

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2014-15 Adjusted Base	Governor		2015-17 Change Over Base Year Doubled		2014-15	Governor		2016-17 Over 2014-15	
		2015-16	2016-17*	Amount	%		2015-16	2016-17	Number	%
GPR	\$1,142,371,800	\$996,722,900	\$990,621,200	-\$297,399,500	- 13.0%	18,432.76	18,432.76	0.00	- 18,432.76	-100.0%
FED	1,814,125,200	1,814,125,200	0	- 1,814,125,200	- 50.0	5,583.63	5,583.63	0.00	- 5,583.63	- 100.0
PR	3,024,082,200	3,088,809,900	0	- 2,959,354,500	- 48.9	10,914.07	10,914.07	0.00	- 10,914.07	- 100.0
SEG	<u>34,512,300</u>	<u>29,762,500</u>	<u>0</u>	<u>- 39,262,100</u>	<u>- 56.9</u>	<u>169.25</u>	<u>129.05</u>	<u>0.00</u>	<u>- 169.25</u>	<u>- 100.0</u>
TOTAL	\$6,015,091,500	\$5,929,420,500	\$990,621,200	-\$5,110,141,300	- 42.5%	35,099.71	35,059.51	0.00	- 35,099.71	- 100.0%

*Under the bill, the UW System would become an Authority and its FED, PR, and SEG funding, estimated at \$4,761,028,300, would not appear as state appropriations and its 34,648.44 positions would no longer be counted as state positions.

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$35,986,000
PR	<u>14,491,600</u>
Total	\$50,477,600

Governor: Adjust the base budget by \$17,977,800 GPR in 2015-16 and \$18,008,200 GPR in 2016-17 and \$7,245,800 PR annually for: (a) full funding of continuing position salaries and fringe benefits (\$17,949,200 GPR and \$7,245,800 PR annually); and (b) full funding of lease and directed moves costs (\$28,600 GPR in 2015-16 and \$59,000 GPR in 2016-17).

2. GPR BASE BUDGET REDUCTION

GPR	- \$278,686,500
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Governor: Reduce the UW System's GPR appropriation for general program operations by \$150,000,000 in 2015-16 and by \$121,161,700 in 2016-17. In addition, repeal the appropriation for UW System Administration on July 1, 2016, and delete \$7,524,800 in related funding in 2016-17.

Under the bill, the statutory appropriation schedule would include only the following two GPR appropriations for the UW System Authority beginning in 2016-17. The appropriation schedule would not include any program revenue, federal revenue, or segregated revenue appropriations for the UW System Authority.

20.285(1)(a)	General program operations	\$774,846,500
20.285(1)(d)	Principal payment and interest	\$215,774,700

[Bill Sections: 612 and 9448(1)]

3. GPR EXPENDITURE AUTHORITY

Governor: Specify that the GPR general program operations appropriation for the UW System in 2015-16 and the UW System Authority in 2016-17 would be a biennial appropriation. This would allow the UW System to shift funding between the two years of the 2015-17 biennium. Under current law, the UW System's GPR general program operations appropriation is an annual appropriation and expenditures in each fiscal year are limited to the amount provided for that fiscal year.

Provide that the UW System Authority's GPR general program operations appropriation would be an annual appropriation beginning in 2017-18. This provision would take effect on July 1, 2017, or the second day after the publication of the 2017-19 biennial budget act, whichever is later.

[Bill Sections: 574 thru 576, and 9448(2)]

4. TUITION FREEZE

Governor: Prohibit the Board of Regents from charging resident undergraduate students enrolled in a UW institution or UW Colleges campus in the 2015-16 and 2016-17 academic years more in tuition than it charged such students enrolled in that institution or UW Colleges campus in the 2014-15 academic year. Specify that this provision would take effect the day after the publication of the biennial budget act.

[Bill Sections: 9148(4) and 9448(5)]

5. REESTIMATE GPR DEBT SERVICE

GPR	- \$38,686,900
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Governor: Reduce the GPR debt service appropriation by \$13,626,700 in 2015-16 and \$25,060,200 in 2016-17 to reestimate debt service costs. Annual base level funding for GPR debt service is \$240,834,900.

