State of Wisconsin
2011 - 2012 LEGISLATURE

LRB-1478/1
ALL:all:all

2011 BILL

1 version

2nd round of changes 03-01-11 11 AM

STAYS /1

1 AN ACT **relating to:** state finances and appropriations, constituting the
2 executive budget act of the 2011 legislature.

Analysis by the Legislative Reference Bureau

INTRODUCTION

This bill is the "executive budget bill" under section 16.47 (1) of the statutes. It contains the governor's recommendations for appropriations for the 2011-2013 fiscal biennium.

The bill repeals and recreates the appropriation schedule in chapter 20 of the statutes, thereby setting the appropriation levels for the 2011-2013 fiscal biennium. The descriptions that follow relate to the most significant changes in the law that are proposed in the bill. In most cases, changes in the amounts of existing spending authority and changes in the amounts of bonding authority under existing bonding programs are not discussed.

For additional information concerning this bill, see the Department of Administration's publication *Budget in Brief* and the executive budget books, the Legislative Fiscal Bureau's summary document, and the Legislative Reference Bureau's drafting files, which contain separate drafts on each policy item. In most cases, the policy item drafts contain a more detailed analysis than is printed with this bill.

GUIDE TO THE BILL

As is the case for all other bills, the sections of the budget bill that affect statutes are organized in ascending numerical order of the statutes affected.

Treatments of prior session laws (styled "laws of [year], chapter ...." from 1848 to 1981, and "[year] Wisconsin Act ...." beginning with 1983) are displayed next by year of original enactment and by act number.

The remaining sections of the budget bill are organized by type of provision and, within each type, alphabetically by state agency. The first two digits of the four-digit section number indicate the type of provision:

91XX Nonstatutory provisions.
92XX Fiscal changes.
93XX Initial applicability.
94XX Effective dates.

The remaining two digits indicate the state agency or subject area to which the provision relates:

XX01 Administration.
XX02 Aging and Long-Term Care Board.
XX03 Agriculture, Trade and Consumer Protection.
XX04 Arts Board.
XX05 Board for People with Developmental Disabilities.
XX06 Building Commission.
XX07 Child Abuse and Neglect Prevention Board.
XX08 Children and Families.
XX09 Circuit Courts.
XX10 Commerce.
XX11 Corrections.
XX12 Court of Appeals.
XX13 District Attorneys.
XX14 Educational Communications Board.
XX15 Employee Trust Funds.
XX16 Employment Relations Commission.
XX17 Financial Institutions.
XX18 Government Accountability Board.
XX19 Governor.
XX20 Health and Educational Facilities Authority.
XX21 Health Services.
XX22 Higher Educational Aids Board.
XX23 Historical Society.
XX24 Housing and Economic Development Authority.
XX25 Insurance.
XX26 Investment Board.
XX27 Joint Committee on Finance.
XX28 Judicial Commission.
XX29 Justice.
XX30 Legislature.

XX31 Lieutenant Governor.
XX32 Local Government.
XX33 Medical College of Wisconsin.
XX34 Military Affairs.
XX35 Natural Resources.
XX36 Public Defender Board.
XX37 Public Instruction.
XX38 Public Lands, Board of Commissioners of.
XX39 Public Service Commission.
XX40 Regulation and Licensing.
XX41 Revenue.
XX42 Secretary of State.
XX43 State Employment Relations, Office of.
XX44 State Fair Park Board.
XX45 Supreme Court.
XX46 Technical College System.
XX47 Tourism.
XX48 Transportation.
XX49 Treasurer.
XX50 University of Wisconsin Hospitals and Clinics Authority.
XX51 University of Wisconsin Hospitals and Clinics Board.
XX52 University of Wisconsin System.
XX53 Veterans Affairs.
XX54 Workforce Development.
XX55 Other.

For example, for general nonstatutory provisions relating to the State Historical Society, see SECTION 9123. For any agency that is not assigned a two-digit identification number and that is attached to another agency, see the number of the latter agency. For any other agency not assigned a two-digit identification number or any provision that does not relate to the functions of a particular agency, see number "55" (**Other**) within each type of provision.

In order to facilitate amendment drafting and the enrolling process, separate section numbers and headings appear for each type of provision and for each state agency, even if there are no provisions included in that section number and heading. Section numbers and headings for which there are no provisions will be deleted in enrolling and will not appear in the published act.

Following is a list of the most commonly used abbreviations appearing in the analysis.

DATCP ... Department of Agriculture, Trade and Consumer Protection
DCF ..... Department of Children and Families
DETF ..... Department of Employee Trust Funds
DFI ..... Department of Financial Institutions
DHS ..... Department of Health Services

DMA ..... Department of Military Affairs
DNR ..... Department of Natural Resources
DOA ..... Department of Administration
DOC ..... Department of Corrections
DOJ ..... Department of Justice
DOR ..... Department of Revenue
DOT ..... Department of Transportation
DPI ..... Department of Public Instruction
DRL ..... Department of Regulation and Licensing
DSPS ..... Department of Safety and Professional Services
DVA ..... Department of Veterans Affairs
DWD ..... Department of Workforce Development
JCF ..... Joint Committee on Finance
OCI ..... Office of the Commissioner of Insurance
PSC ..... Public Service Commission
UW ..... University of Wisconsin
WEDC .... Wisconsin Economic Development Corporation
WHEDA .. Wisconsin Housing and Economic Development Authority
WHEFA ... Wisconsin Health and Educational Facilities Authority

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AGRICULTURE

Under current law, a farmer may qualify for the farmland preservation tax credit if the farmland is located in a farmland preservation zoning district. Under current law, in order to rezone land out of a farmland preservation zoning district. Also under current law, a political subdivision may not rezone land out of a farmland preservation zoning district unless the person who requested the rezoning pays a conversion fee equal to the number of acres rezoned multiplied by three times the per acre value of the highest value of cropland in the area, as determined for the purposes of use value assessment. This bill eliminates the requirement that a person who requests that land be rezoned out of a farmland preservation zoning district pay a conversion fee.

Under current law, DATCP administers a program under which it, in conjunction with local governments and nonprofit conservation organizations, purchases agricultural conservation easements from willing landowners. An agricultural conservation easement requires that land covered by the easement be kept in agricultural use. This bill eliminates this program.

Current law requires DATCP to promote the consumption of locally produced foods and to improve the distribution of foods for local consumption. DATCP also awards grants for projects designed to increase the local sale of food grown in this state. This bill eliminates these provisions.

Under current law, DATCP awards grants for land and water resource management projects. This bill increases the general obligation bonding authority for these grants by $7,000,000.

