

**STATE OF WISCONSIN UNIVERSITY OF
WISCONSIN SYSTEM**

AGENCY PRIMER: “WHAT YOU NEED TO KNOW”

JANUARY 2023



**INSTITUTE FOR
REFORMING GOVERNMENT**

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FROM THE DESK OF CJ SZAFIR

Freedom and Opportunity. Those are ideals that bind us together as a state. Unfortunately, the size and scope of state government too often gets in the way of individuals and families being able to achieve their full potential as they build their share of the American Dream.

We can do better, and we must do better. We all should ask, – “Is the mission of state government, — of each and every agency, bureau, and division —, aligned with the vision that everyday Wisconsinites have for Wisconsin? Is state government set up to help citizens succeed, or is it a roadblock to success? We need a conservative vision for state government, indeed for each and every agency.

Last spring, with support from our donors and Board of Directors, the Institute for Reforming Government started an ambitious project to help answer those questions about the biggest state agencies to help answer those questions because we believe the best way to enhance liberty is to improve transparency. This project was the work of eight experts in Wisconsin state government, including three senior-level cabinet officials, a budget director, and subject matter experts. In addition, our team had regular meetings with former top officials in state government as well as business leaders and other experts outside of government. We looked at past revenue and spending trends. The findings are not surprising.

State agencies are massive. They spend record amounts of taxpayer dollars year over year. They too often get in the way of individual success and are set up as enforcement agents instead of partners in creating a better Wisconsin. They need reform. We need leaders to bring forward conservative visions to the agencies.

In these briefings, we shine light onto state agencies to help all citizens diagnose what is broken. Later, based on these and discussions with people all over Wisconsin, we'll offer government reform ideas and detailed budget analysis to help chart a new course for Wisconsin, - one where each and every individual in our state has the freedom and opportunity to succeed.

Sincerely,

CJ Szafir
President
Institute for Reforming Government

“Light and liberty go together”

Thomas Jefferson, In a letter to Tench Coxe, 1795”

This document prepared by the Institute for Reforming Government (IRG) is intended to inform policy makers and the public of the full scope of the University of Wisconsin System, and offer conservative policy recommendations for future lawmakers to consider.

For the general public, the executive branch of Wisconsin state government can be a mystery. There are countless agencies with billions of tax dollars flowing through them. Although some may have an understanding of an agency because of their daily work or real-world experience, few people in Wisconsin have a handle on the entirety of the executive branch. Each agency has its own mission, functions, and programs. Some agencies generate their own revenue, some rely on state tax dollars, and many of them take some sort of federal funding. Each agency has unique powers and authorities. The goal of this briefing document is to pull back the veil and show Wisconsinites how their government taxes, spends, and regulates.

Over the course of months, a team of policy experts at IRG pored over all of the information on Wisconsin’s biggest agencies. In this briefing document, you will see agency functions, budget trends, a list of past appointees, and policy concerns. These items create a basis for understanding the scope and history of each agency in an effort to inform policy makers in Madison as they carry out their work in the coming legislative session.

The University of Wisconsin System operates 13 four-year campuses and an additional 13 branch campuses. Annually, the System enrolls 170,000 students, of which, 150,000 are undergraduates. The branch campuses offer two-year associate degrees and provide the ability to transfer to a four-year institution. The UW System is governed by the Board of Regents, a board that is composed of members appointed by the governor to staggered terms. The board appoints the UW System president and the chancellors of the four-year universities. Today, the UW System has a budget of nearly \$13 billion and employs over 35,000 people.



BACKGROUND

The UW System has deep roots in Wisconsin history. Before becoming a state, the territorial legislature passed laws in 1836, 1838, and 1839 regarding the creation and location of a publicly funded university. With the establishment of Wisconsin's statehood in 1848, the state's constitution stated in Article X, Section 6, "Provision shall be made by law for the establishment of a state university at or near the seat of state government, and for connecting with the same, from time to time, such colleges in different parts of the state as the interests of education may require." Classes would begin at the new university located in Madison in 1849. In 1866, the Board of Regents was created to oversee this and subsequent universities.

In 1857, the legislature appropriated funding to create two-year "normal schools" to train teachers. These normal schools would be governed by a Board of Regents of Normal Schools. In 1929, the schools were renamed state teachers colleges and authorized to offer baccalaureate degrees. Having been renamed "State Universities," the legislature merged the two parallel university systems in 1971 and the University of Wisconsin System was born.

