000,000 GPR placed in reserve in the Committee's biennial appropriation for this purpose. See also "Budget Management and Compensation Reserves" and "Program Supplements".

Veto by Governor [E-2]: By partial veto, modify the language relating to release of funds from the Committee's supplemental GPR appropriation to create alternative language specifying that the Secretary of Administration, not the Joint Finance Committee, shall (not may) transfer monies from the Committee's appropriation to state agencies in any amount not to exceed the amount of the reduction indicated for that agency (which for this agency is the amount of the reduction indicated above).

[Act 25 Section: 9155(5dv)]

[Act 25 Vetoed Sections: 9155(4)(c)&(5dv)]

6. UW-MADISON FUNDING REDUCTION

GPR	- \$1,000,000
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Senate/Legislature: Reduce funding from the UW System's largest general program operations appropriation by \$500,000 annually to reduce administrative funding at UW-Madison.

7. PROCEEDS FROM SALE OF UW SYSTEM PROPERTY [LFB Paper 777]

Governor/Legislature: Specify that current law procedures for the sale of surplus land by the Building Commission, which include approval by the Joint Committee on Finance if the fair market value exceeds \$20,000, would not apply to the Board of Regents from the bill's effective date through June 30, 2007. Require the Board to deposit the net proceeds from the sale of real property prior to July 1, 2007 into the UW System's general operations receipts PR appropriation for the general operation of the UW System. Require the Board of Regents to: (a) deposit sufficient proceeds in the bond security and redemption fund to pay off any outstanding debt relating to the property; (b) pay to the federal government any of the net proceeds required by federal law, if federal financial assistance was received for the property; and (c) adhere to any restriction governing the use of the proceeds, if the property were acquired by gift. Under current law, the net proceeds from the sale of a state building or state land are deposited to the budget stabilization fund.

[Act 25 Sections: 17, 199, 202, 203, 206, and 9152(5)]

8. SALE OF STATE OWNED POWER PLANTS

	Positions
GPR	- 146.42

Joint Finance/Legislature: Require the sale of UW System-owned power plants and wastewater treatment facilities, or require the UW System campuses to contract with a private entity for the operation of such facilities. Delete 146.42 GPR positions on April 1, 2007, associated with the operation of UW System-owned power plants and wastewater treatment facilities. Direct the Department of Administration to transfer the budgeted salary and fringe benefits amounts associated with the deleted positions to unallotted reserve to fund agency costs relating to the provision of utility services. [See "Department of Administration -- General Agency Provisions" for more information about this provision.]

Veto by Governor [E-6]: The Governor's partial veto deletes these provisions other than the elimination of 146.42 positions on April 1, 2007, which could not be restored through the exercise of the Governor's veto authority. The Governor's veto message indicates that the Secretary of DOA has been directed to pursue the restoration of these positions through procedures authorized under current law.

[Act 25 Vetoed Sections: 16m, 16n, 83m, 85g, 85r thru 87L, 163m, 167m, 172m, 193m, 286m, 288m, 364c, 384t, 413m, 795f, 9101(10v), and 9455(3w)]

9. DEBT SERVICE FUNDING [LFB Paper 184]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$11,044,700	\$3,828,300	\$14,873,000
PR	<u>9,309,200</u>	<u>515,200</u>	<u>9,824,400</u>
Total	\$20,353,900	\$4,343,500	\$24,697,400

Governor: Provide \$7,517,300 GPR and \$169,000 PR in 2005-06 and \$3,527,400 GPR and \$9,140,200 PR in 2006-07 to fund estimated debt service costs. Program-revenue funded debt service includes debt service payments for self-funded auxiliary enterprise facilities. Base level funding for debt service is \$112,457,200 GPR and \$46,895,300 PR.

Joint Finance/Legislature: Provide \$306,300 GPR in 2005-06 and \$3,522,000 GPR in 2006-07 to reflect a reestimate of debt service costs. In addition, provide \$256,500 PR in 2005-06 and \$258,700 PR in 2006-07 from tribal gaming revenues for debt service relating to the UW aquaculture demonstration facility.

10. FUNDING FOR ADDITIONAL FACULTY [LFB Paper 778]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$11,431,600	120.00	-\$11,431,600	- 120.00	\$0	0.00

Governor: Provide \$11,431,600 and 120.0 positions in 2006-07 to increase the number of faculty positions at UW System institutions. In 2003-04, there were approximately 6,620 faculty positions.

