To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Lottery Division Reorganization (Revenue -- Lottery Administration)

[LFB Summary: Page 533, #5]

CURRENT LAW

Base funding and position authority for the general program operations of the lottery is $24,817,200 SEG and 130.0 SEG positions.

GOVERNOR

Delete $1,831,400 SEG and 31.5 SEG positions annually to reflect a reorganization of Lottery Division staff and functions. Under the bill, the Lottery Division would retain a division administrator position and be authorized a new deputy administrator position, converted from a vacant administrative officer position.

The reorganized division would include three bureaus: operations, marketing and retailer relations and administration. The reduction of 31.5 positions (in conjunction with the deletion of 6.0 project positions under standard budget adjustments) would provide the lottery with 92.5 positions allocated as follows: (a) 26.5 positions for operations; (b) 32.0 positions for marketing and retailer relations; and (c) 34.0 positions for administration (including 9.0 positions assigned to the Department's Administrative Services Division and 1.0 position each assigned to the Research and Analysis Division, the Secretary's Office and Legal Services).

The funding reduction includes -$440,100 annually to reflect the estimated cost of instant ticket data processing that had previously been performed in-house. This function is now contracted out and funding is provided under a separate item relating to vendor fees (see LFB Summary: Page 535, Item #10).

DISCUSSION POINTS

1. The 1995-97 biennial budget act (Act 27), provided for the transfer of the state lottery, including 130.0 SEG positions, from the Gaming Commission to the Department of Revenue (DOR) on July 1, 1996. As enacted by the Legislature, the transfer would have occurred following a one-year planning process during which the Joint Committee on Finance would have reviewed and approved three transition plans. These plans were to address: (a) implementation issues relating to the transfer; (b) issues relating to the implementation of privatization initiatives recommended by the Governor, including oversight mechanisms and the reduction of state lottery staff; and (c) the coordination of gaming security functions.

2. This planning and transition process was item vetoed by the Governor and, following the execution of a memorandum of understanding between the Gaming Commission and DOR on August 17, 1995, the administration and operation of the state lottery was immediately assumed by DOR.

3. Two major contracts have been awarded in 1996-97 as a result of the state lottery privatization initiative. A new, on-line lottery vendor contract was awarded to GTech Corporation and is scheduled to begin in May, 1997. A second contract for instant ticket data processing, which has previously been performed by the state lottery, was awarded to GTech Corporation and will also begin in May, 1997. A third major contract, for warehousing and retailer support and services, was also bid, but no award has been made. These functions will continue to be performed by state lottery staff.

4. According to DOA officials, the Governor's recommendation to reduce lottery position authority from 130.0 to 92.5 positions reflects this privatization initiative and an adjustment of staffing to a level appropriate to allow the lottery to function more efficiently. The DOR budget request for the lottery included a similar reduction ($1,233,100 and 29.5 positions annually) which would have resulted in position authority for 94.5 permanent and 6.0 project positions. The Governor's provisions would provide two fewer permanent positions than originally requested by the lottery.

5. The Governor's recommendation would delete $598,300 more in each year than the DOR lottery budget request. Of this amount, $158,200 relates to the position costs associated with the two positions the Governor did not provide. The remaining $440,100 deleted under the bill is comprised of $263,400 in supplies and services and $176,700 in permanent property base funding associated with the instant ticket data processing system that has been state operated and will now be contracted out.

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Overview of Lottery Resources and Their Relationship to Sales Revenue (Revenue -- Lottery Administration)

DISCUSSION POINTS

1. The Committee will be reviewing nine budget issue papers concerning state lottery administration, seven of which deal with the provision of funding for lottery operations. Some papers relate entirely to the Governor's recommendations under SB 77. These include papers on retailer compensation (#723), television broadcasts (#724), instant ticket vending machines (#725), the 15% limitation on lottery operating expenditures (#727) and multijurisdictional lotteries (#728).

2. Other papers address proposals made under a lottery stabilization plan submitted to the Committee by the Secretary of the Department of Revenue (DOR) on April 25, 1997. Paper #721, which deals with the reorganization of the lottery staff proposed by the Governor, also addresses the additional staffing proposed under the DOR plan, as well as a request for funding to institute an employe incentive bonus program. The advertising proposal under the DOR plan is dealt with in paper #729. A technical modification paper (#722) would correct funding levels for ticket printing and telecommunication costs, as recommended in the DOR plan, based on updated cost information. Finally, the paper addressing the Governor's vendor fees recommendations (#726) includes a correction in the vendor fees calculation that is requested in the DOR plan.

3. Lottery sales in 1996-97 are currently estimated at $430.0 million and, under the bill, would be projected at $440.4 million annually in 1997-99. The DOR lottery plan indicates that, if the additional funding and position authorization requested under the plan are approved (in addition to the Governor's recommendations), lottery sales could be reestimated from $440.4 million annually to $470 million in 1997-98 and $500 million in 1998-99.

4. DOR based the sales reestimates on a number of factors, including: (a) discussions with lottery officials in other states on those states' sales experiences after instituting similar proposals: (b) discussions with telemarketing experts on the potential impacts of increased telemarketing efforts; and (c) subjective judgements by lottery officials on the cumulative impact of the proposals.

5. Each request made under the DOR plan does not, however, have an associated projected sales increase. Rather, taken together, the increases requested under the plan would result, the Department believes, in the estimated sales increases.

6. While it can be argued that any increase in lottery operational resources could have a positive effect on sales, the magnitude of this potential effect is difficult to estimate. Lottery sales may increase or decrease over time for any number of reasons and the effect on sales caused by any one change is impossible to isolate.

7. Further, the management of operational resources may be the most critical factor affecting sales. Current base level lottery resources have not been fully utilized in the current biennium. As noted in a recent Legislative Audit Bureau report, the vacancy rate of the state lottery reached 63.5% earlier this year. Under the Governor's lottery reorganization recommendation, approximately 42 vacant positions would be available for rehiring (nearly doubling the current staffing of 50.5 filled positions).

8. It could be argued that improved management practices and filling vacant positions would be the most effective measures to take for the improvement of lottery sales. Increasing other resources could provide additional tools to this end, but may not be as significant a factor as the management of current resources.

9. Given the difficulty in isolating the effect of individual budget provisions on lottery sales, particularly in the context of a major rehiring process and the likelihood of changing lottery management practices, the following issue papers do not attempt to provide sales estimates associated with each paper.

10. Instead, following the Committee's decisions relating to these papers, this office will provide an additional paper on the lottery fund condition. This paper will provide reestimates based on recent sales activity and the Committee's actions relating to the lottery. In addition, it will reestimate the amount of lottery proceeds that would be available for lottery property tax credits.

Prepared by: Art Zimmerman

MO#__________

				BURKE	Y	N	A
				DECKER	Y	N	A
				GEORGE	Y	N	A
				JAUCH	Y	N	A
JENSEN	Y	N	A	WINEKE	Y	N	A
OURADA	Y	N	A	SHIBILSKI	Y	N	A
HARSDORF	Y	N	A	COWLES	Y	N	A
ALBERS	Y	N	A	PANZER	Y	N	A
GARD	Y	N	A				
KAUFERT	Y	N	A				
LINTON	Y	N	A				
COGGS	Y	N	A				

AYE ____ NO ____ ABS ____

Revenue

Lottery Administration

(LFB Budget Summary Document: Page 530)

LFB Summary Items for Which Issue Papers Have Been Prepared

Item #	Title
-	Overview of Lottery Resources and Their Relationship to Sales Revenue (Paper #720)
5	Lottery Division Reorganization (Paper #721)
6	Ticket Printing and On-Line Communication Costs (Paper #722)
7	Retailer Compensation and Incentive Bonus (Paper #723)
8	Lottery Television Broadcasts (Paper #724)
9	Instant Ticket Vending Machines (Paper #725)
10	Lottery Vendor Fees (Paper #726)
16	Modification of Lottery Expense Limitation (Paper #727)
17	Transfer Gaming Board Lottery Responsibilities to Revenue (see Paper #395)
19	Multijurisdictional Lotteries (Paper #728)
-	Lottery Advertising (Paper #729)
2	Lottery Credit -- Distribution Formula (Paper #730)
4	Lottery Credit -- Precertification (Paper #731)

Senator Panzer

TEACH BOARD

Specifications and Standards for Purchases of Educational Technology

Motion:

Move to specify that the standards and specifications for purchases of educational technology hardware and software that the TEACH Board would be required to establish would be subject to approval or disapproval by the Joint Committee on Information Policy under a 14-day passive review process.

