

WISCONSIN LEGISLATIVE COUNCIL STAFF



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**CLEARINGHOUSE REPORT TO AGENCY**

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[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

**CLEARINGHOUSE RULE 98-110**

AN ORDER to repeal Adm 19.04 and 19.05 (6); to renumber Adm 19.05 (5), (7), (8) and (9), 19.07 and 19.08; to renumber and amend Adm 19.05 (intro.), (1), (2), (3) and (4) and 19.06 (intro.), (1) and (2); to amend Adm 19.02 (6); and to create Adm 19.02 (7) and 19.08 (1) (a) and (b), (2) and (3), relating to small cities community development block grants for housing.

Submitted by **DEPARTMENT OF ADMINISTRATION**

08-12-98      RECEIVED BY LEGISLATIVE COUNCIL.  
09-10-98      REPORT SENT TO AGENCY.

RNS:DF:kjf;jt

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES  NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES  NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES  NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached YES  NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES  NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES  NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES  NO

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## CLEARINGHOUSE RULE 98-110

### Comments

**[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]**

#### 2. Form, Style and Placement in Administrative Code

- a. In all of the treatment clauses in the rule, a period should replace the colon.
- b. In SECTION 7, present s. Adm 19.06 is essentially being repealed and recreated in its entirety, and then renumbered as new s. Adm 19.05.

These changes should be accomplished in two separate SECTIONS of the draft. One SECTION should repeal present s. Adm 19.06. Another SECTION should create the text of new s. Adm 19.05 without strike-throughs and underscored language.

Also, "Department" should be lower case. The phrase "do all of the following" should precede the colon in s. Adm 19.05 (intro.) and "; or" should be replaced by a period in sub. (1).

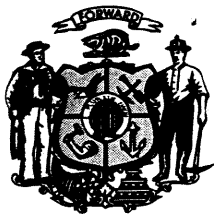
- c. In s. Adm 19.08 (2), after "but," "shall" should replace "will." [See s. 1.01 (1), Manual.]

- d. In s. Adm 19.08 (3), should "under sub. (1)" be inserted after "resubmitted"? An applicant may presumably reapply several times if the applicant is not using the process under sub. (1).

#### 5. Clarity, Grammar, Punctuation and Use of Plain Language

Section Adm 19.04 (intro.), as renumbered and amended, states that applicants will be compared and rated based upon three items, one of which is "the scoring criteria in the CDBG

application package." The department should review the provision to determine whether this package will contain any substantive material that is required to be promulgated as a rule. [See ss. 227.01 (13) and 227.10 (1), Stats.]



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



January 19, 1999

Honorable Fred Risser, President  
Wisconsin Senate  
220 South, State Capitol  
Madison, WI 53702

Dear Senator Risser:

RE: Clearinghouse Rule No. 98-110

Enclosed in final draft form is Chapter Adm 19, Wis. Adm. Code, relating to small cities community development block grants for housing. A fiscal estimate is also attached.

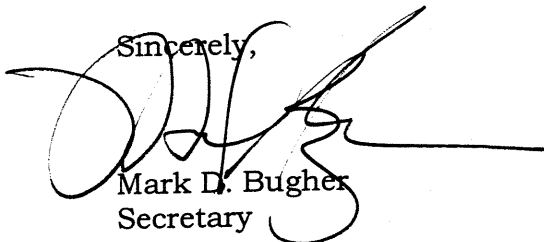
Section 16.358, Wis. Stats., was created in 1991 authorizing the Department of Administration to adopt and administer Chapter Adm 19. This Chapter establishes the requirements for the award of Community Block Grant funds to local units of government.

The creation of s. Adm 19.08 is proposed in order to comply with the amendments to s. 16.358, created in 1997 Wisconsin Act 27. Section 19.05(6), is deleted in order to remove a subjective element from the evaluation criteria. The other changes are not substantive but are made for the purposes of clarification of existing language.

Also enclosed is a copy of the Legislative Council staff clearinghouse report. All comments of the clearinghouse have been addressed and incorporated in the rule. A public hearing was not required pursuant to s. 227.16(2)(e), Stats.

We request submittal of the rule to the appropriate standing committees for review.

Sincerely,



Mark D. Bugher  
Secretary

Cc: Revisor of Statutes

Joint Committee for Review of Administrative Rules (Senator Robson, co. chair)

## **PROPOSED ORDER OF THE DEPARTMENT OF ADMINISTRATION**

The Wisconsin Department of Administration proposes an order to repeal Adm 19.04, 19.05(6) and 19.06; to renumber Adm 19.05(5), (7), (8) and (9), Adm 19.07 and Adm 19.08; to renumber and amend Adm 19.05(intro.), (1), (2), (3) and (4), and Adm 19.06(intro.), (1) and (2); to amend Adm 19.02(6), and to create Adm 19.02(7), 19.05 and 19.08(1)(a), (b), (2), and (3) of the Wisconsin Administrative Code.

### **Analysis prepared by the Department of Administration:**

**Statutory Authority:** Sections 16.004(1), 16.358(2) and 227.11, Stats.

**Statutes Interpreted:** Section 16.358, Stats.

Section 16.358, Stats., was created in 1991 authorizing the Department of Administration to adopt and administer Chapter Adm 19. This chapter establishes the requirements for the award of Community Development Block Grant funds to local units of government.