Joint Finance/Legislature: Delete provision.

11. RETAINING HIGH DEMAND FACULTY [LFB Paper 779]

GPR	\$5,000,000
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Governor: Provide \$2,500,000 annually to support supplemental salary increases to faculty whose services are in high demand by other higher educational institutions.

Joint Finance/Legislature: Shift \$833,000 from 2005-06 to 2006-07 and reallocate the funding provided to reflect the variable fringe benefit expenditures associated with the supplemental salary provision.

12. ALZHEIMER DISEASE RESEARCH [LFB Paper 780]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,000,000	- \$500,000	\$2,500,000

Governor: Provide \$1,500,000 annually to support UW System Alzheimer's research. The funding would help advance research into the underlying causes and potential treatment for Alzheimer's.

Joint Finance/Legislature: Reduce funding by \$500,000 in 2005-06.

13. BACCALAUREATE EXPANSION [LFB Paper 781]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,111,400	- \$611,400	\$500,000

Governor: Provide \$1,111,400 in 2006-07 and require that the Board of Regents allocate this funding to implement the recommendations of the Committee on Baccalaureate Expansion.

This Committee was established by the UW System Board of Regents and Wisconsin Technical College System (WTCS) Board to explore opportunities for baccalaureate degree expansion and further program coordination between the two systems. Examples of the Committee's recommendations include the expansion of degree completion program coordination with UW System and WTCS, pilot projects to expand baccalaureate degrees among nontraditional student populations, pre-college programs, and alternative course delivery methods.

Joint Finance/Legislature: Reduce funding by \$611,400 in 2006-07.

[Act 25 Section: 9152(4)]

14. ROCK COUNTY ENGINEERING INITIATIVE [LFB Paper 782]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$582,000	5.00	\$174,600	0.00	\$756,600	5.00
PR	<u>0</u>	<u>0.00</u>	<u>407,400</u>	<u>0.00</u>	<u>407,400</u>	<u>0.00</u>
Total	\$582,000	5.00	\$582,000	0.00	\$1,164,000	5.00

Governor: Provide \$582,000 GPR with 5.0 positions starting in 2006-07. Require the Board of Regents to allocate this funding for the UW-Rock County engineering initiative.

Under this provision, UW-Platteville would provide engineering instruction at UW-Rock County.

Joint Finance/Legislature: Provide \$378,300 GPR in 2005-06 and delete \$203,700 GPR in 2006-07 and provide \$203,700 PR annually. Specify that the 5.0 positions would start in 2005-06.

[Act 25 Section: 9152(4)]

15. DOMESTIC PARTNERSHIP BENEFITS [LFB Paper 281]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	-\$1,000,000	\$0

Governor: Provide \$500,000 annually to fund costs related to extending eligibility for state health care benefits to domestic partners of UW System employees. [See "Employee Trust Funds" for more information about this provision.]

Joint Finance/Legislature: Delete provision.

16. FUNDING FOR LAWTON AND ADVANCED OPPORTUNITY PROGRAM (AOP) GRANTS [LFB Paper 783]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,612,800	-\$1,927,600	\$8,685,200

Governor: Provide \$2,619,900 in 2005-06 and \$2,956,200 in 2006-07 to increase funding for the Lawton minority undergraduate need-based grant program and replace base funding of \$1,842,100 PR provided to the Lawton program from the UW System auxiliary reserve. Base GPR funding for the Lawton program is \$3,080,800. Total funding for Lawton would increase from \$4,922,900 in 2004-05 to \$5,700,700 in 2005-06 (15.8%) and by an additional 5.9% to \$6,037,000 in 2006-07.

Under 2001 Act 109, Lawton funding increases were linked to the highest prior year increase for resident undergraduate tuition at any UW System institution, and the appropriation was modified from a biennial sum certain to a sum sufficient appropriation in 2003-04. Under 2003 Act 33, the link between prior year percentage increases in UW System undergraduate tuition and GPR funding for Lawton grants was suspended until 2005-06. In 2004-05, the highest UW System resident undergraduate tuition increase was 15.8%. The Governor's budget estimates that the resident undergraduate tuition would increase by 5.9% in 2005-06 for purposes of determining the sum-sufficient appropriation increase.