Note:

Under SB 77, one of the duties of the TEACH Board would be to coordinate the purchasing of educational technology materials, supplies, equipment and contractual services for school districts, CESAs, WTCS districts and the UW System through the Division of Information Technology Services in DOA. The Board would be require to establish standards and specifications, in cooperation with DOA, for purchases of educational technology hardware and software purchases by school districts, CESAs, WTCS districts and the UW System.

This motion would specify that these standards and specifications would be subject to approval or disapproval by the Joint Committee on Information Policy under a 14-day passive review process.

MO# 1078

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	~~Y~~	N	A
2 JAUCH	~~Y~~	N	A
WINEKE	Y	~~N~~	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
1 PANZER	~~Y~~	N	A

Motion #1078

AYE 8 NO 8 ABS____

FAIL

Explanation: This language change would both clarify that the TEACH Board could forward technology equipment orders to DOA's Division of Information Technology, and that school districts, CESAs and public educational institutions would not be required to purchase or lease their technology equipment through the TEACH Board or DOA.

D. EDUCATIONAL TECHNOLOGY INFRASTRUCTURE LOANS

[LFB Summary: Page 571, #5]

Technical Modification to Base

Correct a cross reference to the proposed program revenue appropriation for debt service from the subsidized infrastructure loans for school districts.

Recommendations of the Joint Committee on Information Policy

1. *Modifications A, B, C and D.*

MO# Modifications to BASE

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

Prepared by: Ruth Hardy

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Minor Policy and Technical Changes (TEACH Board)

A. CREATION OF THE TEACH BOARD

[LFB Summary: Page 568, #1]

Governor

Provide that the President of the UW System would appoint the UW Regent member to the TEACH Board.

Modification to Base

Specify that the President of the UW Board of Regents would appoint the UW Regent member to the TEACH Board.

Explanation: The UW indicates that UW Regent appointment procedures require that the President of the UW Board of Regents, not the UW System President, appoint all Regents to other boards.

B. DUTIES OF THE TEACH BOARD

[LFB Summary: Page 569, #2]

Governor

Provide telecommunications access to school districts, in cooperation with DOA and the PSC, under the educational telecommunications access program that would be established under PSC. The Board would be required to coordinate with DITS in DOA regarding this program.

Modification to Base

Specify that the TEACH Board would forward requests from school districts for telecommunications access to PSC and DITS under the educational telecommunications access program that would be established under PSC, and would coordinate with PSC and DOA regarding this program.

Explanation: This language change would clarify that PSC and DOA would be responsible for the administration of the telecommunications access program. Under the bill, PSC would establish the eligibility requirements for the access program and DOA would contract for the provision of the telecommunications services and receive payments from school districts.

C. DUTIES OF THE TEACH BOARD

[LFB Summary: Page 569, #2]

Governor

Purchase or lease, with the option to purchase, educational technology equipment for use by school districts, CESAs and public educational institutions in the state.

Modification to Base

Clarify that school districts, CESAs and public educational institutions would not be required to place orders with the TEACH Board, and the Board could complete the orders or forward them to DOA to be completed by the Division of Information Technology Services.

PAPER 797

MO# JCIP recd

1	JENSEN	~~Y~~	N	A
	OURADA	~~Y~~	N	A
	HARSDORF	~~Y~~	N	A
	ALBERS	~~Y~~	N	A
	GARD	~~Y~~	N	A
	KAUFERT	~~Y~~	N	A
	LINTON	~~Y~~	N	A
	COGGS	~~Y~~	N	A
2	BURKE	~~Y~~	N	A
	DECKER	~~Y~~	N	A
	GEORGE	Y	~~N~~	A
	JAUCH	~~Y~~	N	A
	WINEKE	~~Y~~	N	A
	SHIBILSKI	~~Y~~	N	A
	COWLES	~~Y~~	N	A
	PANZER	~~Y~~	N	A

AYE 15 NO 1 ABS ____

forwarded to school districts. However, districts would still be required to pay 50% of the debt service required for the DOA fee portion of the loan.

4. Arguably, some school districts could retain professional building construction services at a lower rate from local service providers that may be more familiar with the needs of the school districts. Additionally, DOA's involvement could be viewed as interfering with private sector services and hindering the goal of local control of school district decisions. Conversely, school districts with little experience in the area of technology infrastructure construction may wish to work with DOA to ensure high quality and reasonable pricing.

5. If the Committee would like to ensure that school districts could voluntarily enlist the services of DOA for the provision of building construction services, it could specify that the provision of professional building construction services by DOA would be optional for school districts.

ALTERNATIVES TO BASE

A. DOA Positions and Funding

1. Approve the Governor's recommendation.

Alternative A1	PR
1997-99 FUNDING (Change to Base)	$683,200
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base)	5.00
[Change to Bill	*0.00]*

2. Modify the Governor's recommendation to, instead, provide $127,000 PR in 1997-98 and $153,200 PR in 1998-99 and 2.0 PR positions beginning in 1997-98 to provide one position to DITS and to DFD for initial DOA activities.

Alternative A2	PR
1997-99 FUNDING (Change to Base)	$280,200
[Change to Bill	*- $403,000]*
1998-99 POSITIONS (Change to Base)	2.00
[Change to Bill	*- 3.00]*

3. Maintain current law.

Alternative A3	PR
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*- $683,200]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*- 5.00]*

B. Professional Building Construction Services

1. Approve the Governor's recommendation that the terms of the proposed educational technology infrastructure loans would have to require school districts to purchase related professional building construction services from DOA.

2. Specify that the provision of professional building construction services by DOA would be optional for school districts, rather than required as under the bill.

3. Maintain current law.

Recommendations of the Joint Committee on Information Policy

1. Alternative B2.

2. Modify the Governor's recommendation to, instead, provide $253,800 PR in 1997-98 and $306,500 PR in 1998-99 and 4.0 PR positions beginning in 1997-98. Provide 1.0 PR permanent position and 1.0 PR four-year project position to each of DITS and DFD in DOA.

Recommendation 2	*PR*
1997-99 FUNDING *(Change to Base)*	*$560,300*
[Change to Bill	*- $122,900]*
1998-99 POSITIONS *(Change to Base)*	*4.00*
[Change to Bill	*- 1.00]*

Prepared by: Ruth Hardy

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Modify DOA Educational Technology Responsibilities (TEACH Board)

[LFB Summary: Page 56, #8 and Page 574, #8]

CURRENT LAW

DOA can negotiate with private vendors to facilitate the purchase of computers and other educational technology, by public and private K-12 teachers for their private use. DOA must attempt to make available types of computers and other educational technology that will encourage and assist teachers in becoming knowledgeable about the technology and its uses and potential uses in education. Under this program, educational technology includes the use of technology in the administration of public libraries.

GOVERNOR

Modify DOA's responsibilities relating to the provision of educational technology services.

a. Authorize the Division of Information Technology Services (DITS) in DOA to purchase educational technology materials, supplies, equipment or contractual services from orders placed with DOA with the TEACH Board on behalf of school districts, cooperative educational service agencies (CESAs), the Wisconsin Technical College System (WTCS) districts and the University of Wisconsin (UW) System. Create a continuing PR appropriation within the TEACH Board to allow the expenditure of all monies received from school districts, CESAs and public educational institutions for the purchase or lease of educational technology equipment.

b. Authorize the Division of Facilities Development (DFD) within DOA to provide or contract for the provision of professional engineering, architectural, project management and other building construction services on behalf of school districts for the installation or maintenance of electrical and computer network wiring. DOA would assess fees for services provided and credit all revenues to its appropriation for services for nonstate governmental units. Specify that the terms of the proposed educational technology infrastructure loans under the bill would require the provision of related professional building construction services by DFD.

c. Provide $309,500 PR in 1997-98 and $373,700 PR in 1998-99 and 5.0 PR positions to provide administrative services to the TEACH Board and purchasing and building consulting services to educational institutions. Funding and positions would be divided between DFD ($142,500 in 1997-98 and $172,000 in 1998-99 and 2.0 positions) and DITS ($167,000 in 1997-98 and $201,700 in 1998-99 and 3.0 positions). Positions in both divisions would be funded through charges assessed to educational institutions for the provision of the services.

