



Legislative Fiscal Bureau

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May 23, 2001

Joint Committee on Finance

Paper #142

Replacement of Existing Aircraft (DOA -- Agency Services)

[LFB 2001-03 Budget Summary: Page 67, #4 (part)]

CURRENT LAW

Under s. 16.04 of the statutes, the Department of Administration (DOA) is assigned significant responsibility for managing and coordinating the state's vehicle and aircraft fleets. The Department's Wisconsin Air Services unit within the Division of State Agency Services provides air transportation for state agency employees and provides assigned work aircraft to the Department of Natural Resources (DNR) and the Department of Transportation (DOT). The state's air fleet currently consists of six general transportation aircraft and 24 work aircraft. Of the 24 work aircraft, eight are assigned to DOT and 14 are assigned to DNR. Base level funding under the agency's transportation services appropriation, which supports both motor fleet and aircraft operations, is \$16,153,900 PR annually.

GOVERNOR

Provide \$2,659,200 PR in 2001-02 and \$485,300 PR in 2002-03 for the following aircraft replacements: (a) four Cessna 337 replacement planes for DNR in 2001-02 (\$2,433,200 PR); (b) one smaller Cessna replacement plane for DNR in 2001-02 (\$210,000 PR); (c) one smaller Cessna replacement plane each in 2002-03 for DNR and DOT (\$450,300 PR); and (d) on-going supplies and services relating to these aircraft purchases (\$16,000 PR in 2001-02 and \$35,000 PR in 2002-03).

DISCUSSION POINTS

1. During the current biennium, DOA has convened a multi-agency aviation advisory committee consisting of members from DOA, DNR and DOT. The advisory committee has developed a long-term aircraft replacement/refurbishing plan for the state's air fleet.

2. As part of the development of this plan, each existing aircraft in the state's air fleet was ranked in terms of general condition, age and total flight time. Using these components, the advisory committee was able to rank-order all the aircraft in the state's fleet to determine when each plane would need to be replaced or refurbished.

3. With these rankings in hand, the advisory committee was then able to develop a 10-year plan for the orderly replacement of the state's air fleet. The 10-year plan also allows DOA to anticipate its funding needs for replacement aircraft during each biennial budget cycle.

4. Under the plan, DNR was slated to receive four Cessna 337 aircraft and one Cessna 172 aircraft during the 2001-02 fiscal year. These aircraft are used on a continuing basis by the agency for such purposes as deer herd and other wildlife surveys, forest fire watch activities and air pollution monitoring. Three of the Cessna 337's and the Cessna 172 would replace existing equipment. The remaining Cessna 337 would restore to DNR an aircraft that had previously been assigned to the agency but crashed in 1991 and has never been replaced.

5. In the time that has elapsed since the budget was submitted to the Legislature, DNR has now advised DOA that its actual aircraft replacement needs are for three, rather than four, Cessna 337's and the one Cessna 172 during the 2001-02 fiscal year. Consequently, additional expenditure authority in the amount of \$608,300 PR in 2001-02 could now be deleted to reflect this revised need.

6. However, DOA has also requested that the amounts budgeted for each of the remaining three Cessna 337 aircraft slated for purchase in 2001-02 now be increased by \$78,800 PR per unit (for a total of \$236,400 PR) for the installation of the following additional safety equipment deemed necessary given the intended uses of these aircraft: de-icing equipment, a stormscope, an air traffic collision avoidance system, a multi-band emergency services radio and a clear plastic nose. These additional costs would be recovered over the life of the aircraft lease to DNR from charges assessed to that agency.

7. If the Committee believes that \$236,400 PR 2001-02 for the additional equipment options should be provided for the three DNR planes, it could net these additional costs from savings arising from not purchasing the fourth Cessna 337 aircraft and delete a total of \$371,900 PR in 2001-02.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.

2. Modify the Governor's recommendation by deleting \$608,300 PR and in 2001-02 to reflect the need to purchase three rather than four Cessna 337 aircraft for DNR in 2001-02.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	- \$608,300

3. Modify the Governor's recommendation by: (a) deleting \$608,300 PR and in 2001-02 to reflect the need to purchase three rather than four Cessna 337 aircraft for DNR in 2001-02; and (b) providing \$236,400 PR in 2001-02 for additional safety equipment for the three Cessna 337's.

Alternative 3	PR
2001-03 FUNDING (Change to Bill)	- \$371,900

4. Maintain current law.

Alternative 4	PR
2001-03 FUNDING (Change to Bill)	- \$3,144,500

Prepared by: Darin Renner

ADMINISTRATION -- AGENCY SERVICES

Liquidation of Certain Agency Assigned Aircraft
[LFB Paper #142 Substitute Alternative]

Motion:

Move to require the Department of Administration to sell all Wisconsin Air Services agency-assigned work aircraft (other than for three Cessna 172s assigned to DOT, approved under s. 16.515 procedures on February 12, 2001, and three DNR-assigned aircraft). Specify that all funds from the sale of these planes be credited to the general fund as GPR-Earned. Delete \$523,200 PR annually to reflect a reduction in fleet charges to DNR and DOT for the use of these aircraft.

Note:

DOA's Wisconsin Air Services (WAS) unit currently operates a state aircraft fleet consisting of 30 planes that are operated either by DOA for general transportation purposes or are assigned to specific state agencies for special purposes.

Of the 30 aircraft owned by the WAS unit, six planes are operated as a central air fleet pool for the transportation of state agency employees. The remaining 24 planes are permanently assigned to two agencies. Currently, 16 aircraft are assigned to DNR and eight are assigned to DOT and are used on a continuing basis as part of each agency's program operations.

This motion would require DOA to dispose of 13 of 16 DNR-assigned aircraft and five of the eight DOT-assigned aircraft. All aircraft currently used for general aviation purposes and three DNR aircraft and three DOT aircraft purchased as a result of a February 12, 2001, s. 16.515 request would not be sold under the motion.

The Department estimates that the current book value of the 18 aircraft subject to liquidation is \$587,600. The motion would require that the proceeds from the sale of these aircraft be deposited to the general fund as a one-time revenue. The motion would also reduce DOA's transportation services appropriation by \$523,200 PR annually to reflect decreased fleet charges.

DOA's air fleet is funded under the agency's PR transportation services appropriation. This appropriation operates under provisions of s. 20.903(2)(b) of the statutes. This provision authorizes the appropriation to have a negative program balance, which is offset by the value of assets and accounts receivable. Normally, if an asset were sold, the proceeds would be used to offset the existing deficit in the appropriation. Under this motion, the proceeds from the sale of the assets would be credited instead to the general fund as GPR-Earned. In all likelihood, the Department would have to increase transportation rates to offset the value of the assets foregone.

[Change to Bill: \$587,600 GPR-Earned and -\$1,046,400 PR]

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 13 NO 3 ABS _____

ADMINISTRATION

Agency Services

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
2	State Agency Services -- Mailing and Publishing Services Cost Increases
3	State Agency Services -- State Records Center Storage Needs
4 (part)	State Transportation Services -- Fleet Acquisition, Replacement and Maintenance Cost Increases
5	Dane County Fleet
6	State Facilities Management -- Operational Costs of State Buildings
7	State Facilities Management -- Madison Parking Costs
8	State Facilities Development -- Increased Construction Supervision Costs
9	State Financial Services -- WISMART and Payroll System Master Lease Costs
10	Risk Management Programs -- Claims Payments Reestimates

LFB Summary Item for Introduction as Separate Legislation

Item #	Title
11	State Procurement Law Modifications

Administration

Division of Gaming

Bill Agency

(LFB Budget Summary Document: Page 78)

LFB Summary Item for Which an Issue Paper Has Been Prepared

Item #

Title

3

Tribal Gaming Vendor Certification Costs (Paper #165)



Legislative Fiscal Bureau

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May 23, 2001

Joint Committee on Finance

Paper #165

Tribal Gaming Vendor Certification Costs (DOA - Division of Gaming)

[LFB 2001-03 Budget Summary: Page 83, #3]

CURRENT LAW

An Indian gaming vendor is defined as a person who enters into a contract with an Indian tribe for materials, supplies, equipment or services which are unique to the gaming operations of the tribe and not common to the other operations of the tribe. The Department of Administration (DOA), in accordance with an Indian gaming compact or with the regulations of, or an agreement with, the National Indian Gaming Commission, must certify and conduct background investigations of a person proposing to be an Indian gaming vendor. Under the state-tribal gaming compacts, certification is required for any gaming-related contract involving total consideration exceeding \$10,000 in any year. The persons who are subject to the background investigations must be photographed and fingerprinted. The Department of Justice (DOJ) is authorized to submit the fingerprint cards to the Federal Bureau of Investigation for the purpose of verifying the identity of the persons fingerprinted and obtaining records of their criminal arrests and convictions. Under the state-tribal gaming compacts, applicants for a vendor certificate are required to pay the state for its actual costs of conducting investigations and making determinations regarding the certification of the applicant.

