

SUMMARY OF PROPOSAL TO ESTABLISH UW-MADISON AS A PUBLIC AUTHORITY

Governor Scott Walker has proposed that the University of Wisconsin-Madison be separated from the UW System and be established as a public authority. This proposal is included in his 2011-2013 Budget Bill, which will be acted on by the legislature in the coming months. These are the basic features of the proposal (numbers in bold refer to proposed statutory changes, and a guide for reading the proposed budget is at the end of this document).

Public Authority Status

- Wisconsin statutes do not provide a common definition or model for what constitutes a public authority. Essentially it is an organization that is part of state government but is free of most of the rules and regulations that apply to traditional executive branch agencies. UW Hospital and Clinics is a public authority.
- UW-Madison will continue to be a public university.
- UW-Madison will no longer be a part of the University of Wisconsin System. A new chapter of state statutes (Chapter 37) is being created to establish UW-Madison as a public authority.

Academic Freedom

- Chapter 36 of the statutes (which will continue to exist for UW System) includes provisions for academic freedom and tenure. Those provisions are repeated and included in the new Chapter 37.
 - **37.13(1), (2) and (5)** tenured appointments
 - **37.13(4)** those with tenure or in tenure-track positions at the time the public authority is established will continue to have the same after the authority is created

Governance

- *Current*

The University of Wisconsin System is governed by the board of regents, which consists of

 - 16 members appointed by the governor and confirmed by the state senate. Two of these members must be students currently enrolled at one of the universities in the system.
 - 2 ex officio members: state superintendent of public instruction and president of the Wisconsin Technical College System board

Terms for the student members are two years. The other regents appointed by the governor serve staggered seven-year terms, and there are no limits to the number of times someone might be reappointed.

The board of regents will continue under Chapter 36 to govern the University of Wisconsin System.
- *Proposed*

37.02(1)(a) A board of trustees will govern UW-Madison as a public authority. It will have 21 members—

 - 11 appointed by the governor, at least seven of whom must be alumni of the university, and one must be a member of the UW System board of regents and one must represent the agricultural interests of the state
 - 2 university faculty selected by the faculty
 - 1 non-faculty university employee selected by non-faculty employees
 - 2 alumni selected by the Wisconsin Alumni Research Foundation board
 - 2 alumni selected by the Wisconsin Alumni Association board
 - 2 alumni selected by the University of Wisconsin Foundation board
 - 1 current student selected by students

The chancellor will be a nonvoting member of the board of trustees.

(continued)

37.02(1)(b) and **(c)** Terms will be three years for all members except for the student, whose term will be two years. Terms will be staggered, and everyone except the student may serve no more than two consecutive terms.

37.02(1)(b) Those appointed by the governor, WARF, WAA, and UW Foundation “shall have a demonstrated commitment to the welfare of the university and shall have management experience or possess expertise in aspects of the university’s mission, such as undergraduate, graduate, and professional education, research, intellectual property, support of existing industries, new business startups, and public service.”

- The board of trustees will (same as current statutory provisions)
 - **37.02(6)** Appoint the chancellor, and he or she will serve at the pleasure of the board
 - **37.03(1)(a)** Adopt general policies for the university
 - **37.03(1)(b)** Determine the educational programs that will be offered
 - **37.03(1)(d)** Delegate to the chancellor responsibility for the administration and operation of the university, within board policies
- Shared governance (same as current statutory provisions)
 - **37.03(3)** Faculty have primary responsibility for academic and educational activities and for faculty personnel matters
 - **37.03(4)** Academic staff have primary responsibility for formulation and review of policies and procedures affecting them, including personnel matters
 - **37.03(5)** Students have primary responsibility for formulation and review of policies concerning student life, services and interests
 - **37.03(3)–(5)** Faculty, academic staff and students each have right to determine how to organize themselves and select representatives to participate in shared governance

Funding

- Funding for the university will consist of
 - Tuition
 - *Current*
Board of regents must follow statutory rules regarding distinctions between resident and non-resident tuition and set tuition rates within guidelines set by governor and legislature
 - *Proposed*
37.27 Board of trustees must follow statutory rules regarding distinctions between resident and non-resident tuition rates and then set reasonable tuition rates to meet university costs
14.76(1m) Board of trustees may independently enter into tuition reciprocity agreements
 - State Appropriation
 - *Current*
16.42(1) UW-Madison will participate in biennial state budget process like executive agencies, submit requests and receive allocations
 - *Proposed*
20.280(1)(a) State budget appropriation will be made in one large block grant directly to UW-Madison

