

\$1,511,300 in 1998-99 for debt service costs for repayment of additional funds to be borrowed in order to permit an annual \$15 million personal loan expenditure level.

2. PAYMENT OF DECEASED VETERANS' LOAN OBLIGATIONS

Create a provision which would provide that for any veteran who has obtained a personal loan, consumer loan or other loan under s. 45.356 before, on or after the effective date of the budget, and who dies after the effective date before completing repayment of the loan, the veteran's obligation to complete repayment of the loan is limited to the extent of the amount of funds in the veteran's estate. Provide that DVA shall issue a satisfaction of any security instrument executed in connection with the loan and write off the balance of the principal, interest and costs due on the loan on the date that DVA receives notice that the veteran has died without leaving any estate or upon receipt of the total amount of money in the veteran's estate not exceeding the balance remaining on the loan. Further, require DVA, upon receipt of an application for a refund, to refund to the payer or heirs, executor or administrator, from the appropriation funding the personal loan program, any payments made on the loan after the date that DVA receives the notice that the veteran has died without leaving any estate or after the date that DVA receives the total amount of money, not exceeding the balance remaining on the loan, in the veteran's estate.

3. VETERANS TRUST FUND -- GRANTS TO VETERANS -- TUITION FEE REIMBURSEMENT GRANT PROGRAM

	Chg. to JFC
SEG	\$550,400

Provide \$337,500 in 1997-98 and \$212,900 in 1998-99 for expansion of the tuition and fee reimbursement program to allow veterans who complete a course within ten years of their discharge to be eligible for the tuition fee reimbursement grant program (current eligibility is limited to within six years of the date of discharge). This provision would first apply to courses completed on or after the effective date of the bill.

4. RETRAINING GRANT PROGRAM INCOME LIMITS

Delete the Joint Finance provision which would statutorily provide that to be eligible for the retraining grant program an applicant's annual income may not exceed \$36,600 (plus an additional \$500 allowed for each dependent in excess of two). Current administrative rules provide that to be eligible for this program an applicant's annual income may not exceed the income limits established for the economic assistance loan. The economic assistance loan program statutorily provides that an applicant's annual income may not exceed \$36,600 (plus an additional \$500 allowed for each

dependent in excess of two). Under the Joint Finance substitute amendment, the economic assistance loan would be repealed, therefore the income limit in the current administrative rule would no longer apply. DVA could, but would not be required to, establish an income limit for eligibility for the program. The Joint Finance provision which would be eliminated under this amendment would have provided that the current income limit for the program be placed in statute.

5. VETERANS HOME -- NURSING CARE STAFF

Include a session law provision allowing DVA to designate 2.0 of the nursing care staff positions provided under the substitute amendment as 1.0 nurse practitioner and 1.0 nurse supervisor positions. The substitute provides a total of 10.0 additional positions beginning in 1997-98 (5 nurse clinicians, 1 program assistant and 4 nurse assistants) and another 5.0 positions beginning in 1998-99 (1 nurse clinician and 4 nurse assistants). Under this provision, DVA would have the authority to reallocate two of the above positions to be 1.0 nurse practitioner and 1.0 nurse supervisor positions.

HEALTH AND FAMILY SERVICES

HEALTH AND FAMILY SERVICES

Departmentwide and Care and Treatment Facilities

1. CONSOLIDATION OF THE STATE CENTERS FOR THE DEVELOPMENTALLY DISABLED

Delete all provisions in SSA 1 to SB 77 relating to the creation of a five-member, bipartisan Committee to develop and recommend a plan for the consolidation of the three state centers for the developmentally disabled. Under SSA 1 to SB 77, any recommendation of the Committee would be binding on DHFS, unless, within 60 days following the submission of the plan, the plan is rejected by a Joint Resolution of the Assembly and the Senate.

2. NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS

Delete all provisions in the substitute amendment that relate to nondiscrimination against religious organizations that apply for DHFS contracts and grants. These provisions are similar to federal provisions created in recent federal welfare reform legislation (P.L. 104-193).

3. MILWAUKEE CHILD WELFARE AND W-2 LIAISON POSITION

	Chg. to JFC
PR	- \$212,100

Reduce funding by \$104,000 in 1997-98 and \$108,100 in 1998-99 to delete 1.0 unclassified position that would be provided in SSA 1 to SB 77 to coordinate the implementation of the Wisconsin Works program with the state's assumption of the Milwaukee County child welfare system to ensure that both programs interact effectively. The funding used to support this position would be transferred from DWD from TANF block grant funds.

Medical Assistance

1. NONINSTITUTIONAL AND INPATIENT HOSPITAL MA RATES

	Chg. to JFC
GPR	- \$4,756,400
FED	- \$6,751,400
Total	- \$11,507,800

Reduce MA benefits funding by \$1,518,300 GPR and \$2,173,900 FED in 1997-98 and \$3,101,400 GPR and \$4,393,800 FED in 1998-99 to reflect that MA non-institutional services would receive a 1% rate increase in each year. SSA 1 to SB 77 provides funding to support a 5% rate increase in each year for dental services and a 2% rate increase in each year for all other non-institutional services. In addition, decrease MA benefits funding by \$46,300 GPR and \$53,500 FED in 1997-98 and \$90,400 GPR and \$130,200 FED in 1998-99 in order to reduce the funding available for inpatient hospital rate increases.

2. SPOUSAL IMPOVERISHMENT

	Chg. to JFC
GPR	\$1,800,000
FED	2,579,400
Total	\$4,379,400

Provide \$1,800,000 GPR and \$2,579,400 FED in 1998-99 to increase, to the maximum amounts allowed under federal law, income and assets that may be retained by a spouse who resides in the community when the other spouse becomes eligible for MA in a nursing home or under home- and community-based waiver programs, effective January 1, 1999.

Under current law, the monthly income allowance is equal to 200% of the federal poverty level, or \$1,727 per month for calendar year 1997, while the asset limit is \$50,000 or one-half of the couple's combined assets, but no higher than the federal maximum asset limit. The federal maximum income allowance for 1997 is \$1,976 per month and the federal maximum asset limit is \$79,020.

* ~~3. MA COPAYMENTS~~

	Chg. to JFC
GPR	\$1,016,700
FED	1,453,400
Total	\$2,469,100

~~Increase MA benefits funding by \$337,900 GPR and \$485,100 FED in 1997-98 and \$677,800 GPR and \$968,300 FED in 1998-99 and delete provisions in SSA 1 to SB 77 that would: (a) increase existing copayments for certain MA services to the maximum level permitted under federal law; and (b) create a copayment for free standing ambulatory surgery centers and specialized medical vehicle (SMV) transportation.~~

4. TERMINATION OF MA BENEFITS

Provide \$853,900 GPR and \$1,209,400 FED in 1998-99 to restore funding that would be deleted in SSA 1 to SB 77 to reflect the projected cost savings of terminating MA eligibility for certain MA recipients ten days after recipients' eligibility determinations are completed, beginning in 1998-99. Consequently, recipients would continue to retain MA eligibility through the end of the month after which they have received ten days notice of termination of their benefits, as under current practice. Federal law requires that termination of MA benefits take effect no earlier than 10 days after the date the MA agency mails a termination notice.

	Chg. to JFC
GPR	\$853,900
FED	1,209,400
Total	\$2,063,300

5. MA FAMILY PLANNING

Provide \$460,200 GPR and \$4,141,800 FED in 1998-99 to support an expansion of MA family planning services to women aged 15 through 44 who live in families with income below 185% of the federal poverty level (FPL). Direct DHFS to develop a demonstration project to expand access to family planning services currently covered under the MA program to all women between the ages of 15 and 44 who live in families with income below 185% of the FPL. Direct DHFS to seek approval of an MA demonstration waiver from the U.S. Department of Health and Human Services, Health Care Financing Administration (HCFA) to implement this project. Specify, that if the waiver is granted, DHFS would begin conducting the project no later than July 1, 1998, or the date on which the waiver is granted, whichever is later.

	Chg. to JFC
GPR	\$460,200
FED	4,141,800
Total	\$4,602,000

SSA 1 to SB 77 directs DHFS to develop a proposal to expand access to family planning services currently covered under the MA program to all women between the ages of 15 and 44 who live in families with income below 185% of the FPL. DHFS is directed to seek approval, by January 1, 1998, of a demonstration waiver from HCFA to implement this proposal. The substitute amendment specifies that if DHFS receives approval of the demonstration proposal, DHFS would submit legislation authorizing the implementation of this proposal to the appropriate standing committee of the Senate and Assembly.

6. EMERGENCY MEDICAL SERVICES (EMS) RATES

Decrease MA benefits funding by \$430,800 GPR and \$610,300 FED in 1998-99 to reflect the elimination of an advanced life support (ALS) reimbursement rate for ambulance providers that would have been

	Chg. to JFC
GPR	- \$430,800
FED	- 610,300
Total	- \$1,041,100

created under the substitute amendment. The ALS reimbursement rate would have been 120% of the basic life support (BLS) rate, beginning in 1998-99. Currently, the MA reimbursement rate for ambulance providers is composed of the BLS rate and a per mile rate.

ALS services are provided by intermediate or advanced emergency medical technicians (EMTs). An intermediate or advanced EMT possesses the skills of a basic EMT, but may also administer intravenous infusion, gastric and endotracheal intubation and draw blood samples.

7. TREATMENT OF NURSING HOME INTEREST EXPENSES FOR MA REIMBURSEMENT

	Chg. to JFC
GPR	\$246,800
FED	351,500
Total	\$598,300

Provide \$123,400 GPR and \$176,700 FED in 1997-98 and \$123,400 GPR and \$174,800 FED in 1998-99 to reflect increased MA provider reimbursements that would result by changing the calculation of interest expenses of nursing homes and community-based residential facilities to exclude certain interest income of affiliated entities that are providers of continuing care contracts.

Specify that, in calculating MA reimbursement, the allowable interest expense of a facility may not be reduced by interest income of an affiliated entity that is attributable to a continuing care contract if all of the following conditions are met: (a) the interest income is earned on entrance fees of persons entering into continuing care contracts; (b) the provider of services under the continuing care contract accounts separately from other funds of the provider for assets related to, and interest earned on, the entrance fees, although this provision would not prevent commingling of assets related to the continuing care contract for investment purposes; (c) the continuing care contract includes nursing home services; (d) the facility provides to DHFS annually a list of all individuals who have been admitted to the facility and who have entered into a continuing care contract with the affiliated entity; and (e) no individual who has been admitted to the facility and who has entered into a continuing care contract with the affiliated entity has had his or her care in the facility reimbursed by MA in the most recent year for which the list under (d) was prepared or in the three preceding years.