GOVERNOR

Provide \$200,000 PR annually from Indian gaming receipts for tribal gaming vendor certification costs of the Division of Gaming.

DISCUSSION POINTS

1. Indian gaming receipts are statutorily defined as moneys received by the state from

any of the following: (a) tribal reimbursement for state costs of regulation of Indian gaming under Indian gaming compacts; (b) payments by Indian gaming vendors and persons proposing to be Indian gaming vendors as reimbursement for state costs of certification and background investigations; (c) tribal reimbursement for state costs of gaming services and assistance provided by the state at the request of a tribe; and (d) tribal payments pursuant to an Indian gaming compact.

2. Under the bill, the expenditure authority (\$200,000 annually) would be provided to the Indian gaming receipts appropriation. However, funding for this purpose should be provided to the general program operations appropriation for Indian gaming. If the provision is approved, a correction would be needed to provide the expenditure authority to the correct appropriation.

3. Under 1999 Act 9, the 1999-01 biennial budget act, 1.0 investigator position was provided for vendor certification work. According to DOA, 5.0 of the 14.0 positions authorized for the general program operations for Indian gaming are now allocated to vendor certification work. In addition, Act 9 provided \$30,000 in one-time funding in 1999-00 for private investigator contracts to assist with vendor investigations. The Division budgets \$142,000 annually for private investigation services and the \$30,000 provided in 2000-01 increased the budget to \$172,000 for this purpose in 1999-00. These additional resources were provided to address backlogs in pending vendor certification applications. In May, 1999, 11 new applications and 39 renewal applications (a total of 50 applications) were being processed. As of April 26, 2001, six new applications and 52 renewal applications (a total of 58) are being processed.

4. Revenue from vendor certifications totaled \$101,200 in 1999-00, and revenue in 2000-01, through April, 2001, totals \$189,000. Expenses relating to investigative work totaled approximately \$251,900 in 1999-00, and expenses in 2000-01, through April, totals approximately \$240,700. These amounts primarily reflect investigative costs. It does appear that these costs are trending upward.

5. DOA did not request additional funding for vendor certification costs in its 2001-03 biennial budget request for the Division of Gaming. DOA indicates that the funding was provided in the bill to address the prospect of higher costs relating to additional vendor applicants. During the preparation of the budget, it was believed that additional vendor applicants would be processed, particularly with regards to the development of new, off-reservation tribal casino operations such as the facility proposed to be located at the existing Dairyland pari-mutuel racetrack in Kenosha. Governor Thompson negotiated state-tribal gaming compact amendments with the Menominee Indian Tribe, signed on August 18, 2000, that relate primarily to the terms under which the Kenosha facility would operate.

6. While the proposed tribal gaming facility in Kenosha still requires federal approval as well as final approval by the Governor, one vendor associated with the proposed casino (NII-JII Entertainment, Inc.) has already applied for certification with the Division of Gaming. The completed application for this vendor was submitted in December, 1999, and, according to DOA, the Division has invoiced the vendor applicant \$230,800 for expenses relating to this investigation.

7. Invoices are issued by the Division if investigation costs exceed certain minimum fees charged to all applicants. In the last 12 months, six other vendors have been invoiced a

combined total of \$55,900. The \$230,800 invoiced to NII-JII, then, represents 80.5% of the invoices issued by the Division since May, 2000. It should also be noted that NII-JII has not yet paid \$143,100 (62%) of its invoiced amounts. It is the only vendor applicant that is overdue in its invoiced payments.

8. DOA indicates that there is a potential for additional expensive investigations, which raises a concern that the Division of Gaming have adequate expenditure authority to conduct these investigations. The additional spending, if it occurs, would be offset by additional revenue from vendors, who must pay the actual costs of the investigation.

9. On the one hand, the continuing backlog of pending applications and the potential for complicated and expensive investigations provides support for the Governor's recommendation. On the other hand, it appears that the increase in investigative costs over the past year relates primarily to the NII-JII investigation. According to DOA, NII-JII is the only applicant to date that is associated with a proposed off-reservation site. It could be argued that the rise in vendor application costs in the last year is related to the prospect of off-reservation sites being developed. Under the current administration, the prospect for the expansion of off-reservation tribal casinos now appears less likely and vendor certification work may return to prior levels in the 2001-03 biennium.

10. The Division of Gaming also does not typically utilize all of its expenditure authority for the general program operations relating to tribal gaming. The Division had \$236,200 in unobligated authority in 1998-99, and \$115,200 in unobligated authority in 1999-00. Even with the added vendor certification costs experienced in 2000-01, the Division has no plans to request additional expenditure authority this year. This provides some grounds for viewing these vendor certification costs as manageable within the current general program operations budget for Indian gaming.

11. Given these factors, the Governor's recommendation could be denied. If vendor certification costs continue to increase and additional higher expenditure authority is needed in 2001-02 or 2002-03, DOA could request the necessary expenditure authority under s. 16.515 of the statutes.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$200,000 annually from Indian gaming receipts for tribal gaming vendor certification costs of the Division of Gaming. Correct the bill to provide the funding to the general program operations appropriation for Indian gaming.

2. Maintain current law.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	- \$400,000

Prepared by: Art Zimmerman

MO#

Alt 2

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS

ADMINISTRATION -- DIVISION OF GAMING

Use of Tribal Logo to Recognize the Uses of Tribal Gaming Revenue

Motion:

Move to require the La Follette School of Public Affairs of the UW System, working in consultation with Wisconsin Indian Tribes and Bands, to develop the following: (a) a proposed tribal logo representative of Wisconsin tribes and bands and appropriate for display on official state notifications of grant funding provided in whole or in part by tribal gaming revenues; and (b) a plan to implement the use of the logo, including procedures relating to the determination of the circumstances in which the logo would appropriately be used, the cost of developing and utilizing the logo and a proposal on how these costs would be funded. Require the Department to submit the proposed logo and plan to the Joint Committee on Finance, under a 14-day passive review process, and to the governing bodies of each Tribe and Band for approval. Provide that the plan may be implemented if approved by the Joint Committee on Finance and the governing bodies of the Wisconsin Indian Tribes and Bands.

Note:

Tribal leaders have suggested the possibility of developing and using a tribal logo to provide recognition to Wisconsin Tribes and Bands for the uses of tribal gaming revenue, which supports a variety of state programs. The motion would provide a mechanism to study the idea and develop a plan for its implementation.

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS _____

ADMINISTRATION -- DIVISION OF GAMING

Legislative Approval of State-Tribal Gaming Compacts

Motion:

Move to require the Governor, before entering into any state-tribal gaming compact, to submit the proposed compact to the Legislature for approval. Provide that the Governor may not enter into any compact until the Legislature approves the compact by joint resolution. Require that, if the Legislature does not approve without change the proposed compact, the compact would be returned to the Governor for renegotiation.