DISCUSSION POINTS

1. Because the use of DOA purchasing services is voluntary for educational institutions, staff at DOA indicate that they are unable to predict the demand for educational technology equipment purchasing. However, DOA staff report that DITS plans to provide information to educational institutions regarding technology standards and pricing, and especially hopes to provide services to school districts that do not have extensive experience in purchasing technology equipment.

2. Staff at DOA indicate that the 5.0 positions and $683,200 PR expenditure authority proposed for DOA would not be needed unless the demand for staff positions arose due to sufficient technology equipment orders or loan requests placed by educational institutions. To ensure that unnecessary positions and expenditures are not authorized, the Committee could provide DOA $127,000 PR in 1997-98 and $153,200 PR in 1998-99 and 2.0 PR positions beginning in 1997-98 to provide one position to DITS and one to DFD for initial DOA activities. DOA could request additional position and expenditure authority through the s. 16.505/515 process at the time the Department determines there would be sufficient demand to justify additional positions and expenditure authority.

3. SB 77 would require that the terms of the infrastructure loans include the provision of professional building construction services by DOA and that DOA could assess a fee for such services. Staff at DOA indicate that school districts could work with local contractors, but that DOA would certify these contractors and provide macro-level project management services so as to ensure statewide building standards, quality assurance and assistance to school districts that have little experience in technology infrastructure projects. Staff at DOA indicate that the fees for building construction services would be included in the project costs for which school districts may request infrastructure loans, and would be subtracted from the amount of loan funding

Senator Jauch
Senator Panzer

TEACH BOARD

Nonprofit Museums and Zoos Use of Badgernet

Motion:

Move to authorize the Department of Administration (DOA) to allow nonprofit and public museums and bona fide public zoos that have an educational mission access to Badgernet. Specify that DOA would establish eligibility requirements for the participation of these entities.

Note:

Under current law, the Division of Information Technology Services in DOA may provide such computer services and telecommunications services to local governmental units as the division considers to be appropriate and as the division can efficiently and economically provide. The division may exercise this power only if in doing so it maintains the services it provides at least at the same levels that it provides prior to exercising this power and it does not increase the rates chargeable to prior users as a result of exercising this power. The division may charge local governmental units for these services in accordance with a methodology determined by the Secretary of Administration.

This motion expands DOA's authority to allow use of the state's telecommunications system by the specified entities.

MO# 1077

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
1 JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
2 PANZER	X	N	A

AYE 16 NO 0 ABS ____

Motion #1077

Representative Gard

TEACH BOARD

Participation of Private and Religious K-12 Schools in Technology Equipment Purchasing and Leasing through DOA and the TEACH Board

Motion:

Move to authorize the proposed TEACH Board and the Department of Administration (DOA) to allow sectarian and non-sectarian private K-12 schools to purchase, or lease with the option to purchase, educational technology equipment.

Note:

Under SB 77, the TEACH Board would be authorized to purchase and lease, with the option to purchase, educational technology equipment for use by school districts, CESAs and public educational institutions in the state. Additionally, the Division of Information Technology Services in DOA would purchase educational technology materials, supplies equipment or contractual services from orders placed with DOA by the TEACH Board on behalf of school districts, CESAs, WTCS districts and the UW System. This motion would allow private sectarian and non-sectarian K-12 schools to participate in this program.

MO# 865

2 JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
/ GARD	~~Y~~	N	A
KAUFERT	Y	~~N~~	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 5 NO 11 ABS___

Motion #865

Representative Gard

TEACH BOARD

Private K-12 School Participation in Access

Motion:

Move to specify that private sectarian and nonsectarian K-12 schools could request access to either a T-1 or DS-3 line on the same financial terms that a public K-12 school would receive. Provide $270,000 SEG in 1997-98 and $360,000 SEG in 1998-99 for this purpose in a separate biennial appropriation.

Note:

This motion would authorize sectarian and nonsectarian private schools to participate under the proposed telecommunications access program. Information on the number of private schools that would request access under this program is not readily available. If it is assumed that 200 private schools would request T-1 access, the cost of the access program would increase by an estimated $270,000 SEG in 1997-98 and $360,000 SEG in 1998-99.

[Change to Base: $630,000 SEG]
[Change to Bill: $630,000 SEG]

MO# 1089

2	JENSEN	~~Y~~	N	A
	OURADA	~~Y~~	N	A
	HARSDORF	Y	~~N~~	A
	ALBERS	Y	~~N~~	A
1	GARD	~~Y~~	N	A
	KAUFERT	Y	~~N~~	A
	LINTON	Y	~~N~~	A
	COGGS	Y	~~N~~	A
	BURKE	~~Y~~	N	A
	DECKER	~~Y~~	N	A
	GEORGE	Y	~~N~~	A
	JAUCH	Y	~~N~~	A
	WINEKE	Y	~~N~~	A
	SHIBILSKI	Y	~~N~~	A
	COWLES	Y	~~N~~	A
	PANZER	Y	~~N~~	A

AYE 5 NO 11 ABS ___

Motion #1089

Senator Wineke

TEACH BOARD

Telecommunications Access for WTCS--Sum Certain Appropriation

Motion:

Move to authorize each of the 16 Wisconsin Technical College System districts to request access to either a T-1 or DS-3 line and pay no more than $250 per month for access for either type of line, subject to the availability of funds in the sum certain appropriation that would be created for the K-12 school district access program. Specify that the TEACH Board, in cooperation with the Public Service Commission, would have to make a determination based on projected demand by April 1, 1998, whether there would be sufficient funding available to also fund WTCS access for the rest of the 1997-99 biennium. Provide that monies provided to WTCS districts would not count toward the state's funding of 66.7% of partial school revenues.

Note:

This motion would authorize each of the 16 WTCS districts to request access to a T-1 or DS-3 line under the proposed telecommunications access program under SB 77, subject to whether there would be sufficient funding in the sum certain appropriation created for access payments. The TEACH Board would have to make its estimate of whether sufficient funding would be available by April 1, 1998. If the Board provides subsidized access to WTCS districts, that access would continue regardless of the actual costs of the program. If each of the 16 districts would receive subsidized access to one DS-3 line, it is estimated that the subsidy cost would be $180,000 SEG in 1997-98 and $240,000 SEG in 1998-99.

MO# 1076

2 JENSEN	~~Y~~	N	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A

BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	Y	~~N~~	A
1 WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	~~Y~~	N	A
PANZER	Y	~~N~~	A

AYE 11 NO 5 ABS ____

Motion #1076

Senator George

TEACH BOARD

Telecommunications Access Program for Private Colleges

Motion:

Move to provide $280,000 SEG in 1997-98 and $375,000 SEG in 1998-99 in a biennial appropriation separate from the school district telecommunications access program appropriation. Specify that this separate funding would be to fund access to either a T-1 or DS-3 line on the same terms as for K-12 schools for regionally accredited four-year nonprofit colleges and universities that are incorporated in this state or that have their regional headquarters and principal place of business in this state. Specify that this separate appropriation would not count toward the state's funding of 66.7% of partial K-12 revenues.

Note:

Under SB 77, in general, school districts could make a request to the TEACH Board for access to one data line (T-1 line) or one video link (DS-3 line) at a cost of not more than $250 per month. DOA estimates that the monthly cost of a T-1 line would be $400 and of a DS-3 line would be $1,500.

This motion would include the accredited four-year nonprofit colleges in the proposed telecommunications access program under SB 77 under the same financial terms as for school districts. The fiscal effect is calculated as if each of the eligible colleges would request access to a DS-3 line. The cost of this subsidy would be an estimated $280,000 SEG in 1997-98 and $375,000 SEG in 1998-99.

[Change to Base: $655,000 SEG]
[Change to Bill: $655,000 SEG]

MO# 1087

JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A

2 BURKE	~~Y~~	N	A
DECKER	Y	~~N~~	A
1 GEORGE	~~Y~~	N	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 9 NO 7 ABS

Motion #1087

Senator Jauch
Senator Shibilski
Senator Panzer

TEACH BOARD

Definition of Data Line for Access Program

Motion:

Move to specify that: (a) "data line" would be defined as a data circuit that provides direct access to the Internet; and (b) "video link" would be defined as a two-way ~~full motion~~ * interactive video circuit.

