

WISCONSIN STATE  
LEGISLATURE  
COMMITTEE HEARING  
RECORDS

**2003-04**

(session year)

**Assembly**

(Assembly, Senate or Joint)

**Committee on  
Colleges and  
Universities  
(AC-CU)**

(Form Updated: 11/20/2008)

**COMMITTEE NOTICES ...**

➤ Committee Reports ... CR  
\*\*

➤ Executive Sessions ... ES  
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➤ Public Hearings ... PH  
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➤ Record of Comm. Proceedings ... RCP  
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**INFORMATION COLLECTED BY COMMITTEE  
FOR AND AGAINST PROPOSAL ...**

➤ Appointments ... Appt  
\*\*

Name:

➤ Clearinghouse Rules ... CRule  
\*\*

➤ Hearing Records ... HR (bills and resolutions)  
\*\* **03hr\_ab0813\_AC-CU\_pt01**

➤ Miscellaneous ... Misc  
\*\*



**Board of Regents**

1860 Van Hise Hall  
1220 Linden Drive  
Madison, Wisconsin 53706  
(608) 262-2324

email: board@uwsa.edu  
website: <http://www.uwsa.edu>

February 23, 2004

TO: Colleges and Universities Committee members

FROM: Regent President Toby Marcovich

A handwritten signature in black ink, appearing to read 'Toby Marcovich', written in a cursive style.

RE: AB 813

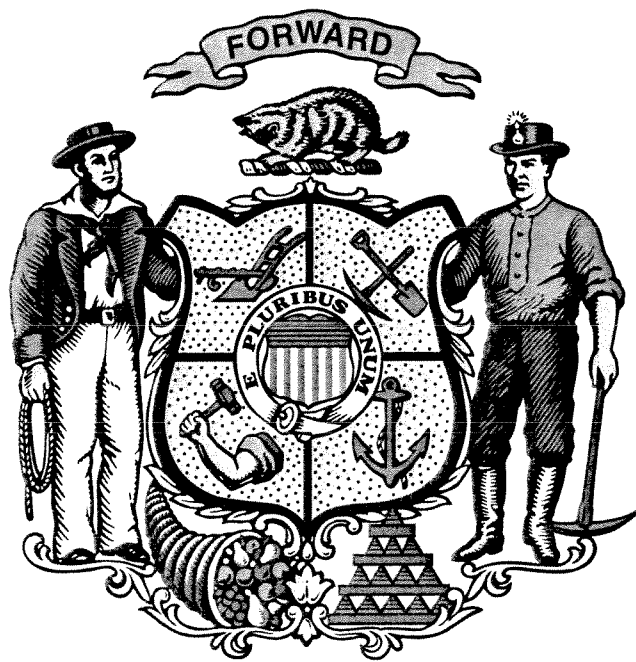
I am writing to share the University of Wisconsin System Board of Regents' perspective on Assembly Bill 813 which prohibits UW System administrators from serving on the board of directors of corporations that do business with the university. I appreciate the opportunity to express my opposition to this unfavorable legislation.

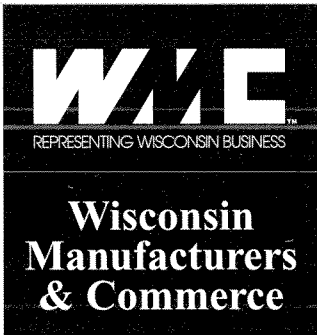
As many of you know, in recent years the UW System has, under the leadership of President Katharine Lyall, applied its expertise and resources to help strengthen the Wisconsin economy. From the four statewide economic summits to regional economic development and industry cluster successes, the UW System has demonstrated its commitment to economic development in Wisconsin. Unfortunately, AB 813 will not only impede some of our progress, but it will also make it more difficult for our leaders to participate in the economic development of Wisconsin and to better understand the state's workforce needs.

Let me point out that service on corporate boards is standard practice by top university executives in other states, and it is an option that should remain open to university executives within our own Code of Ethics' standards established for all public officials to avoid any actions that are not in the public interest [see Standards of Conduct 19.45 (1) for State Public Officials, including UW administrators]. Annually, university administrators, like candidates for public office and other public officials, file a statement of economic interest and disclose the identity of every organization in which the individual or a member of the individuals immediate family receives income, owns securities, has debt, owns real property, or has received gifts exceeding \$50. This is the high standard of conduct we expect from public officials and UW administrators are no different, hence there is no compelling reason to adopt a different, and more stringent, standard for UW administrators.

We need to keep our economy moving, and growing. Limiting the ability of our top leaders to serve on corporate boards where they can gain valuable knowledge and forge important relationships is not just counterproductive – it is detrimental to our future.

cc: Board of Regents  
President Lyall  
Legislative leadership





**Memo**

TO: Assembly Committee on Colleges and Universities  
FROM: James A. Buchen, Vice President, Government Relations  
DATE: February 24, 2004  
RE: Assembly Bill 813

Wisconsin Manufacturers & Commerce is **opposed** to Assembly Bill 813 – legislation that would prohibit certain University of Wisconsin System (UW System) administrators from serving on the boards of directors of corporations which do business with the UW System.