Provide that the Governor may not concur with a determination of the U.S. Secretary of the Interior that a gaming establishment proposed to be located on tribal trust lands acquired after October 17, 1988, would not be detrimental to the surrounding community unless the Legislature approves the proposed gaming establishment by joint resolution.

Note:

Under current law, the Governor has the authority to negotiate state-tribal gaming compacts on behalf of the state. Under federal law, a tribal gaming establishment to be located on tribal trust land acquired after October 17, 1988, must be authorized by the U.S. Secretary of the Interior and agreed to by the Governor.

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 7 NO 9 ABS

ADMINISTRATION -- DIVISION OF GAMING

Licensee Requirements for Simulcast Racing

Motion:

Move to modify certain requirements that must be met for racetrack licensees to be approved to receive simulcast races, as follows: (a) increase the minimum number of live race performances from 250 race performances to 275 race performances, regardless of the amount wagered during the preceding calendar year; (b) repeal the provision that wagering on simulcast races will be conducted at the racetrack only as an adjunct to, and not in a manner that will supplant, wagering on live on-track racing at that racetrack; and (c) repeal the provision that wagering on simulcast races will not be the primary source of wagering revenue at that racetrack.

Note:

Under current law, the Department of Administration (DOA) may not permit a racetrack licensee to receive simulcast races unless DOA determines that all of the following conditions are met: (a) for a racetrack at which \$25,000,000 or more was wagered during the calendar year immediately preceding the year in which the applicant proposes to conduct wagering on simulcast races, at least 250 race performances (live races) were conducted at the racetrack during that period; (b) for a racetrack at which less than \$25,000,000 was wagered during the calendar year immediately preceding the year in which the applicant proposes to conduct wagering on simulcast races, at least 200 race performances were conducted at the racetrack during that period; (c) wagering on simulcast races will be conducted at the racetrack only as an adjunct to, and not in a manner that will supplant, wagering on live on-track racing at that racetrack; and (d) wagering on simulcast races will not be the primary source of wagering revenue at that racetrack.

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 10 NO 6 ABS _____

ADMINISTRATION -- DIVISION OF GAMING

Raffle Ticket Authorization

Motion:

Move to (a) authorize the sale of raffle tickets that allow for equal shares of a single ticket to be sold to one or more purchasers under a Class A raffle license; (b) provide that the sponsoring organization be required to purchase any unsold shares of a ticket; and (c) provide that no raffle ticket sold under a Class A license may exceed \$100 in cost. Provide that the provisions become effective on the first day of the third month beginning after publication. Require the Department of Administration to promulgate administrative rules relating to the sale of such tickets.

Note:

Under current law, there are no provisions for equal shares of a single raffle ticket to be sold to multiple purchasers. The motion would authorize such tickets. Under current law, no raffle ticket sold under a Class A license may exceed \$50 in cost. A Class A license relates to the conduct of a raffle in which some or all of the tickets for that raffle are sold on days other than the same day as the raffle drawing. The motion would change this maximum cost to \$100.

1950-1951

CONFIDENTIAL

CONFIDENTIAL

NO

NO

1950-1951
grain
after
wheat
to event

AIR FORCE

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A

GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 15 NO 1 ABS

1950-1951
after
to event

1950-1951
after
to event

1950-1951
after
to event

1950-1951
after
to event

ADMINISTRATION

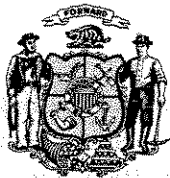
Division of Gaming

LFB Summary Item for Which No Issue Paper Has Been Prepared

Item #	Title
4	Correct Base Funding for Repealed Appropriation

LFB Summary Items to be Addressed in a Subsequent Paper

Item #	Title
1	Overview of Tribal Gaming Revenue Allocations
2	Revert Unencumbered Balances to Indian Gaming Receipts Appropriation



Legislative Fiscal Bureau

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May 21, 2001 Joint Committee on Finance Paper #1031

Governor's Work-Based Learning Board -- Youth Apprenticeship Training Grants (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 2001-03 Budget Summary: Page 729, #15]

CURRENT LAW

Under current law, the Governor's Work-Based Learning Board (GWBLB) has authority to award grants to employers for each youth apprentice that receives at least 180 hours of paid on-the-job training from the employer during the school year. The GWBLB may award a training grant to an employer that provides less than 180 hours of paid on-the-job training if the Board determines that it would be beneficial for the youth apprentice to receive training from more than one employer. The maximum training grant is \$500 per year and a grant cannot be awarded for a specific youth apprentice for more than two school years. Under current law, no base level funding is provided for the youth apprenticeship training grant program.

GOVERNOR

Require the Governor's Work-Based Learning Board (GWBLB) to establish eligibility criteria for youth apprenticeship training grants that would limit the grants to small employers and to employers that provide on-the-job training in employment areas. The Board would determine the definitions of "small employer" and "on-the-job training in employment areas," but would not have to promulgate administrative rules to establish the criteria.

DISCUSSION POINTS

1. Many of the current, statewide school-to-work programs were created by 1991 Act 39. The Act required the former Department of Industry, Labor and Human Relations (DILHR), in

cooperation with the Department of Public Instruction (DPI) and the Wisconsin Technical College System (WTCS) Board, to develop a youth apprenticeship program and created a 12-member youth apprenticeship council in DILHR to coordinate the establishment of the program. In 1993 Act 16, DILHR's Office of Workforce Excellence was permanently funded to provide oversight for school-to-work programs. The Act also provided funds for youth apprenticeship training grants to participating employers. The 1999-01 biennial budget (1999 Wisconsin Act 9) significantly changed administration and operation of many of the state's school-to-work programs. Act 9 created the Governor's Work-Based Learning Board to administer and coordinate existing and new work-based learning programs for youth. The Board is attached to the Department of Workforce Development (DWD) for administrative purposes. DWD's Division of Connecting Education and Work was eliminated and the responsibility for administering youth apprenticeship, school-to-work and work-based learning programs along with Division staff and funding were transferred to the Board.

2. The youth apprenticeship program provides high school juniors and seniors with the option of enrolling in a one or two-year program combining academic classroom coursework with on-the-job training in specific occupational areas. Occupational programs are based on industry skills standards. Pupils who complete the program receive an occupational proficiency or skills certificate in addition to their high school diploma. The GWBLB administers the program with the assistance of DPI and the WTCS Board. Staff from the three agencies work with local youth apprenticeship partnerships to establish and operate local youth apprenticeship programs. Schools and WTCS districts provide the academic component of the program through a curriculum developed at the state level. The GWBLB approves occupations for the youth apprenticeship program and contracts with WTCS districts, local school districts or the UW for the development of curricula for occupations approved for the program. Employers hire youth apprentices for the one- or two-year program, pay them at least minimum wage, provide on-the-job training in the occupational clusters set by the statewide curriculum and provide a skilled mentor for the youth apprentices.

3. The youth apprenticeship training grant program was established to provide an incentive to secure sufficient employer participation in the youth apprenticeship program. The grants were intended to offset some of the employer's costs incurred in investing in young, untrained workers. Employer costs included training expenses, purchases of tools, special equipment and uniforms, and worker's compensation insurance payments. The total annual amount appropriated for the grant program ranged from \$380,000 GPR in 1996-97 to \$1,150,000 GPR in 1998-99. However, the largest amount of grants awarded was \$579,300 in 1995-96. The total number of students for which grants were made ranged from 117 in 1993-94 to 730 in 1995-96. A total of \$690,000 GPR in 1997-98 and \$1,150,000 GPR in 1998-99 was appropriated for youth apprenticeship training grants. Total grants of less than \$500,000 were made in each year for 506 and 600 students, respectively.