8. TRANSPORTATION SERVICES

	Chg. to JFC
GPR	- \$63,000

Delete \$63,000 in 1997-98 to eliminate funding provided in SSA 1 to SB 77 to reimburse providers of transportation services for repayments of medical assistance overpayments that were made between January 1, 1992, and May 14, 1993, in situations where: (a) the provider's private pay rate was less than the usual medical assistance rate; and (b) the provider's private pay billings for a year were less than 10% of the total billing for that year.

* **9. ~~HMO COVERAGE OF DENTAL SERVICES~~**

~~Direct DHFS to exclude dental services from the benefit package provided by HMOs. Instead, direct DHFS to contract with a dental managed care organization for the provision of dental services for all MA HMO enrollees. Direct DHFS, if necessary, to seek a waiver from the U.S. Department of Health and Human Services, Health Care Financing Administration to implement this provision. Direct DHFS, if the waiver is granted and in effect or if the waiver is unnecessary, to provide these services through a dental managed care organization beginning January 1, 1998.~~

~~Delete provisions in SSA 1 to SB 77 that would direct DHFS, in consultation with the Wisconsin Dental Association, to develop a pilot project for the provision of MA dental services under a managed care system in Ashland, Douglas, Bayfield and Iron Counties.~~

10. MINIMUM OCCUPANCY STANDARD

Require DHFS, in applying the 91% occupancy standard under the MA nursing home formula, to use a facility's highest occupancy rate over the most recently completed three-year period, rather than a three-year average. Under the minimum occupancy standard, if a nursing home is below 91% occupancy, its nursing home payment is reduced proportional to the amount it is below 91%.

11. DELICENSING NURSING HOME BEDS

Modify provisions in SSA 1 to SB 77 relating to delicensing of nursing home beds for facilities that have entered into contracts that prohibit the facility from reducing its licensed bed capacity by: (a) requiring these facilities to delicense beds between the period January 1, 1997, and October 1, 1997, to utilize the exemption from the 10% annual reduction to licensed bed capacity when beds are delicensed; (b) allowing facilities that have entered into contracts, which prohibit reductions to licensed bed capacity, prior to January 1, 1997, rather than January 1, 1996, to utilize the special exemption from the 10% annual reduction; and (c) eliminating the provision that would have imposed retroactive MA payment reductions for periods that a facility utilized the exemption to the 10% reduction if such a facility later resumed licensure of delicensed beds.

12. RESUMPTION OF DELICENSED NURSING HOME BEDS

Modify the nursing home bed delicensing provisions in SSA 1 to SB 77 by allowing a nursing home to resume licensure of delicensed beds 12 months after the nursing home has notified DHFS, rather than 18 months following notification, as provided under SSA 1 to SB 77.

Health

1. HEALTHY KIDS PROGRAM

Create a Healthy Kids Board that would provide preventive health care services and comprehensive insurance benefits, as follows.

Healthy Kids Board. Create a Healthy Kids Board, attached to DHFS for administrative purposes, that would consist of the following nine members: (1) the Commissioner of Insurance, or his or her designee; (2) two members of the Senate, one from the majority party and one from the minority party, appointed in the same manner as are members of standing committees in the Senate; (3) two members of the Assembly, one from the majority party and one from the minority party, appointed in the same manner as are members of standing committees in the Assembly; (4) a pediatrician; (5) a representative of the State Medical Society (SMS) of Wisconsin; (6) a representative of the health care insurance industry; and (7) a representative of the Wisconsin Hospital Association (WHA). The pediatrician and representatives of the SMS, WHA and health care insurance industry would be nominated by the Governor and appointed with the advice and consent of the Senate. Board members would serve for four-year terms. However, the initial term for the legislative members and the pediatrician would expire on May 1, 1999 and on May 1, 2001 for all other members, excluding the Commissioner of Insurance or his or her designee.

Board Responsibilities. Require the Board to develop administrative and accounting procedures necessary to provide the healthy kids program and, in consultation with appropriate professional organizations, promulgate rules that establish the following: (a) a sliding scale for the payment of premiums under the program; (b) standards for preventative health services and comprehensive insurance benefits that would be provided under the program; (c) standards for service providers and authorized insurers providing services or insurance benefits under the program; and (d) a procedure for review of grievances under the program.

In addition, require the Board to: (a) contract with authorized insurers and providers of preventive care services to provide insurance and services under the program; (b) develop and implement a plan to publicize the program and the eligibility requirements and enrollment procedures; (c) by July 1, 1998 and annually thereafter, provide a report to the Legislature and the Governor describing the Board's activities and its effort to implement the program.

Components of the Healthy Kids Program. Require the Board to offer a healthy kids program that includes all of the following components:

- *Coverage.* The provision of preventative health care services and comprehensive insurance benefits to children. The Board would offer the program to eligible children residing in certain school districts no later than June 30, 2000, and to all eligible children no later than June 30, 2001. In selecting school districts to offer services prior to June 30, 2000, the Board would select sufficient school districts to cover at least 50% of all eligible children in the state.

- *Family and Employer Premiums.* Payments of premiums by the family of an eligible child or by the employer of a family member of an eligible child. These premiums would be based on a sliding scale that coincides with the sliding scale used for free or reduced price lunches under federal law.

- *Funding.* The program would be funded from the following sources: (a) family and employer premiums; (b) contributions from non-state sources; and (c) state general purpose revenue. DHFS would also be directed to apply for any federal block grants for which the healthy kids program may be eligible.

Create an annual GPR appropriation for the healthy kids program and a continuing PR appropriation for premiums and contributions that would be collected under the program. Specify that the Board would seek to fund the program so that family premiums accounted for 30% of program costs and that contributions from non-state sources would fund 5% of the program costs in 1999-2000, 10% of the program costs in 2000-01, 15% of the program costs in 2001-02 and 20% of the program costs in 2002-03. The remainder of the program costs in each year would be supported with GPR.

Provide a nonrecurring revenue limit exemption equal to the amount the school district would contribute to the healthy kids program. This provision would allow a school district to increase spending related to this program without having to offset the increase with a corresponding decrease in base expenditures.

Program Eligibility. Specify that participation in the program would be voluntary and that the Board would establish open enrollment periods during which any eligible child could enroll in the program. Provide that in order for a child to enroll in the program, the child must: (a) reside in the state; (b) be ineligible for medical assistance (MA), medicare or any other comparable government-sponsored health benefits program; (c) be age 19 years or younger; and (d) be either enrolled in a public or private school ~~or in an active educational program~~ in a school district in which the healthy kids program is operational or be a preschool child who is a sibling of a child who is eligible for the program. Children in home schools who are not enrolled in a public or private school would not be eligible. Beginning January 2000, DHFS would compare records of MA recipients with the enrollment records of the healthy kids program every six months, to verify eligibility for the healthy kids program.

Provide that an eligible child who did not enroll in the program during an open enrollment period because he or she had other health insurance or was eligible for a government-sponsored health program could enroll in the program at a time other than during an open enrollment period, upon submitting proof that the child's other health insurance was involuntarily terminated. Further, if a child enrolls in a public or private school ~~or active education program~~ after an open enrollment period for the healthy kids program, the child may enroll in the healthy kids program within 30 days following enrollment in ~~public school or an active education program.~~

Coordination of Benefits. Specify that coverage under this program does not include coverage for any health care services or items that are payable under any other insurance policy or self-insured plan. The Board would establish procedures for the coordination of benefits under this program with benefits under other types of health care insurance coverage.

Study on Healthy Kids Program. Request the Joint Legislative Council to conduct a study, after full implementation of the program, to determine how many and what percentage of children who reside in the state and who are 19 years of age or younger have no health insurance or other health care coverage. If the Joint Legislative Council conducts the study, it would report its findings, conclusions and recommendations to the Legislature within 12 months after full implementation of the program.

2. TOBACCO EDUCATION PROGRAM

	Chg. to JFC
GPR	\$1,000,000

Provide \$500,000 annually to support a tobacco education grant program. Specify that DHFS would award grants to school districts to expand and implement curricula on tobacco education. Funding for the grant program would be placed in unallotted reserve, subject to release to DHFS if the Department submits to the Joint Finance Committee a detailed plan for the program under a 14-day passive review.

3. MILWAUKEE WOMEN AND INFANTS PROJECT

Provide \$230,000 annually to support the Milwaukee healthy women and infants project (MHWIP).

Chg. to JFC	
GPR	\$560,000

The MHWIP is part of the federal healthy start initiative which aims to reduce infant mortality and improve the health and well-being of women, children and families. MHWIP's objective is to reduce infant mortality in the City of Milwaukee by providing prenatal care, infant care and other services for insured and underinsured women of childbearing age and their infants.

* **4. MINORITY HEALTH BOARD**

Provide ~~\$468,100 in 1997-98~~ and \$496,000 in 1998-99 to create a Minority Health Board as a separate, independent state agency. Funding would be provided to support: (a) grants of up to \$50,000 to improve the health of economically disadvantaged minority groups (\$300,000 ~~annually in 1998-99~~); and (b) the operations of the Board, including support for 3.5 FTE positions, beginning in ~~1997-98~~ 1998-99.

Chg. to JFC Funding Positions		
GPR	\$964,100	3.50
	\$496,000	

Board Membership. Specify that the Board would consist of the following members: (a) one nonvoting member appointed by the President of the Senate; (b) one nonvoting member appointed by the Speaker of the Assembly; (c) one nonvoting member appointed by the Secretary of DHFS or his or her designee; and (d) eleven voting members, appointed by the Governor with the advise and consent of the Senate, at least six of whom are members of minority groups, who are state residents who have a demonstrated professional and personal interest in problems of the health of minority persons. In addition, to the extent practicable, the eleven voting members would be selected to include: (a) a reasonably equitable representation of urban and rural communities and a reasonably equitable representation with respect to gender; and (b) the recommendations of statewide or local nonprofit organizations that represent the health interests of minority group members, including the Wisconsin Indian tribes and the Great Lakes Inter-tribal Council. Members of the Board would be appointed for staggered three-year terms.