Note:

For purposes of the proposed telecommunications access program, SB 77 would establish specific statutory definitions of data lines and video links. A "data line" would be defined as data transfer lines capable of direct access to the Internet at a minimum speed of at least 1,544,000 bits per second. "Video links" would be defined as two-way full motion interactive video links at a minimum speed of at least 44,763,000 bits per second. This motion would replace these definitions.

MO# 860
w/ deletion *

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
1 JAUCH	Y	N	A
WINEKE	Y	N	A
2 SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS____

Motion #860

Representative Jensen

section A
paper # 496

TEACH BOARD

Amount of Subsidy for Telecommunications Access Program

Motion:

Move to require that K-12 school districts pay not more than 50% of the monthly cost for each data line or video link requested under the telecommunications access program. Specify that the segregated funding from the universal service fund would pay the remaining 50%. Provide $1,900,000 SEG in 1997-98 and $2,200,000 SEG in 1998-99 for the costs of this subsidy.

Provide $280,000 SEG in 1997-98 and $370,000 SEG in 1998-99 in a biennial appropriation separate from the school district telecommunications access program appropriation. Specify that this separate funding would be to fund access to either a T-1 or DS-3 line on the same terms as for K-12 schools for: (a) each of the 16 Wisconsin Technical College System districts; and (b) regionally accredited four-year nonprofit colleges and universities that are incorporated in this state or that have their regional headquarters and principal place of business in this state. Specify that this separate appropriation would not count toward the state's funding of 66.7% of partial K-12 revenues.

Note:

Under SB 77, in general, school districts could make a request to the TEACH Board for access to one data line (T-1 line) or one video link (DS-3 line) at a cost of not more than $250 per month. DOA estimates that the monthly cost of a T-1 line would be $400 and of a DS-3 line would be $1,500.

This motion would modify the required payment from school districts to be one-half of the monthly cost of access, rather than at most $250. For a T-1 line, this could reduce the required payment from $250 to an estimated $200. For a DS-3 line, the required school district monthly payment could increase to be $750, rather than $250, depending on the actual bids for this service. As a change to the bill, it is estimated that the motion would reduce the cost of the subsidy by $600,000 SEG in 1997-98 and $800,000 SEG in 1998-99.

This motion would include each of the 16 WTCS districts as well as accredited four-year nonprofit colleges in the proposed telecommunications access program under SB 77 under the same financial terms as for school districts. The fiscal effect is calculated as if each of the WTCS districts and eligible colleges would receive a 50% subsidy on access to a DS-3 line, which based on DOA estimates would cost a total of $1,500 per month for each line. The cost of this subsidy is projected to be $280,000 SEG in 1997-98 and $370,000 SEG in 1998-99

[Change to Base: $4,750,000 SEG]
[Change to Bill: -$750,000 SEG]

MO# 795

1 JENSEN	~~Y~~	N	A
2 OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	Y	~~N~~	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	~~Y~~	N	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 4 NO 12 ABS ____

to paper 796 - section A

$1.4 million savings
$600,000 - designated for Tech Colleges

Motion #795

ATTACHMENT

1995-96 Advertising Data

	Population (Millions)	Sales (Millions)	Sales Per Capita	Advertising Budget (Millions)	Advertising Per Capita	Advertising % of Sales
Arizona	4.075	$258.8	$64	$10.4	$2.55	4.02%
California	31.431	2,295.5	73	38.4	1.22	1.67
Colorado	3.656	331.4	91	5.4	1.48	1.63
Connecticut	3.275	706.2	216	3.3	1.01	0.47
D.C.	0.57	214.5	376	N.A.	N.A.	N.A.
Delaware	0.706	188.9	268	1.9	2.69	1.01
Florida	13.953	2,117.1	152	29.5	2.11	1.39
Georgia	7.055	1,592.0	226	N.A.	N.A.	N.A.
Idaho	1.133	92.2	81	1.9	1.68	2.06
Illinois	11.752	1,637.4	139	22.0	1.87	1.34
Indiana	5.752	621.3	108	N.A.	N.A.	N.A.
Iowa	2.829	190.0	67	5.7	2.01	3.00
Kansas	2.554	182.1	71	2.5	0.98	1.37
Kentucky	3.827	542.8	142	9.0	2.35	1.66
Louisiana	4.315	289.2	67	6.2	1.44	2.14
Maine	1.24	148.7	120	2.8	2.26	1.88
Maryland	5.006	1,113.4	222	10.7	2.14	0.96
Massachusettes	6.041	3,050.0	505	0.8	0.13	0.03
Michigan	9.496	1,437.8	151	13.6	1.43	0.95
Minnesota	4.567	375.7	82	8.6	1.88	2.29
Missouri	5.278	422.5	80	9.5	1.80	2.25
Montana	0.856	31.8	37	N.A.	N.A.	N.A.
Nebraska	1.623	81.8	50	2.5	1.54	3.06
New Hampshire	1.137	162.9	143	3.6	3.17	2.21
New Jersey	7.904	1,587.8	201	3.5	0.44	0.22
New Mexico	1.7	28.4	17	0.9	0.53	3.17
New York	18.169	3,610.6	199	30.6	1.68	0.85
Ohio	11.102	2,379.5	214	14.4	1.30	0.61
Oregon	3.086	700.9	227	8.0	2.59	1.14
Pennsylvania	12.052	1,673.8	139	18.4	1.53	1.10
Rhode Island	0.997	455.2	457	1.5	1.50	0.33
South Dakota	0.721	205.3	285	0.8	1.11	0.39
Texas	18.378	3,430.0	187	42.2	2.30	1.23
Vermont	0.58	74.7	129	0.3	0.52	0.40
Virginia	6.552	924.3	141	17.3	2.64	1.87
Washington	5.343	389.9	73	9.9	1.85	2.54
West Virginia	1.822	210.3	115	2.8	1.54	1.33
Wisconsin	5.082	482.1	95	4.6	0.91	0.95
Totals	182.608	$30,430.4	$167	$286.0	$1.57	0.94%

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Lottery Credit -- Distribution Formula (Revenue -- Lottery Administration)

[LFB Summary: Page 531, #2; Page 544, #4]

CURRENT LAW

The lottery credit authorized under current law was found unconstitutional in an October, 1996, circuit court ruling. Prior to the ruling, the credit was extended only to property used as the owner's primary residence. For each property, the credit was calculated by multiplying the property's school tax rate times a value base. The value base was determined each year by estimating the value that would generate total tax credits equal to the amount of lottery proceeds available for distribution.

GOVERNOR

Eliminate references and provisions related to the lottery credit on principal dwellings. Replace these provisions with a new lottery credit, which would be extended to all property taxpayers, beginning with credits paid in 1998. Specify that the credit amount for each municipality would be calculated by multiplying that municipality's percentage share of the average statewide gross property tax levy for all purposes during the preceding three years by the statewide lottery credit funding level. Continue the current procedure for estimating the lottery proceeds available for distribution each year (DOA submits an estimate to the Joint Committee on Finance by October 16, which the Committee can review and change prior to November 1). Require DOR to annually notify each municipality by December 1 of its lottery credit amount for that property tax year. Lottery credits would continue to be distributed to municipalities on the fourth Monday in March.

Require municipalities to extend the lottery credit to taxpayers in proportion to their property's assessed value within the municipality and to use the credit to reduce the amount of taxes otherwise payable. Prohibit the lottery credit for an individual property, when combined with the school levy tax credit, from exceeding the total amount of taxes levied on that property. Extend the credit to mobile homes subject to monthly mobile home fees by deducting the credits to be paid to the municipality from the municipality's gross tax levy in calculating the rate for the fee. With the exceptions that the lottery credit would be allocated to municipalities on the basis of total levies rather than school levies and that lottery credit payments would be made in March rather than July, the lottery credit would be distributed to municipalities and extended to taxpayers under procedures identical to those used for the school levy tax credit.

Specify that the preceding provisions would first apply to credits against taxes that are due during 1998.

DISCUSSION POINTS

1. Lottery proceeds available for distribution as tax credits are estimated at $243.1 million in 1997-98 and $116.0 million in 1998-99. The amount in the first year is larger because an opening balance of $128.7 million is estimated for 1997-98. This occurs since credits were not distributed in 1996-97 due to the 1996 circuit court ruling.

2. The expenditure of lottery proceeds is limited by at least two provisions in the state constitution. Article IV, Section 24(6), authorizes the state lottery and requires the net proceeds "to be used for property tax relief as provided by law." Article VIII, Section 1, requires property taxes to be administered and extended to taxpayers in a uniform manner.