The creation of Adm 19.08 is proposed in order to comply with the amendments to s. 16.358 as created in 1997 Wisconsin Act 27. Section Adm 19.05(6) is deleted in order to remove a subjective element from the evaluation criteria. The other changes are not substantive but are made for the purposes of clarification of existing language.

### **Final Regulatory Flexibility Analysis:**

Pursuant to s. 227.114, Stats., the rule herein is not expected to negatively impact on small businesses.

### **Contact Person:**

Donna Sorenson, (608) 266-2887  
Department of Administration  
101 E. Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53702

### **TEXT OF RULE:**

**SECTION 1:** Adm 19.02(6) is amended to read.

(6) "~~Program area~~" "Target area" means the area of a community which has a greater proportion of LMI households than the community as a whole. An eligible applicant may choose to designate the entire community as a ~~program~~ target area.

**SECTION 2:** Adm 19.02(7) is created to read.

(7) "Unfunded application" means a CDBG application which receives an insufficient point score in the evaluation process to receive funding in a program year.

**SECTION 3:** Adm 19.04 is repealed.

**SECTION 4:** Adm 19.05 (intro), (1), (2), (3) and (4) are renumbered Adm 19.04(intro), (1), (2), (3) and (4) and amended to read.

**19.04 Evaluation Criteria.** Applicants shall be compared and rated by the department based upon the department's evaluation of the proposal's consistency with s. 16.31, Stats., 24 CFR part 570, and the scoring criteria in the CDBG application package. Applicants shall ~~also~~ be compared and rated by the department based on the applicant's discussion and documentation of relevant evaluation criteria including, but not limited to, the following:

- (1) ~~Program~~ Target area need as defined by the department in the CDBG application package.
- (2) The percentage of program ~~benefit~~ funds directed toward households with the lowest income.
- (3) The extent to which program funds are directed to areas that are most in need ~~and to communities that can most effectively use the funds.~~
- (4) The extent to which housing needs in the community and in the ~~program~~ target area have been adequately documented.

**SECTION 5:** Adm 19.05(6) is repealed.

**SECTION 6:** Adm 19.05(5), (7), (8) and (9) are numbered Adm 19.04(5), (6), (7) and (8).

**SECTION 7:** Adm 19.06 is repealed.

**SECTION 8:** Adm 19.05 is created to read.

**Adm 19.05 Application process.** The department shall make funds available annually as those funds are made available by the federal department of housing and urban development. To receive funds under this program, an eligible applicant shall do all of the following:

- (1) Submit an application which is complete and in the format required by the department.
- (2) Resubmit an unfunded application as described in Adm 19.08, and in a format and with supporting documentation as required by the department.

**SECTION 9:** Adm 19.07 and Adm 19.08 are renumbered Adm 19.06 and Adm 19.07.

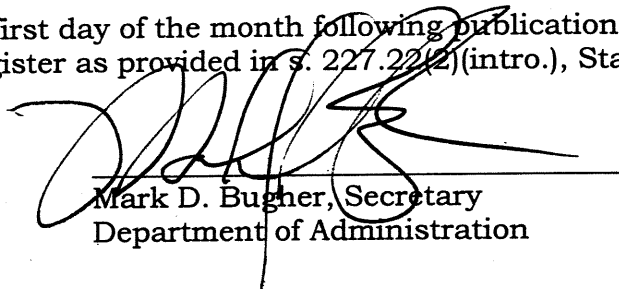
**SECTION 10:** Adm 19.08 is created to read.

**Adm 19.08 Resubmitted applications.** (1) An applicant for funds shall be eligible to receive funds in the CDBG program year following the year for which the applicant submits an unfunded application, without having to submit another application for that following year if all of the following apply:

- (a) The applicant is an eligible applicant under the terms of the program.
  - (b) The applicant submits a request to resubmit in a format as required by the department.
- (2) The resubmitted application will not be reevaluated, but shall retain the score received in the original application competition.
- (3) An unfunded application may be resubmitted under sub. (1) only once.

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

Dated: 1/19/99

  
\_\_\_\_\_  
Mark D. Bugher, Secretary  
Department of Administration



FISCAL ESTIMATE  
DOA-2048 (R10/92)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Small Cities Community Development Block Grants for Housing (CDBG)

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs - May be possible to absorb Within Agency's Budget  Yes  No

Decrease Costs

Local:  No local government costs

1.  Increase Costs

Permissive       Mandatory

3.  Increase Revenues

Permissive       Mandatory

2.  Decrease Costs

Permissive       Mandatory

4.  Decrease Revenues

Permissive       Mandatory

5. Types of Local Governmental Units affected:

- Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       VTAE Districts

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

s.

**Assumptions Used in Arriving at Fiscal Estimate:**

1997 Wisconsin Act 27 mandated that the Division of Housing change their administrative rules to allow for an applicant to "be eligible to receive funds under the program in the year following the year for which the applicant submits an application, without having to submit another application for that following year." The new language added to Chapter Adm 19 accomplishes this by adding s. 19.08 to chapter Adm 19.

Also included in the proposed change to Chapter Adm 19 are deleting and replacing of definitions which comply with current practices and standards.

There is no state fiscal effect.

There will be some cost savings to those local governmental units that do not prepare a new CDBG grant in the second year.

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)

Ryan Gill,  
Department of Administration  
6-6497

Authorized Signature/Telephone No.



Charles E. McDowell 7-3836

Date:

June 17, 1998