Board Responsibilities. Specify that the Board would do all of the following: (a) identify the barriers to health care that prevent economically disadvantaged minority group members in this state from participating fully and equally in all aspects of life; (b) conduct statewide hearings on issues of concern to the health interests of economically disadvantaged minority group members; (c) review, monitor and advise all state agencies with respect to the impact on the health of economically disadvantaged minority group members of current and emerging state policies, procedures, practices,

statutes and rules; (d) work closely with all state agencies, including the UW-System and the technical college system, with the private sector and with groups concerned with issues of the health economically disadvantaged minority group members to develop long-term solutions to health problems of minority group members; (e) disseminate information on the status of the health of economically disadvantaged minority group members in this state; (f) encourage economically disadvantaged minority group members who are students to enter careers in health care professions, by developing materials to promote health care professions as careers that are culturally sensitive and appropriate, for use by the UW System, the technical college system and the Medical College of Wisconsin; and (g) submit a biennial report on the activities of the Board to the Governor and the appropriate standing committees.

Board Authority. Authorize, but not require, the Board to accept gifts, grants, bequests and devisees and to contract with any state agency to carry out the activities of the Board. Specify that at the request of the Board, representatives of any state agencies would be required to: (a) provide information on program policies, procedures, practices and services affecting the health status of economically disadvantaged minority group members; (b) present recommendations to the Board; (c) attend meetings and provide staff assistance needed by the Board; and (d) inform the state agency's appointing authority of issues concerning the Board.

Grant Funding. Provide \$300,000 ~~annually~~ in 1998-99 for the Board to distribute as grants for activities to improve the health status of economically disadvantaged minority group members. Limit grant amounts to \$50,000, and specify that a grant may not exceed 85% of the project costs. Specify that an applicant's required 15% contribution may consist of funding or an in-kind contribution.

Definitions. Create provisions to define terms. For example, define a "minority group member" to include African Americans, American Indians, Hispanic persons and Asian persons. Define "economically disadvantaged" as having income that is at or below 125% of the federal poverty line.

Appropriation Structure. Create eight appropriations for the Board, including: (a) general program operations; (b) grants to improve health status of minority group members; (c) gifts and grants; (d) interagency and intra-agency aids and local assistance; and (e) federal program operations, aids and local assistance.

5. PRIMARY HEALTH CARE SERVICE GRANTS

	Chg. to JFC
GPR	\$375,000

Delete provisions in SSA 1 to SB 77 that would repeal the primary health care grant program. Instead, modify the current program by: (a) providing \$125,000 in 1997-98 and \$250,000 in 1998-99; and (b) requiring DHFS to award the

grants, beginning in calendar year 1998, in amounts up to \$50,000 on a competitive basis for the provision of primary health care services.

6. ABORTION PUBLICATIONS

Delete \$100,000 annually that would be provided in SSA 1 to SB 77 to support the costs of the production and distribution of abortion publications.

	Chg. to JFC
GPR	- \$200,000

Provisions of 1995 Wisconsin Act 309 specify that certain materials must be made available to women prior to the performance of an abortion. Act 309 requires DHFS to publish and distribute geographically indexed materials that inform a woman about public and private agencies, including adoption agencies, and services that are available to a woman who is continuing her pregnancy. In addition, DHFS is required to publish materials, including photographs, pictures and drawings, that are designed to inform a woman of the probable anatomical and physiological characteristics of the unborn child at certain increments of her pregnancy. Consequently, the amendment would require DHFS to absorb the costs of developing and printing these materials within its current budget.

7. WIC FARMER'S MARKET NUTRITION PROGRAM

Provide \$37,200 annually in 1997-99 to support the costs of increasing the farmer's market nutrition program food package from \$15 to \$20, beginning with the 1998 farmer's market season. This program permits WIC recipients to purchase produce from authorized farmer's markets.

	Chg. to JFC
GPR	\$74,400

8. HIV STATEWIDE PREVENTION PLAN

Provide \$25,000 annually to support grants to nonprofit corporations and public agencies to implement a statewide, comprehensive HIV prevention plan. Currently, DHFS awards up to \$75,000 FED annually as competitive grants to nonprofit corporations and public agencies for services to prevent HIV.

	Chg. to JFC
GPR	\$50,000

* 9. ~~PREVENTION OF SMOKING BY MINORS~~

~~Incorporate selected provisions relating to smoking and minors, as follows:~~

~~**Increase Penalties for Sales to Minors.** Increase penalties for persons who sell or give away tobacco products to minors as follows: (a) for persons who had not committed a violation within the previous 30 months, a fine of up to \$500; (b) for persons who had committed a violation within the previous 30 months, a fine of up to \$500 or imprisonment for not more than 30 days, or both; (c) for persons who had two or more previous violations, a fine of up to \$1,000 or imprisonment for not more than 90 days, or both; and (d) for persons who had committed three or more previous violations, a fine of up to \$10,000 or imprisonment for not more than nine months, or both. Specify that the time period for counting previous violations for these penalties would be 30 months.~~

~~Under current state law, a court may require a person who sells or gives away tobacco products to minors to pay forfeitures, and may suspend the violator's license or permit to manufacture, sell or distribute tobacco products for a period of up to 30 days. The amount of the forfeiture and the period of the suspension are based on the number of previous violations, if any.~~

~~**Possession of Tobacco Products by Minors.** Establish the following dispositions for a minor who buys or attempts to buy any tobacco product, falsely represents his or her age for the purpose of receiving any tobacco product or possesses any tobacco product as follows:~~

~~1. For a first violation, a forfeiture of not more than \$50, participation in a supervised work program or other community service work, or attendance at a course relating to the health risks associated with the use of tobacco products.~~

~~2. For a violation committed within 12 months after a previous violation, a forfeiture of not less than \$100 and not more than \$200, participation in a supervised work program or other community service work, or attendance at a course relating to the health risks associated with the use of tobacco products.~~

~~Specify that certain court procedures, parental notification requirements, and penalties for failure to pay court imposed fines that currently relate to juveniles who have engaged in underage drinking would also apply to juveniles who violate provisions relating to possession of tobacco products.~~

~~Specify that the courts would set the standards for the supervised work program. The supervised work program could provide individuals with reasonable compensation reflecting the market value of the work performed or it could consist of uncompensated community service work.~~

~~Community service work would be administered by a public agency, or nonprofit charitable organization approved by the court.~~

~~Under current law, no minor may buy or attempt to buy any tobacco product, falsely represent his or her age for the purpose of receiving any tobacco product or possess any tobacco product. Currently, a minor who commits any of those acts may be ordered to pay a forfeiture of not more than \$50, placed in a teen court program or ordered to participate in a supervised work program or other community service work, or ordered to undergo any combination of those disposition.~~

~~**Smoking Near Schools.** Prohibit the use of tobacco products by anyone who has reason to believe that he or she is in a school zone. Define a "school zone" as the premises of a school or the area within 1,000 feet of the school premises. Exempt certain adults from this ban, including adults who are on private property that is not part of the school premises, adults who are in motor vehicles traveling through a school zone, adults in a program approved by a school in a school zone and adults in accordance with a contract entered into between a school in the school zone and the person or an employer of the person. Establish a \$50 fine for violations.~~

~~Authorize school administrators, or their designees, who have reasonable cause to believe that a person has violated this prohibition, to detain the person in a reasonable manner for a reasonable length of time to deliver the person to a peace officer or parent, in the case of a minor. Specify that the detained person must be promptly informed of the purpose of the detention and would be permitted to make a phone call. The detained person could not be interrogated or searched against his or her will before the arrival of a peace officer to conduct a lawful interrogation.~~

~~**Additional Fee for Tobacco Products Retailer License.** Authorize a city, village or town to charge a retailer license fee of \$50 per year to retailers that sell tobacco products. Under current state law, a person engaged in the retail sale of tobacco products must be licensed by the city, village or town in which the privilege is exercised. The annual fee for the license is \$5.~~

~~**Authority of Tobacco Products Retailers.** Authorize a tobacco products retailer, or an adult employe or security agent of such a retailer, who has reasonable cause to believe that minor has bought or attempted to buy any tobacco product or has falsely presented his or her age for the purpose of receiving any tobacco product in his or her presence to detain that person in a reasonable manner for a reasonable length of time in order to deliver that person to a law enforcement officer or to the persons' parent or guardian.~~

~~Under the current law, a merchant, merchant's adult employe or a merchant's security agent who has reasonable cause to believe that person has committed retail theft in his or her presence may~~

~~detain that person in a reasonable manner for a reasonable length of time in order to delivery that person to a peace officer or, in the case of a minor, to the persons' parent or guardian.~~

~~**Compliance Checks.** Authorize a minor to buy, attempt to buy or possess any tobacco product and to falsely represent his or her age for the purpose of receiving any tobacco product if the person commits the act of the purpose of determining compliance with the law prohibiting the sale or gift of tobacco products to minors (compliance check) and if the person has prior written authorization to commit the act from a law enforcement agency, DHFS, a local health department or the district attorney. Prohibit a person from disguising or altering his or her usual appearance when doing a compliance check.~~

~~**Distribution of Cigarettes.** Prohibit any person from selling or giving away cigarettes in a package or container that contains fewer than 20 cigarettes. Current state law prohibits the sale of cigarettes in a form other than as a package or a container on which a cigarette tax stamp has been affixed. Although tax stamps are usually affixed to packages of 20 cigarettes, state law does not preclude the purchase and affixing of tax stamps to packages with fewer than 20 cigarettes.~~

10. WOMEN'S HEALTH INITIATIVE MATCH REQUIREMENT

Delete the provision in SSA 1 to SB 77 that would require a 25% match for any grants funded under the women's health initiative, and, instead, require a 10% match for any grants funded under the women's health initiative.

11. RELIEF BLOCK GRANTS

Require Milwaukee County, as a condition of receiving a medical relief block grant, to distribute at least 12.5% of the block grant in 1998 and 25% of the block grant in each subsequent year to community health clinics. In addition, require Milwaukee County to ensure, to the greatest extent practicable, continuity of health care services for individuals who are receiving medical services supported by the medical relief block grant program.