Provide \$2,305,600 in 2005-06 and \$2,731,100 in 2006-07 to increase funding for the advanced opportunity program (AOP) and replace base funding of \$1,650,000 PR provided to AOP from the UW System auxiliary reserve in 2004-05. Base GPR funding for the Lawton program is \$4,905,900. Total funding for AOP would increase from \$6,555,900 in 2004-05 to \$7,211,500 in 2005-06 (10%) and by an additional 6% to \$7,637,000 in 2006-07.

Delete the PR appropriations that were created in 2003 Act 33 to provide funding for these programs from the UW System's auxiliary enterprise reserves. The deletion of base PR funding in those appropriations is shown under standard budget adjustments.

Joint Finance/Legislature: Delete \$482,400 in 2005-06 and \$505,600 in 2006-07 and modify the Lawton sum sufficient link to, beginning in 2007-08, provide an increase equal to the average percentage increase for resident undergraduate tuition at UW System institutions, rather than the current law link to the prior year highest average percentage increase at UW System institutions. Specify that the Board of Regents would, biennially by February 1, estimate the percentage by which undergraduate resident tuition will increase in each year of the next biennium at each UW institution. In each year of the next biennium, funding for the Lawton program would increase by the average of these estimated percentage increases for that year from the funding level in the prior year, to the nearest \$100. In addition, modify the statutory base funding reference for calculating future sum sufficient appropriation increases to reflect total funding of \$5,218,300 in 2005-06 and \$5,531,400 in 2006-07 provided for the Lawton program. The provision would provide 6% annual increases in total funding for the program in the 2005-07 biennium.

In addition, delete \$393,400 in 2005-06 and \$546,200 in 2006-07 for AOP, which would provide 4% annual increases with total funding of \$6,818,100 in 2005-06 and \$7,090,800 in 2006-07.

[Act 25 Sections: 210p, 211, 212, 697, and 704 thru 704s]

17. ADJUST TUITION AND FEE REVENUES

PR	\$47,040,400
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Governor/Legislature: Provide \$23,520,200 annually to adjust base level funding to the estimated 2004-05 operating budget level. This item reflects the UW System's projected tuition expenditure level in 2004-05 from this appropriation related to increased enrollment, differential tuition increases, and special fee program increases. Base level funding is \$729,091,200.

18. SURCHARGE FOR COURSEWORK BEYOND 125% OF GRADUATION REQUIREMENTS

Joint Finance/Legislature: Require the UW System Board of Regents to charge students the full cost-per-credit for any credits beyond 125% of graduation credit requirements accumulated in coursework towards a first baccalaureate degree.

Veto by Governor [A-12]: Delete provision.

[Act 25 Vetoed Section: 697rm]

19. COURSE RETAKE SURCHARGE

Joint Finance/Legislature: Require the UW System Board of Regents to impose a 100% per credit tuition or academic fee surcharge for each course retaken because of failure on the first attempt.

Veto by Governor [A-13]: Delete provision.

[Act 25 Vetoed Section: 697s]

20. STUDENT TECHNOLOGY FEE REVENUES

PR	\$6,864,800
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Governor/Legislature: Provide \$2,601,400 in 2005-06 and \$4,263,400 in 2006-07 for instructional technology funds to reflect projected higher fee revenues attributable to general tuition revenue growth, since the fee is set as a percentage (2% to 2.5%) of overall tuition. This provision would provide expenditure authority for student technology fee revenues from fees started in previous biennia.

21. REESTIMATE AUXILIARY OPERATIONS APPROPRIATION AND TRANSFER FUNDS BETWEEN PROGRAM OPERATIONS RECEIPTS

PR	\$68,848,900
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Governor/Legislature: Provide \$21,095,700 in 2005-06 and \$39,123,200 in 2006-07 to reflect projected growth and cost increases for auxiliary enterprises that are self-supporting through student segregated fees and the sale of goods and services. These enterprises include student housing, parking, bookstores, student health services and student unions. Base funding is \$493,872,400.

Provide \$1,532,000 in 2005-06 and \$7,098,000 in 2006-07 to reestimate general operating receipts. The reestimate reflects adjustments for estimated growth and cost increases for operations that are self-supporting through the sale of goods and services. General operating receipt activities include conferences, camps, workshops, clinics, and outreach programs in business, education, and engineering as well as the sale of products or services resulting from instructional programming. Base funding for operating receipts is \$92,319,700.