4. As noted, Act 9 transferred the youth apprenticeship training grant program to the GWBLB for administration. Although the training grant program was administered by the Board, annual base level funding for the grants of \$1,150,000 GPR was transferred to a new local youth

apprenticeship grant program and placed in a different appropriation. This funding was supplemented by additional annual funding of \$2,000,000 GPR. The youth apprenticeship training grant program was not funded.

5. The GWBLB awards local youth apprenticeship grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include one or more school districts, other WTCS institutions, CESAs, other public agencies, workforce development boards, labor and employer groups. Local youth apprenticeship partnerships provide administrative, program and financial support to the local youth apprenticeship programs. Each local partnership has a youth apprenticeship coordinator who acts as a liaison between the participating businesses, schools and students. The coordinators' responsibilities include recruiting students and businesses, developing training sites and providing more training.

6. A local partnership can use grant moneys for any of the following implementation and coordination activities: (a) recruiting employers to provide on-the-job training and supervision for youth apprentices (including making training grants to employers) and providing technical assistance to those employers; (b) recruiting students to participate in the local youth apprenticeship program and monitoring the progress of youth apprentices participating in the program; (c) coordinating youth apprenticeship training activities within participating school districts and among participating school districts, postsecondary institutions and employers; (d) coordinating academic, vocational and occupational learning, school-based and work-based learning and secondary and postsecondary education for participants in the local youth apprenticeship program; (e) assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors; and (f) any other implementation or coordination activity that the Board may direct or permit.

7. A total of \$3,150,000 GPR is annually appropriated for local youth apprenticeship grants. The GWBLB awarded all of that amount in 2000-01 to 40 local partnerships, representing 362 school districts (85%) to operate youth apprenticeship programs. Of the total amount awarded to local partnerships, \$752,700 in grants was awarded in 2000-01 to industry and labor associations to assist the local partnership in recruiting businesses and students to participate in local youth apprenticeship programs. In addition, some of the local partnerships use grant monies to make training grants to businesses to partially offset expenses for investing in youth apprentices. Local partnerships have awarded \$94,300 for this purpose during the biennium.

8. The provision in the bill modifying the youth apprenticeship training grant program is intended to ensure that grants would be targeted to small businesses in areas of need, if the grant program was funded. However, the program has not been funded since 1998-99 and, under the bill, no funding would be provided in the 2001-03 biennium. The GWBLB has not requested that the program be funded, in part, because local partnerships can use their grants to provide assistance to employers. It appears that there is currently little demand for the state level program. Consequently, the Committee could deny the requested program modification and, instead, eliminate the youth apprenticeship training grant program and related appropriation.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to require the Governor's Work-Based Learning Board to establish eligibility criteria for youth apprenticeship training grants that would limit the grants to small employers and to employers that provide on-the-job training in employment areas. Also, require the Board to determine the definitions of "small employer" and "on-the-job training in employment areas."

2. Deny the Governor's recommendation and, instead, eliminate the youth apprenticeship training grant program and related appropriation under the GWBLB.

3. Maintain current law.

Prepared by: Ron Shanovich

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE _____ NO _____ ABS _____

**WORKFORCE DEVELOPMENT --
EMPLOYMENT TRAINING AND VOCATIONAL REHABILITATION PROGRAMS**

1. Governor's Work-Based Learning Board -- Local Youth Apprenticeship Grants

[LFB Paper #1031]

Motion:

Move to prohibit the use of local youth apprenticeship grant monies to provide funding to businesses or business organizations. Delete \$94,300 GPR annually from local youth apprenticeship grant funding to reflect amounts awarded by local youth apprenticeship partnerships to business as training grants.

Note:

The Governor's Work-Based Learning Board (GWBLB) awards local youth apprenticeship grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include one or more school districts, WTCS institutions, CESAs, other public agencies, workforce development boards, labor and employer groups. Local youth apprenticeship partnerships provide administrative, program and financial support to the local youth apprenticeship programs.

A local partnership can use grant moneys for any of the following implementation and coordination activities: (a) recruiting employers to provide on-the-job training and supervision for youth apprentices (including making training grants to employers) and providing technical assistance to those employers; (b) recruiting students to participate in the local youth apprenticeship program and monitoring the progress of youth apprentices participating in the program; (c) coordinating youth apprenticeship training activities within participating school districts and among participating school districts, postsecondary institutions and employers; (d) coordinating academic, vocational and occupational learning, school-based and work-based

learning and secondary and postsecondary education for participants in the local youth apprenticeship program; (e) assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors; and (f) any other implementation or coordination activity that the Board may direct or permit.

A total of \$3,150,000 GPR is annually appropriated for local youth apprenticeship grants. The GWBLB awarded all of that amount in 2000-01 to 40 local partnerships, representing 362 school districts (85%) to operate youth apprenticeship programs. Of the total amount awarded to local partnerships, \$752,700 in grants was awarded in 2000-01 to industry and labor associations to assist the local partnership in recruiting businesses and students to participate in local youth apprenticeship programs. In addition, some of the local partnerships use grant monies to make training grants to businesses to partially offset expenses for investing in youth apprentices, local partnerships have awarded \$94,300 for this purpose during the biennium. This motion would prohibit using local youth apprenticeship awards to provide funding to businesses or business organizations and would delete \$94,300 annually that has been used for that purpose.

[Change to Bill: -\$184,600 GPR]

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
BLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 2 NO 4 ABS _____

WORKFORCE DEVELOPMENT --
EMPLOYMENT, TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Governor's Work-Based Learning Board--Local Youth Apprenticeship Grant

[LFB Paper #1031]

Motion:

Move to require the Governor's Work-Based Learning Board to make a one-time local youth apprenticeship training grant of \$64,125 to \$128,250 in 2001-02 to Wisconsin Plastics Valley consortium to implement and coordinate a local youth apprenticeship program.

Note:

The Governor's Work-Based Learning Board (GWBLB) awards local youth apprenticeship grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include one or more school districts, WTCS institutions, CESAs, other public agencies, workforce development boards, labor and employer groups. Local youth apprenticeship partnerships provide administrative, program and financial support to the local youth apprenticeship programs.

A local partnership can use grant moneys for any of the following implementation and coordination activities: (a) recruiting employers to provide on-the-job training and supervision for youth apprentices (including making training grants to employers) and providing technical assistance to those employers; (b) recruiting students to participate in the local youth apprenticeship program and monitoring the progress of youth apprentices participating in the program; (c) coordinating youth apprenticeship training activities within participating school districts and among participating school districts, postsecondary institutions and employers; (d) coordinating academic, vocational and occupational learning, school-based and work-based learning and secondary and postsecondary education for participants in the local youth apprenticeship program; (e) assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors; and (f) any other implementation or coordination activity that the Board may direct or permit.

A total of \$3,150,000 GPR is annually appropriated for local youth apprenticeship grants. This motion would require the Governor's Work-Based Learning Board to make a one-time local youth apprenticeship training grant of between \$64,125 and \$128,250 to Wisconsin Plastics Valley consortium for implementing and operating a local youth apprenticeship program.

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 11 NO 5 ABS

WORKFORCE DEVELOPMENT --

EMPLOYMENT TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Governor's Work-Based Learning Board -- Local Youth Apprenticeship Grants

[LFB Paper #1031]

Motion:

Move to prohibit the use of local youth apprenticeship grant monies to provide funding to businesses or business organizations. Delete \$752,700 GPR annually from local youth apprenticeship grant funding to reflect amounts awarded to business and labor associations.

Note:

The Governor's Work-Based Learning Board (GWBLB) awards local youth apprenticeship grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include one or more school districts, WTCS institutions, CESAs, other public agencies, workforce development boards, labor and employer groups. Local youth apprenticeship partnerships provide administrative, program and financial support to the local youth apprenticeship programs.