6. REESTIMATE PR DEBT SERVICE

PR	- \$18,317,600
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Governor: Reduce the PR debt service appropriation by \$18,317,600 in 2015-16. Annual base level funding for PR debt service is \$155,388,900. As described in a separate entry, this appropriation would be deleted on July 1, 2016, and a new appropriation would be created for this purpose under the Department of Administration.

7. REESTIMATE TUITION REVENUES

PR	\$75,799,500
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Governor: Provide additional expenditure authority of \$75,799,500 in 2015-16 to reflect the amount of tuition revenue received during the 2013-14 fiscal year. The increase in the amount of tuition revenue received is attributable to: (a) enrollment increases (\$43,003,200); (b)

increases in revenue generated by self-supporting programs (\$16,712,400); and (c) differential tuition increases implemented prior to the 2013-14 year (\$16,083,900). Tuition revenues are deposited in the UW System's program revenue (PR) general program operations appropriation which is an "all moneys received" appropriation, meaning that all revenues may be spent regardless of the amount shown in the appropriation schedule. As described in a separate entry, this appropriation would be deleted on July 1, 2016.

8. PAYMENT TO THE MEDICAL ASSISTANCE TRUST FUND

PR-REV	- \$20,000,000
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Governor: Increase the amount that the Board of Regents is required to transfer to the medical assistance trust fund from its program revenue appropriation for general program operations from no more than \$20,338,500 annually to no more than \$30,338,500 annually. Specify that this provision would first apply on the day after the publication of the biennial budget act. Under a separate provision the UW System's program revenue appropriation for general program operations would be repealed on July 1, 2016.

Beginning on July 1, 2016, require the UW System Authority Board of Regents to make a payment of no more than \$30,338,500 annually to the DOA Secretary for deposit into the medical assistance trust fund.

[Bill Section: 580, 1029, 1206, and 9448(4)]

9. DELETE WISCONSIN BIOENERGY INITIATIVE

	Funding	Positions
SEG	- \$8,138,200	- 35.20

Governor: Eliminate funding for the Wisconsin Bioenergy Initiative (\$4,069,100 SEG annually) and 35.20 positions beginning in 2015-16 and delete the appropriation for that purpose on July 1, 2016. Under current law, funding is provided from the environmental fund to the Wisconsin Bioenergy Initiative to support research into improved plant biomass, improved biomass processing, conversion of biomass into energy products, development of a sustainable energy economy, and development of enabling technology for bioenergy research.

[Bill Sections: 601 and 9448(1)]

10. DELETE ENVIRONMENTAL EDUCATION BOARD AND GRANTS

SEG	- \$461,000
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Governor: Eliminate \$130,500 annually for environmental education grants from the environmental fund and delete the appropriation for that purpose on July 1, 2016. In addition, delete \$200,000 in 2016-17 as well as the appropriation for environmental education grants from the conservation fund.

Delete language related to the Environmental Education Board including provisions requiring the Board to: (a) consult with the state Superintendent of Public Instruction in

identifying needs and establishing priorities for environmental education in public schools; (b) consult with other state agencies, including UW-Extension, conservation and environmental groups, youth organizations, and nature and environmental centers in identifying needs and establishing priorities for environmental education; (c) award grants for the development, dissemination, and presentation of environmental education programs; and (d) establish a center for environmental education. In addition, delete the requirement that the Board of Regents seek the advice of the Environmental Education Board on the development of environmental education programs.

[Bill Sections: 228, 598, 599, 1244, 1245, 1301, 3284, 4323 thru 4325, and 9448(1)]

11. DELETE SOLID WASTE RESEARCH FUNDING

	Funding	Positions
SEG	- \$312,200	- 1.00

Governor: Eliminate \$156,100 annually for solid waste research and experiments and 1.0 position beginning in 2015-16 and delete the appropriation for that purpose on July 1, 2016. Under current law, funding is provided from the environmental fund to support research into alternative methods of solid waste management and for administering solid waste experiment centers.

Delete related provisions permitting the Board of Regents to establish one or more solid waste experiment centers for the purpose of developing, demonstrating, promoting, and assessing the costs and environmental effects of alternatives to solid waste disposal; requiring the Board to conduct research into alternatives to solid waste disposal; and requiring the Board to appoint a solid waste research council.