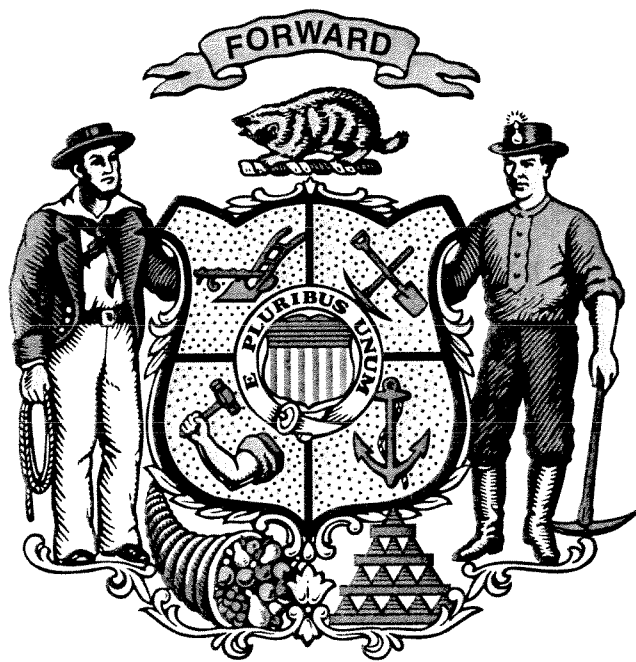
Wisconsin's ethics laws more than adequately address any potential conflicts of interest that might arise as a result of a UW System administrator serving on a corporate board.

Given its size and the scope of its activities, the UW System does business with a virtual "who's who" of Fortune 500 companies in America. Many UW System vendors, both large and small, are businesses headquartered right here in Wisconsin. The prohibitions in this bill would deprive these companies of the potentially beneficial involvement of top UW System administrators as members of their boards. Perhaps more importantly, the bill would also cut UW System administrators off from the educational experience of serving on a corporate board.

We believe that it is in the best interest of the state of Wisconsin, the UW System and the business community to foster relationships between academia and the business world. Service on corporate boards can help improve understanding as we try to encourage technology transfer between the UW System and the private sector and grow our high tech economy.

Prohibiting service on corporate boards will also make it more difficult to attract and retain high quality administrators for the UW System. Potential income from board service can be an important supplement to the base salary offered in public sector administration.

Given the fact that conflict of interest issues are addressed in the current ethics laws, AB 813 is an unnecessary restriction on the outside activities of UW System administrators. Therefore, we urge the Assembly Committee on Colleges and Universities to **reject** AB 813.





February 24, 2004

Representative Robin G. Kreibich  
Chair, Assembly College and Universities Committee  
Room 107 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53708

**Erroll B. Davis, Jr.**  
Chairman and CEO

Alliant Energy Corporation  
4902 North Biltmore Lane  
P. O. Box 77007  
Madison, WI 53707-1007

Office: 608.458.3137  
Fax: 608.458.0135  
errolldavis@alliantenergy.com

Dear Representative Kreibich:

I am writing to respectfully state my opposition to Assembly Bill 813 (AB-813), a proposal that could harm Wisconsin businesses and communities by prohibiting University of Wisconsin System officials from serving as members of corporate boards of directors.

As Chairman and CEO of Alliant Energy Corporation, I can attest to the importance of such relationships. UW System President Katharine C. Lyall has been a member of the Alliant Energy board of directors since 1986, and her experience and foresight have proven invaluable to the direction of our company.

As you know, Katharine Lyall is an economist of national standing. The expertise she brings from her years of academic and managerial experience in a number of the nation's best universities, along with her service in a presidential administration, has helped to provide Alliant Energy with the vision and oversight our stakeholders expect. Her length of service is remarkable and, in fact, predates her appointment as UW System president. The UW System and Alliant Energy are both fortunate to have thrived under her leadership for so many years.

Some have raised questions about whether such service is in the public interest or if it could result in a conflict of interest. The Public Service Commission of Wisconsin determines utility rates and service areas, and the Wisconsin Department of Administration oversees contract decisions. Thus, the public interest is in no way compromised by Katharine's service. The legislation is unnecessary because she is already covered by the same state ethics code applied to all other public officials.

Alliant Energy is a proud supporter and member of our local and regional communities. We are pleased to have formed a collaborative relationship with the leader of the state's public university system, which contributes in some way to virtually every Wisconsin community. Corporations and organizations around the nation are increasingly finding similar relationships to be mutually beneficial, and Alliant Energy is proud to recognize the benefits of formal partnerships among business, industry, higher education and Wisconsin citizens. We believe that this is the "Wisconsin Idea" at work.

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If AB-813 passes, it would have a detrimental effect on Wisconsin communities by blocking the ability of business, industry and education leaders to form active relationships that ultimately benefit Wisconsin citizens. Wisconsin's economy has much to gain by employing the collective expertise and collaborations that can result from university leadership in service to businesses and organizations. To prohibit these relationships from taking place will certainly do more harm than good for Wisconsin.

As you may or may not be aware, while Alliant Energy is headquartered in Wisconsin, the majority of its business is conducted outside of this state – a large portion in the state of Iowa. I am unaware of a legislative mandate in Iowa that prohibits its university system administrators from serving on corporate boards of directors. As such, introduction of AB-813 makes me question if its sponsors would rather see, for example, a university president from the Iowa system serve on Alliant Energy's board of directors.

Thank you for your consideration. I would be happy to speak with you further if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Erroll B. Davis, Jr.", is written over a horizontal line. The signature is stylized and cursive.

Erroll B. Davis, Jr.  
Chairman and CEO