DMA ..... Department of Military Affairs
DNR ..... Department of Natural Resources
DOA ..... Department of Administration
DOC ..... Department of Corrections
DOJ ..... Department of Justice
DOR ..... Department of Revenue
DOT ..... Department of Transportation
DPI ..... Department of Public Instruction
DRL ..... Department of Regulation and Licensing
DSPS ..... Department of Safety and Professional Services
DVA ..... Department of Veterans Affairs
DWD ..... Department of Workforce Development
JCF ..... Joint Committee on Finance
OCI ..... Office of the Commissioner of Insurance
PSC ..... Public Service Commission
UW ..... University of Wisconsin
WEDC .... Wisconsin Economic Development Corporation
WHEDA .. Wisconsin Housing and Economic Development Authority
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COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Currently, the Department of Commerce (Commerce) administers, or assists in administering, programs intended to promote economic development in this state. Generally, the programs provide assistance in the form of grants, loans, or tax benefits to persons who meet specified eligibility requirements. With certain exceptions, the bill eliminates current programs that provide grants and loans, and transfers Commerce's duties under programs that provide tax benefits to the Wisconsin Economic Development Corporation (WEDC) created in 2011 Wisconsin Act 7.

Grant and loan programs

With limited exceptions, the bill eliminates all current economic development grant and loan programs administered by Commerce, including grants to Wisconsin Business Development Finance Corporation for a capital access program; grants and loans to a business or researcher for projects generally related to renewable energy; loans to manufacturing businesses for projects generally related to energy efficiency and renewable energy; grants and loans to businesses for diversifying a local economy; grants and loans for improving the profitability of businesses negatively impacted by a casino; grants to the city of Milwaukee to fund remediation and redevelopment projects in the Menomonee Valley; grants to the Center for Advanced Technology and Innovation; grants to businesses for employee skills training or other education; grants to businesses for expenses in hiring students as paid interns; and grants and loans to businesses, municipalities, and other entities for encouraging minority businesses and businesses in economically distressed areas, and for strengthening urban and rural communities.

Commerce currently awards grants to businesses for innovation and research assistance and awards grants to the Women's Business Initiative Corporation (WBIC). The bill transfers administration of these grants to DSPS, formerly called DRL.

Tax incentives

Current law provides tax incentives for conducting certain business activities in the state; Commerce's role is generally to certify that a business meets specified eligibility requirements. The bill transfers Commerce's role in administering most tax incentives to WEDC, including electronic medical records credit; angel investment tax credits; early stage seed investment credit; and jobs credit. The bill transfers Commerce's duties under the film production credit to the Department of Tourism and transfers Commerce's duties under the dairy manufacturing facility investment credit to DATCP.

Currently, Commerce may certify a person as eligible for the jobs tax credit if the person increases net employment in the person's business and one of the following applies: 1) an employee for whom the person claims the credit earns at least $20,000 or $30,000 (depending on the classification of the community where the employee is located) but not more than $100,000 per year; or 2) the person improves employee skills, trains an employee in new technologies, or provides training to an

employee in his or her first full-time job. The bill provides that WEDC may certify a person for the jobs tax credit if the person conducts training as described above or increases net employment in the person's business, without regard to the salary of the employee for whom the credit is claimed.

Current law also provides tax incentives for projects that create jobs, make capital investments, train employees, or establish or retain corporate headquarters in areas of the state (development zones) that meet specified criteria and Commerce has designated, or that have been designated, by Commerce or by law. The bill transfers Commerce's duties under these development zone programs to WEDC and deletes a current provision authorizing the designation of a business incubator as a development zone.

The bill directs WEDC to award annual grants up to $100,000 to regional economic development agencies to fund marketing activities.

Other economic development duties

Currently, Commerce's Office of Regulatory Assistance must generally help businesses to obtain permits, licenses, and approvals necessary to operate a business in this state. The bill eliminates the Office of Regulatory Assistance.

Current law requires Commerce to facilitate arrangements between investors of venture capital and entrepreneurs seeking to obtain venture capital. Commerce must also develop programs in metropolitan areas for supporting persons who arrange venture capital for entrepreneurs. The bill repeals these requirements.

Current law requires Commerce to enter into an agreement with a recipient of a grant, loan, or specified tax incentives (incentive) that requires the recipient to repay the incentive if, within five years, the recipient ceases to conduct in this state the economic activity for which the incentive was provided and commences substantially the same economic activity outside the state. The bill transfers this requirement to WEDC.

The bill deletes the current State Main Street Program, which generally requires Commerce to assist municipalities with programs to revitalize local, downtown business areas.

The bill eliminates the Small Business Environmental Council, which generally assists small businesses in complying with federal and state laws regulating air and water pollution.

Under current law, Commerce administers programs to certify disabled veteran-owned businesses, woman-owned businesses, and minority businesses that are designed to promote such Wisconsin businesses. A business certified under one of these programs may be eligible to receive certain benefits including advantages bidding on public projects. This bill transfers the administration of those certifications to DSPS.

Under current law, WHEFA may issue a bond to finance certain projects undertaken by a participating health or research institution or educational facility, or refinance the debt of a participating institution, and may engage in other contractual relations with participating institutions incident to its project financing or debt refinancing. This bill specifies that WHEFA may also contract with an affiliate entity that controls, is controlled by, or is under common control with, an

entity organized under the laws of Wisconsin or authorized by Wisconsin law to provide or operate certain facilities. The bill also authorizes WHEFA to issue a bond for a project located outside of Wisconsin if that project includes a substantial component located in Wisconsin, as determined by WHEFA's executive director.

BUILDINGS AND SAFETY

Under current law, Commerce administers various laws, including laws that promote safety in public and private buildings and in the subsystems of those buildings, including building codes. Commerce issues various licenses, permits, registrations, and other credentials (licenses) to persons engaged in occupations regulated by Commerce, such as electricians and plumbers, and in connection with the administration of other laws relating to public health and safety such as those regulating private sewage systems, fireworks, and the storage of flammable liquids. This bill transfers these functions to DSPS.

FINANCIAL INSTITUTIONS

Under current law, a person may apply to be a notary public to the Office of the Secretary of State (OSOS). If OSOS determines that the applicant is qualified, OSOS issues a certificate of appointment as a notary public. This bill transfers notary public functions from the OSOS to DFI.

Under current law, a person may file for state trademark or service mark registration with OSOS. If applicable requirements are met, OSOS issues a certificate of registration of the mark. This bill transfers these trademark functions from OSOS to DFI.