(continued)

- Gifts, Grants and Donations
 - **16.54(8r)(a)** and **(9)(a)** Authorizes the UW-Madison to accept and manage federal funds and independently to use indirect cost reimbursements
 - **37.11(1)(d)** Authorizes UW-Madison to continue to accept gifts, grants, donations and loans
 - **37.27(7)** Non-state moneys (tuition, fees, program revenue, gifts, grants and donations) would be no longer be regarded as state funds and therefore would be exempt from state regulations

Personnel

- **37.11(1g)** A new personnel system—separate and distinct from the civil service system—will be developed for classified and academic staff, to be effective July 1, 2012. There will be a plan for transferring current employees to the new system.
- **40.02(25)(b)(2)**, **40.02(54)(hm)** and **40.02(57)** All UW-Madison employees will continue to be in the Wisconsin Retirement System and have health insurance and other benefits as if they were still employees of a state agency. The current sick leave program will continue for UW-Madison employees.
- **Budget Repair Bill (Wisconsin Act 10)*** Repeals **Subchapter VI of Chapter 111**, which provides collective bargaining rights for faculty and academic staff.
- **Budget Repair Bill (Wisconsin Act 10)*** Amends **Chapter 111** to limit collective bargaining rights for civil servants. Current civil servants at UW-Madison will have these rights until the new personnel system takes effect on July 1, 2012.
- **Budget Repair Bill (Wisconsin Act 10)*** Teaching assistants, research assistants, project assistants and program assistants will continue to have collective bargaining rights, as limited by the Wisconsin Act 10.

*** Note that Wisconsin Act 10 is facing court challenges.**

Buildings

- **13.48** and **37.11(26)** UW-Madison will continue to participate in the state's long-range building program and have access to state building trust funds
- **37.11(1)(b)** and **37.11(9)** UW-Madison will be able to condemn properties when necessary to acquire land to meet campus needs and may own, sell, lease, etc. property

New

- **13.48(10)(c)** UW-Madison does not have to seek approval from the state building commission for projects costing less than \$500,000 that rely entirely on funds other than state appropriations

Miscellaneous

- **895.46(10)** University employees will have the same limited immunity from lawsuits as other state employees, and the Department of Justice will continue to provide representation for the university and its employees
- **37.11(2)** The university will continue to have a police force
- **15** and **37** various sections. University will continue to have representation on hospital board, among others, and board of trustees appoints director of state hygiene lab, director of the psychiatric institute, state geologist, and state cartographer

and

- **37.11(8)** and **(8e)** You still have to have parking permits and pay parking fines!

(continued)

Guide for Reading Proposed Budget Bill

A copy of the bill, known as Senate Bill 27 (SB 27) and Assembly Bill 40 (AB 40) is available at <http://legis.wisconsin.gov/2011/data/AB40hst.html>

Pages 16-18 of SB 27/AB 40 provide a narrative summary, written by the staff of the Legislative Reference Bureau. A detailed narrative summary of the bill prepared by the Legislative Fiscal Bureau is available at <http://legis.wisconsin.gov/lfb/2011-13%20Budget/Governor/uw-madisonauthority.pdf>

The most relevant, central features of the bill can be found on pages 490–586 of SB 27/AB 40.

- **Chapter numbers:** **Chapter 36** currently covers UW System, including UW-Madison, and is being amended to cover only the system. **Chapter 37** is being added to cover UW-Madison separately as a public authority.
- **Pages 490–519 amend Chapter 36** to separate UW-Madison from UW System and transfer provisions that uniquely apply to UW-Madison by renumbering the chapter references from “36” to “37”.
- **Pages 519–573 create the new Chapter 37**, which establishes the University of Wisconsin-Madison as a public authority. Some provisions repeat language that is also in Chapter 36.

General guidelines for reading the bill:

- The lines on each page are numbered on the left simply to make it easy for legislators to find language that is being discussed or proposed for amendment.
- Each section of the bill is numbered and specifies the chapter and provisions of the chapter that is being proposed for amendment, repeal or addition. The Budget Bill starts with the current chapters in the statutes with the lowest number and then proceeds in order.
- The bill is not organized by subject matter. There are provisions that are relevant to the university in several chapters of the statute, so just reading the new Chapter 37 provides only a partial view.
- Language that is underlined is being added.
- Language that has a line through it is being deleted.
- A glass of red wine while reading is useful.