A local partnership can use grant moneys for any of the following implementation and coordination activities: (a) recruiting employers to provide on-the-job training and supervision for youth apprentices (including making training grants to employers) and providing technical assistance to those employers; (b) recruiting students to participate in the local youth apprenticeship program and monitoring the progress of youth apprentices participating in the program; (c) coordinating youth apprenticeship training activities within participating school districts and among participating school districts, postsecondary institutions and employers; (d) coordinating academic, vocational and occupational learning, school-based and work-based learning and secondary and postsecondary education for participants in the local youth

apprenticeship program; (e) assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors; and (f) any other implementation or coordination activity that the Board may direct or permit.

A total of \$3,150,000 GPR is annually appropriated for local youth apprenticeship grants. The GWBLB awarded all of that amount in 2000-01 to 40 local partnerships, representing 362 school districts (85%) to operate youth apprenticeship programs. Of the total amount awarded to local partnerships, \$752,700 in grants was awarded in 2000-01 to industry and labor associations to assist the local partnership in recruiting businesses and students to participate in local youth apprenticeship programs. This motion would prohibit using local youth apprenticeship awards to provide funding to businesses or business organizations and would delete \$752,700 annually that has been used for that purpose.

[Change to Bill: -\$1,505,400 GPR]

MO#			
BURKE	Y	(N)	A
DECKER	(Y)	N	A
MOORE	(Y)	N	A
SHIBILSKI	Y	(N)	A
PLACHE	(Y)	N	A
WIRCH	(Y)	N	A
DARLING	(Y)	N	A
WELCH	(Y)	N	A
LGARD	(Y)	N	A
KAUFERT	Y	(N)	A
ALBERS	(Y)	N	A
DUFF	(Y)	N	A
WARD	(Y)	(N)	A
HUEBSCH	(Y)	N	A
HUBER	(Y)	N	A
COGGS	(Y)	N	A

AYE 12 NO 4 ABS _____

Tribal Gaming Revenue Allocations

LFB Summary Items for Which Issue Papers Have Been Prepared

Bill Agencies

<u>Item #</u>	<u>Title</u>
	Administration -- Division of Gaming
1	Overview of Tribal Gaming Revenue Allocations (Paper #166)
2	Reversion of Unencumbered Tribal Gaming Revenue (Paper #167)
	Administration -- General Agency Provisions
-	Management Assistance Grant Program (Paper #168)
	Administration -- Office of Justice Assistance
2	County, County-Tribal and Tribal Law Enforcement Grant Programs (Paper #169)
	Tourism
6	Travel Information Center LTE Funding (Paper #170)
	Transportation -- State Highway Program
2	Reconstruction of West Canal Street in Milwaukee (Paper #171)
	University of Wisconsin System
29	Aquaculture Demonstration Facility (Paper #172)

(over)

TRIBAL GAMING REVENUE ALLOCATIONS

Motion:

Move to approve the Governor's recommendations contained in the Fiscal Bureau Papers # 167 through #183 with the following modifications:

1. LFB Paper #167. Alternatives 2a, b, c and d. Provide nonstatutory language clarifying that the unencumbered balances in the applicable appropriations on June 30, 2001, would revert to the Indian gaming receipts appropriation in 2001-02 on the effective date of the bill. Provide that any unencumbered balance on June 30 of each year in the annual appropriation for Forward Wisconsin, Inc., business recruitment, be required to revert to the Indian gaming receipts appropriation. Convert two continuing appropriations to biennial appropriations, subject to the reversion of unencumbered balances provision for biennial appropriations under the bill (the Commerce appropriation for the Physician Loan Assistance Program and the Tourism marketing appropriation). Provide that the DHFS allocation for state match of certain medical assistance-funded activities be transferred to a new biennial appropriation for this purpose, subject to the reversion of unencumbered balances provision for biennial appropriations under the bill, and modify the Indian gaming receipts appropriation language that allocates this funding to DHFS to reflect this change.

2. LFB Paper #168. Alternative 2. Place \$500,000 annually in the PR appropriation of the Joint Committee on Finance to be transferred under s. 13.10 to the management assistance grant program appropriation upon request by DOA and a finding that a county has met the eligibility criteria of the grant program.

3. LFB Paper #169. Alternative A3. Maintain current law, which would: (a) provide \$63,600 PR and 1.0 PR position annually and maintain the cooperative county-tribal law enforcement program in DOJ; (c) maintain OJA's county law enforcement services grant program; and (d) maintain OJA's tribal law enforcement assistance program. In addition, technically correct the county law enforcement services appropriation funding source designation. (Funding would remain at \$708,400 annually for county-tribal grants under DOJ, \$250,000 annually for OJA's county grant program and \$1,050,000 annually for OJA's tribal grant program.)

4. LFB Paper #172. Alternatives 2 and 3. Modify the Governor's recommendation by

increasing the 1999 Act 9 project enumeration by \$350,000 and authorizing an additional \$350,000 in program revenue supported general obligation bonding for the purchase of movable equipment for the aquaculture facility. Debt service on the bonds would be paid with tribal gaming revenues beginning in 2003-04. Modify the Governor's recommendation by deleting \$50,000 and 1.0 position in 2002-03. The remaining funding would provide \$80,000 for an aquaculture facility director based at UW-Superior starting in 2002-03 as well as \$170,000 that could be used for movable equipment or other facility costs.

5. LFB Paper #173. Alternative 4. Maintain current law (funding for agricultural development and diversification grants would remain at \$400,000 GPR annually).

6. LFB Paper #174. Modify the gaming economic development and diversification grant and loan programs as follows: (a) consolidate, into one biennial program revenue appropriation, both the gaming economic development and economic diversification grant and loan programs and create a consolidated program revenue biennial repayments appropriation for both programs; (b) reduce funding for the combined economic development and diversification appropriation by \$2,750,000 PR in 2001-02 and \$1,750,000 in 2002-03; (c) beginning in 2001-02, transfer annual funding of \$170,700 and 1.0 gaming grants specialist position and supplies from the gaming economic development grants and loans appropriation to the Department's Native American Liaison appropriation; (d) provide that economic diversification grants and loans could be used for brownfields remediation projects; (e) expand the definition of a business that would be qualified to receive gaming economic development and diversification grants and loans to specifically include start-up businesses; and (f) authorize Commerce to make a gaming economic development grant of up to \$1,000,000 to the M7 Development Corporation for constructing a multipurpose center at Lincoln Park in the City of Milwaukee (no matching funds would be required). In addition Commerce would be required to allocate \$500,000 a year from the gaming economic development and diversification program for Oneida Small Business Inc. and Project 2000 to provide grants and loans for businesses located in counties in which the Oneida reservation is located or an adjacent county. Authorize grants and loans to be made to businesses that are: (a) start up; (b) small business as defined for the Rural Economic Development program or (c) owned by an Oneida tribal member.

7. LFB Paper #175. Create a separate program revenue appropriation for the manufacturing extension center grant program and provide \$500,000 PR annually in tribal gaming revenues to fund the program. (The program would no longer be funded through WDF appropriations.) The grant program's sunset date of June 30, 2001, would be repealed. Create a separate program revenue appropriation for the business employees' skills training grant program (BEST) and provide \$150,000 PR annually in tribal gaming revenues to fund the program. Further, adopt alternative C3 to maintain current funding levels for the Wisconsin Development Fund.

8. LFB Paper #177. Alternative 3. Maintain current law (funding for Forward Wisconsin would remain at \$500,000 GPR annually).

9. LFB Paper #178. Approve the Governor's recommendation and, in addition, expand the current health care provider grant and loan program to include dental hygienists and authorize Commerce to repay up to \$25,000 in educational loans over three years. Provide \$10,000 PR in 2001-02 and \$20,000 PR in tribal gaming revenue in 2002-03 to fund loan repayments for dental hygienists.

10. LFB Paper #179. Alternative 4. Delete the Governor's recommendation (to provide \$166,000 PR in 2001-02 and \$157,900 in 2002-03) and, in addition, delete \$100,000 SEG annually from the fish and wildlife account of the conservation fund to delete base funding for the Deer 2000 initiative.