[Bill Sections: 603, 1218, and 9448(1)]

12. DELETE EXTENSION RECYCLING EDUCATION FUNDING

	Funding	Positions
SEG	- \$788,200	- 4.00

Governor: Delete \$394,100 annually for UW-Extension recycling education and 4.0 positions beginning in 2015-16 and delete the appropriation for that purpose on July 1, 2016. Under current law, funding from the environmental fund is provided to support UW-Extension education and technical assistance programs in recycling and recycling market development.

[Bill Sections: 602 and 9448(1)]

13. DELETE UW PR AND FEDERAL APPROPRIATIONS

PR	- \$2,845,963,000
FED	- 1,812,449,300
Total	- \$4,658,412,300

Governor: Delete the UW System's program revenue appropriations for general program operations (-\$2,271,680,800), gifts and nonfederal grants and contracts (-\$537,889,600), and general fund interest (\$0) and the UW System's appropriation for federal aid (-\$1,812,449,300) in 2016-17.

In addition, delete the UW System's PR appropriation for funds transferred from other state agencies and \$36,392,600 in 2016-17. Separate items describe an additional \$1,705,600 that would be deleted from that appropriation. Provide that the Higher Educational Aids Board would continue to make reimbursement payments to the UW System Authority for tuition remissions granted to veterans and the children and spouses of deceased or disabled veterans, that the Department of Transportation would continue to transfer additional fees collected related to University of Wisconsin license plates, and that the Department of Revenue would continue to transfer funds designated for cancer research programs to the UW System Authority.

[Bill Sections: 303, 360, 581, 582, 587, 589, 590, 1381, 2224, 2226, and 9448(1)]

14. PR DEBT SERVICE APPROPRIATION UNDER DOA

PR	- \$155,388,900
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Governor: Delete the PR appropriation under the UW System for PR debt service with \$155,388,900 in 2016-17 and delete current law specifying that, for projects authorized by the Building Commission on or after July 1, 2001, an amount equal to 40% of the principal and interest costs for maintenance of UW-Madison intercollegiate athletic facilities would be paid from that appropriation.

Create an appropriation under the Department of Administration (DOA) for moneys received from the UW System Authority in payment of principal and interest costs incurred in financing self-amortizing UW facilities and under an agreement or ancillary agreements entered into by the UW System and the Building Commission. Estimate this appropriation under DOA at \$148,127,300 in 2016-17.

[Bill Sections: 577, 583, 805, 866, 881, 882, and 9448(1)]

15. DELETE TRUST FUND INCOME APPROPRIATION

	Funding	Positions
SEG	-\$26,816,500	- 122.23

Governor: Delete the appropriations under the UW System for trust fund income (-\$26,816,500 and -122.23 positions in 2016-17) and trust fund operations (\$0). The UW System would retain control of its trust funds and any income generated from those trust funds.

[Bill Sections: 604, 605, and 9448(1)]

16. DELETE APPROPRIATION FOR TELECOMMUNICATIONS SERVICES

SEG	- \$1,054,800
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Governor: Delete \$1,054,800 in 2016-17 and the appropriation under the UW System for moneys transferred from the universal service fund to pay for telecommunications provided by DOA to UW System campuses and delete language specifying that moneys from the universal service fund can be used for this purpose. In addition, modify the definition of "qualified postsecondary institution" such that DOA would not be permitted to provide computer and telecommunication services to UW institutions. Specify that the unencumbered balance of the

appropriation as of June 30, 2016, would transfer to a new appropriation under the public service commission for broadband expand grants.

[Bill Section: 407, 515, 592, 593, 1257, 3530, 3531, and 9448(1)]

17. DELETE RURAL PHYSICIAN RESIDENCY ASSISTANCE PROGRAM

	Funding	Positions
SEG	- \$755,300	- 3.62

Governor: Delete the rural physician residency assistance program administered by the UW-Madison School of Medicine and Public Health's Department of Family Medicine, the related appropriation, and \$755,300 and 3.62 positions in 2016-17. Through this program, the Department of Family Medicine establishes and supports physician residency positions that are: (a) in hospitals located in rural areas; (b) in clinics staffed by physicians who admit patients to hospitals located in rural area; or (c) include a rural rotation that consists of at least eight weeks of training experience in such a hospital or clinic. Funding for this program comes from the critical access hospital assessment fund.