12. WISCONCARE

Specify that DHFS, in awarding grants under the WisconCare program, would ensure continued access to comprehensive primary health care services for individuals living in counties in which at least 125 people were receiving primary health care services under the WisconCare program in 1996. SSA 1 to SB 77 would delete statutory provisions relating to the current Wisconcare program and would direct DHFS to administer the WisconCare program as a competitive grant program. However,

the substitute amendment would provide \$150,000 in 1997-98 for DHFS to continue to provide services to individuals who are currently enrolled in the WisconCare program if they cannot be served by an entity receiving a grant under the restructured WisconCare program. Under the restructured program, DHFS would award \$1,500,000 in grants to community-based, non-profit corporations governed by a community-based board of directors that are located in a designated medically underserved area or serve an underserved population.

Children and Family Services and Supportive Living

* **1. ADDITIONAL COP SLOTS**

Provide ~~\$400,000~~ \$830,600 GPR and ~~\$696,000~~ \$480,300 FED in 1997-98 and ~~\$900,000~~ \$2,209,400 GPR and ~~\$1,566,000~~ \$1,413,500 FED in 1998-99 to increase the number of COP slots by 250, beginning January 1, 1998, and by an additional 250, beginning January 1, 1999.

This funding level reflects that 70% of new slots would be COP-waiver slots (eligible for 59% federal funding) while the remaining 30% would be 100% state-funded COP slots. By the end of 1997-99 biennium, this change would increase the total number of COP slots by 500.

	Chg. to JFC
GPR	<u>\$1,300,000</u>
	<u>\$3,040,000</u>
FED	<u>\$2,262,000</u>
	<u>1,893,800</u>
Total	<u>\$3,562,000</u>
	<u>\$4,933,800</u>

2. TRANSFER OF MEDICAL ASSISTANCE FUNDS TO COP

Provide for a potential transfer of funding from the MA appropriation to the community options program (COP), conditional on a decline in the utilization of nursing home beds by MA recipients for the prior fiscal year. Require DHFS, by December 1st of each year, to submit to the Joint Committee on Finance a report on the utilization of beds by MA recipients in facilities for the immediate prior two consecutive fiscal years. Define "facility" as a nursing home or community-based residential facility that is MA-certified, including the state centers for the developmentally disabled.

Specify that if the report indicates that utilization of beds has declined in the most recent completed fiscal year from the previous year, DHFS would be required to multiply, for each level of care, the difference between the number of days of care by the average daily cost of that level of care.

This amount would then be reduced by the cost of additional placements under the community integration programs CIP IA, CIP IB, and CIP II. The average daily costs of care would be derived by dividing total MA expenditures for that type of care by the total number of days of that type of care provided in facilities in that fiscal year.

Specify that, if there is a decline in the utilization of nursing home beds, the DHFS report would include a proposal to transfer funding and that the funding be transferred with the approval of the Joint Committee on Finance under a 14-day passive review process. Specify that the Committee may modify the proposed transfer.

3. LONG-TERM CARE SINGLE ENTRY POINT PILOT

Delete provisions in SSA 1 to SB 77 that would authorize DHFS to establish a pilot program to test the concept of a single entry point for the provision of long-term health care services. In addition, provide that any funds that would otherwise lapse to the general fund at the end of 1997-98 be carried forward to 1998-99 to support up to 500 additional COP placements in 1998-99, rather than support the costs of the pilot program.

4. ARC COMMUNITY SERVICES GRANT

Provide \$87,500 in 1997-98 and \$175,000 in 1998-99 to ARC Community Services, Inc. to support the healthy beginnings program, which provides substance abuse day treatment services for pregnant and post-partum women and their infants.

	Chg. to JFC
GPR	\$262,500

5. BIRTH-TO-THREE PROGRAM

Increase funding for the birth-to-three program by \$50,000 annually for the Great Lakes Inter-Tribal Council. This program provides early intervention services for infants and toddlers up to three years of age with disabilities and their families. Currently, the Great Lakes Inter-Tribal Council receives \$60,000 annually under the birth-to-three program to promote communication between the tribes and the county with regard to access to services for Native Americans living on reservations. Native American children living on reservations and receiving services under the birth-to-three program receive these services through the county in which the reservation is located.

	Chg. to JFC
GPR	\$100,000

* 6. **SSI BENEFITS FOR DEPENDENT CHILDREN AND LEGAL IMMIGRANTS AND CHILD CARE FOR DISABLED CHILDREN**

Modify provisions in SSA 1 to SB 77 that would authorize the Joint Committee on Finance to release \$14.0 million FED (TANF funds) in 1997-98 to support \$77 monthly benefit payments for SSI recipients for the support of their children and to fund learning labs and customized labor training programs by deleting provisions that would authorize the use of these funds to support learning labs and customized labor training programs.

Instead, increase the benefit for SSI recipients to \$100 per month per child if the federal government approves the payment of the benefit as an SSI payment and counts those payments towards the state's maintenance of effort requirement under the SSI program. Further, require DHFS, within 60 days of the effective date of the bill, to request the federal government to approve the payment of the benefit for SSI recipients for their dependent children as an SSI payment and count the payment of those benefits towards the state's maintenance of effort requirement.

~~Instead,~~ Specify that the Committee would release the \$14.0 million in TANF funds in response to a joint request by DHFS and DWD if one of the following conditions apply.

- The \$14.0 million in TANF funds would be released to the DHFS appropriation from which the ~~\$77 SSI benefit~~ would be paid if the federal government does not ~~recognize~~ approve the ~~\$77 benefit payment for SSI recipients~~ as an SSI payment and therefore does not count the payment of those benefits towards the state's maintenance of effort requirement;
- Up to \$14.0 million in TANF funds would be released to the DHFS appropriation from which the ~~\$77 SSI benefit~~ would be paid if the federal government ~~recognizes~~ approves the ~~\$77 benefit payment for SSI recipients~~ as an SSI payment and counts payment of those benefits towards the state's maintenance of effort requirement and restores eligibility for SSI benefits to legal immigrants. As a result, GPR budgeted for the ~~\$77 benefit for SSI recipients~~ would be available to provide SSI benefits to legal immigrants whose eligibility would be restored and fund the increase in the benefit to \$100 per child. The remainder of the \$14.0 million in TANF funds would be released to DWD to provide child care for disabled children ages 13 to 18; or
- The Up to \$14.0 million in TANF funds would be released to DHFS to fund the increase in the benefit for SSI recipients to \$100 and the remainder would be released to the DWD appropriation to provide child care for disabled children ages 13 to 18 if the federal government recognizes approves the \$77 benefit payment for SSI recipients as an SSI payment and counts

payment of those benefits towards the state's maintenance of effort requirement and the federal government does not restore eligibility for SSI benefits to legal immigrants.

In addition, this provision would establish eligibility for W-2 child care for disabled children ages 13 to 18 if funding is available under this provision.

7. CONSOLIDATION OF ADOLESCENT PREGNANCY PREVENTION AND PARENTING PROGRAMS

Consolidate current adolescent pregnancy prevention, pregnancy services and parenting programs administered by the Adolescent Pregnancy Prevention and Pregnancy Services (APPPS) Board and DHFS into one program as follows.

- Repeal current statutory provisions and annual funding budgeted for programs currently administered by DHFS: (a) adolescent parent services program in Milwaukee County (\$100,000 GPR); (b) pregnancy counseling and crisis-pregnancy services (\$197,400 GPR); (c) adolescent self-sufficiency services (\$582,100 GPR); and (d) adolescent pregnancy prevention services (\$340,000 GPR). In addition, repeal current statutory provisions and annual funding budgeted for grants administered by the APPPS Board.

- Provide \$1,658,800 GPR for the APPPS Board to administer grants for adolescent pregnancy prevention and pregnancy services and adolescent parenting services.

- Require the APPPS Board to stagger the award of grants over three years to ensure that one-third of funding budgeted for grants is available each year.

- Require the APPPS Board to submit proposed rules by June 1, 1998, to establish the definition of a high-risk adolescent, eligibility criteria, any cash or in-kind match requirements up to 25% and the process used to apply for funds and for awarding grants, but specify that projects currently funded would not be subject to the new requirements specified by rule.

- Specify that contracts entered into by DHFS for adolescent pregnancy prevention, pregnancy services, and adolescent parenting services in effect as of the effective date of the bill, remain in effect and are transferred to the APPPS Board and require the APPPS Board to carry out any obligations of those contracts.

- Transfer \$43,600 GPR annually and 1.0 GPR position, beginning in 1997-98, from DHFS to the APPPS Board to assist in the administration of these programs.

* ~~8. CHILD ABUSE AND NEGLECT PREVENTION FUNDING~~

	Chg. to JFC
GPR	\$900,000

~~Provide \$900,000 in 1997-98 in the Joint Finance Committee's supplemental appropriation so that, together with \$1,400,000 provided in SSA 1 to SB 77, a total of \$2,300,000 would be available to fund the recommendations of the Joint Legislative Council's Special Committee on Prevention of Child Abuse and Neglect. Specify that this funding would be subject to release to DHFS under s. 13.10 of the statutes, and that the Committee need not find that an emergency exists as a condition of supplementing appropriations with these funds.~~

9. LICENSING OF CHILDREN'S FACILITIES

	Chg. to JFC Funding Positions	
PR-REV	-\$153,500	
PR	-\$41,000	- 1.00

Delete provisions in SSA 1 to SB 77 that would: (a) increase biennial licensing fees by 10% in 1997-98 and an additional 10% in 1998-99 for family and group day care facilities for children; and (b) provide \$41,000 PR and 1.0 PR position to DHFS in 1998-99 for licensing of children's facilities. Other provisions in SSA 1 to SB 77 that would increase biennial licensing fees for group foster homes, child caring institutions, child placing agencies and shelter care facilities by 10% in 1997-98 and an additional 10% in 1998-99 would be retained.

This provision would decrease PR-revenue by an estimated \$153,500 in the 1997-99 biennium, which would have been generated as a result of increased fees for family and group day care facilities. This revenue would have been used to support DHFS costs associated with licensing activities. In addition to deleting 1.0 PR licensing position in 1998-99, this provision would require DHFS to maintain approximately 1.5 licensing positions vacant in the 1997-99 biennium to reflect the anticipated loss of PR-revenue.

10. KINSHIP CARE -- FUNDING SUFFICIENCY

Require DHFS to request the Joint Committee on Finance to supplement funding for kinship care payments if funding appropriated is not sufficient to reimburse counties for the costs of providing kinship care payments. In addition, delete current statutory references to the appropriation from which kinship care payments are made.