Transfer \$92,938,200 annually related to program operations that are administered in schools and colleges at the departmental or division level from the auxiliary enterprises appropriation to the general operations receipt PR appropriation. These operations provide

support to the UW System's instructional, research, and outreach missions; the operations include workshops, conferences, and other outreach activities.

22. REESTIMATE GIFT FUNDS

PR	\$56,671,400
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Governor/Legislature: Provide \$22,223,500 in 2005-06 and \$34,447,900 in 2006-07 for gift funds donated to the University. These increases reflect projected growth in private gifts and bequests and corporate donations as well as related expenditures. Base level funding is \$407,114,300.

23. UW-MADISON INTERCOLLEGIATE ATHLETICS

PR	\$15,740,400
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Governor/Legislature: Provide \$5,606,500 in 2005-06 and \$10,133,900 in 2006-07 to reflect changes in spending authority and program revenue increases for 2005-07. This funding includes: (a) \$720,700 in 2005-06 and \$2,258,500 in 2006-07 for the major appropriation for athletics; (b) \$4,675,700 in 2005-06 and \$6,591,400 in 2006-07 for the gifts appropriation; (c) -\$75,100 annually for the nonincome sports appropriation; and (d) \$285,200 in 2005-06 and \$1,359,100 in 2006-07 for a debt service appropriation. This program revenue is generated from athletic events, camps, clinics, and the University Ridge golf course. Base funding is \$49,865,700 for the major appropriation in this program and \$3,837,700 for the program's gifts appropriation.

24. VETERINARY DIAGNOSTIC LABORATORY CHRONIC WASTING DISEASE FUNDING

	Funding	Positions
FED	\$1,915,800	3.00

Governor/Legislature: Provide \$957,900 and 3.0 positions annually related to the veterinary diagnostic laboratory's chronic wasting disease (CWD) testing program. The laboratory is one of seven high volume CWD testing labs in the national Mad Cow Disease testing network.

25. AQUACULTURE DEMONSTRATION FACILITY OPERATIONAL FUNDING [LFB Paper 784]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$680,200	0.00	-\$150,000	3.00	\$530,200	3.00

Governor: Provide \$288,200 in 2005-06 and \$392,000 in 2006-07 from tribal gaming revenue to provide additional funding for the operation of the Ashland aquaculture demonstration facility. Funding would support operating expenditures of the facility. Construction of the facility was approved under 1999 Act 9 along with funding for the principal

repayment and interest and operational costs from tribal gaming revenues. Construction of the facility is scheduled for completion in the spring of 2005. Base funding for operations is \$100,700.

Joint Finance/Legislature: Reduce funding by \$50,000 in 2005-06 and \$100,000 in 2006-07. In addition, provide 2.0 positions in 2005-06 and 3.0 positions in 2006-07, and reallocate \$94,900 in 2005-06 and \$148,100 in 2006-07 for salary and fringe benefit costs.

26. PROHIBIT GPR AND TUITION FUNDING FOR AUTO-MOBILE ALLOWANCES

GPR	- \$268,800
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Joint Finance/Legislature: Reduce the UW System's largest state operations appropriation by \$134,400 annually and prohibit the UW System from using GPR, tuition, or academic fees for the UW System President or the chancellors' automobile allowances.

[Act 25 Section: 695t]

27. UW-STEVENS POINT PAPER SCIENCE LAB

	Funding	Positions
SEG	\$156,000	1.00

Joint Finance/Legislature: Provide \$78,000 SEG annually and 1.0 SEG position from funds transferred from the DNR's forestry account to support a lab manager position in the UW-Stevens Point paper science program.

[Act 25 Section: 209m]

28. UW-FOX VALLEY ENGINEERING INITIATIVE

GPR	\$105,000
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Joint Finance/Legislature: Provide \$105,000 starting in 2006-07 and require the Board of Regents to allocate the funding for the UW-Fox Valley engineering initiative. The funding would expand the engineering programs offered in the Fox River Valley through a collaboration with UW-Platteville, UW-Oshkosh, and UW-Fox Valley.