Under current law, a person cannot transact business in this state as an investment adviser unless the person registers with DFI or is exempt from registration. This bill eliminates registration exemptions for entities of institutional character with assets of more than $10,000,000 and for private business development companies, trusts with assets of more than $5,000,000, and entities in which all of the equity owners are accredited investors.

HOUSING

Under current law, Commerce makes grants and loans to defray housing costs for persons and families of low and moderate income; awards grants to various entities to support independent living of, mental health services to, and shelter for, homeless persons; awards grants to supplement the operating budgets of administers housing programs funded by federal block grants and other federal moneys; and administers a program to transfer surplus state-owned real estate. The bill transfers Commerce's duties under these programs to WHEDA, except that the bill eliminates the program for the transfer of surplus state-owned real estate.

Under current law, Commerce must prepare and annually update a state housing strategy plan to inform review of bills and rules affecting housing and generally guide WHEDA's housing-related activities. The bill transfers Commerce's duties related to the plan to WHEDA.

OTHER COMMERCE

Commerce currently may contract with the Board of Regents of the UW System for services to assess and educate businesses regarding hazardous substances and

waste, and must work with DNR to promote pollution prevention among businesses in the state. The bill deletes these provisions.

Currently, Commerce must prepare a report on any introduced bill, which is printed as an appendix to the bill, that directly or substantially affects the development, construction, cost, or availability of housing in the state and must prepare a similar report on any proposed rule that directly or substantially affects the development, construction, cost, or availability of housing in the state. The bill transfers Commerce's duties with respect to bills to WHEDA and repeals Commerce's duties with respect to proposed rules.

CORRECTIONAL SYSTEM

ADULT CORRECTIONAL SYSTEM

The 2009-11 biennial budget act (Act 28) made several changes to the adult correctional system, most of which took effect on October 1, 2009. Before the effective date of these provisions (pre-Act 28), a person who was imprisoned for a felony committed before December 31, 1999, could petition the parole commission in DOC to be released to parole after the person served 25 percent of his or her sentence, or six months, whichever was greater. The parole commission determined whether, and under what conditions, the person should be released to parole. A person who committed a felony on or after December 31, 1999, was sentenced to a bifurcated sentence, with the first portion of the sentence served in confinement and the second portion served under extended supervision in the community. A person serving a bifurcated sentence was generally required to serve the entire confinement portion of his or her sentence, which could be extended for violation of a prison regulation, before being released to extended supervision. If a person's confinement portion was extended for a prison regulation violation, his or her extended supervision portion had to be reduced so that the total length of the person's sentence remained unchanged.

The law pre-Act 28 allowed a person serving a bifurcated sentence for certain felonies to petition the sentencing court to adjust his or her sentence and release the person from prison to extended supervision if he or she had served 85 percent (for Class C to Class E felonies) or 75 percent (for Class F to Class I felonies) of the confinement portion of the sentence. If a person's confinement portion was reduced by the sentencing court, his or her extended supervision portion had to be extended so that the total length of the person's sentence remained unchanged. The law pre-Act 28 required a person released to extended supervision to serve his or her entire sentence before extended supervision terminated.

Under current law, the sentencing court plays no role in adjusting sentences and the earned release review commission (ERRC), formerly identified as the Parole Commission, reviews petitions for early release from confinement. Most persons incarcerated for a Class C to Class I felony may earn "positive adjustment time" toward early release from confinement.

move down

Current law requires DOC to release a person to extended supervision when he or she serves his entire period of confinement, minus "positive adjustment time" earned, and if a person's period of confinement is reduced by "positive adjustment time," his or her period of extended supervision is increased so that the length of the

allows

subject to court review

sentence does not change. Also under current law, the sentencing court may, at the time of sentencing, order a person to serve a risk reduction sentence making the person eligible for early release to extended supervision under certain circumstances.

Generally, pre-Act 28, a person who had committed a felony could petition the sentencing court for release to extended supervision if the person had a terminal condition, reached age 65 after serving at least five years of the confinement portion of the sentence, or reached age 60 after serving at least ten years of the confinement portion of the sentence. Under current law, a person with any serious health condition may file such a petition with ERRC instead of the sentencing court. In addition, DOC may release to extended supervision any person serving the confinement portion of a bifurcated sentence if the person is not confined following a violent offense and other conditions are satisfied. If DOC releases a person, his or her term of extended supervision must be extended by the length of time he or she was originally sentenced to confinement so that the total length of the sentence does not change.

Pre-Act 28, if a person sentenced to a bifurcated sentence violated any condition of his or her release to extended supervision, the person's extended supervision was revoked and he or she was returned to prison for a period of time determined by the court that convicted the person not to exceed the time remaining on the person's bifurcated sentence. Under current law, DOA's Division of Hearings and Appeals or DOC determines how long to imprison the person whose extended supervision is revoked not to exceed the time remaining on his or her bifurcated sentence.

This bill eliminates "positive adjustment time" and risk reduction sentences, restores the parole commission, eliminates the ERRC, and returns the sentencing provisions and most of the provisions relating to early release from confinement to pre-Act 28 law. Under the bill, a person may petition the sentencing court for release to extended supervision for the remaining term of his or her sentence if the person has an extraordinary health condition, reaches age 65 after serving at least five years of his or her term of confinement portion, or reaches age 60 after serving at least ten years of his or her term of confinement portion.

Under the bill, a person sentenced after October 1, 2009, but before the effective date of the bill, and who earned positive adjustment time during that period may petition the sentencing court for an early release to extended supervision. If the sentencing court agrees to reduce the confinement portion of the person's sentence by the number of positive adjustment time days he or she earned, the sentencing court must increase the term of extended supervision by the same number of days. Under the bill, a person who was sentenced to a risk reduction sentence after October 1, 2009, but before the effective date of the bill and who complied with the program plan developed by DOC may be released to extended supervision after he or she serves at least 75 percent of the confinement portion of his or her sentence.

JUVENILE CORRECTIONAL SYSTEM

Under current law, DOC must allocate various state and federal moneys to counties to pay for state-provided juvenile correctional services and local

delinquency-related and juvenile justice services. DOC charges counties for the costs of services provided by DOC according to per person daily cost assessments specified by law (the "daily rate").

This bill increases the daily rates for care in a juvenile correctional facility and for care for juveniles transferred from a juvenile correctional institution and decreases the daily rates for corrective sanctions and after care services. The bill eliminates the statutory daily rates for care for juveniles in a residential care center for children and youth, group home, or foster home, and instead provides that the daily rate is the amount the provider of that care charges DOC.