Counties are required to make kinship care payments to eligible individuals who care for the child of a relative. DHFS is required to reimburse counties for payments made to kinship care

relatives. This provision would clarify that the state's responsibility for reimbursing counties for kinship care payments is not limited to the amounts appropriated by the Legislature, but that if additional funding is required, DHFS would be required to request supplemental funding from the Joint Committee on Finance under s. 13.10 of the statutes.

11. KINSHIP CARE -- CARRYOVER FOR TRIBES

Authorize DHFS to transfer unencumbered kinship care funds that were allocated to, but not expended by Native American tribes in 1996-97, to a new appropriation and authorize DHFS to use these funds to reimburse tribes for kinship care payments in 1997-98. Repeal the new appropriation on July 1, 1998. Tribes were allocated a total of \$108,000 for kinship care benefits in 1996-97.

12. KINSHIP CARE -- ELIGIBILITY FOR PAYMENTS

Authorize DHFS and counties to make kinship care payments to relatives who care for a child in cases where the relative, employe of the relative or an adult resident in the relative's home has been convicted of any of the enumerated offenses that would otherwise disqualify the relative from receiving a kinship care payment if DHFS or the county determines that the presence in the home of the convicted relative, employe of the relative or adult resident will not adversely affect the child or the relative's ability to care for the child.

13. NEIGHBORHOOD DRUG USE AND VIOLENCE PREVENTION PROJECTS

Specify that funds provided under the neighborhood drug use and violence prevention projects cannot be used for activities relating to employment, economic development and home ownership. Under current law, funds are provided for programs to limit violence and abuse of drugs in neighborhoods, including funding for the creation of Wisconsin against drug environments (WADE) centers and for the use of neighborhood organizers, culturally representative alcohol and other drug abuse trainers, community speakers and persons to monitor certain court actions.

JUSTICE

CIRCUIT COURTS

1. RESERVE JUDGES

Modify current law to prohibit a person to serve as a reserve judge if that person was defeated in the most recent time he or she sought election to a circuit court judgeship. In addition, provide that any person who, on the effective date of the bill, is eligible to serve as a reserve judge, would continue to be eligible. Reserve judges typically fill in for sitting judges who are absent, or for temporary vacancies. Under current law, any person who has served a total of six or more years as a Supreme Court justice, Court of Appeals judge or a circuit judge is eligible to serve as a reserve judge and perform the same duties as other judges, or as specified by the Chief Justice. In addition, any person who was eligible to serve as a reserve judge before May 1, 1992, (anyone who, as of May 1, 1992, had served four or more years as a judge or justices and who had not been defeated in his or her last reelection) is currently eligible to serve as a reserve judge.

CORRECTIONS

1. UNSPECIFIED BUDGET REDUCTIONS

Delete \$8,021,700 in 1997-98 and \$8,393,900 in 1998-99 from the Department of Corrections general program operations appropriation. Require Corrections to submit a report to the Governor and the Joint Committee on Finance, by October 1, 1997, indicating the Department's preference for allocating the reductions among Correction's sum certain, general purpose revenue appropriations. Specify that approval of the report by the Joint Committee on Finance would be under a 14-day passive review process.

	Chg. to JFC
GPR	- \$16,415,600

2. CONVERT RACINE YOUTHFUL OFFENDER CORRECTIONAL FACILITY POSITIONS

Delete \$21,300 in 1997-98 and provide \$212,800 in 1998-99 to reflect the provision of 29.25 generalist counselor positions, instead of 29.25 correctional officer

	Chg. to JFC
GPR	\$191,500

positions, for the Racine youthful offender correctional facility. Provide that DOC may employ generalist counselor positions at the Racine youthful offender correctional facility during the 1997-99 biennium and require that a generalist counselor position would, in addition to other duties, perform tutoring duties under the supervision of a certified instructor, but would not be allowed to supervise or oversee academic instruction.

3. ADDITIONAL TEACHER POSITIONS FOR RACINE YOUTHFUL OFFENDER FACILITY

	Chg. to JFC Funding Positions	
GPR	\$506,100	8.00

Provide \$187,500 with 8.0 teacher positions in 1997-98 and \$318,600 in 1998-99 for the Racine youthful offender correctional facility. Under the substitute amendment, 21.0 teacher positions would be authorized. The addition of 8.0 teacher positions would provide an estimated teacher-to-student ratio of approximately 1:9.

4. TRANSFER OF JUVENILES TO RACINE YOUTHFUL OFFENDER FACILITY

Modify the authority of the Office of Juvenile Offender Review (OJOR) to transfer juveniles to the Racine youthful offender facility by limiting transfers to juveniles under original adult court jurisdiction. Under the substitute amendment, the authority of OJOR to transfer juveniles to the Racine facility would include: (a) juveniles under the serious juvenile offender program; (b) juveniles sentenced to a secured juvenile correctional facility under original adult court jurisdiction; and (c) juveniles under an order of extended juvenile court jurisdiction.

5. SECURE INMATE WORK PROGRAM

	Chg. to JFC	
GPR	- \$108,800	

Delete \$108,800 in 1997-98 for the secure work program and the sunset of the program on June 30, 1998. Instead, repeal the program on the effective date of the bill.

6. LITERACY PROGRAMS

	Chg. to Base	
GPR	15.00	

Provide 15.0 GPR positions annually for basic literacy programs in correctional institutions as follows: (a) 8.0 teacher positions to teach basic literacy, including 1.0 assigned to the Oshkosh Correctional Institution for distance education; and (b) 7.0 GPR teacher assistant positions. Direct Corrections to utilize existing resources to fund the positions. Require that the positions be filled by January 1, 1998.

7. BADGER STATE INDUSTRIES PROCUREMENT PREFERENCE

Repeal the current law provision giving preference in the state procurement process to Badger State Industries. Under current law, Corrections is required to periodically provide DOA with a list of all materials, supplies, equipment or contractual services, excluding commodities, that are supplied by prison industries. DOA is then required to distribute the list to all state purchasing agents. Prior to seeking bids or competitive sealed proposals with respect to the purchase of any materials, supplies, equipment or contractual services on the list, DOA or any other designated purchasing agent is required to offer prison industries the opportunity to supply the materials, supplies, equipment or contractual services if Corrections is able to: (a) provide them at a price comparable to one which may be obtained through competitive bidding or competitive sealed proposals; and (b) conform to procurement specifications. If DOA or another purchasing agent is unable to determine whether the price from prison industries is comparable, it may solicit bids or competitive proposals before awarding the order or contract. The current law provision does not apply to the printing of certain forms.

8. EMERGENCY GOVERNMENT MOBILE TRANSPORTATION UNIT

	Chg. to JFC
GPR	- \$50,000

Delete \$50,000 in 1997-98 to eliminate funding for Corrections to purchase a used mobile military command post self-contained vehicle from federal surplus property to transport supplies and equipment for inmates working at state flood, tornado or other disaster sites.

9. INCREASE YOUTH AIDS FUNDING

	Chg. to JFC
GPR	\$5,179,200

Provide \$1,456,400 in 1997-98 and \$3,722,800 in 1998-99 for community youth and family aids. Under the substitute amendment, base GPR funding for youth aids (\$76,016,700) would be maintained.

10. YOUTH DIVERSION PROGRAMS

	Chg. to JFC
GPR	\$760,000
PR	240,000
Total	\$1,000,000

Provide \$380,000 GPR and \$120,000 PR annually to provide an additional \$500,000 annually for youth gang diversion programs, as follows: (a) \$250,000 annually to an organization in Milwaukee County to provide services designed to divert youth from gang activities into productive activities; (b) \$50,000 annually to contract with an organization to provide services in Kenosha County and \$50,000 annually to contract with an organization to provide services in Racine County for gang diversion

programming, including substance abuse education and treatment services for program participants; and (c) \$150,000 annually to an organization located in Ward 1 in the City of Racine to provide services in Racine County to provide gang diversion services, including substance abuse education and treatment services for program participants. Provide that the organization located in Ward 1 in the City of Racine would: (a) be required to have a recreational facility and offer programs to divert youth from gang activities; (b) be prohibited from being affiliated with any national or state association; and (c) not be the organization that entered into a contract for gang diversion services under current law (1995 Statutes). Convert a program revenue appropriation under the Department of Corrections for youth diversion programs to a program revenue-service appropriation for the same purpose. Program revenue funding would be provided from penalty assessment revenue under the Office of Justice Assistance and transferred to DOC, which administers youth diversion grants.

Under current law, OJA provides \$450,000 annually in penalty assessment revenue to DOC for youth diversion programs, as follows: (a) \$250,000 for an organization in Milwaukee County to provide youth diversion services; and (b) \$100,000 for Racine County and \$100,000 for Kenosha County to provide youth diversion services. An organization in Milwaukee County is also provided \$300,000 FED annually for the provision of substance abuse education and treatment services for youth participating in the youth diversion program.

DISTRICT ATTORNEYS

1. ADDITIONAL PROSECUTORS AND TRANSFERS

	Chg. to JFC Funding Positions	
GPR	\$516,600	6.00

Provide \$221,400 in 1997-98 and \$295,200 in 1998-99 and 6.0 positions annually to provide additional assistant district attorneys to Milwaukee County (4.0 FTE) and Dane County (2.0 FTE). In addition, beginning on July 1, 1999, require the Department of Administration to transfer assistant district attorney position authority from a county that is overstaffed to a county that is understaffed. "Overstaffed" would be defined as a prosecutorial unit in which each district attorney handles less than 100% of caseload and "understaffed" would be defined as a prosecutorial unit in which each district attorney handles more than 100% of caseload. This determination would be based on the revised weighted caseload measurement, using caseload over the preceding three-year period, and the prosecutor time-available standard, as determined by the Department of Administration. Positions would be transferred under the following situations: (a) a vacancy in an assistant DA position occurs in the county that is overstaffed; (b) following the transfer, the county losing the position does not show a need for additional ADAs based on the weighted caseload measurement; and (c) the county receiving positions

requested additional position authority for the biennium during which the position transfer would occur.