[Act 25 Section: 9152(4)]

29. MIDWEST HIGHER EDUCATION COMPACT (MHEC) DUES [LFB Paper 104]

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$80,000	- \$80,000	\$0

Joint Finance/Legislature: Provide \$40,000 annually to the UW System's largest general program operation appropriation for membership dues payment to MHEC and require the UW

System Board to make full annual payments of membership dues to MHEC. The total annual cost for membership dues is estimated at \$82,500 annually.

Veto by Governor [A-17]: Reduce funding by \$40,000 GPR annually and request in the veto message that the UW System Board of Regents pay these dues from the UW System administration appropriation.

[Act 25 Section: 695v]

[Act 25 Vetoed Section: 140 (as it relates to s. 20.285(1)(a))]

30. GREAT LAKES STUDIES

PR	\$24,400
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Governor/Legislature: Provide an additional \$12,200 annually for the UW-Milwaukee Great Lakes studies program operating costs. Funding for this program was established under 1997 Act 27 with PR funding transferred from the fish and wildlife account of the conservation fund. Base funding is \$33,100 PR with 0.4 PR position.

31. CYTOGENETICS LABORATORY MERGER

PR	\$4,000
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Governor/Legislature: Provide \$4,000 in 2006-07 to reflect additional fee revenue and transfer \$894,000 and 12.05 positions from the UW System auxiliary operations appropriation to the State Lab of Hygiene (SLH) to reflect the merger of the Waisman Center Cytogenetics Laboratory with the State Laboratory of Hygiene Cytogenetics Laboratory. The merger was approved in July, 2004, by the Joint Committee on Finance under s.16.515/16.505 of the statutes. This provision transfers the base budget and position authority related to the Cytogenetics lab merger.

32. REIMBURSEMENT OF THE SPECIAL COUNSEL APPROPRIATION

Governor/Legislature: Require the Department of Administration to annually lapse an amount of money equal to the amount spent from the special counsel sum sufficient appropriation under the Department of Justice for legal advice regarding UW System's public broadcasting activities. The lapse would be made from the UW System's appropriations for general program operations (GPR), auxiliary enterprises (PR), and gifts and donations (PR). Any such lapse would be made to the general fund.

[Act 25 Section: 210]

33. ELIMINATE CERTAIN UW SYSTEM REPORTING AND APPROVAL REQUIREMENTS

Joint Finance/Legislature: Eliminate certain UW System reporting requirements including the following:

- a. A report on student fee funded reserves in excess of 15% of the prior year revenues and the DOA and Joint Committee on Finance approval requirements for such reserves under s. 36.46(1)(a).
- b. The reporting requirement that requires the Board to report annually any state-imposed costs not covered by general purpose revenue that were used to compute academic fee increases for resident undergraduate students.
- c. The report to the Joint Committee on Finance on the number and type of courses for which tuition charged covers at least 100% of costs under s. 36.11(44).
- d. An internal reporting requirement under s. 40.05(4)(bp)(3)(c) that requires the UW System to report annually on its sick leave accounting system to the UW System Board of Regents.
- e. A report under s. 36.25(25)(c) that requires a biennial report to the Joint Committee on Finance on the industrial and economic development research program.

In addition, exempt the UW System from the following state agency reporting requirements:

- a. The reporting requirement under s. 20.907(1m) that requires each state agency to annually submit a report to the Joint Committee on Finance and DOA listing nonfederal gifts, grants, or in-kind contributions.
- b. The annual reporting to DOA under s. 16.528(5) on interest that was paid by the UW System in the previous year on any delayed payments to vendors.

Further, specify that nothing in current law governing accounts receivables would require the UW System to submit a report to DOA on appropriations with a cash overdraft.

Veto by Governor [A-16]: Delete provision.

[Act 25 Vetoed Sections: 78m, 484m, 486m, 695p, 697m, 697r, 704t, 704w, 704x, and 738p]

34. ELIMINATE NONRESIDENT TUITION REMISSIONS LIMITS [LFB Paper 785]

Governor/Legislature: Eliminate current law limits on the amount of nonresident tuition remissions that the Board of Regents can award. Under current law, the UW System may offer to remit the nonresident portion of certain student's tuition; the students then pay the resident tuition rate. The nonresident tuition remission limits include the following: (a) needy and

worthy students on the basis of merit up to amount equal to full remission for 8% of the number of nonresident students registered at a given institution in the preceding year; (b) up to an additional amount equal to full remission for 2% of nonresident students who are deserving of relief due to extraordinary circumstances; and (c) needy and worthy foreign students or U.S. citizens whose residence is not in the U.S., not to exceed 2% of a campus' FTE enrollment for the preceding year. In 2003-04, 2,550 students received these remissions valued at \$16.6 million.