AGENCY DESCRIPTION, MISSION, & FUNCTION

Information in this section was pulled directly from public sources on the Department of Administration and University of Wisconsin System websites.

Agency Descriptions

The system is governed by an 18-member Board of Regents charged by statute with the responsibility to determine educational policy. The president of the system, as chief executive officer, is responsible for the direction and coordination of the system in accordance with state law and the policies of the board. The Higher Learning Commission approved a restructuring of the system in June 2018. Effective July 1, 2018, the system is made up of 13 four-year institutions and 13 two-year branch campuses affiliated with seven of the four-year institutions. Prior to July 1, 2018, the system consisted of 13 four-year institutions, 13 University of Wisconsin Colleges, and the University of Wisconsin-Extension. The former UW-Extension has joined with UW-Madison and UW System Administration. The chancellors of the 13 four-year institutions serve at the pleasure of the board and report to the president. Long-range planning and future development of the institutions within the system are carried out in accordance with specific missions for each institution that were adopted in 1974 and revised in 1988 after public hearings throughout the state. Together, the 26 campuses enroll 167,688 students. Outreach and public service activities make university resources available to all Wisconsin residents. Annually, 292,554 people enroll in continuing education courses and other lifelong learning programs, and county-based Cooperative Extension educators log more than 540,000 teaching contacts every year. In addition, the statewide networks of Wisconsin Public Radio and PBS Wisconsin (formerly Wisconsin Public Television) reach more than 956,000 listeners and viewers weekly. In accordance with the concept of shared governance, each institution's chancellor and faculty have primary responsibility for educational activities and for faculty personnel matters. University staff, academic staff, and students also participate in governance under terms defined in Chapter 36, Wisconsin Statutes. Two of the system's 13 universities provide instruction at the undergraduate, master's, and doctoral levels; the other universities offer undergraduate and master's degree programs; and the 13 two-year branch campuses provide associate degree and transfer programs in the first two years of undergraduate instruction. The system attracts substantial nonstate funding to Wisconsin. In fiscal year 2019-20, the Board of Regents accepted \$1.735 billion in gifts, grants, and government contracts. The University of Wisconsin-Madison has consistently ranked in



the top ten higher education institutions nationally in attracting federal funds. The Wisconsin State Laboratory of Hygiene is Wisconsin's public and environmental health laboratory and is an attached agency to the University of Wisconsin-Madison. The laboratory is under the direction and supervision of the State Laboratory of Hygiene Board, which meets quarterly to approve the laboratory budget, set fees, set priorities, and make final approval of laboratory resources so that the laboratory can act in response to agencies' planned objectives and program priorities. A nationally renowned public health facility, the laboratory provides top-quality analytical services and makes substantial contributions to the evolution of public health and environmental laboratory science through teaching, research, outreach, and public service. All sectors of the public health infrastructure – disease control and prevention, maternal and child health, environmental health, epidemiology, emergency preparedness and response, and policy development – are critically linked to the state and national public health laboratory system, which the laboratory coordinates in Wisconsin. Through its wide-ranging activities, directly or indirectly, every citizen in the state is affected and protected by the public health work of the laboratory. The Wisconsin Veterinary Diagnostic Laboratory was established in 1999 by Wisconsin Act 107, which was enacted on April 28, 2000. Effective July 1, 2000, the Wisconsin Animal Health Laboratory was transferred from the Department of Agriculture, Trade, and Consumer Protection to the University of Wisconsin System and renamed the Wisconsin Veterinary Diagnostic Laboratory. Much like the State Laboratory of Hygiene, the laboratory is administratively attached to the university but governed by an independent board that contains representatives of state and federal governments, the university, and five non-governmental members representing various aspects of Wisconsin animal agriculture. These five board members are appointed by the Governor with terms varying in length from two years to four years.