11. LFB Paper #180. Delete \$100,000 PR annually in tribal gaming revenues for elk herd monitoring, management and reintroduction efforts. Instead, provide \$100,000 in fish and wildlife SEG annually. [Total funding for elk reintroduction would be \$200,600 annually (\$100,600 PR with 0.5 position and \$100,000 SEG).]

12. LFB Paper #181. Alternative A2 to maintain current law maximum reimbursement levels for eligible local recreational vehicle enforcement costs. Further, provide \$520,000 annually (\$200,000 snowmobile SEG, \$20,000 ATV SEG, and \$300,000 boating SEG from the conservation fund) to increase available aid for county and municipal enforcement efforts. (This would allow DNR to fund at least 80% of eligible reimbursement costs for local snowmobile enforcement efforts, 82% of ATV enforcement efforts, and up to 75% of eligible boating enforcement expenses.) [The \$100,000 annually in tribal gaming revenue for snowmobile enforcement under the bill would be deleted.]

13. LFB Paper #183. Transfer \$500,000 in 2001-02 and \$1,000,000 in 2002-03 in tribal gaming revenue to the environmental fund in the 2001-03 biennium only.

14. Delete \$120,000 PR annually from tribal gaming program revenues and related appropriation language to fund nonpoint grants and local assistance (staffing) to the Oneida Nation of Chippewa. (The Oneida Nation receives grants for nonpoint source pollution abatement projects in two priority watersheds. Grants are provided for local staff and supplies to administer the program and for landowner cost-shares to implement pollution prevention practices. Under the motion, grant funding would instead be allocated from the Departments of Natural Resources and Agriculture, Trade and Consumer Protection GPR and bonding authorizations.)

15. Provide \$20,000 PR in 2001-02 and \$150,000 PR in 2002-03 only from tribal gaming revenues in an annual appropriation to the Department of Natural Resources to fund costs relating to the study and reintroduction of coaster brook trout.

16. Move to provide \$31,300 PR in 2001-02 and \$41,800 PR in 2002-03 in a new, annual appropriation from tribal gaming revenues to provide law enforcement at the Kickapoo Valley Reserve.

17. Provide \$50,000 PR in 2001-02 to the Department of Workforce Development to fund a Trade Masters Pilot Program that would recognize advanced training and post-apprenticeship achievements in three trades, crafts or businesses one of which would be the industrial sector, one in the construction sector, one in the service sector of the economy. Require the Department of Workforce Development, by July 1, 2010, to submit an evaluation of the effectiveness of the pilot program to the Legislature.

18. Provide \$500,000 in each of 2001-02 and 2002-03 as a one-time grant to the Town of Swiss in Burnett County and the St. Croix Band of Chippewa for design, engineering and construction of wastewater and drinking water treatment facilities.

19. Provide \$30,000 PR annually in tribal gaming revenues to DNR for a study of crop damage caused by cranes. Funding would be one-time in the 2001-03 biennium only.

20. Provide \$10,000 PR in 2001-02 to DNR for a grant to the Wisconsin Conservation Hall of Fame.

21. Provide \$100,000 PR annually from tribal gaming revenues to the University of Wisconsin-Extension for the multi-agency land and water education grant program for grants to producers interested in grazing and nutrient management. Create an annual appropriation under UW-Extension for this purpose with reversion of unencumbered balance provisions consistent with other tribal gaming revenue appropriations. Prohibit the encumbrance of funds from this appropriation after June 30, 2006.

Grants would be awarded on a competitive basis for innovative educational or conservation practice assessment programs targeted at agricultural producers in the state. Applicants could include, but would not be limited to: (a) conservation districts; (b) state agriculture and natural resource agencies; (c) the Natural Resource Conservation Service; (d) University of Wisconsin; (e) nonprofit organizations; and (f) geographic management unit partner teams.

A project manager could submit multiple proposals but, at most, one proposal per project manager, per funding category, could receive funding during any grant selection cycle.

To be eligible for funding, programs would be required to emphasize education at the local level, focusing on either county, regional or statewide natural resource concerns. Programs would be required to further at least one of the following goals: (a) help agricultural producers identify and understand their natural resource and environmental conditions; or (b) plan, design, implement, operate or maintain conservation practices on agricultural land.

Preference would be given to programs that focus the majority of their educational efforts on the USDA Environmental Quality Incentives Program (EQIP) priority areas. Preference would also be given to programs that target traditionally under-served audiences such as Native American, African American, Asian American, Amish, women or low-income farmers. UW-Extension would establish maximum grant amounts depending on the quantity and content of the proposals and

applications received.

22. Provide \$50,000 PR in 2001-02 for a special counselor grant program. Create an annual appropriation under the Department of Public Instruction (DPI) for this purpose with reversion of unencumbered balance provisions consistent with other tribal gaming revenue appropriations. Require the Department to award grants to entities that serve or border on a reservation, including school boards, boards of control of cooperative educational service agencies, or consortia consisting of at least two educational agencies, or an educational organization. These grants could be used for the cost of employing special counselors to help American Indian pupils adjust to their school districts. Reduce funding for general school aids by \$16,700 GPR in 2001-02 in order to adjust two-thirds funding of partial school revenues.

23. Provide \$250,000 PR in each year of the biennium to the Department of Administration to fund programs at the UW-Green Bay which have been jointly developed by the Oneida Tribe and the UW-Green Bay.

24. Provide \$15,000 PR in 2001-02 to the State Historical Society to fund costs related to identifying unmarked American Indian gravesites at the Power's Bluff County Park in Wood County.

25. Provide \$25,000 PR in 2001-02 to the State Historical Society to provide funding to the Merrill Historical Society for the publication of a native tribal history of the upper Wisconsin river valley.

26. Provide \$250,000 PR annually to fund minority health programs. Specify that this funding would include: (a) a grant of up to \$50,000 PR annually for a private nonprofit corporation to conduct a public information campaign on minority health; and (b) \$200,000 PR annually for grants of up to \$50,000 for minority health programs. Modify the grant program to require recipients to provide a match, which may be provided as in-kind services, totaling at least 50% of the amount of the grant awarded by the state. In addition, provide that organizations that are not federally qualified health centers would receive priority for grants.

27. Delete \$250,000 PR annually and eliminate the compulsive gambling awareness campaign grant program administered by the Department of Health and Family Services.

28. Provide \$100,000 PR annually to the Department of Veterans Affairs to fund operational costs related to the Wisconsin Veterans Museum and create a new appropriation for this purpose funded from tribal gaming revenues. Delete \$100,000 SEG annually for the operation of Wisconsin Veterans Museum.

Note:

[Change to Bill: -\$1,913,600 PR and -\$16,700 GPR and -\$200,000 SEG]

MO#

BURKE	Y	N	A
2 DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS

ADMINISTRATION -- DIVISION OF GAMING

Exclusion of Penalties

Motion:

Move to provide that a person who manufactures, transfers commercially or possesses with intent to transfer commercially, gambling devices to a gaming facility authorized under the Indian Gaming Regulatory Act or otherwise lawful gambling place would be excluded from the current law provision that specifies a person making such transfers is guilty of a Class E felony.

Note:

MO#			
BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	Y	<input checked="" type="radio"/>	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	Y	<input checked="" type="radio"/>	A
HUEBSCH	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 14 NO 2 ABS _____

Senator Burke
Representative Gard
Senator Moore
Senator Welch
Senator Darling
Representative Coggs

TRIBAL GAMING REVENUE ALLOCATIONS

Wisconsin Development Fund--Grant to United Community Center

[LFB Paper #175]

Motion:

Move to require the Department of Commerce to make a grant of \$160,000 in 2001-02 from the Wisconsin Development Fund program revenue repayments appropriation to the United Community Center in Milwaukee.