GAMING BOARD

1. TRANSFER INDIAN GAMING ATTORNEY FROM ADMINISTRATION TO JUSTICE

Provide \$203,300 PR and 1.0 PR classified attorney position in 1997-98 and \$188,500 PR in 1998-99 to the Department of Justice for the performance of Indian gaming legal services. Delete \$203,300 PR and 1.0 PR unclassified attorney position in 1997-98 and \$188,500 PR in 1998-99 from the Department of Administration's Division of Gaming. Create a program revenue appropriation under DOJ for Indian gaming legal work. Funding for the appropriation would be provided from state Indian gaming compact revenues.

2. DELETE FUNDING FOR INDIAN GAMING HIRED COUNSEL IN DOA

	Chg. to JFC
PR	- \$168,600

Delete \$93,500 in 1997-98 and \$75,100 in 1998-99 to reflect the elimination of funding for the Office of Indian Gaming in the Department of Administration to hire legal counsel relating to the negotiation of Indian gaming compacts.

JUSTICE

1. SHERIFFS' FEES IN REAL ESTATE ACTIONS

Modify sheriffs' fees in real estate sales, to provide a fee of 0.5% of the total sale price or \$150, whichever is greater, to cover the sheriff's costs related to the sale. Provide that \$150 of the fee shall be prepaid and non-refundable. Under current law, fees for sheriffs in real estate actions are \$50, of which \$25 is prepaid and non-refundable. SSA 1 to SB 77 would retain current law, but would allow counties to establish a higher fee, up to \$150.

2. RESTORE PUBLIC INTERVENOR AND BOARD TO THE DEPARTMENT OF JUSTICE

	Chg. to JFC Funding Positions	
GPR	\$282,700	3.00

Provide \$117,000 in 1997-98 and \$165,700 in 1998-99 and 3.0 positions annually to restore the Public Intervenor, the Public Intervenor Board and staff (1.0 attorney and 1.0 legal secretary) under the Department of Justice, effective October 1, 1997. Further, restore the authority for the Attorney General to appoint the Public Intervenor and two Public Intervenor Board members, and for the Public Intervenor to formally intervene in court cases. This would reverse 1995 Act 27 provisions which transferred the Public Intervenor and Board to the Department of Natural Resources, eliminated two staff persons related to the Public Intervenor and deleted the authority for the Public Intervenor to initiate or participate in any action or proceeding before a court. In addition, on October 1, 1997, transfer the employe who has duties primarily related to the Public Intervenor from the Department of Natural Resources to the Department of Justice. The transferred person would retain all employment rights and status existing at the time of transfer. Under Joint Committee on Finance action on SB 77, the Public Intervenor and Board would be eliminated, effective October 1, 1997.

3. ENVIRONMENTAL JUSTICE

	Chg. to JFC
GPR	\$300,000

Department of Justice. Provide \$150,000 annually in a newly created biennial appropriation, under the Department of Justice, for environmental justice community grants to be awarded to any citizen group or local unit of government from a community affected or threatened with becoming affected by an existing or new industrial facility. "Affected community" would mean a city, village, town, neighborhood or other area in which there is a disproportionately large number of industrial facilities, or sites which are required to register with the Department of Natural Resources because of a danger or threat to public health or the environment. "Environmental justice" would be defined as the state of affairs in which no racial, cultural, ethnic or economic community and no sector of the workforce is disproportionately

exposed to the health and safety hazards and the economic and aesthetic costs of environmental pollution. "Environmental injustice" would be defined as the state of affairs in which environmental justice is lacking. "Industrial facilities" would include any facilities which are required to submit a toxic chemical release form or are required to have certain licenses issued by the Department of Natural Resources. Grants would be awarded to promote environmental justice and to prevent or mitigate environmental injustice through the governmental processes related to siting, design and operation of industrial facilities or other appropriate activities. Grants would be limited to \$5,000 for: (a) studies related to possible health hazards or other effects of proposed or existing industrial facilities in a community; (b) community education activities; or (c) other activities approved by the Board. In addition, grants of up to \$10,000 would be available for preparation of expert testimony or the hiring of expert witnesses.

The program would be administered by a newly created Environmental Justice Board under the Department of Justice. The Attorney General would appoint eleven Board members for staggered three-year terms including: (1) three residents from affected communities; (2) two representatives of political subdivisions serving an affected community; (3) two representatives of industrial facilities; (4) one civil rights advocate; (5) one environmental advocate; and (6) two minority group members. The provision would create a biennial, GPR appropriation for the Board; however, no funding would be appropriated.

The Board would be assisted by a technical advisory committee consisting of a representative from the Department of Natural Resources, the Department of Agriculture, Trade and Consumer Protection, the Department of Justice, the Department of Commerce and the Department of Health and Family Services. The secretary of the respective agency would appoint the members. In addition, three technical experts from fields such as sociology, economics, toxicology, public health or law would be appointed by the Attorney General as members of the advisory committee.

In addition to administering the environmental justice community grant program, the Board would be required to conduct a study of the status of environmental justice in Wisconsin and report the findings to the Attorney General, the Governor, the Secretary of the Department of Natural Resources and the Legislature. The study would consist of: (a) by January 15, 1999 -- an inventory of affected communities, with updates due January 15th of every odd-numbered year, thereafter; (b) by January 15, 2000 -- a study of issues related to the extent, causes, consequences, prevention and mitigation of environmental justice in the state; and (c) by January 15, 2001 -- legislative recommendations to prevent and mitigate environmental injustice and to promote environmental justice. The legislative recommendations would include measures to: (a) reduce the generation and incidental transportation, storage, treatment and disposal of hazardous waste; (b) reduce the production, use and incidental transportation and storage of toxic chemicals; (c) assist affected communities to mitigate environmental injustice; (d) target state resources to affected communities to reduce health and safety hazards and the economic and aesthetic costs of environmental pollution; (e) ensure that environmental and health standards and other laws relating to the siting, design and operation of facilities are enforced; and (f) prevent the clustering of industrial facilities.

The Board would also in cooperation with the University of Wisconsin-Extension, conduct an education and assistance program for affected communities. The program would: (1) provide information to individuals, citizen groups and local governments regarding the causes and nature of environmental injustice and means available for prevention and mitigation of environmental injustice; (2) encourage individuals, citizen groups and local government officials to become involved in efforts to investigate environmental problems and prevent or mitigate environmental injustice; and (3) provide technical assistance to individuals, citizen groups and local governmental officials in efforts to investigate, prevent or mitigate environmental injustice in their communities.

Department of Natural Resources. Beginning on February 1, 1999, and ending on June 30, 2003, prohibit DNR from issuing the following permits for a proposed industrial facility under certain circumstances: (a) water pollution discharge permit; (b) stormwater discharge permit; (c) air pollution control permit; (d) solid or hazardous waste facility operating license; (e) hazardous waste facility treatment, storage or disposal license; (f) mining permit; or (g) oil or gas production license.

The prohibition would apply if the site of a proposed industrial facility is in an affected community or would result in the creation of an affected community, unless all of the following apply: (a) there is no feasible alternative site that is not in an affected community and would not create an affected community; (b) the license or permit applicant enters into an agreement with a committee consisting of four residents of the affected community appointed by the governing body of the city, village or town in which the site is located to compensate the affected community; and (c) the applicant agrees to implement a pollution prevention program in cooperation with UW-Extension and the local committee. Compensation could take any form agreed to by the applicant and the local committee, including job training, educational programs, hiring preferences at the industrial facility or health benefits for residents of the affected community or recreational, cultural or other community facilities in the affected community. A local government would not be required to appoint a local committee or to enter into an agreement with an applicant.

Before DNR could grant a permit for a new industrial facility, DNR would be required to consider the effect that the proposed industrial facility would have on the distribution of all industrial facilities and on the concentration of industrial facilities in affected communities.

Under the proposal, any applicants for the above types of permits would be required to provide information concerning the potential for public exposure to toxic chemicals through releases from the industrial facilities if the industrial facilities would be located in or would create an affected community. The information would be required to include: (a) a description of any releases that may be expected to result from normal operations or accidents at the industrial facility, including releases associated with transportation to or from the industrial facility; (b) a description of the possible ways that humans may be exposed to toxic chemicals as a result of a release from the facility, including the potential for groundwater or surface contamination, air emissions or food chain contamination; and (c) the potential extent and nature of human exposure to toxic chemicals that may result from a release.

DNR would be required to promulgate administrative rules to establish procedures to ensure that all environmental laws and all emissions and discharge limits, design standards and other conditions of permits for industrial facilities in an affected community are strictly enforced. The procedures could include environmental monitoring and reporting requirements and compliance inspections and would be required to be in addition to the enforcement procedures that apply outside affected communities.

DNR would also be required to prepare an environmental impact statement for a permit for a proposed industrial facility if construction of the industrial facility would affect or create an affected community.

The provision would also require DNR to give priority to sites and facilities located in affected communities when the Department: (a) determines the ranking of sites and facilities which are included in the inventory of sites which may cause or threaten to cause environmental pollution; and (b) takes emergency action to address a discharge of a hazardous substance where a responsible party does not take adequate action or is unknown.

In addition, DNR, the Department of Commerce and the Hazardous Pollution Prevention Council would be required to encourage all industrial facilities and other facilities located in affected communities to participate in the UW-Extension hazardous pollution prevention program.

Department of Health and Family Services. Require patient health records maintained for hospital inpatients to include information regarding the presence of facilities that may be the source of environmental pollution in proximity to an inpatient's home or place of employment. In addition, if the physician believes that an inpatient's health problems may be related to exposure of an inpatient or an inpatient's parents to environmental pollution, the physician would be required to ensure that the health care record contains information regarding the exposure and the nature of the hazardous substance. Information contained in patient health records relating to environmental pollution would be accessible, without consent, to the Department of Health and Family Services. The Department of Health and Family Services would be required to compile records and conduct studies of the correlation of health problems and environmental pollution and report annually to the Environmental Justice Board.

Local Planning and Zoning Authority. Expand the purpose of county planning and zoning authority to include the prevention of concentration of environmentally polluting facilities and activities. Also expand the zoning authority of towns and cities to include the regulation and restriction of the number, spacing and concentration of environmentally polluting facilities and activities.

Environmental Impact Statements. Require all state agencies to include in any environmental impact statement the effect that the proposed action and alternatives to the proposed action would

have on the statewide distribution of industrial facilities and the concentration of industrial facilities in affected communities.