[Act 25 Sections: 700 thru 702]

35. NONRESIDENT TUITION REMISSION FOR CERTAIN VETERANS

Governor: Modify current law governing nonresident tuition remission for veterans to delete references to residency determination for state veterans benefits, and instead, provide that veterans who were Wisconsin residents at the time of entry or reentry into active duty and are residents of, and living in, Wisconsin at the time of registration would receive an exemption from nonresident tuition, and would not have to first reside in Wisconsin for 12 months to re-establish residency.

Assembly/Legislature: Clarify that a veteran would have to be a resident of and living in this state at the time of registering at a UW institution to qualify for a nonresident tuition remission.

[Act 25 Section: 698m]

36. NONRESIDENT TUITION REMISSION FOR CERTAIN UNDOCUMENTED PERSONS [LFB Paper 786]

Governor: Require the UW System to provide a nonresident tuition remission for a person who is a citizen of another country, if that person meets all of the following requirements: (a) graduated from a Wisconsin high school or received a high school graduation equivalency from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in this state; and (c) enrolls in a UW System institution and provides the institution with an affidavit that the person has filed or will file an application for a permanent resident visa with the 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 bill's effective date.

Joint Finance/Legislature: Delete provision.

37. TUITION REMISSION FOR VETERANS

Joint Finance: Require the Board of Regents to grant a remission equal to 100% of nonresident tuition and 50% of all academic fees and segregated fees for up to 128 credits or eight semesters, whichever is longer, less the amount of any federal tuition reimbursement, for eligible

veterans. This remission would apply to any student who is a veteran, using the same definition as is used under Chapter 45 of the statutes relating to veterans, and who classifies as a resident for purposes of receiving benefits under Chapter 45 of the statutes. Provide that the remissions would only apply to veterans that entered service from Wisconsin. Require the Department of Veterans Affairs to verify the eligibility status of individuals that apply for remission. Specify that this provision would first apply to students that enroll for classes in the academic year that commences after the effective date of the bill. Based on current estimated veteran enrollment at UW System campuses, staff at the UW System estimate that the revenue loss of providing the remission to all veterans enrolled at the UW System would be \$7.6 million.

Assembly/Legislature: Specify the federal law provisions for tuition payments by the federal government that could offset the tuition subject to remission under this provision.

[Act 25 Sections: 702n and 745h]

38. TUITION AND FEE REMISSION FOR SPOUSES AND CHILDREN OF CERTAIN VETERANS

Joint Finance/Legislature: Require the Board of Regents to grant to any resident student who is also the spouse, unremarried surviving spouse, or child of an eligible veteran full remission of academic fees and segregated fees for 128 credits or 8 semesters, whichever is longer.

For purposes of the tuition and fee remission, define an eligible veteran is a person who, as verified by the state Department of Veterans Affairs, was a resident of this state at the time of entry into service; served on active duty under honorable conditions in the U.S. armed forces, forces incorporated in the U.S. armed forces, the national guard, or in a reserve component of the U.S. armed forces; and who, while a resident of the this state, either died on active duty, died in the line of duty while on active or inactive duty for training purposes, or incurred at least a 30% service-connected disability.

For a spouse or unremarried surviving spouse, the remission would apply only during the first ten years after the eligible veteran received the service-connected disability or after the eligible veteran died. For a child, the remission would apply only if he or she is at least 18, but not yet 26 years of age, and is a full-time student.

[Act 25 Section: 702m]

39. RESERVE OFFICER TRAINING CORPS (ROTC)

Joint Finance/Legislature: Prohibit the UW System Board of Regents from allocating GPR for the operation of an institution or college campus that prohibits ROTC from operating on its campus.