This bill also decreases by 10 percent from the 2009-11 fiscal biennium the total amounts that DOC must allocate to counties for state-provided juvenile correctional services and local delinquency-related and juvenile justice services in the 2011-13 fiscal biennium.

Under current law, sum certain amounts are appropriated to DOC for juvenile correctional services, juvenile residential aftercare services, and juvenile corrective sanctions services. This bill provides that, if there is a deficit in the juvenile correctional services appropriation account at the end of a fiscal year, certain unencumbered balances in the juvenile residential aftercare services and juvenile corrective sanctions services appropriation accounts, up to the amount of the deficit and less any amounts required to be remitted to counties or deposited in the general fund, are transferred to the juvenile correctional services appropriation account.

COURTS AND PROCEDURE

CIRCUIT COURTS

Under current law, with a few exceptions, a person who files a civil action, a small claims action, or a wage garnishment action, or against whom a civil forfeiture is assessed pays a $21.50 justice information surcharge. Of that amount, some moneys remain in the general fund and some moneys are credited for certain specific purposes.

Under the bill, $700,000 of the moneys from the justice information surcharge remain in the general fund. The balance is credited to an appropriation account and DOA is required to transfer the balance to various agencies for the following purposes: to provide grants for law enforcement officers; to fund child advocacy centers; to provide victim notification services; to pay for court interpreters; to pay for assistant district attorney positions; to fund state and local information and technology and administrative costs associated with traffic stop data collection; to administer an interoperable public safety communications system; and to administer an automated justice information system.

The bill eliminates the funding for the OJA to gather and analyze statistics and for the provision of civil legal services to indigent persons; and requires district attorney offices to work with the Office of State Employment Relations to allocate the money transferred for assistant district attorneys.

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, each school district must hold school for 180 days each school term and must schedule at least 437 hours of direct pupil instruction in kindergarten, at least 1,050 hours of direct pupil instruction in grades one to six, and at least 1,137 hours of direct pupil instruction in grades seven to twelve. With some exceptions, the state superintendent of public instruction must withhold state aid from a school district if the school district fails to hold school for 180 days.

This bill eliminates the requirement that a school district hold school for 180 days each year and requires the state superintendent to withhold state aid from a school district that fails to provide the hours of direct pupil instruction specified above.

Under current law, the board of Milwaukee Public Schools determines the school calendar and vacation periods for the regular day school period each school year, but may not schedule more than 200 teaching days in that period in any school year. This bill eliminates the requirement that no more than 200 teaching days be scheduled in the regular day school period.

Current law generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the Consumer Price Index. In the 2011–12 school year, the increase is limited to $275 and in the 2012–13 school year to the percentage change in the Consumer Price Index. This bill reduces the revenue limit for all school districts by 5.5 percent in the 2011–12 school year. For the 2012–13 school year, a school district may not increase its per pupil revenues above the amount it received in the 2011–12 school year.

Current law exempts a school district from the revenue limit if its per pupil revenue is less than a statutory revenue ceiling, currently set at $9,800. This bill decreases the per pupil revenue ceiling to $8,900 for the 2011–12 school year and for any subsequent school year.

Current law provides that, if a school district's revenue limit, as calculated before any adjustments, is less than the district's base revenue from the previous school year, the district's initial revenue limit is set at the prior year's base revenue. This bill eliminates this provision.

Current law permits a school board to increase its revenue limits by the amount spent by the school district in the second previous school year to pay the salary and fringe benefit costs of school nurses, by the costs of school safety equipment and the compensation costs of security officers, and for pupil transportation costs. This bill eliminates these revenue limit adjustments.

Effective July 1, 2012, this bill eliminates a number of categorical school aid programs, including the Preschool to Grade 5 Program; grants for alcohol and other drug abuse prevention and intervention programs; the Children at Risk Program; grants for nursing services; supplemental aid; grants for advanced placement courses; grants for English instruction for Southeast Asian children; grants for science, technology, engineering, and mathematics (STEM) programs; grants to

Milwaukee Public Schools for improving pupil academic achievement; and grants for alternative education programs.

Under current law, each school year a school district is guaranteed an amount of general state aid equal to at least 85 percent of the amount it received in the previous school year. This bill guarantees a school district in the 2011–12 school year an amount equal to at least 90 percent of the amount it received in the 2010–11 school year. The percentage reverts to 85 percent in each school year thereafter.

Under the Milwaukee Parental Choice Program (MPCP), a pupil who resides in the city of Milwaukee may attend a participating private school (MPCP school) in the city at state expense if, among other requirements, the pupil is a member of a family that has a total family income that does not exceed 175 percent of the federal poverty level. A pupil attending an MPCP school whose family income increases up to not more than 220 percent of the poverty level may continue to attend the school under the MPCP.

This bill eliminates the family income requirement for a pupil who wishes to attend an MPCP school beginning in the 2011–12 school year. ~~Under the bill, a pupil who resides in the city may attend a private school at state expense only~~ if the pupil did not attend an MPCP school at any time in the 2010–11 school year. Also under the bill, an MPCP school may charge tuition and fees to a pupil admitted under the MPCP over and above the payment the private school receives for the pupil from the state, but only if the pupil's family income does not exceed 325 percent of the poverty level.

Under current law, only private schools located in the city of Milwaukee may participate in the MPCP and the number of pupils who may attend a private school under the MPCP is capped at 22,500. This bill provides that any private school located in Milwaukee County may participate in the MPCP and eliminates the cap.

Under current law, MPCP schools must annually administer examinations approved by the state superintendent to pupils attending the school under MPCP and enrolled in grades four, eight, and ten and examinations in reading and mathematics required under the federal No Child Left Behind Act to pupils enrolled in grades three to eight and grade ten. This bill requires, instead, that MPCP schools annually administer a nationally normed standardized test in reading, mathematics, and science to pupils attending the school under the MPCP and enrolled in grades four, eight, and ten.

Under current law MPCP schools must annually submit to DPI evidence of sound fiscal practices and financial viability, as prescribed by DPI by rule. This bill establishes circumstances that would indicate that an MPCP school does not possess sound fiscal practices or the financial ability to continue educational programming operations.

This bill requires DPI to notify each MPCP school, and the parents and guardians of pupils attending a private school under the MPCP, of any changes to the MPCP prior to the school year in which the change is to take effect.

Generally, under current law the state pays MPCP schools the lesser of the private school's educational costs per pupil or the sum of the amount paid per pupil in the previous school year increased by the percentage change in the amount of

general state school aids. However, for the 2009-10 and 2010-11 school years, the state's per pupil payment is equal to the lesser of the private school's educational costs per pupil or $6,442. This bill extends this payment exception through the 2012-13 school year.