REVENUE -- LOTTERY ADMINISTRATION

1. LOTTERY DIVISION REORGANIZATION

		Chg. to JFC Funding Positions	
SEG	- \$2,175,100	-	18.00

Delete \$1,053,100 and 18.0 positions in 1997-98 and \$1,122,000 in 1998-99, as follows: (a) -\$988,200 and -18.0 positions in 1997-98 and -\$1,057,100 in 1998-99 relating to the performance of retailer field support services and customer telemarketing services; and (b) -\$64,900 annually for the reclassification of 12.0 current positions to customer services specialist positions.

2. DELETE RETAILER COMPENSATION INCREASE

		Chg. to JFC	
SEG	-	-	\$6,780,100

Delete \$2,188,900 in 1997-98 and \$4,591,200 in 1998-99 for retailer compensation to reflect the elimination of the increase in basic retailer compensation for instant ticket sales from the current law rate of 5.5% to 7%. Under the substitute amendment, retailer compensation for instant ticket sales would increase to 7%, effective January 1, 1998.

3. DELETE FUNDING FOR TELEVISED ON-LINE DRAWINGS

		Chg. to JFC	
SEG	-	-	\$700,000

Delete \$350,000 annually for the costs of on-line lottery game drawings. Under the substitute amendment, this funding was provided in unallotted reserve to be released by DOA following documentation of actual costs and the completion of market research to evaluate the impact of the broadcasts.

4. LOTTERY EXPENSE LIMITATION

Delete the provision which would have reduced, beginning July 1, 1997, the 15% expense limitation for the operation and administration of the state lottery to 10% and would have provided that retailer compensation would not be included in the calculation of the expense limitation. This

amendment would maintain the current law limitation that not more than 15% of the gross revenues of the lottery may be expended in any year for the operation and administration of the state lottery, unless approved by the Joint Committee on Finance under s. 13.10 of the statutes. The calculation under current law of operating and administrative expenses must include general program operations, retailer compensation and vendor fees. Capital expenditures may be amortized and lottery funds appropriated to the Department of Justice for gaming enforcement are not included in the calculation.

GENERAL PROVISIONS

1. SEX OFFENDER REGISTRATION

Provide that a person would not be required to register as a sex offender if any of the following apply: (a) the person had been convicted of first- or second-degree sexual assault of a child or repeated sexual assaults of the same child and had attained the age of 17 but was not more than four years older than the child at the time of sexual intercourse or sexual contact; (b) the person was between the ages of 14 and 16 but was not more than four years older or not more than four years younger than the victim of the sex offense; or (c) the person had not attained the age of 14 at the time the person committed the sex offense. The exemption does not apply to sexually violent persons or individuals required by the court to register.

Allow an individual who is currently complying with the registration requirements who believes that he or she meets one of the above criteria to petition a circuit court to determine if he or she meets the criteria and therefore does not need to register. Limit the number of petition requests to one. If a judge determines that the person would not be required to register as a sex offender under the above criteria, the judge may still order the person to register if it is determined that it would be in the interest of public protection.

Specify that if a person is not required to register as a sex offender and he or she is not ordered to register as a sex offender, information about the person would not be included in the sex offender registry and thus would not be available to local law enforcement agencies, community organizations or the general public. Provide that a person not required to register under one of the above criteria would not be guilty of the Class C felony offense of a child sex offender working with children.

**NATURAL RESOURCES
AND COMMERCE**

AGRICULTURE, TRADE AND CONSUMER PROTECTION

**1. ~~SOIL AND WATER RESOURCE MANAGEMENT~~
NONPOINT SOURCE WATER POLLUTION ABATEMENT
FUNDING**

	Chg. to JFC
BR	\$2,000,000
GPR	\$1,000,000

Provide \$1,000,000 GPR in 1997-98 for local assistance and landowner cost share grants to implement nonpoint source water pollution abatement practices ~~under the soil and water resource management program~~. Also, provide \$2,000,000 in general fund supported bonding and create a GPR debt service appropriation to fund the implementation of ~~soil and water resource management~~ activities that reduce nonpoint source water pollution. Activities and practices funded under the nonpoint program generally receive 50%-70% cost sharing ~~and include farmland preservation cross compliance measures and animal waste management and agricultural shoreland management program activities~~. In addition, the funding could also be used to fund practices or activities necessary to meet the nonpoint source water quality standards and prohibitions created under the bill.

2. AGRICHEMICAL CLEANUP FUND FEE CHANGES

	Chg. to JFC
GPR-REV	\$66,800
SEG-REV	\$2,927,600

Delete the temporary agrichemical cleanup surcharge reduction on pesticide and fertilizer products in 1998-99 and 1999-2000 (maintain current law fees associated with agrichemical cleanup grant program). In addition, delete the permanent agrichemical cleanup surcharge reduction for certain industrial pesticide products. Deleting the surcharge reductions would increase 1998-99 revenues to the newly-created agrichemical cleanup fund and result in additional interest revenues on the fund balance to be deposited to the general fund in the 1997-99 biennium only, as required under the bill.

3. AGRICHEMICAL CLEANUP PROGRAM CHANGES

Establish an 80% cost share rate for all eligible reimbursable costs, less the deductibles of \$3,000 for farms and small businesses and \$7,500 for larger commercial businesses, up to the \$400,000 lifetime per discharge site limit (an estimated \$370,000 increase in program costs in the biennium). Provide that the deductible be paid on a one-time basis for each discharge site (rather than to each spill at a site), which would also increase program costs. Further, require that spills

occurring during transport be charged against the lifetime cap of the site from which the chemical is being transported if the site is owned or under the control of the person transporting the chemical. The bill would apply the spill costs to the site of the transporter (seller or buyer) while the amendment would apply it to the seller's site, but only if the seller does the transporting.

4. INDUSTRIAL PESTICIDES

Delete the provision to include other coating products and products used in construction to the definition of industrial pesticides that are used in products, solely labeled for use in controlling algae, fungi, bacteria, other microscopic organisms or mollusks.

5. STRAY VOLTAGE PROGRAM

Provide \$100,000 each year in a biennial appropriation to conduct research on the incidence, levels and effects of stray voltage on agriculture in the state, including the prevalence and economic effects of stray voltage on milk production in the state. Revenues would be provided from increases to existing assessments collected by the Public Service Commission on privately-owned utilities.

	Chg. to JFC
PR	\$200,000

6. AIDS FOR FEDERAL DAIRY REFORM ACTIVITIES

Provide \$50,000 in 1998-99 to provide assistance to organizations to seek federal price reform. This provision would result in \$50,000 each year of the 1997-99 biennium being provided for federal dairy price reform activities. Further, prohibit the Department from using funding provided for the agricultural diversification and development program to provide assistance to organizations to seek federal dairy price reform.

	Chg. to JFC
GPR	\$50,000

7. AQUACULTURE STUDY

Provide \$50,000 in 1997-98 and \$20,000 in 1998-99 to provide one-time funding for a study of the aquaculture industry in the state and for limited term employe staff to conduct aquaculture related activities. The study would be required to include information concerning: (a) the growth of the aquaculture industry since 1994; (b) the demand for aquaculture products; (c) the processing of aquacultural products; (d) investment activities in aquaculture; and (e) marketing opportunities related to aquacultural products. The Department would be required to submit the results of the study no later than January 1, 1999, to the chief clerk of each house of the Legislature.

	Chg. to JFC
GPR	\$70,000

8. TRANSFER CONSUMER PROTECTION FUNCTIONS TO THE DEPARTMENT OF JUSTICE

	Chg. to JFC Funding Positions	
GPR	- \$231,100	- 4.00

Transfer 34.0 GPR positions (10.5 program assistants, 11.0 regulation compliance investigators, 10.0 consumer protection specialists, 0.5 legal secretary, 1.0 program and planning analyst and 1.0 attorney) and \$1,668,900 GPR in 1998-99 and transfer consumer protection authority from DATCP to DOJ, effective July 1, 1998. In addition, delete \$231,100 GPR in 1998-99 and eliminate 3.0 GPR regulation compliance investigators and 1.0 GPR attorney under the Department of Agriculture, Trade and Consumer Protection.

Transferred responsibilities would include: (a) fraudulent representations (DATCP would retain some authority relating to actions involving trade practices); (b) fraudulent drug advertising; (c) telecommunication services; (d) fitness center and weight reduction contracts; (e) future services plans; (f) allegations of unfair practices (DATCP would retain some authority relating to actions involving trade practices); (g) motor vehicle rustproofing warranties; (h) ticket refunds; (i) cable television subscriber rights; (j) pawnbrokers and secondhand article and jewelry dealers; (k) prize notices; (l) mail-order sales; (m) motor fuel dealerships; (n) vehicle--financial responsibility: damage waivers and penalties; (o) self-service storage areas; (p) time share ownership deposits, escrow requirements remedies and penalties; (q) prepaid maintenance liens; (r) energy savings claims; and (s) music royalty collections.

DATCP would retain some authority relating to trade practices under s. 100.18 and s. 100.20, telecommunications services and energy savings claims. Also, allow DOJ, at the request of DATCP, to commence an action in circuit court for violations of the statutes relating to the sale of cleaning agents and water conditioners containing phosphorous and products containing, or made with, ozone depleting refrigerants. Further, rename the Department of Agriculture, Trade and Consumer Protection the Department of Agriculture and Trade.

In addition, create a program revenue, continuing appropriation under DOJ for portions of settlements and court awards that are required to be used to remedy the harmful effects of violations relating to unfair trade practices.

All DATCP assets and liabilities, tangible property, including records, pending matters and contracts primarily related to its consumer protection functions would become assets of DOJ on July 1, 1998. Employees would have all state employment rights and the same status as they enjoyed immediately before the transfer.

9. DATCP GOVERNING BOARD

Authorize the DATCP Board to appoint the Department Secretary. Under 1995 Act 27, the Secretary is appointed by the Governor.

10. ADDITIONAL DATCP BOARD MEMBER

Increase the number of Board members from eight to nine and require that the Board consist of at least one member who is a farmer. Further, require that the first new agricultural member appointed to the Board by the Governor after enactment be a farmer. The Board currently has eight members, including six with an agricultural background and two consumer representatives.

11. ANIMAL WASTE MANAGEMENT GRANTS

Delete the provision that would provide the Department authority to award grants to any landowner, regardless of location, that has received a Department of Natural Resources (DNR) notice of discharge of animal waste from a program revenue appropriation. Maintain the current restriction of such grants to only those landowners within a priority watershed.