[Bill Sections: 594, 691, 1325, 1876, and 9448(1)]

18. DELETE PHYSICIAN AND DENTIST AND HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAMS

PR	- \$488,700
SEG	- 250,000
Total	- \$738,700

Governor: Delete the physician and dentist and health care provider loan assistance program, a related segregated fund appropriation under the UW System, and \$488,700 PR and \$250,000 SEG in 2016-17. Funding for this program comes from the critical access hospital assessment fund and tribal gaming revenues. Through this 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. The Board of Regents may make loan repayments of up to \$100,000 on behalf of physicians who additionally agree to practice in a rural area. The Board of Regents may make loan repayments of up to \$25,000 on behalf of other health care providers including dental hygienists, physician assistants, nurse midwives, and nurse-practitioners.

In addition, delete the rural health development council which advises the Board of Regents on matters related to the physician and dentist and health care provider loan program.

[Bill Sections: 229, 595, 691, 807, 1322 thru 1324, 1371, 1791, 1795, 1876, and 9448(1)]

19. DELETE FERTILIZER RESEARCH FUNDS

PR	- \$446,300
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Governor: Delete current law research fees of 27¢ per ton of fertilizer sold or distributed and 10¢ per ton of soil or plant additive distributed and delete the fertilizer research council which recommends projects to be financed by fertilizer research funds.

Under current law, the soil and plant additive research fee and 17¢ of the fertilizer research

fee are forwarded to the UW System to be used for research on soil management, soil, fertility, plant nutrition problems, and for research on surface water and groundwater problems which may be related to fertilizer usage. These funds are also use to fund the dissemination of the results of the research and for other designated activities tending to promote the correct usage of fertilizer materials. The remaining 10¢ of the fertilizer research fee is used to support UW-Extension outreach services. In 2013-14, \$280,000 was forwarded to the UW System for research and \$166,300 was provided to support UW-Extension outreach services.

[Bill Sections: 133, 484, 2630 thru 2635, and 9448(1)]

20. DELETE AQUACULTURE DEMONSTRATION FACILITY

PR	- \$417,500
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Governor: Delete \$417,500 in 2016-17, the requirement that the Board of Regents operate an aquaculture demonstration facility, and the appropriation under the Department of Administration which provides funding for that facility from tribal gaming revenues. Specify that the UW System Authority may, instead of shall under current law, conduct applied and on-site research, outreach activities, and on-site demonstrations relating to commercial aquaculture in this state in cooperation with the commercial aquaculture industry. The Department of Agriculture, Trade, and Consumer Protection (DATCP) would also continue to coordinate its aquaculture activities with those of the Department of Natural Resources (DNR) and the UW System Authority and to conduct meetings on a quarterly basis involving DATCP, DNR, and UW System Authority representatives to exchange information regarding the progress of their efforts to promote commercial aquaculture in this state.

[Bill Sections: 808, 1188, 2626 thru 2628, and 9448(1)]

21. DELETE ENVIRONMENTAL PROGRAM GRANTS AND SCHOLARSHIPS

	Funding	Positions
SEG	- \$301,600	- 1.00

Governor: Delete \$301,600 and 1.0 position in 2016-17 as well as the appropriation for environmental program grants and scholarships. This appropriation funds all of the following: (a) need-based grants totaling \$100,000 to students who are members of underrepresented groups and who are enrolled in a program leading to a certificate or a bachelor's degree from the Nelson Institute for Environmental Studies at UW-Madison; (b) annual scholarships totaling \$100,000 to students enrolled in the sustainable management degree program through the UW-Extension; and (c) the balance of the appropriation for environmental programs at UW-Steven Point. Base level funding for this appropriation is \$301,600 SEG from the normal school fund.