Note:

The Wisconsin Development Fund (WDF) consists of the following programs: (1) technology development grants and loans; (2) customized labor training grants and loans; (3) major economic development grants and loans; (4) urban early planning grants; (5) Wisconsin trade project; (6) employee ownership assistance grants; (7) manufacturing extension center grants; (8) revolving loan fund capitalization grants; and (9) the rapid response fund. The WDF is funded through both a general purpose revenue (GPR) and a program revenue (PR) appropriation. The GPR appropriation is the primary source of funding for the WDF. Annual base level funding for the program is \$7,503,800 GPR and \$2,500,000 PR.

This motion would require the Department of Commerce to make a grant of \$160,000 in 2001-02 from the Wisconsin Development Fund (WDF) program revenue repayments appropriation [20.143 (1) (ie)] to the United Community Center in Milwaukee.

with whom?
and whether or not
with whom?
with whom?

MO# _____

BURKE	<input checked="" type="radio"/>	N	A
DECKER	Y	<input checked="" type="radio"/>	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
2 GARD	Y	<input checked="" type="radio"/>	A
KAUFERT	Y	<input checked="" type="radio"/>	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	A
HUBER	Y	<input checked="" type="radio"/>	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 12 NO 4 ABS _____

TRIBAL GAMING REVENUE ALLOCATIONS

Aquaculture Facility Prohibition on Sturgeon Introduction

Motion:

Move to prohibit the UW aquaculture facility from introducing commercially bred sturgeon into any naturally occurring body of water in the state of Wisconsin.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 15 NO 1 ABS



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 23, 2001

Joint Committee on Finance

Paper #166

Tribal Gaming Revenue Allocations

Overview of Tribal Gaming Revenue Allocations (DOA -- Division of Gaming)

[LFB 2001-03 Budget Summary: Page 78, #1]

CURRENT LAW

Indian gaming receipts are statutorily defined as moneys received by the state from any of the following: (a) tribal reimbursement for state costs of regulation of Indian gaming under Indian gaming compacts (established under the original compacts at \$350,000 annually); (b) payments by Indian gaming vendors and persons proposing to be Indian gaming vendors as reimbursement for state costs of certification and background investigations; (c) tribal reimbursement for state costs of gaming services and assistance provided by the state at the request of a tribe; and (d) other tribal payments pursuant to an Indian gaming compact.

The Indian gaming receipts program revenue appropriation in the Department of Administration (DOA) receives all state receipts relating to Indian gaming, less the amounts appropriated to DOA for general program operations relating to Indian gaming and the Department of Justice for Indian gaming law enforcement. It is from the Indian gaming receipts appropriation that the allocations are made to various state agencies. In 2000-01, \$22,735,200 is allocated to 12 agencies and 38 program areas.

GOVERNOR

Allocate, from the Indian gaming receipts appropriation in DOA, \$26,268,800 PR in 2001-02 and \$27,598,500 PR in 2002-03 for a variety of purposes (not including regulation and enforcement of Indian gaming). The Governor recommends the allocation of tribal gaming revenues to 14 state agencies in 43 program areas. These allocations are listed in the following table. Footnotes are provided to further clarify the characteristics of each allocation. In most cases, the allocations represent continued funding with tribal gaming revenue of programs

approved in the 1999-01 biennium. Nine allocations (items 2, 7, 9, 10, 23, 24, 26, 30 and 37) are for new purposes not previously funded with tribal gaming revenue. In three instances (items 23, 26 and 37), one-time funding is provided under the bill.

Tribal Gaming Revenue Allocations
Governor

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2001-02</u>	<u>2002-03</u>	
1 Administration--Office of Justice Assistance ¹	\$2,008,400	\$2,008,400	County-tribal and tribal law enforcement assistance grants.
2 Agriculture, Trade and Consumer Protection ²	325,000	485,000	Agricultural development and diversification grants.
3 Arts Board ³	25,200	25,200	Grants-in-aid to, or contracts with, American Indian individuals or groups for services furthering the development of the arts and humanities.
4 Commerce ³	25,000	25,000	American Indian liaison, economic development liaison grants and technical assistance.
5 Commerce ¹	199,500	199,500	American Indian economic liaison and gaming grants specialist and program marketing.
6 Commerce ¹	90,000	94,000	American Indian economic development technical assistance grants.
7 Commerce ²	300,000	300,000	Business employees' skills training grants.
8 Commerce ¹	2,388,700	3,388,700	Gaming economic development and diversification grants and loans.
9 Commerce ²	100,000	200,000	Aids to Forward Wisconsin, Inc., for business recruitment.
10 Commerce ²	1,000,000	1,000,000	Manufacturing extension center grants.
11 Commerce ¹	428,700	468,700	Physician and Dentist Loan Assistance Program and Health Care Provider Loan Assistance Program and a related contract.
12 Health and Family Services ³	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
13 Health and Family Services ³	250,000	250,000	Compulsive gambling awareness campaign grants.
14 Health and Family Services ³	120,000	120,000	Cooperative American Indian health projects.
15 Health and Family Services ³	271,600	271,600	Indian aids for social and mental hygiene services.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2001-02</u>	<u>2002-03</u>	
16 Health and Family Services ³	\$500,000	\$500,000	Indian substance abuse prevention education.
18 Health and Family Services ³	800,000	800,000	Health services: tribal medical relief block grants.
19 Higher Education Aids Board ¹	779,800	787,600	Indian student assistance grant program for American Indian undergraduate or graduate students.
20 Higher Education Aids Board ¹	400,000	404,000	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
21 Historical Society ³	189,800	189,800	Northern Great Lakes Center operations funding.
22 Natural Resources ⁴	2,500,000	2,500,000	Transfer to the fish and wildlife account of the conservation fund.
23 Natural Resources ⁵	1,000,000	718,000	One-time transfer to the parks account of the conservation fund.
24 Natural Resources ²	166,000	157,900	Deer population management.
25 Natural Resources ¹	200,600	200,600	Management of an elk reintroduction program.
26 Natural Resources ⁵	500,000	2,500,000	One-time transfer to the environmental fund for brownfields efforts.
27 Natural Resources ³	114,500	114,500	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
28 Natural Resources ³	100,000	100,000	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
29 Natural Resources ³	120,000	120,000	Nonpoint grants and local assistance to the Oneida Nation.
30 Natural Resources ²	100,000	100,000	Law enforcement aids to counties for snowmobile enforcement.
31 Natural Resources ³	813,900	817,900	State snowmobile enforcement program, safety training and fatality reporting.
32 Natural Resources ³	44,700	44,700	Reintroduction of whooping cranes.
33 Public Instruction ¹	220,000	220,000	Aid to alternative schools operating American Indian language and culture education programs.
34 Shared Revenue ³	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. No allocations would be made in the 2001-03 biennium.
35 Tourism ¹	126,500	126,500	Tourist information assistant.

Department	Program Revenue		Purpose
	2001-02	2002-03	
36 Tourism ³	\$3,969,500	\$3,969,500	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
37 Transportation ²	3,500,000	1,500,000	One-time funding for grants to the City of Milwaukee for the reconstruction of West Canal Street.
38 University of Wisconsin System ³	0	0	Ashland full-scale aquaculture demonstration facility debt service payments. (No funding is provided in the 2001-03 biennium.)
39 University of Wisconsin System ¹	0	300,000	Ashland full-scale aquaculture demonstration facility operational costs.
40 Veterans Affairs ¹	15,000	15,000	Grants to assist American Indians in obtaining federal and state veterans benefits.
41 Veterans Affairs ³	56,400	56,400	American Indian services veterans benefits coordinator position.
42 Workforce Development ³	600,000	600,000	Work-Based Learning Board grants for work-based learning programs.
43 Workforce Development ³	<u>350,000</u>	<u>350,000</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Total Allocations	\$26,268,800	\$27,598,500	

¹Base funding is modified under the bill and a more detailed description of the provision can be found in the budget summaries for this agency.

²Allocates revenue for a new purpose, not previously funded from tribal gaming revenue. A more detailed description of the provision can be found in the budget summaries for this agency.