Under current law, school boards may enter into contracts with individuals, groups, businesses, or governmental bodies to establish charter schools, which operate with fewer constraints than traditional public schools. Current law also permits UW-Milwaukee, UW-Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of charter schools. Currently, and through the 2010-11 school year, the operator of an independent charter school receives per pupil state aid in an amount equal to the amount paid per pupil in the previous school year, increased by an amount that is tied to the increase in the per pupil state aid received by an MPCP school. Under current law, beginning in the 2011-12 school year, the per pupil payment made to independent charter schools is tied to the per pupil revenue limit adjustment for public schools. Under this bill, the per pupil payment to independent charter schools through the 2012-13 school year remains tied to the method for determining the per pupil payment received by an MPCP school.

This bill allows any four-year institution within the UW System to operate or contract for the operation of a charter school with the approval of the Board of Regents. The bill also allows the UW-Madison to operate or contract for the operation of a charter school.

Currently, if UW-Milwaukee establishes a charter school, it must be located in the city of Milwaukee. UW-Parkside may establish only one charter school and it must be located in the Racine school district or in an adjacent county, it may not enroll more than 480 pupils, and it may not operate high school grades. This bill eliminates all of these restrictions.

Currently, the Racine school district receives additional state aid if UW-Parkside establishes a charter school. This bill eliminates this payment.

Currently, any person who seeks to teach in a public school, including a charter school, must hold a license or permit issued by DPI. This bill exempts teachers in independent charter schools from this requirement and instead requires such a teacher to have a bachelor's degree from an accredited institution of higher education.

Under current law, state aid to independent charter schools is funded by a reduction in general school aid, applied on a prorated basis to all school districts. Beginning in the 2011-12 school year, instead of reducing general school aid by the amount of charter school aid paid in the same school year, general school aid is reduced by the amount of charter school aid paid in the 2010-11 school year. This bill eliminates this cap on the reduction in general school aid.

This bill prohibits a school board from requiring, as a condition of employment, that a teacher reside within the school district.

Current law requires that each school district employ a reading specialist to develop and coordinate a comprehensive reading curriculum. This bill eliminates this requirement.

Under current law, moneys are appropriated from the normal school fund to DPI for an environmental education consultant. This bill eliminates this appropriation.

Under current law, DPI must award to each person employing an initial educator a grant for providing a mentor for the initial educator. This bill eliminates the initial educator grant program beginning in the 2012-13 fiscal year.

Under current law, the Indoor Environmental Quality in Schools Task Force must make recommendations to DPI for the development of a model management plan for maintaining indoor environmental quality in public and private schools. DPI must, in turn, establish a model management plan and practices. Each school board and the governing body of each MPCP school must implement such a plan.

This bill eliminates the requirement that DPI establish a model management plan and practices and also the requirements that each school board and the governing body of each MPCP school implement such a plan.

Current law directs DPI to award grants to nonprofit organizations, cooperative educational service agencies, and the Milwaukee Public Schools for gifted and talented pupils.

This bill allows DPI to award grants to the UW-Madison as well, but requires that all grants must provide services and activities not ordinarily provided in a regular school program to allow gifted and talented pupils to fully develop their capabilities.

Under current law, no more than 5,250 pupils may attend virtual charter schools under the Open Enrollment Program (OEP) in any school year. This bill eliminates this limit.

Under the OEP, a pupil may apply to attend a public school in a school district other than the pupil's resident school district (nonresident school district) if certain conditions are met. Current law establishes a time line for filing and processing an application under the OEP. An application to attend a school in a nonresident school district is due between the first Monday in February and the third Friday following the first Monday in February and the resident and nonresident school boards must take certain actions to review and accept or reject the application within a specified time period. By June 30, the nonresident school board must report the name of each pupil accepted under the OEP to the pupil's resident school board.

This bill extends the time line for filing and processing applications under the OEP. Under the new time line, an application is due between the first Monday in February and the last weekday in April. The pupil must inform the nonresident school board whether he or she will attend a school in the nonresident school district by the last Friday in June. By July 7, the nonresident school board must report the name of each pupil accepted under the OEP to the pupil's resident school board. The bill requires a resident school district to provide to a nonresident school district records pertaining to disciplinary proceedings involving a pupil who has applied under the OEP.

The bill also requires the resident school district to forward a copy of the individualized education program (IEP) prepared for a child with a disability who applies to the nonresident district under the OEP. If the resident school district fails to comply with this requirement, the nonresident school district may charge the resident school district for any actual, additional costs incurred by the school district to provide the special education and related services to the child. The nonresident school district must prepare an estimate of the costs to implement an IEP prepared for a child with a disability who applies to the nonresident school district, and to provide the resident school district with a copy of the estimate. If the nonresident school district fails to provide the information, the nonresident school district may not charge the resident school district for the costs to provide the special education and related services to the child.

The bill also creates an alternative application process, with a separate time line, under the OEP for a pupil who satisfies one of the following criteria: 1) the pupil has been the victim of a violent criminal offense; 2) the pupil is or has been a homeless pupil; 3) the pupil has been the victim of repeated bullying or harassment; 4) the place of residence of the pupil's parent or guardian and of the pupil has changed as a result of military orders; 5) the pupil has moved into this state; 6) the place of residence of the pupil has changed as a result of a court order or custody agreement or placement in or removal from a foster home; or 7) the parent of the pupil and the nonresident school board agree that attending school in the nonresident school district is in the best interests of the pupil.

A nonresident school district that receives an application under the alternative time line must immediately forward a copy to the resident school board and must notify the applicant, in writing, whether it has accepted the application no later than 20 days after receiving it.

This bill permits a school district to increase the revenue limit applicable to the school by the amount of any reduction to the school district's payment from DPI in the previous year for a pupil who was not included in the calculation of the number of pupils enrolled in that school district in the previous year.

Current law generally requires a school district to provide transportation to and from school for a pupil attending a private school that is located at least two miles from the pupil's residence. If the estimated cost of transporting a pupil to a private school is more than 1.5 times the school district's average cost per pupil for bus transportation, the school board may contract with the pupil's parent or guardian. Except in a first class city school district (currently, only the Milwaukee Public Schools), the contract must provide for an annual payment for each pupil. In a first class city school district, if two or more pupils reside in the same household and attend the same private school, the contract may provide for a total annual payment of the amount described above for all of the pupils instead of for each of the pupils. This bill extends this provision to all school districts.