[Bill Sections: 600, 1297, and 9448(1)]

22. DELETE DISCOVERY FARM GRANT PROGRAM

	Funding	Positions
SEG	- \$249,800	- 1.20

Governor: Delete \$249,800 and 1.20 positions in 2016-17 as well as the discovery farm grant program and a related appropriation from the agrichemical management fund. Under current law, the Board of Regents makes grants through UW-

Extension to operators of discovery farms for research and outreach activities under the Wisconsin agricultural stewardship initiative. A discovery farm is an operating commercial farm that conducts on-farm research.

[Bill Sections: 597, 1262, and 9448(1)]

23. ONEIDA PROGRAMMING AT UW-GREEN BAY

PR	- \$247,500
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Governor: Delete \$247,500 in 2016-17 as well as the requirement that the Board of Regents ensure that UW-Green Bay implements programming that is jointly developed by UW-Green Bay and the Oneida Tribe. Delete an appropriation under the Department of Administration which provides funding for such programming from tribal gaming revenues.

[Bill Sections: 263, 792, 809, 1193, and 9448(1)]

24. DELETE CENTER FOR COOPERATIVES

	Funding	Positions
SEG	- \$134,500	- 1.00

Governor: Delete \$134,500 and 1.0 position in 2016-17 as well as the requirement that the Board of Regents maintain a center for cooperatives at UW-Madison and the grant program administered by that center. In addition, delete the related grant appropriation from the conservation fund which provides \$78,000 for the paper science program at UW-Stevens Point and \$56,500 for grants to persons to form forestry cooperatives that consist primarily of private, nonindustrial owners of woodland.

[Bill Sections: 596, 1016, 1192, 1303, 2095, and 9448(1)]

25. DELETE OUTDOOR SKILLS TRAINING AGREEMENT AND RELATED FUNDING

PR	- \$53,700
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Governor: Delete \$53,700 in 2016-17 as well as the requirement that the Board of Regents and the Department of Natural Resources enter into an agreement with an established national organization to provide training to persons interested in learning about the outdoor skills needed by women to hunt, fish, camp, canoe, and undertake other outdoor recreational activities. Delete language requiring DNR to transfer \$53,700 annually to the UW System from its general program operations appropriation for land and forestry for outdoor skills training provided under the agreement.

[Bill Sections: 621, 1056, and 9448(1)]

26. DELETE FUNDING FOR GREAT LAKES FISH STUDIES

PR	- \$51,900
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Governor: Delete \$51,900 in 2016-17 as well as language requiring DNR to transfer \$51,900 annually to the UW System from its general program operations appropriation for water

for studies of Great Lakes fish.

[Bill Sections: 628 and 9448(1)]

27. MINNESOTA-WISCONSIN STUDENT RECIPROCITY

GPR-REV	- \$12,240,300
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Governor: Transfer the authority to enter into a student reciprocity agreement with the state of Minnesota from the Higher Education Aids Board (HEAB) to the UW System Authority Board of Regents and make entering into such an agreement optional, instead of required as under current law. Delete language making such an agreement subject to approval by the Joint Committee on Finance and requiring that an annual administrative memorandum related to the agreement be approved by the Finance Committee through a passive review process. Delete language specifying that payments received under the agreement be deposited in the state's general fund. This would permit the UW System Authority to retain all tuition revenues paid by Minnesota students attending UW institutions under the agreement instead of transferring the amount of tuition paid above the Wisconsin resident tuition rate to the state's general fund. Delete the GPR sum sufficient appropriation under HEAB for payments to Minnesota under the agreement. Under the bill, the UW System Authority Board of Regents would be responsible for making any payments required under the agreement to Minnesota. Specify that the UW System Authority would not be liable for any reimbursement obligation under the agreement that accrues before July 1, 2016.