3. The courts have ruled on both provisions relative to the distribution of lottery proceeds. While those decisions occurred at the circuit court level and are not regarded by other courts as precedents, the decisions provide useful guidance to the Legislature in determining how to distribute lottery proceeds.

4. In 1992, a Dane County Circuit Court decision addressed the question, "what constitutes property tax relief?" The Court reasoned that "the relief to be provided by these (lottery) funds was intended to be separate, different and extra" and ruled against using the lottery proceeds to supplement state funding for general school aids. Due to the size of the available lottery proceeds relative to the school aid distribution, the Court found that the lottery proceeds had "virtually no impact" on school aid funding, so there was no assurance that property tax relief would be achieved.

5. In 1996, a second Dane County Circuit Court decision rejected the state's argument that the "distribution of lottery proceeds was intended to be entirely exempt from the

uniformity clause." By so ruling, the Court has extended six well-established principles of uniformity to the expenditure of lottery proceeds:

a. For direct taxation of property, there can be but one constitutional class.

b. All property within that class must be taxed on a basis of equality so far as practicable and all property taxed must bear its burden equally on an ad valorem basis.

c. All property not included in that class must be absolutely exempt from property taxation.

d. Privilege taxes are not direct taxes on property and are not subject to the uniformity rule.

e. While there can be no classification of property for different rules or rates of property taxation, the Legislature can classify between property that is to be taxed and that which is to be wholly exempt, and the test of such classification is reasonableness.

f. There can be variations in the mechanics of property assessment or tax imposition so long as the resulting taxation shall be borne with as nearly as practicable equality on an ad valorem basis with other taxable property.

6. The distribution mechanism proposed in the bill probably satisfies these criteria. Similar tax credit distribution mechanisms would probably satisfy the criteria as well. For example, the school levy tax credit formula, which is based on average school tax levies, could be used to distribute the lottery proceeds. Another option would be a formula based on average general government, or nonschool, tax levies. That formula was used prior to 1992 but was repealed by 1991 Act 39, which created the current lottery credit.

7. Other distribution formulas, such as those used for the various state aid programs, are also possible. Whatever distribution formula is chosen, the payment of lottery proceeds should continue to have a unique identity. This will help meet the "separate, different and extra" criteria set forth in the 1992 circuit court decision.

8. Under each of those options, the credit would have a uniform effect within each municipality. That is, the credit would be extended to all property and would reduce each property's gross tax bill by the same percentage. However, the percentage reduction would vary between municipalities. In the past, the courts have held that the property tax must be uniform throughout the jurisdiction that levies it.

9. Another option may be to continue the distribution mechanism authorized under current law, but extend the credit to all properties. This option would continue the value base concept under which each property would receive a credit equal to the school taxes on the first

increment of value. It could be argued that this distribution method would not violate the uniformity requirement because all taxpayers would receive the credit. However, this option differs from the other alternatives in that the credit would not provide a uniform percentage reduction in tax bills within a municipality. As a result, the courts might characterize this mechanism as an unconstitutional partial exemption.

10. Based on 1996(97) property tax information, Table 1 displays the credit's effect by value of property under the average levies and value base options. On a statewide basis, each of the levies-based options has an identical effect because the effect of each is calculated by dividing the available proceeds by the state's total equalized value. The resulting "credit rate" is then multiplied by the property's value. The effect of the value base option can be estimated by dividing the total amount of lottery proceeds by the number of recipients, which is estimated at just over three million.

TABLE 1

Estimated Impact of Distributing 1997-98 Lottery Proceeds Under Two Types of Alternatives Based on Statewide Average Tax Rates for 1996(97)

Property Value	$50,000	$75,000	$100,000	$150,000	$300,000	$1,000,000
Estimated Tax Bills						
Gross Tax Bill	$1,238	$1,858	$2,477	$3,715	$7,430	$24,768
School Levy Tax Credit	-108	-162	-216	-324	-649	-2,163
1996(97) Net Tax Bill	$1,130	$1,696	$2,261	$3,391	$6,781	$22,605
Lottery Credit Alternatives						
Levies-Based Alternatives	$56	$84	$112	$168	$336	$1,120
Percent of Net Tax Bill	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Value Base Alternative	$80	$80	$80	$80	$80	$80
Percent of Net Tax Bill	7.0%	4.7%	3.5%	2.3%	1.2%	0.4%

11. On a statewide basis, the levies-based alternatives would provide a uniform percentage tax bill reduction for properties while the value base alternative would provide a greater percentage tax bill reduction for properties with lower values than properties with higher values. Under the levies-based alternatives, each of the above properties would experience a 5.0% reduction in its net tax bill because the estimated available lottery proceeds ($243.1 million) equal 5.0% of estimated 1996(97) net tax levies ($4,802.4 million). Under the value base alternative, each of the above properties would receive a uniform credit of $80. However, $80 represents 7.0% of the net tax bill for a property valued at $50,000 and 0.4% of the net tax bill for a property valued at $1 million.

12. This analysis indicates that properties with values below $71,000 would receive larger tax bill reductions under the value base alternative, and properties with values exceeding $71,000 would receive larger tax bill reductions under the levies-based alternatives.

13. Taxpayers owning large properties may receive more than one credit under the value base alternative. For example, manufacturers receive separate bills for their real property and personal property and, therefore, would receive two credits. Also, if a local road separates a manufacturer's production plant from its offices or warehouses, the properties would be recorded as separate parcels, each receiving a credit. Using statewide average tax rates for 1996(97), Table 2 compares the effect of the two types of alternatives on a hypothetical business with a taxable value of $50 million consisting of real property and personal property.

TABLE 2

Estimated Impact on a Hypothetical Business of Distributing 1997-98 Lottery Proceeds Under Two Types of Alternatives Based on Statewide Average Tax Rates for 1996(97)

Property Value	$50,000,000
Estimated Tax Bill	
Gross Tax Bill	$1,238,405
School Levy Tax Credit	-108,163
1996(97) Net Tax Bill	$1,130,242
Lottery Credit Alternatives	
Levies-Based Alternatives	$56,000
Percent of Net Tax Bill	5.0%
Value Base Alternative	
Credit on Real Property	$80
Credit on Personal Property	80
Total Value Base Credits	$160
Percent of Net Tax Bill	Under 0.1%

14. Farmers could also receive multiple value base credits. The average Wisconsin farm is comprised of more than 200 acres, but parcels of real property are typically limited to no more than 40 acres in size. Thus, the average farmer owns five or more parcels. Under the value base alternative, that farmer would receive at least five separate credits. Using statewide

average tax rates for 1996(97), Table 3 compares the effect of the alternatives on a hypothetical farm with a taxable value of $200,000 consisting of five parcels of real property.

TABLE 3

Estimated Impact on a Hypothetical Farm of Distributing 1997-98 Lottery Proceeds Under Two Types of Alternatives Based on Statewide Average Tax Rates for 1996(97)

Property Value	$200,000
Estimated Tax Bill	
Gross Tax Bill	$4,954
School Levy Tax Credit	-432
1996(97) Net Tax Bill	$4,522
Lottery Credit Alternatives	
Levies-Based Alternatives	$224
Percent of Net Tax Bill	5.0%
Value Base Alternative	
Five Parcels at $80 Each	$400
Percent of Net Tax Bill	8.8%

15. Although the levies-based alternatives have an identical statewide effect, they have different distributional effects within the state. Because school taxes are the dominant component of tax bills in towns, property owners in towns would receive larger credit allocations under that alternative than under the general government or total levies alternatives. Because general government levies are the dominant component of tax bills in cities, the formula based on general government levies would allocate larger credit amounts to properties in cities than the school levy or total levies alternatives. The effect of the formula based on total levies would lie between the other levies-based alternatives. Because over one-half of the parcels of property are located in towns, over one-half of the credits under the value base alternative would be allocated to property in towns.

16. Differences in the average value per parcel for the various classes of property would cause a different distributional pattern for the value base alternative than for the levies-based alternatives. In general, because business property tends to have a higher value per parcel,

this type of property would receive a larger share of the levies-based credits. Conversely, because agricultural, swamp and waste, and forest property tend to have a lower value per parcel, these types of property would receive a larger share of the value base credits.