Under current law, no school bus driver, school district employee, or volunteer may administer medications, including prescription and nonprescription drug products, unless the person has received training approved by DPI. This bill eliminates the requirement that DPI approve the training.

BILL

This bill creates an appropriation to fund the work of a task force to be created by the governor to assess and improve literacy in elementary school children.

Under current law, a school nurse is defined to mean a registered nurse licensed either under state law or in a party state under the Nurse Licensure Compact who also meets qualifications established by DPI by rule. This bill eliminates the requirement that a school nurse meet qualifications established by DPI.

This bill directs DPI, working with the office of the governor, to establish a student information system to collect and maintain information about public school pupils, including their academic performance and demographic information, aggregated by school district, school, and teacher. DPI may not spend any moneys appropriated for the system unless its annual expenditure plan is approved by the governor. The bill requires DPI to charge a fee to any school district that uses the system and authorizes DPI to charge a fee to any other person that uses the system.

HIGHER EDUCATION

Currently, the UW System consists of 13 four-year institutions, including the UW-Madison, 13 two-year colleges, and the UW-Extension. The UW System is governed by the Board of Regents, which consists of the state superintendent of public instruction, the president of the technical college system, 14 citizen members, and two students. The latter 16 members are appointed by the governor and confirmed by the senate. There is a shared, hierarchical system of governance for the UW System: the Board of Regents has primary responsibility, followed by the UW System president, the chancellors of the institutions, the faculty, and the academic staff and students. Three boards are created in or attached to the UW System: the Environmental Education Board, the Laboratory of Hygiene Board, and the Veterinary Diagnostic Laboratory.

This bill creates an authority called the University of Wisconsin-Madison, consisting of the current UW-Madison. The board of Trustees, which governs the authority, consists of 21 members, 11 of whom are appointed by the governor, and the chancellor, who serves as a nonvoting member. The Board of Trustees appoints the chancellor to serve at its pleasure as the chief executive officer of the authority. The bill establishes a shared, hierarchical governance system for the authority, consisting of the Board of Trustees, followed by the chancellor, the faculty, and the academic staff and students.

The bill transfers all assets and liabilities of the current UW-Madison, including real property, and all incumbent UW-Madison employees to the authority. Until July 1, 2012, the authority must adhere to the terms of any collective bargaining agreement covering the employees, and the authority is considered an agency under the state employment relations laws for all purposes. Beginning July 1, 2012, the authority must implement its own personnel system. Tenured faculty at UW-Madison retain their tenure at the authority. The authority remains a participating employer in the Wisconsin Retirement System and authority employees retain health insurance and other benefits they had as state employees. All contracts entered into by the Board of Regents that are primarily related to the operation of the current UW-Madison, including the contracts with the Board of Directors of the UW Hospitals and Clinics Authority, are transferred to the authority's Board of Trustees.

The bill requires the Board of Trustees to adopt rules relating to conduct on university property and authorizes the Board of Trustees to condemn property.

Current law prohibits the Board of Regents of the UW System from increasing resident undergraduate tuition beyond an amount sufficient to fund certain specified costs and activities. This bill does not impose these restrictions on the establishment of tuition by the Board of Trustees.

The bill appropriates general purpose revenue, program revenue, and moneys from segregated funds to the authority. The authority is not required to deposit moneys that it receives, such as tuition, gifts, grants, and federal revenue, into the state treasury and may transfer gifts, grants, and donations to the UW Foundation. However, it must transfer daily to the state treasurer for deposit into the local government pooled-investment fund the collected cash balance from all sources except gifts, grants, and donations.

The bill abolishes the Laboratory of Hygiene Board and the Veterinary Diagnostic Laboratory Board and transfers their functions to the authority. The bill directs the Board of Trustees to appoint the director of the laboratory of hygiene, the director of the psychiatric institute, the state geologist, and the state cartographer.

The bill makes other changes regarding the UW-System and the UW-Madison, including the following:

1. Transfers loan assistance programs for physicians and other health care providers, but not dentist and dental hygienist programs, from the Board of Regents to the Board of Trustees.

2. Adds one person associated with the authority to each of the following boards and councils: the teachers retirement board in DETF, the natural areas preservation council in DNR, the professional standards council for teachers in DPI, the Higher Educational Aids Board, and the Technical College System Board.

3. Replaces certain Board of Regents members of the University of Wisconsin Hospitals and Clinics Board and the board of directors of the University of Wisconsin Hospitals and Clinics Authority with the Board of Trustee members.

The bill does the following regarding legal proceedings involving the authority:

1. Under current law, no one may sue a state officer, employee, or agent who is acting in his or her official capacity for damages unless the person serves the attorney general with a written notice of claim within 120 days of the event that allegedly caused the damages. This bill applies the prohibition to actions against an officer, director, employee, or agent of the Board of Trustees.

2. With a few exceptions, current law limits damages in a case against a state officer, employee, or agent who is acting in his or her official capacity to $250,000. This bill applies the limit to actions against an officer, director, employee, or agent of the Board of Trustees.

3. Under current law, generally, if a public officer or a state employee is sued in an official capacity or for actions undertaken within the scope of his or her employment, the state or the political subdivision that employs the officer or employee must provide legal counsel to the defendant officer or employee or cover legal costs for the officer or employee. If damages are assessed against the officer or employee, the state or political subdivision must pay the damages. Under this bill,

an officer, director, employer, or agent of the Board of Trustees is treated as a state officer, director, employer, or agent for purposes of these requirements.

4. Under current law, DOJ represents the state, state agencies, and state employees in certain legal proceedings, reviews, and actions. Under this bill, DOJ represents the Board of Trustees as a department of state government and the officials, employees, and agents of the board as state officials, employees, and agents for the purpose of representation in civil and criminal proceedings, and, upon request, for the purpose of appearing for and representing the board or its officials, employees, or agents at an administrative or civil court proceeding.

This bill directs the Board of Regents of the UW System to submit a plan to the secretary of administration by October 1, 2012, for the conversion of the UW-Milwaukee to an authority.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. One of the exemptions applies to an alien who is not a legal permanent resident of the United States and who: 1) graduated from a Wisconsin high school or received a declaration of equivalency of high school graduation from Wisconsin; 2) was continuously present in Wisconsin for at least three years following the first day of attending a Wisconsin high school or immediately preceding receipt of a declaration of equivalency of high school graduation; and 3) enrolls in a UW System institution and provides the institution with an affidavit stating that he or she has filed or will file an application for permanent residency with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. This bill eliminates the foregoing nonresident tuition exemption.