[Bill Sections: 558, 1274, 1375 thru 1380, 1442, 1445, 1447, 2121, 4316, 9148(1)(f), and 9448(1)]

28. TRANSFER STATE LABORATORY OF HYGIENE TO DATCP

	Funding	Positions
GPR	- \$11,037,300	- 131.25
PR	- 23,490,500	- 178.50
Total	- \$34,527,800	- 309.75

Governor: Transfer the State Laboratory of Hygiene (SLH) to the Department of Agriculture, Trade, and Consumer Protection (DATCP) and delete from the UW System \$11,037,300 GPR and 131.25 GPR positions and \$23,490,500 PR and 178.50 PR positions in 2016-17. Provide that: (a) the Director of the State Laboratory of Hygiene may continue to service as the Director of until his or her term expires as specified in the appointment; (b) the assets and liabilities of the UW System that are primarily related to SLH, as determined by the DOA Secretary, would become the assets and liabilities of DATCP; (c) all positions and all incumbent employees holding those positions in the UW System performing duties that are primarily related to SLH, as determined by DOA, would be transferred to DATCP, that those employees would have all comparable rights and the same status in DATCP the they enjoyed in the UW System immediately before the transfer, and that no employee so transferred who has attained permanent status in class would be required to serve a probationary period; and (d) all tangible personal property, including records, of the UW System that are primarily related to SLH, as determined by the DOA Secretary, would be transferred to DATCP. In addition, the SLH Board would be required to include the following in its biennial budget request for the 2017-19 biennium: (a) identify the state agencies to whom SLH provided services in the 2016-17 fiscal year for which SLH did not charge fees under a

provision requiring SLH to provide complete laboratory services in the areas of water quality, air quality, public health, and contagious diseases for appropriate state agencies; (b) for each agency identified in (a), the total cost of the services for which SLH did not charge fees; and (c) a proposal for charging those state agencies fees for services beginning in the 2017-18 fiscal year.

In addition, specify that the State Laboratory of Hygiene Board would appoint the Director of the Laboratory and other staff members required for the administration of the laboratory upon the recommendation of the DATCP Secretary. Under current law, the Board of Regents appoints the Director of the Laboratory and other staff members required for the administration of the Laboratory upon the recommendation of the UW-Madison chancellor.

Specify that these provisions would take effect on July 1, 2016.

[Bill Sections: 227, 486, 578, 584, 585, 697, 1225, 4049, 4327, 9148(3), and 9448(1)]

29. TRANSFER VETERINARY DIAGNOSTIC LABORATORY TO DATCP

	Funding	Positions
GPR	- \$4,974,800	- 77.90
PR	- 4,780,000	- 12.60
FED	<u>- 1,675,900</u>	<u>- 4.00</u>
Total	- \$11,430,700	- 94.50

Governor: Transfer the Veterinary Diagnostic Laboratory (VDL) to the Department of Agriculture, Trade, and Consumer Protection, and delete from the UW System \$4,974,800 GPR and 77.90 GPR positions, with \$4,780,000 PR and 12.60 PR positions, and \$1,675,900 FED and 0.50 FED position in 2016-17. Provide that: (a) the Director of the Veterinary Diagnostic Laboratory may continue to serve as the Director until his or her term expires as specified in his or her appointment; (b) the assets and liabilities of the UW System that are primarily related to VDL, as determined by the DOA Secretary, would become the assets and liabilities of DATCP; (c) all positions and all incumbent employees holding those positions in the UW System performing duties that are primarily related to VDL, as determined by the DOA Secretary, would transferred to DATCP, that those employees would have all comparable rights and the same status in DATCP the they enjoyed in the UW System immediately before the transfer, and that no employee so transferred who has attained permanent status in class would be required to serve a probationary period; and (d) all tangible personal property, including records, of the UW System that are primarily related to VDL, as determined by the DOA Secretary, would be transferred to DATCP. In addition, the VDL Board would be required to include the following in its biennial budget request for the 2017-19 biennium: (a) identify the federal and state agencies to whom VDL provided services in the 2016-17 fiscal year for which VDL did not charge fees under a provision prohibiting VDL from charging a fee to the subunits of DATCP and the federal Department of Agriculture that are responsible for animal health, and for services relating to human health and safety; (b) for each agency identified in (a), the total cost of the services for which VDL did not charge fees; and (c) a proposal for charging all federal and state agencies fees for services beginning in the 2017-18 fiscal year.

Provide that the DATCP Secretary, instead of the UW-Madison Chancellor as under current law, would appoint the Director of the Laboratory after consultation with the Veterinary Diagnostic Laboratory Board. Require the DATCP Secretary, instead of the UW System Board