17. All taxable property would receive a credit under the preceding alternatives. Current law targets the lottery credit to property used as the owner's primary residence and results in almost all of the lottery credits being distributed to the residential property class. Under the alternatives, just over three million property owners would receive the credit while approximately 1.2 million property owners received the previous credit on principal residences. Between 1991(92) and 1995(96), the credit averaged over $100 annually per recipient. Table 4 compares average credits for homeowners under the actual distribution with the amount that would have been received if the alternatives under consideration had been in effect between 1991(92) and 1995(96).

TABLE 4

Estimates of Statewide Average Lottery Credits for Homeowners, Actual Distribution Versus Four Alternatives, 1991(92) - 1995(96)

Year	Actual Distribution	Levies-Based Alternatives Under Three Home Values $50,000	$100,000	$150,000	Value Base Alternative
1991(92)	$144	$57	$115	$172	$57
1992(93)	168	64	128	191	67
1993(94)	106	37	75	112	43
1994(95)	112	37	74	111	45
1995(96)	126	39	78	116	52

18. Another proposed option would target the lottery proceeds by creating a refundable lottery property tax/rent credit (LPTRC) to distribute the lottery proceeds through the individual income tax system. The credit would be based on the amount of property taxes, or rent constituting property taxes, paid on a principal residence and the claimant's Wisconsin adjusted gross income (AGI). Once AGI exceeds $70,000, the credit would begin to phase out until it is eliminated when AGI equals $100,000. As a refundable credit, a refund check from the state would be issued if the amount of the credit exceeds gross tax liability. The credit would be paid from a sum-sufficient appropriation, payable from the lottery fund.

19. For 1997-98, the credit could be structured to distribute the $243.1 million in estimated available lottery proceeds. For 1998-99 and thereafter, the credit percentages and maximum credit amounts would be lower since the proceeds from only one year would be available ($116.0 million).

20. For tax year 1997, the credit would be calculated on property taxes, or rent constituting property taxes, paid on a principal residence in the state, up to a maximum of $4,000. For tax years 1998 and thereafter, the credit would be calculated on a maximum of $2,000 in property taxes, or rent constituting property taxes. Rent constituting property taxes would be defined as 25% of actual rent, if payment for heat is not included in rent, or 20% of actual rent, if payment for heat is included in rent. Individuals paying both rent and property taxes during the year would be limited to a total of $4,000 in tax year 1997 and $2,000 in tax year 1998 and thereafter.

21. The credit percentages would be determined by DOR in a manner similar to the procedure that is used to determine the lottery credit under current law. However, due to the lead time required to have the tax forms printed, the timing of this procedure would have to be modified. DOR would be required to submit an estimate of lottery proceeds and the applicable credit percentages to the Joint Committee on Finance no later than September 15 of each year. If the Committee does not hold a meeting to review the Department's estimates within 14 working days of receiving the Department's estimates, the percentages submitted by the Department would be deemed approved. If a meeting is scheduled, the Committee could modify the Department's estimates. The credit percentage for renters would be half of the credit percentage for homeowners.

22. For 1997, it is estimated that the credit available to homeowners would be calculated as 9.9% of property taxes and the credit for renters would be 4.95% of rent constituting property taxes. The maximum credit for homeowners would be $396 and the maximum credit for renters would be $198. It is estimated that the credit percentage for 1998 would be 5.6% of property taxes for homeowners for a maximum credit of $112. The estimated credit percentage for renters would be 2.8% of rent constituting property taxes for a maximum credit of $56.

23. The attachments at the end of this paper present distributional information from the 1995 Wisconsin tax sample regarding taxpayers who would receive a LPTRC under this option, for taxes paid in 1997 (Attachment 1) and 1998 (Attachment 2). The tax sample includes information from over 20,000 individual income tax returns, weighted to reflect all taxpayers in 1995. Changes over time in the number of taxpayers and the kinds and amounts of income, deductions and credit they claim cannot be shown. To the extent possible, changes in tax laws between 1995 and later years have been included. The information presented in the attachments and the estimated cost of the credit differ because the attachments are based on 1995 tax sample data and the fiscal effects are for 1997-98 and 1998-99.

24. By administering the credit through the income tax system, the credit could be characterized as an income tax provision, which would not be subject to the uniformity requirement, as are property tax provisions. Also, it has been suggested that, because the LPTRC would be means-tested, the credit could be considered a public relief measure and not subject to the uniformity clause. By characterizing the law authorizing the homestead tax credit as a relief

statute, the state Supreme Court previously ruled that the credit was constitutional. The Court distinguished between public relief statutes, which are not subject to uniformity, and property tax statutes, which are subject to uniformity. To be considered a relief statute, the provision must be based on the characteristics of the taxpayer rather than those of the property.

25. When the homestead credit was found constitutional in 1965, it was limited to elderly taxpayers with household income of $3,000 or less (this is comparable to $15,100 in 1997 dollars). In contrast, the proposed LPTRC would be available to taxpayers with AGI of up to $100,000.

26. While administering the LPTRC through the income tax system may offer a defense against the limitations imposed by the uniformity clause, a question could be raised on whether the lottery proceeds would be used to provide property tax relief, as required by the constitution's provision authorizing the lottery. That authorization implies that any distribution of lottery proceeds must be characterized as a property tax statute. A court might characterize a mechanism that relies on the income tax system as violating at least one of the two constitutional limitations.

27. An alternative that would ensure that lottery proceeds are targeted to primary residences would be to amend the state's constitution to specify that net lottery proceeds must be used for property tax relief for property used as a primary residence and that the use of the net lottery proceeds for this purpose is not subject to the constitution's uniformity clause. Under this alterative, the exception to the uniformity clause would only apply to the use of net lottery proceeds.

28. If the Legislature approves a joint resolution during the 1997-99 legislative session, the second consideration could not occur before the 1999-2001 legislative session. If the second vote occurs soon after the Legislature convenes, the question could be considered by the state's voters in the Spring, 1999, general election. Under this scenario, the earliest the lottery credit could be extended to property used as the owner's primary residence would be for tax bills issued in December, 1999. Until then, lottery proceeds could be allowed to accumulate in the lottery fund, or they could be distributed under one of the other alternatives.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to delete the current lottery credit and establish a lottery credit distribution based on total levies.

2. Delete the current lottery credit and establish a lottery credit distribution based on:

a. school property tax levies; or
b. general government (nonschool) property tax levies.

3. Modify the current law distribution mechanism, which is based on the school tax rate multiplied by a value base, by extending lottery credits to all taxable properties. Require municipalities to annually notify DOR of the number of parcels of real property and personal property accounts within the municipality that would be eligible for the credit.

4. Create a refundable lottery property tax/rent credit to be paid through the individual income tax system. Specify that the credit would be paid on property taxes on a principal residence or rent constituting property taxes up to a maximum of $4,000 for tax year 1997 and $2,000 for tax year 1998 and thereafter. Provide that the credit rate for homeowners would be twice that for renters. Modify the current procedure under which DOR estimates a value base to expend available lottery proceeds to instead have DOR estimate the two credit rates. Provide that the credit would phase out for taxpayers with AGI between $70,000 and $100,000.

5. Maintain current law and introduce a joint resolution to amend the constitutional authorization of the state lottery to require the net proceeds to be used for property tax relief for property used as a primary residence and to provide that the use of net lottery proceeds for this purpose is not subject to the constitution's uniformity clause.

Prepared by: Rick Olin and Kelsie Doty

MO# AH#3

JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	~~Y~~	N	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	~~Y~~	N	A
SHIBILSKI	Y	~~N~~	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 10 NO 6 ABS ____

MO# AH#4

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
2 BURKE	~~Y~~	N	A
1 DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 8 NO 8 ABS ____

FAIL

ATTACHMENT 1

Distribution of Lottery Property Tax/Rent Credit for Tax Year 1997

Wisconsin Adjusted Gross Income	Count	% of Count	Amount of Credit	% of Amount	Average Credit
Under $5,000	179,600	10.3%	$13,783,000	6.0%	$77
5,000 to 10,000	151,000	8.7	12,947,000	5.6	86
10,000 to 15,000	178,700	10.3	17,446,000	7.5	98
15,000 to 20,000	164,000	9.4	16,269,000	7.0	99
20,000 to 25,000	146,300	8.4	15,347,000	6.6	105
25,000 to 30,000	128,800	7.4	14,984,000	6.5	116
30,000 to 40,000	225,600	12.9	30,524,000	13.2	135
40,000 to 50,000	198,800	11.4	34,312,000	14.8	173
50,000 to 75,000	282,600	16.2	63,757,000	27.5	226
75,000 to 100,000	86,900	5.0	12,183,000	5.3	140
100,000 and Over	0	0.0	0	0.0	0
TOTALS	1,742,300	100.0%	$231,552,000	100.0%	$133

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1.7 million individuals would be eligible for the lottery property tax/rent credit for taxes paid for 1997.