Mission

The mission of the system, pursuant to s. 36.01(2), Wisconsin Statutes, “is to develop human resources, to discover and disseminate knowledge, to extend knowledge and its application beyond the boundaries of its campuses and to serve and stimulate society by developing in students heightened intellectual, cultural and humane sensitivities, scientific, professional and technological expertise and a sense of purpose. Inherent in this broad mission are methods of instruction, research, extended training and public service designed to educate people and improve the human condition. Basic to every purpose of the system is the search for truth.” The mission of the Wisconsin State Laboratory of Hygiene is to develop and provide essential public health laboratory support to communities, agencies (local, state and federal), and private providers consistent with the public health and environmental goals of the state. Support includes analytical services for the Department of Natural Resources, Department of Health Services, local governmental units, health care practitioners, and private citizens. In addition to clinical and reference testing, the laboratory conducts specialized environmental and occupational health testing, provides informatics and data support, Occupational Safety and Health Administration consultation services, and training and technical assistance for private and public health agencies. The laboratory conducts applied research and provides university instruction related to the public health and environmental protection mission of the laboratory. The mission of the Wisconsin Veterinary Diagnostic Laboratory is to promote animal and human health by providing high-quality veterinary diagnostic laboratory services and the professional expertise to complement them. In doing so, the laboratory will fulfill its obligation to be a primary component of the Wisconsin animal health system. The laboratory is intent on being recognized as a leader in the scientific field, achieving excellence in veterinary laboratory diagnostics by integrating innovative and proven technologies, and conducting research to provide the highest quality of service possible.



Function

UNIVERSITY EDUCATION, RESEARCH, AND PUBLIC SERVICE

Goal: Meet or exceed the current plans to increase undergraduate degrees conferred (associate and bachelor's).

Objective/Activity: Increase undergraduate degrees conferred by the University of Wisconsin System to meet the state's need for college-degreed professionals.

Goal: Provide access by enrolling at least 32 percent of Wisconsin high school graduates immediately after graduation.

Objective/Activity: Serve the residents of Wisconsin.

Goal: Increase first-to-second year retention at the same institution.

Objective/Activity: Increase retention of students to the second year at their original institution.

Goal: Increase the rate at which new freshmen earn a bachelor's degree at the same institution within six years.

Objective/Activity: Increase graduation rate at the same institution to assist with meeting the state's need for college-degreed professionals.

AGENCY BUDGET TRENDS

The state budget process begins in September of every even year when each agency sends its budget requests to the Department of Administration. The Governor then has several months to put together the executive budget proposal that is forwarded to the Legislature. The Legislature, through the work of the Joint Finance Committee, then holds hearings and votes on the budget through the spring and summer of the odd year. This culminates with the signing of the budget document that summer. While technically due by July 1 of the budget year, often budget debates will drag into the summer and sometimes the fall. However, the government does not shut down in Wisconsin as it does at the federal level when there is a budget impasse. It simply continues on the current spending plan until a new budget is adopted.

The budget for the UW System has increased in the last 3 budget cycles. The System took on heavy criticism in the last 10 years when lawmakers were made aware of large cash reserves that the system had accumulated. As a result, undergraduate tuition has been frozen since the 2013-2014 fiscal year.

Agency Budget Trend

Fund	2017 ACT 59	2019 ACT 9	2021 ACT 58
GPR	\$2,143,855,600	\$2,243,868,500	\$2,382,395,300
FED	\$3,337,292,000	\$3,455,558,600	\$3,216,075,000
PR	\$6,649,964,500	\$6,878,333,700	\$7,292,173,900
SEG	\$51,721,400	\$65,592,600	\$47,032,400
TOTAL	\$12,182,833,500	\$12,643,353,400	\$12,937,676,600

FTE Position Summary

Fund	2017 ACT 59	2019 ACT 9	2021 ACT 58
GPR	17,813.4	17,814.49	17,814.49
FED	5,483.03	5,534.53	4,878.23
PR	11,904.05	12,758.63	12,878.54
SEG	137.92	165.51	99.99
TOTAL	35,338.49	36,273.16	35,671.25



SYSTEM LEADERSHIP

The UW System is governed by the Board of Regents, who selects the System President. The President must appoint the other members of their team to help them carry out the duties and responsibilities of the System. Descriptions of each appointed position are listed below:

PRESIDENT

The President is the chief executive officer for the UW System and carries out the statutory responsibilities of the UW System. They must also carry out duties specified by the Board. All Vice Presidents and Chancellors report to the President.

CHIEF OF STAFF

The Chief of Staff takes on responsibilities assigned by the President. These duties are dependent on the President; however, the Chief of Staff generally functions like the Deputy Secretary of a state agency. They manage the day-to-day operations of the UW System and operationalize the President's strategic vision.