Current law also provides that an alien described above is considered a resident of this state for purposes of admission to and payment of fees at a technical college in this state. This bill eliminates that provision.

This bill prohibits a technical college district board's tax levy for operations in 2011 and 2012 from being greater than its tax levy for operations in 2010. If a district board's levy exceeds the allowable amount, the Technical College System Board must reduce the district's state aid payments by the amount of the excess levy unless DOR determines that the district board's excess levy was caused by a clerical error made by DOR or a taxation district or county clerk.

Current law requires the UW System and each technical college to grant full remission of fees for 128 credits or eight semesters, whichever is longer, less the amount of any fees paid under the federal Reserve Officer Training Corps Program, the federal Veterans Vocational Rehabilitation Act, or the federal Post-9/11 Veterans Educational Assistance Act of 2008 to an eligible veteran or to the spouse, unremarried surviving spouse, or child of an eligible veteran.

This bill requires the UW-Madison, the UW System, and a technical college to grant full remission of fees for 128 credits or eight semesters, whichever is longer, without reduction for any fees paid under those federal programs.

OTHER EDUCATIONAL AND CULTURAL AGENCIES

Under current law, the Higher Educational Aids Board (HEAB) awards Wisconsin covenant scholar grants to undergraduates enrolled at least half time at nonprofit public or private institutions of higher education or at tribally controlled colleges in this state. Currently, the Office of the Wisconsin Covenant Scholars Program in DOA (office) promotes attendance at nonprofit institutions of higher education in this state and performs certain duties relating to the administration of the program.

This bill eliminates the office and the promotional activities performed by the office and transfers to HEAB the administrative duties currently performed by the office. The bill also prohibits students from enrolling in the program after September 30, 2011.

Under current law, the Arts Board is attached to the Department of Tourism, which means that, subject to certain exceptions, the Arts Board exercises its powers, duties, and functions, including the duty of appointing an executive secretary, independently of the secretary of tourism.

This bill places the Arts Board in the Department of Tourism so that the Arts Board exercises all of its powers, duties, and functions under the direction and supervision of the secretary of tourism, and requires the secretary of tourism to appoint an executive director of the Arts Board to serve at the pleasure of the secretary.

Current law generally requires at least 0.02 percent of the appropriation for the construction, reconstruction, renovation, or remodeling of, or for an addition to, a state building to be used to acquire works of art for the building (Percent for Art Program). This bill eliminates the Percent for Art Program.

ENVIRONMENT

RECYCLING

Current law generally prohibits a person from disposing of certain materials, such as aluminum containers, in a landfill or incinerator and requires a municipality or county to operate a recycling or other program to manage solid waste in compliance with the disposal restrictions. DNR administers a program that provides financial assistance to local governments that operate recycling programs.

This bill eliminates the requirement that a municipality or county operate a recycling or other program to manage solid waste in compliance with the disposal restrictions, eliminates the financial assistance program for local governmental recycling programs, and prohibits an individual from placing materials such as aluminum containers with materials to be disposed of in a landfill or incinerator.

Under current law, the main sources of revenue for the segregated recycling and renewable energy fund are the recycling tipping fee and the recycling surcharge. Currently, the recycling tipping fee is $7 per ton of solid waste disposed of, other than certain kinds of high-volume industrial waste.

This bill renames the recycling and renewable energy fund to be the economic development fund and renames the recycling surcharge to be the economic development surcharge. The bill directs $4 per ton of the recycling tipping fee to be

deposited in the economic development fund and $3 per ton to be deposited in the environmental fund.

WATER QUALITY

Current law requires DNR to promulgate rules prescribing performance standards for facilities or practices that cause or may cause water pollution from a source other than a discernible, confined, and discrete conveyance (nonpoint source water pollution).

This bill requires DNR to repeal and recreate its nonpoint source water pollution rules effective 90 days after this bill's effective date and specifies that the rules may not be more stringent than the requirements under the federal Water Pollution Control Act. The rules must, to the extent allowed under federal law, provide that a fixed-date deadline regarding the reduction of runoff from existing development does not apply to a municipality if the deadline would have a significant adverse economic impact on that municipality.

Under current law, DNR may promulgate rules that establish effluent limitations concerning the discharge of phosphorous if the federal Environmental Protection Agency has not promulgated a phosphorus discharge limitation, standard, or prohibition. This bill prohibits DNR from establishing phosphorous effluent limitations that are more stringent than the effluent limitations established by Illinois, Indiana, Michigan, Minnesota, or Ohio.

Under current law, DNR establishes statewide standards for erosion control at commercial building construction sites. Plans for erosion control at these sites must be submitted to, and approved by, DNR or a municipality to which DNR has delegated authority to act. Current law also requires DNR or a delegated municipality to inspect erosion control activities and structures at these sites.

This bill transfers the responsibility for administering the erosion control laws with regard to commercial building construction sites from DNR to DSPS, formerly called DRL.

Under the Clean Water Fund Program, this state provides financial assistance for projects that control water pollution, including loans at subsidized interest rates.

Under current law, the following interest rates apply: 60 percent of the market interest rate for projects that are necessary to prevent a municipality from exceeding a pollution limit in its wastewater discharge permit, 65 percent of the market interest rate for projects for the treatment of nonpoint source pollution and urban storm water runoff, and 70 percent of the market interest rate for projects for unsewered municipalities. This bill changes the interest rate for all of these kinds of projects to 80 percent of the market interest rate. This bill sets the present value of the Clean Water Fund Program subsidies that may be provided during the 2011-13 biennium at $54,400,000 and increases the revenue bonding authority for the Clean Water Fund Program by $353,000,000.

This state also provides financial hardship assistance to municipalities under the Clean Water Fund Program. Current law limits the amount of financial hardship assistance that this state may provide to 15 percent of the total present value of the Clean Water Fund Program subsidies in a fiscal biennium. This bill changes the percentage to 5 percent.

Under the Safe Drinking Water Loan Program, this state provides loans at subsidized rates to local governmental units for construction or modification projects for public water systems. This bill sets the present value of the Safe Drinking Water Loan Program subsidies that may be provided during the 2011-13 biennium at $30,700,000 and increases the general obligation bonding authority for the Safe Drinking Water Loan Program by $9,400,000.

BONDING

Under current law, DNR administers the targeted runoff management program to provide financial assistance for projects to reduce nonpoint source water pollution in areas that have surface water quality problems. This bill increases the authorized general obligation bonding authority for the targeted runoff management program by $7,000,000.