³Base funding is unchanged or modified by standard budget adjustments only. No additional description of the item is provided in the budget summaries for this agency.

⁴Same annual transfer amount as provided in the 1999-01 biennium. No additional description of the item is provided in the budget summaries for this agency.

⁵New, one-time transfer of revenue. A more detailed description of the provision can be found in the budget summaries for this agency.

DISCUSSION POINTS

1. Indian gaming receipts derive primarily from tribal payments to the state under the amended state-tribal gaming compacts. Under the amendments, signed in 1998 and 1999, each tribe

has agreed to make additional annual payments to the state, not required under the original compacts, over a five-year period. The amounts vary by tribe and reflect the variation in total net revenue among the tribes.

2. The additional revenue provided to the state totaled \$21.5 million in 1999-00 and the amounts due total \$24.0 million in 2000-01 and 2001-02, and \$24.5 million in 2002-03. The following table shows the additional state revenue from tribal gaming, by tribe or band, for fiscal years 1998-99 through 2003-04.

<u>Tribe or Band</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Bad River	\$172,500	\$230,000	\$230,000	\$230,000	\$230,000	\$57,500
Ho-Chunk	0	6,500,000	7,500,000	7,500,000	8,000,000	8,000,000
Lac Courte Oreilles	0	420,000	420,000	420,000	420,000	420,000
Lac du Flambeau	0	0	738,900	738,900	738,900	738,900
Menominee	0	186,843	747,371	747,371	747,371	747,371
Oneida	0	4,850,000	4,850,000	4,850,000	4,850,000	4,850,000
Potawatomi	0	6,375,000	6,375,000	6,375,000	6,375,000	6,375,000
Red Cliff	0	64,685	64,685	64,685	64,685	64,685
Sokaogon	0	258,000	258,000	258,000	258,000	258,000
St. Croix	0	2,191,000	2,191,000	2,191,000	2,191,000	2,191,000
Stockbridge-Munsee	0	650,000	650,000	650,000	650,000	650,000
Total	\$172,500	\$21,725,528	\$24,024,956	\$24,024,956	\$24,524,956	\$24,352,456

3. Nine of the 11 amended agreements contain government-to-government memoranda of understanding (MOU) relating to the use of the additional payments. While the MOU have some significant differences, their most important common element is a provision that the Governor must undertake his best efforts, within the scope of his authority, to assure that monies paid to the state under the agreements are expended for specific purposes. In most of the MOU, the specified purposes include: (a) economic development initiatives to benefit tribes and/or American Indians within Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located. Several of the MOU add a fifth purpose relating to either law enforcement or public safety initiatives on the reservations.

4. Under two of the MOU, the purposes for spending are geographically specific. Under the Red Cliff Band MOU, one purpose specifies economic development initiatives in Red Cliff and regions around Red Cliff, rather than in regions around casinos. In addition, the Red Cliff tourism provision specifies promotion of tourism within the northwest region of the state. Under the Potawatomi MOU, the Governor agrees to undertake his best efforts to assure that the Potawatomi monies paid to the state are expended in Milwaukee and Forest Counties, for the purposes specified.

5. Two of the amended compact agreements, those of the Ho-Chunk and the Lac du Flambeau, do not include MOU on government-to-government matters. The Ho-Chunk and Lac du Flambeau are silent on the issue of how the state utilizes the tribal gaming revenue. The payments due from these two tribes total \$8.2 million in 2001-02 and \$8.7 million in 2002-03.

6. While the allocations proposed under the bill (\$26.3 million in 2001-02 and \$27.6 million in 2002-03) exceed projected revenues (\$24.0 million in 2001-02 and \$24.5 million in 2002-03), the Governor estimates a positive closing balance of \$49,500 in the Indian gaming receipts appropriation on June 30, 2003. This balance is based on: (a) an estimate of the 2001-02 opening balance in the Indian gaming receipts appropriation; and (b) a proposal under the bill to have unencumbered balances from the various tribal gaming revenue appropriations revert to the Indian gaming receipts appropriation. An issue paper (Paper # 167) has been prepared on the proposal to revert unencumbered balances. In this paper, the closing balance in the Indian gaming receipts appropriation on June 30, 2003, is reestimated at -\$2,083,500. In its deliberations, the Committee will need to balance tribal gaming expenditures with projected revenues.

7. As shown in the footnotes to the table which began on page 2, the proposed allocations under the bill fall into five categories. These categories and the allocations for which issue papers have been prepared are described as follows. The item numbers refer to the table of tribal gaming revenue allocations above.

a. *Allocation that modifies base funding, exclusive of standard budget adjustments.* In the case of 12 proposed allocations (items 1, 5, 6, 8, 11, 19, 20, 25, 33, 35, 39 and 40 in the table), base funding is modified, apart from standard budget adjustments, and the modifications are described in the budget summaries for the respective agencies. The following issue papers relating to allocations in this category have been prepared:

<u>Item</u>	<u>Subject (Issue Paper #)</u>
1	Administration: county and tribal law enforcement assistance grants (Paper #169).
5&6	Commerce: economic development, technical assistance and liaison grants (Paper #176).
8	Commerce: economic development and diversification grants and loans (Paper #174).
11	Commerce: Medical provider loan assistance programs (Paper #178).
25	Natural Resources: Management of Elk Reintroduction Program (Paper #180)
35	Tourism: information assistant (Paper #170).
39	University of Wisconsin System: Ashland aquaculture demonstration facility operational costs (Paper #172).

b. *Allocation of revenue for a new purpose.* Seven of the proposed allocations (items 2, 7, 9, 10, 24, 30 and 37) are for new purposes not previously funded from tribal gaming revenue. The allocations are described in the budget summaries for the respective agencies. Issue papers have been prepared for each of these, as follows:

<u>Item</u>	<u>Subject (Issue Paper #)</u>
2	DATCP: agricultural diversification; research and development grants (Paper #173).
7	Commerce: business employees' skills training grants (Paper #175).
9	Commerce: aids to Forward Wisconsin, Inc. (Paper #177).
10	Commerce: manufacturing extension center grants (Paper #175).
24	Natural Resources: deer population management (Paper #179).
30	Natural Resources: law enforcement aids to counties for snowmobile enforcement (Paper #181).
37	Transportation: grants for reconstruction of West Canal Street (Paper #171).

c. *Continued base funding or standard budget adjustments only.* For 21 proposed allocations (items 3, 4, 12 thru 18, 21, 27 thru 29, 31, 32, 34, 36, 38, and 41 thru 43) base funding provided under current law is continued without modification or modified by standard budget adjustments only. As a result, no additional descriptions of these items are provided in the budget summaries for the respective agencies. One issue paper relating to these allocations has been prepared:

<u>Item</u>	<u>Subject (Issue Paper #)</u>
4	Commerce: economic development, technical assistance and liaison grants (Paper #176).

d. *Continued annual transfer to segregated fund.* One allocation (item 22) would continue annual transfers to the fish and wildlife account of the conservation fund. No description of this item is provided in the budget summary and no issue paper has been prepared.

e. *New, one-time transfers to segregated funds.* Two allocations (items 23 and 26) would make new, one-time transfers to the parks account of the conservation fund and to the environmental fund for brownfields efforts. The allocations are described in the budget summaries for the Department of Natural Resources and the following issue papers have been prepared:

<u>Item</u>	<u>Subject (Issue Paper #)</u>
23	Natural Resources: transfer to the parks account of the conservation fund (Paper #182).
26	Natural Resources: transfer to environmental fund for brownfields efforts (Paper #183).

In addition to these papers, one paper has been prepared on an item that was funded in the 1999-01 biennium, but is not funded under the bill. This paper concerns a management assistance grant program for Menominee County that was provided \$500,000 annually in the 1999-01 biennium.

Item Subject (Issue Paper #)

- Administration: management assistance grant program (Paper #168).

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