• 55.5% of the credit would be received by individuals with AGI between $30,000 and $75,000. These individuals account for 40.5% of all credit recipients.

• Based on 1995 sample data, the average credit would increase from $77 for individuals with income below $5,000 to $226 for individuals with income between $50,000 and $75,000. In total, the average credit would equal $133. Although not shown in the table, the average credit paid to homeowners would be $181 and the average credit for renters would be $42.

ATTACHMENT 2

Distribution of Lottery Property Tax/Rent Credit for Tax Year 1998

Wisconsin Adjusted Gross Income	Count	% of Count	Amount of Credit	% of Amount	Average Credit
Under $5,000	179,600	10.3%	$7,035,000	6.6%	$39
5,000 to 10,000	151,000	8.7	6,552,000	6.1	43
10,000 to 15,000	178,700	10.3	8,576,000	8.1	48
15,000 to 20,000	164,000	9.4	8,124,000	7.6	50
20,000 to 25,000	146,300	8.4	7,612,000	7.1	52
25,000 to 30,000	128,800	7.4	7,271,000	6.8	56
30,000 to 40,000	225,600	12.9	14,667,000	13.8	65
40,000 to 50,000	198,800	11.4	15,931,000	14.9	80
50,000 to 75,000	282,600	16.2	26,476,000	24.8	94
75,000 to 100,000	86,900	5.0	4,458,000	4.2	51
100,000 and Over	0	0.0	0	0.0	0
TOTALS	1,742,300	100.0%	$106,702,000	100.0%	$61

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1.7 million individuals would be eligible for the LPTRC for taxes paid for 1998.

• Of the total number of individuals that would receive the credit, 40.5% have AGI between $30,000 and $75,000. These individuals would receive 53.5% of the total credit.

• The average credit would range from $39 for individuals with income below $5,000 to $94 for individuals with income between $50,000 and $75,000. In total, the average credit would equal $61; the average credit paid to homeowners would be $81 and the average credit for renters would be $23.

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Lottery Credit -- Precertification (Revenue -- Lottery Administration)

[LFB Summary: Page 532, #4; Page 545, #5]

CURRENT LAW

From 1991(92) to 1995(96), the lottery credit was extended only to property used as the owner's primary residence. To receive the credit, owners of eligible property were required to file an application with their county treasurer, or the city treasurer if the city administered the certification procedure, attesting to their property's eligibility. Prior to 1996-97, counties and cities administering the credit annually received $0.50 per credit as reimbursement for their expenses incurred in administering the credit. Beginning on January 1, 1996, a new precertification procedure was implemented. Every five years, taxpayers are required to file a precertification application and local governments administering precertification requirements are to receive an administrative reimbursement. During the intervening years, taxpayers that were not previously eligible for the credit would be allowed to claim the credit by filing an application form or by indicating on a real estate transfer return that they are eligible for a credit.

GOVERNOR

Repeal provisions related to precertification of the lottery credit, effective with credits paid in 1998. Reduce the sum sufficient appropriation for reimbursement of lottery credit precertification expenses by $610,000 annually to reflect the proposed repeal.

DISCUSSION POINTS

1. The lottery credit authorized under current law was found unconstitutional in an October, 1996, circuit court ruling. Prior to the ruling, the credit was extended only to property used as the owner's primary residence. Other provisions in the bill propose to distribute future lottery credits to all taxable property under a new distribution mechanism. As a result, the existing precertification provisions would no longer be necessary.

2. By targeting the credit to property used as the owner's primary residence, the credit authorized under current law resulted in unequal tax burdens. The court ruled that this violates the constitution's requirement for uniform taxation.

3. If the Legislature wants to continue targeting the lottery credit to property used as the owner's primary residence, the constitution could be amended. If the Legislature approves a joint resolution during the 1997-99 legislative session, the second consideration could not occur before the 1999-2001 legislative session. If the second vote occurs soon after the Legislature convenes, the question could be considered by the state's voters in the Spring, 1999, general election. Under this scenario, the earliest the lottery credit could be extended to property used as the owner's primary residence would be for tax bills issued in December, 1999.

4. If the Legislature intends to propose an amendment to the constitution and continue targeting lottery credits, the precertification provisions contained in current law should be retained. Under current law, the state will not be required to reimburse counties for their precertification expenses until 2001-02. While retaining current law does not require a reimbursement payment during the coming biennium, local governments may be reluctant to continue their precertification responsibilities unless there is evidence that the constitution will be amended.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation.

2. Retain current law.

MO# Alt 1

JENSEN	~~Y~~	N	A
LOURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A

BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 14 NO 2 ABS ____

Prepared by: Rick Olin

Representative Ourada

REVENUE -- LOTTERY ADMINISTRATION

Increase Prize Payout Ratios for Scratch Lottery Tickets

Motion:

Move to increase average prize payout ratios for instant scratch ticket lottery games from 63% to 65%.

Note:

Scratch ticket sales, under the bill, are estimated to total $267.6 million in 1997-98 and $269.7 million in 1998-99. The increase in prize payouts would not likely be realized until the last three months of 1997-98, due to the time it would take to develop and introduce new games at a higher payout ratio. This provision would reduce the net proceeds of the lottery available for the lottery property tax credit by $1,337,800 in 1997-98 and $5,394,300 in 1998-99.

MO# 845

JENSEN	~~Y~~	N	A
1 OURADA	~~Y~~	N	A
HARSDORF	Y	~~N~~	A
2 ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	Y	~~N~~	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	~~Y~~	N	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 5 NO 11 ABS ____

Motion #845

REVENUE

Lottery Administration

LFB Summary Items for Which No Issue Papers Have Been Prepared

MO# Items 11, 12 & 13

Item #	Title
11	On-Line Lottery Initiatives
12	Rent Savings
13	Modifications of Current Lottery Law (Part)

2 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
1 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

LFB Summary Items to be Addressed in Subsequent Pape

Item #	Title
1	Lottery Fund Condition
3	Lottery Credit -- Funding Level

LFB Summary Items for Introduction as Separate Legislation

Item #	Title
13	Modifications of Current Lottery Law (Part)
14	Appointment of Lottery Administrator
15	Conflict of Interest Modification for Management Consultants
18	Lottery Retailer Selection Criteria

Financial Institutions

(LFB Budget Summary Document: Page 228)

LFB Summary Items for Which Issue Papers Have Been Prepared

Item #	Title
1	Minor Policy and Technical Changes -- Standard Budget Adjustments (Paper #390)
6	Credit Union Examiners (Paper #391)
8	Small Business Information Center (Paper #392)
2-5,7&9-11	Technology-Related Requests (Paper #393)

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Minor Policy and Technical Changes -- Standard Budget Adjustments (Financial Institutions)

[LFB Summary: Page 228, #1]

GOVERNOR

Adjust DFI's base budget for nonrecurring costs by -$232,100 PR in 1997-98 and by -$251,300 PR in 1998-99.

MODIFICATION TO BILL

Adjust DFI's base position authority to reflect the deletion of 2.0 project positions annually.

Explanation: The administration indicates that the deletion of these provisions should have been reflected in the budget bill. Two 0.5 positions will end on September 30, 1997, and 1.0 position will end on December 31, 1997.

Modification	PR
1998-99 POSITIONS (Change to Bill)	- 2.00

MO# Modification to Bill

JENSEN	✗	N	A
OURADA	✗	N	A
HARSDORF	✗	N	A
ALBERS	✗	N	A
GARD	✗	N	A
KAUFERT	✗	N	A
LINTON	✗	N	A
COGGS	✗	N	A

1 BURKE	✗	N	A
2 DECKER	✗	N	A
GEORGE	✗	N	A
JAUCH	✗	N	A
WINEKE	✗	N	A
SHIBILSKI	✗	N	A
COWLES	✗	N	A
PANZER	✗	N	A

AYE 16 NO 0 ABS ____

Prepared by: Kelsie Doty

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Credit Union Examiners (Financial Institutions)

[LFB Summary: Page 229, #6]

CURRENT LAW

There are currently 14.0 authorized examiner positions in DFI's Office of Credit Unions.