GENERAL COUNSEL

The General Council is the head of the Office of General Counsel and provides legal counsel for the Board of Regents and the UW System. This includes, but is not limited to personnel issues, real estate, risk, contracts, policy reviews, student affairs, and open records law.

DIRECTOR OF STATE/FEDERAL RELATIONS

The Director of State Relations is primarily responsible for facilitating and managing relationships with the Legislature and external stakeholders to provide information as needed and requested. The Director of Federal Relations is responsible for maintaining relationships with Congress and relevant federal agencies.

VICE PRESIDENTS

At the UW System, Vice Presidents are most closely related to division administrators in other state agencies. They manage the day-to-day operations of the particular areas of the System that they are responsible for. Vice Presidents report to the President.

Agency Leadership

POSITION	
President	Jay O. Rothman
Chief of Staff	Jess Lathrop
General Counsel	Quinn Williams
Director of State Relations	Deej Lundgren
Director of Federal Relations	Allison Steil
Associate Vice-President for Public Affairs & Communications	Jack Jablonski
Chief Compliance Officer	Paige Smith
Chief Audit Executive	Lori Stortz
Vice-President for Finance & Administration	Sean Nelson
Interim Senior Vice President for Academic & Student Affairs	Johannes Britz
Vice President for University Relations	Jeff Buhrandt



ATTACHED COUNCILS, TASK FORCES, & COMMITTEES

LABORATORY OF HYGIENE BOARD

The Laboratory of Hygiene Board oversees the state Laboratory of Hygiene. The Laboratory provides services for physicians, veterinarians, local governments and public health agencies. They are attached to UW-Madison where it is used for research and teaching along with its other duties.

RURAL HEALTH DEVELOPMENT COUNCIL

The Rural Health Development Council advises the Board of Regents on matters related to student loan assistance for rural dentists, physicians, and other health care providers.

PUBLIC LEADERSHIP BOARD

The Board oversees the Tommy G Thompson on Public Leadership which is located at UW-Madison. The Board appoints the director of the Center and approves a budget (which must be at least \$500,000 annually).

VETERINARY DIAGNOSTIC LABORATORY BOARD

The Veterinary Diagnostic Laboratory Board oversees the Veterinary Diagnostic Laboratory. The Laboratory provides testing and diagnostic services for animals across the state.

MAJOR PAST INITIATIVES

(2011-Present)

Most major policy initiatives happen during the budget process. The Governor or the Legislature will propose a major reduction or increase in spending for any number of programs. The major initiatives dating from 2011 to the present for the UW System are listed below:

Major Past Initiatives

INITIATIVE	GOVERNOR	ENACTED	NOTES
Increase revenue by allowing a 5.5% increase in undergraduate tuition	Walker	Yes	JFC capped increase at 5.5%, annually
Direct Regents to plan for the creation of a UW-Milwaukee Authority	Walker	No	JFC deleted
Create UW-Madison Authority	Walker	No	JFC deleted
Delete nonresident tuition exemptions for undocumented persons	Walker	Yes	
Give UW System and UW-Madison authority to establish employee compensation plans	Walker	No	JFC deleted
Freeze tuition for undergraduates (2013-2015)	Legislature	Yes	
Continuation of undergraduate tuition freeze (2015-2017)	Walker	Yes	UW-Stevens Point exempted
Transfer State Laboratory of Hygiene to DATCP	Walker	No	JFC deleted
Transfer Veterinary Diagnostic Laboratory to DATCP	Walker	No	JFC deleted



Place applicants for leadership positions under open records law	Legisla- ture	Yes	
Convert UW System into a public authority	Walker	No	JFC deleted
Performance payments to UW institutions	Walker	Yes	Modified by JFC and partial veto by Governor Walker
5% reduction in undergraduate tuition (2017-2019)	Walker	No	JFC Deleted, tuition freeze kept in place
Creation of the Tommy G. Thompson Center for Public Leadership	Legisla- ture	Yes	\$3 million allocated over the budget, board created to oversee the center
Freedom of expression on campus	Walker	No	JFC deleted as non-fiscal policy
Continuation of undergraduate tuition freeze (2019-2021)	Evers	Yes	JFC pulled funding proposed by Governor Evers
Additional funding and position to State Lab of Hygiene	Evers	Yes	
Create nonresident tuition exemption for undocumented persons	Evers	No	JFC deleted - 2019-21 & 2021-23
Allow UW System to borrow for operational expenses	Evers	No	JFC deleted
Baccalaureate degree program for prisoners	Evers	No	JFC deleted