CLEAN WATER FUND

1. CLEAN WATER FUND ELIGIBILITY

Delete the following changes to clean water fund eligibility for small communities: (a) specifying for certain sanitary districts that DNR may not use U.S. Census information to determine median household income, but rather, must use non-Census data submitted by the sanitary district with its application that the sanitary district has obtained from a third party; and (b) directing that DNR promulgate administrative rules to give higher priority than under current rules to certain projects serving more than one municipality.

COMMERCE

1. BROWNFIELDS GRANT PROGRAM/BUSINESS DEVELOPMENT ASSISTANCE CENTER

Modify provisions related to the brownfields grant and loan programs and the business development assistance center that are included in SSA 1 to SB 77 as follows:

		Chg. to JFC Funding Positions
GPR	-\$5,000,000	0.00
	-\$5,300,000	
SEG	- 5,517,100	- 2.00
Total	-\$10,817,000	- 2.00
	-\$10,817,000	

- a. Delete \$5 million in recycling SEG and the SEG appropriation for the brownfields grant program.
- b. Delete \$10 million GPR annually and all provisions related to the brownfields loan program.
- c. Delete \$250,400 SEG in 1997-98 and \$266,700 SEG in 1998-99 from the petroleum inspection fund and 2.0 SEG positions beginning in 1997-98 and provisions which would rename and expand the responsibilities of the current Permit and Regulatory Assistance Bureau to include brownfields related activities.
- d. Delete the provision which would require that 75% of brownfields grants be awarded for remediation and redevelopment projects located in municipalities and counties with populations less than 500,000.
- e. Create an annual GPR appropriation and provide ~~\$2.5 million~~ \$2,350,000 annually to fund the brownfields grant program.
- f. Matching requirements and grant and loan award criteria would be modified to reflect the reduction in funding.

The proportional share of project cost that would have to be provided by a recipient under the grant program would depend upon the size of the grant received as follows: (1) a minimum of 20% for grants that do not exceed \$150,000; (2) 35% for grants exceeding \$150,000 up to \$350,000; and (3) 50% for grants exceeding \$350,000 up to \$625,000.

The Department would be required to annually award: (1) a total of ~~\$375,000~~ \$352,500 that did not exceed \$150,000; (2) a total of ~~\$875,000~~ \$822,500 that would be greater than \$150,000, but did not exceed \$350,000; and (3) a total of ~~\$1,250,000~~ \$1,175,000 that would be greater than \$350,000, but did not exceed \$625,000. The maximum grant that could be awarded would be \$625,000. The Department would also be required to award at least two grants or loans for projects that would be located in municipalities with a population of less than 30,000.

2. WISCONSIN DEVELOPMENT FUND--FUNDING ADJUSTMENTS

	Chg. to JFC
GPR	- \$5,000,000

Modify funding provided for the Wisconsin Development Fund as follows:

- a. Delete \$2.5 million GPR in each year.
- b. Require that, of the total amounts appropriated from the WDF (program revenue repayments and GPR appropriations), at least \$8.5 million would have to be allocated for customized labor training grants and loans in the 1997-99 biennium.
- c. Require Commerce to expend up to \$3 million in fiscal year 1997-98 to provide economic development assistance under the major economic development grant and loan program to Golden Books Company in the City of Racine.

Under the substitute amendment the WDF is provided \$21.2 million (all funds) for the biennium. This amendment would reduce that total to \$16.2 million and earmark \$11.5 million (\$8.5 million for customized labor training and \$3 million for Golden Books).

3. DEVELOPMENT ZONE PROGRAM CHANGES

Delete the \$5 million increase to \$31.155 million in the total amount of statewide development zone credits that could be claimed. In addition, the Department would be statutorily authorized to reduce (and reallocate) the amount of development zone credits that are allocated to a development zone.

Under administrative rules, Commerce may reduce the amount of the tax benefits allocated to a development zone if any of the following conditions occur:

- a. No persons are certified within 12 months beginning from the date the zone was designated.

b. The rate of economic activity is below projections and the community cannot demonstrate that the economic activity will increase.

c. The failure of the applicant to carry out the activities specified in the development zone plan.

d. A determination by the Department that inaccurate information was provided in the development zone application, or under the development zone plan, which would have affected the decision to designate the area as a development zone.

4. FUNDING FOR FORWARD WISCONSIN

Delete \$250,000 GPR annually for Forward Wisconsin (\$250,000 annually in base funding would remain).

	Chg. to JFC
GPR	- \$500,000

5. MOVING COSTS

Provide \$33,200 PR and \$21,500 SEG and delete \$155,200 GPR in 1997-98 and provide \$50,300 PR and \$32,600 SEG and delete \$175,500 GPR in 1998-99 for costs associated with the Department's move into the new WHEDA building.

	Chg. to JFC
GPR	- \$330,700
PR	83,500
SEG	54,100
Total	- \$193,100

6. MINORITY BUSINESS DEVELOPMENT FINANCE PROGRAM--HIGHWAY CONSTRUCTION TRAINING PROGRAM

Authorize the Department of Commerce to make a grant of not more than \$100,000 from the Minority Business Development Finance program to an opportunities industrialization center for the purpose of establishing, in collaboration with the Transportation Alliance for New Solutions, a program to train minority group members, in highway construction if all of the following apply:

a. The opportunities industrialization center is located in a city with a population of less than 50,000.

b. The opportunities industrialization center submits a plan to the Department of Commerce detailing the proposed use of the grant and the Secretary of Commerce approves the plan.

c. The opportunities industrialization center enters into a written agreement with the Department of Commerce that specifies the conditions for use of the grant proceeds, including training, reporting and auditing requirements.

d. The opportunities industrialization center agrees in writing to submit to the Department of Commerce, within six months after the grant proceeds are spent, a report detailing how the grant proceeds were used.

No grant could be made by the Department after July 31, 1999.

7. MINORITY BUSINESS DEVELOPMENT FINANCE PROGRAM MODIFICATIONS

Modify provisions of the minority business development finance program as follows:

a. The definition of development project would be expanded to include promotion of employment opportunities for minority group members or minority businesses.

b. A local development corporation would be required to operate primarily (rather than entirely) within specific geographic boundaries, to promote employment opportunities for minority group members or minority businesses (in addition to economic development) and to demonstrate commitment to or experience in promoting employment opportunities (as well as economic development) for minority group members or minority businesses.

c. In making MBDF grants or loans, the Department or Board would be required to determine that the project has the potential to promote economic development and employment opportunities for minority group members or minority businesses, as well as have the potential to be profitable.

8. MINORITY BUSINESS DEVELOPMENT FINANCE PROGRAM--NONPROFIT FINANCIAL INSTITUTION GRANTS

Modify provisions which create a MBDF grant program for nonprofit financial institutions as follows:

a. Establish nonprofit organizations and for profit financial institutions as eligible recipients.

b. Permit grants to be made to pay origination fees or other administrative costs associated with making loans.

c. Authorize the MBDF Board to make grants to nonprofit organizations to fund education and training projects. Education and training project would be defined as a business education and training program for minority group members and minority businesses that have received loans for working capital under this program.

9. RENEWABLE OXYGENATE INDUSTRIES LOAN

Specify that Commerce may make a below market interest rate loan of up to \$300,000 from the Wisconsin Development Fund, if certain planning and reporting criteria are met, to Renewable Oxygenates Industries (ROI) to continue renewable fuel plant operations in this state.

* ~~10. WISCONSIN DEVELOPMENT FUND SET ASIDE FOR GARDEN WAY~~

~~Delete provision which would authorize Commerce to make a grant of up to \$100,000 from the WDF to the private industry council serving Ozaukee County to fund a labor training and employment services program for employees of Garden Way, Inc. who are being laid off from the company's facilities in Port Washington.~~

11. FUNDING SET-ASIDE FOR JOURNEY HOUSE

Authorize the Department of Commerce to make a grant of up to \$15,000 in 1997-98 from the Community-Based Economic Development program appropriation to Journey House if all of the following apply:

- a. Journey House submits a plan to the Department detailing the proposed use of the grant and the Secretary of Commerce approves the plan.
- b. Journey House agrees in a written agreement with the Department that specifies the conditions for the use of grant proceeds, including reporting and auditing requirements.
- c. Journey House agrees in writing to submit to the Department, within 6 months after spending the full amount of the grant, a report detailing how the proceeds were used.

No grant could be awarded after June 30, 1998.

12. AVIATION FUEL PETROLEUM INSPECTION FEE ALLOWANCE

	Chg. to JFC
SEG	- \$800,000

Delete an estimated \$400,000 SEG annually in payments from the petroleum inspection fund and the provision which would make purchasers of aviation fuel eligible for reimbursement of two cents for each gallon of aviation fuel purchased in excess of one million gallons per month.

13. PECFA -- INTEREST COST REIMBURSEMENT

Restore the Governor's recommendation, which would require that PECFA reimbursement for interest costs may not exceed the prime rate for interest costs incurred on the first day of the fifth month after the effective date of the budget act. Delete the Joint Finance recommendations to make the following changes on the effective date of the budget act: (a) limit interest costs to the prime rate for loans secured; (b) limit loan origination fees to no more than one point (rather than two under current administrative rules) of the loan principal; and (c) eliminate reimbursement of loan renewal fees (current administrative rules allows reimbursement of loan renewal fees at no more than 1% of the unreimbursed amount and remaining available balance).

14. PECFA -- SERVICE PROVIDERS

Delete the authorization for Commerce to: (a) promulgate administrative rules under which the Department would select service providers to provide investigation or remedial action services in specified areas under the program; (b) deny PECFA reimbursement to an owner or operator who uses a service provider other than the one approved by Commerce for the area; or (c) limit PECFA reimbursement to the amount that the selected service provider would have charged for the service. Delete the requirement that Commerce update, on a regular basis, the list of service providers that it selects to provide services in specified areas.

15. PECFA -- ABOVEGROUND TANK ELIGIBILITY

Delete the elimination of PECFA eligibility for aboveground petroleum storage tank systems: (a) after they meet state standards for upgrading an existing system; or (b) are new, aboveground systems that meet state performance standards and that are installed after April 30, 1991. This would maintain the current law eligibility for aboveground tank systems indefinitely. (The bill would generally eliminate eligibility in 2001.)