[Act 25 Section: 695r]

40. UW-WAUKESHA AND UW-MILWAUKEE MERGER

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$30,000	- \$30,000	\$0

Joint Finance/Legislature: Provide \$30,000 in 2005-06 for a task force to study and develop an implementation plan for the transformation of UW-Waukesha into a campus of UW-Milwaukee. Specify that the task force would consist of nine members, including the following: one representative of UW-Milwaukee, one representative of UW-Waukesha, one student representative from UW-Milwaukee, and one student representative from UW-Waukesha, all appointed by the UW System President; one representative of Waukesha County Technical College appointed by the Wisconsin Technical College System President; two representatives of Waukesha County government with one appointed by the County Executive and one appointed by the County Board Chairman; and two representatives of the business community appointed by the County Executive. Require the task force to elect a chairperson from among its membership.

Require the task force to issue its recommendations to the Joint Committee on Finance by January 1, 2007 under a 14-day passive review approval process. Require that the implementation plan would include recommendations regarding the following: (a) maintaining the accessibility and affordability mission of the UW-Waukesha campus; (b) increasing the number of four-year baccalaureate and graduate degrees awarded on the UW-Waukesha campus; (c) determining the academic programs necessary to meet the needs of the economy in the area surrounding the UW-Waukesha campus; (d) addressing issues regarding the assumption of assets and liabilities of the UW-Waukesha campus; and (e) resolving outstanding employment issues.

Require the UW System Board of Regents to merge the UW-Waukesha into a campus of UW-Milwaukee no later than July 1, 2007, pursuant to a plan approved by the Joint Committee on Finance.

Veto by Governor [A-14]: Delete provision. In addition, reduce the agency's largest GPR funded appropriation by \$30,000 in 2005-06 to eliminate the funding provided for the study.

[Act 25 Vetoed Sections: 140 (as it relates to s. 20.285(1)(a)) and 9152(6r)]

41. STUDY OF COLLABORATIVE EFFORTS BETWEEN UW-SUPERIOR AND UNIVERSITY OF MINNESOTA-DULUTH

Joint Finance/Legislature: Require the UW-System Board of Regents to submit a report to the Joint Committee on Finance and to the standing committees on higher education in the Assembly and the Senate on possible collaborative efforts between UW-Superior and UM-Duluth by March 1, 2006. Specify that the study include the following: (a) an analysis of the tri-college university program involving North Dakota State University, Minnesota State University at Moorhead, and Concordia College in Moorhead, Minnesota, and a consideration

of similar models of collaboration among public universities; (b) an identification of opportunities for operational cooperation or consolidation that would save money for taxpayers and students; (c) a determination of whether the two universities may benefit from coordinated marketing efforts; and (d) an examination of whether coordination and cooperation between the two universities would increase educational offerings for their students.

Veto by Governor [A-15]: Delete provision.

[Act 25 Vetoed Section: 9152(7f)]

42. UW-MILWAUKEE AND MEDICAL COLLEGE OF WISCONSIN JOINT ACADEMIC PROGRAM STUDY

Joint Finance/Legislature: Require the Board of Regents and the Board of Trustees of the Medical College of Wisconsin (MCW) to submit a report on the feasibility of creating joint academic programs that would reduce worker shortages in fields that are critical to the economic development of southeastern Wisconsin. Specify that this report would have to be submitted by January 1, 2007, and would be subject to approval by the Joint Committee on Finance under a 14-day passive review process.

Veto by Governor [A-19]: Delete provision.

[Act 25 Vetoed Section: 9152(8q)]

43. HIGHER EDUCATION STUDY

Joint Finance/Legislature: Create a committee to study the public benefits of Wisconsin public higher education. Specify that the goals of the committee would be to expand baccalaureate degrees for Wisconsin's residents, foster economic development, and provide a research environment to develop intellectual properties and assist in the development of new business. Provide that the committee consist of 17 members including the following: the President of the UW System or an appointee; the President of the Wisconsin Technical College System or an appointee; the Chancellor of the UW Colleges or an appointee; a UW alumnus, a faculty member, a current student, and a Chancellor or current Regent representative all chosen by the President of the UW System Board of Regents; a business leader, a former UW System executive officer, and a former regent chosen all chosen by the President of the UW System; a currently enrolled WTCS student, a president of a technical college district and a WTCS board member chosen by the President of the Wisconsin Technical College System; and four current legislators, one from each party and each house, chosen by the respective leaders of each of the two legislative houses. The Committee would elect a chair from among its members.