GOVERNMENT REFORM OPPORTUNITIES

Wisconsin government has grown too big and too expensive. This has precipitated issues across the whole of the executive branch that have become a barrier to the success of Wisconsin residents and businesses alike. The Institute for Reforming Government endeavors to shine light on these issues as prime opportunities for bold reform. Below you will find a non-exhaustive list of policy concerns that we have highlighted for the University of Wisconsin System:

Assessment of Program Offerings

The UW System offers a huge selection of degree programs at its 13 universities and 13 two-year campuses. However, too many academic programs lead to poor post-graduation earnings or non-economic benefits while still piling on debt. Many other programs deserve scrutiny because they produce few graduates, are merely used to prepare new faculty, and are duplicative of other programs offered in the same geographic area. Still more programs add value but could be improved by modernizing them, better aligning them with workforce needs, or improving the delivery of the programs (such as through distance or competency-based education) to better meet student needs.

Not all programs must be designed to prepare students for a specific occupation and there can be immense value in high-quality liberal arts programs. In addition, there are many career training programs that teach valuable non-academic skills and imbue students with a lifelong love of learning. There are also liberal arts programs that are highly valued by employers. However, this false choice between career preparation and liberal arts ignores the fact that there are many programs of both types that are either successful or not successful at achieving their own stated mission. In Wisconsin, more focus must be placed on the programs that work and less on those that do not. For liberal arts and career-focused programs alike, the UW has failed to realize the promise of innovative delivery models, including those they pioneered like UW Flex.

Number of Campuses

Currently, the UW System oversees the operation of 13 four-year institutions and 13 two-year campuses. With enrollment declining, does the UW System need to operate and maintain so many campuses? The UW is doing well to reduce bloat by consolidating its two-year campuses. It should build upon this work. Policymakers should take a close look at this and study the possibility of consolidating the number of campuses to match the demand for publicly funded post-secondary education.



Freedom of Expression

Creating an environment that fosters education and learning requires the ability to hear different points of view on a range of issues. This may mean that a student's point of view is deemed offensive by a peer. However, this is an important part of education, especially in a university setting. Being confronted with different points of view facilitates learning and teaches students how to have a civil dialogue about ideas and concepts in the real world. Policymakers need to ensure that freedom of expression is upheld on UW System campuses.

State Financial Assistance

Wisconsin, primarily through the Higher Educational Aids Board (HEAB), provides financial assistance to students. However, the need-based aid that resident undergraduate students receive pales in comparison to support from the federal government. By the same token, because financial need is the primary determinant of whether students receive aid, lower-income students may receive the same amount, regardless of what they study and whether they are highly likely or unlikely to succeed in college. Lawmakers should look for ways to reform the way financial assistance is given in order to make sure that the state is focused on not just those in need, but on those who that are likely to succeed as well.

UW Flexible Option

UW Flex has been a successful program run by the UW System. UW Flex offers online competency-based degree and certificate programs that are targeted at working adults. The program is less expensive and less time-consuming than a traditional degree program. Lawmakers should consider how the program could be expanded and used to target degrees that are in high need.

CONCLUSION

At the Institute for Reforming Government we know that the government isn't the way of the future - people are. And we believe that in order to empower people and ideas to flourish, our government needs to get out of the way.

This is nothing new for Wisconsinites- we have a long history as the standard bearer for government reform - we were the first state to implement unemployment insurance, Wisconsin Works (W-2), and we were on the cutting edge of major collective bargaining reform. But today the state we love is beginning to lag behind. Our executive branch has become bloated, slow, and expensive - a burden to the state's economy instead of a catalyst.

The solution to this problem isn't more government, it's less. What we need is a conservative vision for the state. This introductory document lays bare the issues and problems that are standing in the way for Wisconsin. In the coming months, IRG will be releasing a series of reforms that will cast a conservative vision for key executive branch agencies in the state.

Now is the time to renew our faith in the people of Wisconsin, not the government.

