

### Fiscal Estimate - 2019 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>19-1953/1</b>	<b>Introduction Number</b> <b>AB-0038</b>	
<b>Description</b> University of Wisconsin research contracts		
<b>Fiscal Effect</b>		
<b>State:</b> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b> UWS/ Chrissy Klappa (608) 890-2881	<b>Authorized Signature</b> Renee Stephenson (608) 263-4422	<b>Date</b> 3/5/2019

## Fiscal Estimate Narratives

UWS 3/5/2019

LRB Number	19-1953/1	Introduction Number	AB-0038	Estimate Type	Original
<b>Description</b> University of Wisconsin research contracts					

### Assumptions Used in Arriving at Fiscal Estimate

This proposed bill would modify the process that ensures that a contract between a UW System institution and a research company in which a UW System employee has a financial interest does not pose issues to a general statutory prohibition against private interests in public contracts and clarify the definition of what qualifies as a research company. Specifically, for situations that have the potential to implicate the statute, the proposed bill would eliminate a requirement for approval of a contract by a UW System employee responsible for evaluating and managing conflicts of interests, and a 45-day passive review by the Board of Regents if the contract or contracts between the parties requires \$250,000 or more over a 24-month period. Instead, the proposed bill would require that an employee's interest in the research company be evaluated and addressed in a management plan issued by the individual or body responsible for evaluating and managing potential conflicts of interest. Additionally, the bill clarifies that the definition of a research company includes nonprofit organizations. This change would ensure that the same process would apply to both nonprofit and commercial entities.

In order to assess the fiscal impact of this proposed legislation, input was provided from the Office of General Counsel at UW System as well as from the Office of Legal Affairs at UW-Madison. Given that administrative structures are already in place for managing employees' potential conflicts of interest with both for-profit and non-profit entities, this proposed change in definitions and process would have no fiscal impact on implementation.

### Long-Range Fiscal Implications