GOVERNOR

Provide $83,200 PR in 1997-98 and $101,000 PR in 1998-99 and 2.0 permanent examiner positions in each year in the Office of Credit Unions.

DISCUSSION POINTS

1. There have been a total of 14 state credit union examiners since 1987. These examiners are responsible for evaluating the safety and soundness of state chartered credit unions. Their responsibilities include examining records and accounts and analyzing the major components of the credit union's assets, liability and equity accounts. An examination is concentrated in five areas: capital, asset quality, management, earnings and liquidity analysis. In addition, the examiners evaluate policies, procedures, services offered, planning and budgeting and the overall ability of the credit union management.

2. The National Credit Union Administration instituted a new examination program recently and, as a result, examinations take an average of 7% longer to complete. In addition,

credit unions were converted to federal deposit insurance in the late 1980s which required the collection of additional data.

3. The following table provides a comparison of the number of credit union examiners to the number of credit unions and amount of credit union assets for 1996 in Wisconsin and neighboring states. The same comparison is also made to reflect 15 and 16 Wisconsin credit union examiners.

	Credit Union Examiners	Credit Union Assets ($ Millions) Total	Per Examiner	Number of Credit Unions Total	Per Examiner
Illinois	25.0	$8,579.3	$343.2	505	20.2
Iowa	14.0	2,881.4	205.8	211	15.1
Michigan	28.0	10,021.6	357.9	324	11.6
Minnesota	5.5	2,266.8	412.1	144	26.2
Wisconsin	14.0	6,569.9	469.3	375	26.8
	15.0	6,569.9	438.0	375	25.0
	16.0	6,569.9	410.6	375	23.4

With 14 credit union examiners, Wisconsin currently has more credit unions per examiner and assets per examiner than the neighboring states. If one credit union examiner is added in Wisconsin, the state of Minnesota would then have more credit unions per examiner than Wisconsin. If two examiners are added, Minnesota would also have more assets per examiner.

4. Since 1990, the number of credit unions has decreased each year in Wisconsin by approximately 2.6% while the amount of credit union assets has increased by approximately 8.0% annually. The table below shows the number of credit unions and total assets from 1990 through 1996.

	Number of Credit Unions		Credit Union Total Assets	
1990	440		$4,149,749,629	
1991	427	-3.0%	4,495,601,547	8.3%
1992	418	-2.1%	4,991,545,738	11.0%
1993	406	-2.9%	5,360,079,936	7.4%
1994	394	-3.0%	5,755,100,100	7.4%
1995	384	-2.5%	6,179,239,916	7.4%
1996	375	-2.3%	6,569,929,386	6.3%

5. The Department of Financial Institutions is funded with program revenue. It is estimated that the two requested credit union examiners would generate revenues equal to the amount of funding requested to fund their positions. These revenues would come from the fees charged for credit union examinations.

6. At the end of each fiscal year, any balance exceeding 10% of the Department's expenditures lapses to the general fund as GPR-Earned (the 10% amount is retained by DFI as an opening balance for the following fiscal year). If the two examiner positions are not approved, both PR revenues and PR expenditures would decrease by $83,200 in 1997-98 and by $101,000 in 1998-99. However, the lapse to the general fund would increase by $8,300 in 1997-98 and by $1,800 in 1998-99 because the amount DFI would retain as an opening balance would be reduced, which would increase the amount of GPR-Earned. If one examiner position is approved, GPR-Earned would increase by $4,200 in 1997-98 and by $900 in 1998-99.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to create 2.0 permanent credit union examiner positions. Provide $83,200 PR in 1997-98 and $101,000 PR in 1998-99 to fund these positions.

2. Modify the Governor's recommendation to create 1.0 permanent credit union examiner position. Decrease funding by $41,600 PR in 1997-98 and by $50,500 PR in 1998-99 and delete 1.0 position from the amounts provided in the bill. Increase the GPR-Earned estimate by $4,200 in 1997-98 and $900 in 1998-99.

Alternative 2	GPR	PR
1997-99 REVENUE (Change to Bill)	$5,100	
1997-99 FUNDING (Change to Bill)		- $92,100
1998-99 POSITIONS (Change to Bill)		- 1.00

3. Delete the Governor's recommendation.

Alternative 3	GPR	PR
1997-99 REVENUE (Change to Bill)	$10,100	
1997-99 FUNDING (Change to Bill)		- $184,200
1998-99 POSITIONS (Change to Bill)		- 2.00

MO# Alt #1

JENSEN	X	N	A
2 OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A
BURKE	X	N	A
1 DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS ____

Prepared by: Kelsie Doty

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Small Business Information Center (Financial Institutions)

[LFB Summary: Page 230, #8]

CURRENT LAW

No provision.

GOVERNOR

Provide $67,200 in 1997-98 and $26,000 in 1998-99 to fund the development and operation of a small business information center in the Division of Securities.

DISCUSSION POINTS

1. The information center would be operated by the Division of Securities. The center would assist small businesses in capital formation; promote the securities and franchise markets; and initiate public outreach within the business community. The emphasis would be to guide small businesses through the Wisconsin uniform securities law. In addition, the center would provide statistical information to persons interested in acquiring a franchise.

The center's staff would participate in conferences to assist businesses in capital raising projects and drafting prospectuses and would provide information on the services provided by the Division. The center would sponsor a small business seminar for the Wisconsin Bar Association. In addition, the center would work with county economic development offices in Wisconsin and small business entrepreneurial programs operated by state universities. Finally, the center has been invited by the Federal Securities and Exchange Commission (FSEC) to attend a national small business forum.

The Division has already implemented changes related to the activities that would be conducted as part information center. Specifically, the Division has participated in conferences to assist businesses in their capital raising projects and to provide assistance with registration requirements.

2. Of the funding provided, $26,000 in each year would be used for the following purposes: (a) $4,000 for FSEC seminar costs; (b) $12,000 for visits to county offices and universities; and (c) $10,000 to host two small business seminars for the Wisconsin Bar Association. One time funding of $41,200 would be used in 1997-98 for the following: (a) $25,000 to produce a video for presentations to, and for use by, small business groups; (b) $14,200 to create a traveling display for business fairs and seminars; and (c) $2,000 for a color monitor and printer.

3. There are a number of public and private organizations that provide assistance to small businesses. For example, the Wisconsin Small Business Development Center (WSBDC) offers business feasibility workshops and provides counseling in business plan development, accounting, marketing and management. Federal and state funding is provided to operate a WSBDC office in 11 of the University of Wisconsin four-year campuses.

Based on discussions with staff at the WSBDC, many of the services provided by WSBDC would be similar to the services that would be provided by the proposed small business information center in DFI. However, the proposed DFI center would have expertise in issues related to the securities markets that the WSBDC staff does not possess. It was indicated that, if the DFI center is approved, the WSBDC would refer clients to the center.

In addition to the WSBDC, the Service Corps of Retired Executives (SCORE) provides services to help new businesses develop business, marketing and financial plans. Finally, there are private business consultants that provide services such as accounting, marketing and financial planning.

4. The Department is funded with program revenue. The Department indicated that the center would generate revenues equal to the amount of funding required to fund its activities. These revenues would come from licensing fees charged by the Division.

5. At the end of each fiscal year, any balance exceeding 10% of the Department's expenditures lapses to the general fund as GPR-Earned (the 10% amount is retained by DFI as an opening balance for the following fiscal year). If the funding for the center is not approved, both PR revenues and PR expenditures would decrease by $67,200 in 1997-98 and $26,000 in 1998-99. However, the lapse to the general fund would increase by $6,700 in 1997-98 and decrease by $4,100 in 1998-99.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide $67,200 in 1997-98 and $26,000 in 1998-99 to fund the development and operation of a small business information center in the Division of Securities.

2. FAIL Delete the Governor's recommendation.

Alternative 2	GPR	PR
1997-99 REVENUE (Change to Bill)	$2,600	
1997-99 FUNDING (Change to Bill)		- $93,200

Prepared by: Kelsie Doty

MO# Alt #1

JENSEN	~~Y~~	N	A
1 OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
2 KAUFERT	~~Y~~	N	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 8 NO 8 ABS ___

FAIL

MO# Alt #2

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
1 BURKE	~~Y~~	N	A
2 DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 8 NO 8 ABS ___

FAIL