Require the committee to submit its study to the Joint Committee on Finance by August 1, 2006. Require that the committee would ensure that the study does at least all of the following: (a) addresses how colleges and universities can provide access and quality education for all Wisconsin residents to further their human potential while ensuring the economic future of the state; (b)

determine the appropriate mixture of funding to support higher education in Wisconsin, including the relationship between GPR, tuition, financial aid, and philanthropic support; (c) continues structural improvements, efficiencies and economies in such activities as the committee on baccalaureate expansion, integration of administrative structure, and collaborative arrangements between campuses; and (d) collaborates among all of Wisconsin's key economic, social, and educational entities so as to achieve the intent of the Wisconsin Idea.

Veto by Governor [A-18]: Delete provision.

[Act 25 Vetoed Section: 9152(9m)]

44. STUDY OF UW SYSTEM BUILDING PROJECT COSTS

Joint Finance/Legislature: Direct the Legislative Audit Bureau to conduct a study of building projects at the UW System to compare the costs of those projects with the costs of similar projects at other public universities. Require that the study be submitted to the Joint Legislative Audit Committee by January 1, 2007.

Veto by Governor [A-20]: Delete provision.

[Act 25 Vetoed Section: 9152(8m)]

45. FUEL AND UTILITY EXPENDITURE STUDY

Joint Finance/Legislature: Require the Department of Administration (DOA) and the UW System to submit a joint report to the Building Commission concerning the apportionment of energy costs for buildings used, owned, or leased by the UW System including the allocation of federal and private funding for energy costs. In addition, require the UW System and DOA to submit the joint report to the Building Commission by January 1, 2006.

[Act 25 Section: 9152(6q)]

46. ELIMINATE INACTIVE APPROPRIATIONS

Governor/Legislature: Eliminate five inactive UW System appropriations including the following: (a) a GPR appropriation for environmental education grants; (b) a GPR appropriation for debt service for the State Lab of Hygiene; (c) a PR appropriation for debt service for the State Lab of Hygiene; (d) a PR appropriation related to surplus auxiliary funds; and (e) a GPR appropriation for general program operations for the UW-Madison intercollegiate athletics program.

[Act 25 Sections: 196 thru 198, 200, 201, 213, 460, 705, and 706]

47. TRANSFER OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION TESTING PROGRAM TO LABORATORY OF HYGIENE

	<u>Governor (Chg. to Base)</u>		<u>Jt. Finance/Leg. (Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$211,200	0.95	\$0	0.00	\$211,200	0.95
FED	3,643,000	21.55	- 1,422,000	- 10.00	2,221,000	11.55
PR	<u>361,200</u>	<u>0.50</u>	<u>0</u>	<u>0.00</u>	<u>361,200</u>	<u>0.50</u>
Total	\$4,215,400	23.00	- \$1,422,000	- 10.00	\$2,793,400	13.00

Governor: Provide \$2,107,700 (\$105,600 GPR, \$1,821,500 FED, and \$180,600 PR) annually and 23.00 positions (0.95 GPR, 21.55 FED, and 0.50 PR), beginning in 2005-06 to reflect the transfer of the occupational safety and health administration testing programs from the Departments of Health and Family Services (DHFS) and Commerce to the State Laboratory of Hygiene (WSLH).

Eliminate 10.5 positions in DHFS and 9.0 positions in Commerce related to occupational safety and health administration testing although supporting budget documentation from the administration references a reduction of 9.5 positions for DHFS. Provide that all incumbent employees who perform occupational safety and health administration testing in DHFS and Commerce would be transferred to the WSLH on the effective date of the bill. Specify that the transferred state employees would have the same labor and employment relations rights and status following the transfer as they enjoyed before the transfer, and that no transferred employee with permanent status in class must serve a probationary period.

Transfer all tangible personal property and records at DHFS and Commerce relating to OSHA testing to WSLH on the effective date of the bill.

Specify that all contracts entered into by DHFS and Commerce relating to OSHA testing and that are in effect on the effective date of the bill would be transferred to the WSLH and would remain in effect. Direct that WSLH carry out any obligations under such a contract until the WSLH modifies or rescinds the contract to the extent allowed.

Joint Finance/Legislature: Delete the proposed transfer from Commerce with \$711,000 FED and 9.0 FED positions annually. In addition, delete 1.0 FED position to reflect the number of positions that would transfer from DHFS.

[Act 25 Section: 9152(1)]