Under current law, DNR administers programs to provide financial assistance for the management of urban storm water runoff and for flood control and riparian restoration projects. This bill increases the general obligation bonding authority for these programs by $6,000,000.

Current law authorizes DNR to pay a portion of the costs of a project to remove contaminated sediment from Lake Michigan or Lake Superior or their tributaries. This bill increases the bonding authority for sediment removal projects by $5,000,000.

Current law authorizes DNR to conduct or fund activities to investigate and remedy environmental contamination in some situations. This bill increases the authorized bonding authority to finance those activities by $3,000,000.

OTHER

The petroleum inspection fund, among other things, pays for projects to clean up discharges from petroleum product storage tanks. This bill transfers $19,500,000 from the petroleum inspection fund to the transportation fund in each year of the fiscal biennium.

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered, generally, by W-2 agencies under contracts with DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old, as well as job search assistance to noncustodial parents who are required to pay child support, to minor custodial parents, and to pregnant women who are not custodial parents. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, who needs child care services to participate in various educational or work activities, and who satisfies other eligibility criteria may receive a subsidy for child care services under W-2's child care subsidy program (Wisconsin Shares). This bill makes a number of miscellaneous changes to W-2, including the following:

1. Limiting the length of time during which a participant may participate in a trial job to three months and in a trial job placement to 24 months; limiting the length of time during which a participant may participate in a community service job

to six months and in a community service job placement to 24 months; and limiting the length of time during which a participant may participate in a transitional placement to 24 months.

2. Providing that a participant in a community service job placement may be required to engage in certain job-related activities for up to 30 hours per week and in educational or training activities for up to ten hours per week and that a participant in a transitional placement may be required to engage in certain specified activities for up to 28 hours per week and in educational or training activities for up to 12 hours per week.

3. Reducing the maximum monthly grant received by a participant in a community service job placement from $673 to $653 and by a participant in a transitional placement from $628 to $608.

4. Eliminating the requirement that DCF make certain determinations before determining that a participant is ineligible for three months to participate in W-2 due to a failure to participate in an assigned placement and the requirement that, before a participant who has refused to participate in an assigned placement loses eligibility for three months, he or she must be given a conciliation period.

5. Eliminating the requirement that, after a W-2 agency has provided written notice to a W-2 participant whose benefits are about to be reduced by at least 20 percent or whose eligibility is about to be terminated, the W-2 agency also must orally explain the proposed action.

The bill also eliminates the transitional jobs demonstration project, under which DCF provides wage subsidies to employers who employ eligible individuals.

Current law prohibits DCF from increasing the maximum Wisconsin Shares child care provider reimbursement rates in 2009, 2010, or before June 30, 2011. Current law also requires DCF to submit to JCF a plan for implementing the child care quality rating system (quality rating plan). This bill provides that before June 30, 2013, DCF may not increase the maximum Wisconsin Shares child care provider reimbursement rates, but may modify an individual child care provider's reimbursement rate on the basis of the child care provider's quality rating, as that term is described in the quality rating plan, as follows: a provider who receives a one-star rating may be denied reimbursement; one who receives a two-star rating may have the maximum reimbursement rate reduced by up to 5 percent; one who receives a three-star rating will receive reimbursement at the maximum rate; one who receives a four-star rating may have the maximum reimbursement rate increased by up to 5 percent; and one who receives a five-star rating may have the maximum reimbursement rate increased by up to 10 percent. In addition, DCF is authorized to use a severity-index tool, as that term is described in the quality rating plan, to disqualify providers who receive low-quality ratings from providing child care services in Wisconsin Shares.

The bill authorizes DCF to do any of the following to reduce costs under Wisconsin Shares: 1) implement a waiting list; 2) increase the copayments paid by individuals who receive a child care subsidy; 3) adjust the amount of reimbursement paid to child care providers; or 4) adjust the gross income levels for eligibility for child care subsidies.

PUBLIC ASSISTANCE

Under current law, income maintenance programs are administered by counties, by tribal governing bodies through contracts with DHS, and by the Milwaukee County enrollment services unit within DHS (Milwaukee unit) in Milwaukee County. Income maintenance programs are currently specified in the statutes as the Medical Assistance program (MA), including BadgerCare Plus; the food stamp program; and the funeral, burial, and cemetery expenses program under which counties pay cemetery, funeral, and burial expenses for decedents who, during life, received certain public assistance benefits.

This bill requires DHS to establish an income maintenance administration unit (IM unit) in DHS to administer income maintenance programs in all counties. Until the IM unit is prepared to assume income maintenance administration from counties and from the Milwaukee unit, DHS may continue to delegate income maintenance administrative functions to counties, on a county-by-county basis. The Milwaukee unit is eliminated when the IM unit assumes income maintenance program administration in Milwaukee County. This bill requires that the IM unit administer income maintenance programs statewide no later than May 1, 2012. This bill transfers the food stamp program to DCF on January 1, 2013.

Under current law, DHS administers two programs that provide supplemental payments to individuals who are eligible to receive federal supplemental security income (SSI). This bill transfers the administration of these programs to DCF.

Under current law, qualified aliens receive food stamp benefits. Federal law allows, but does not require, a state to provide those benefits, and any state that does provide such benefits must pay the whole cost itself. This bill eliminates the provision of food stamp benefits to qualified aliens in this state.

Under current law, DHS pays the cost of medical treatment for persons with chronic kidney disease at a rate equal to the allowable charges under Medicare. This bill provides that DHS will pay for medical treatment for such persons at a rate that is determined by DHS and that does not exceed the allowable charges under Medicare.

MEDICAL ASSISTANCE

Under current law, DHS administers MA, which is a jointly funded federal and state program that provides health services to individuals who have limited resources. MA provides provides family planning as a benefit to its recipients. Currently, DHS may request a waiver to conduct and may implement a project to provide family planning services under MA to men between the ages of 15 and 44 whose family income is not more than 200 percent of the federal poverty level. This bill eliminates the ability on January 1, 2012, for DHS to request a waiver to conduct or to implement a project providing family planning services under MA to men.

Under the expanded Medicare buy-in program under current law, MA pays premiums, deductibles, and coinsurance for Medicare coverage for elderly or disabled persons who are entitled to coverage under Medicare Part A or under Medicare Part A and Part B and whose income and resources are sufficiently low to satisfy the eligibility criteria. Current law limits any coinsurance payment for a service under Medicare Part B to the allowable charge for the service under MA

minus the Medicare payment. This bill limits any coinsurance payment for a service under Medicare Part A to the allowable charge for the service under MA minus the Medicare payment.

The Birth to 3 waiver program and the disabled children's long-term support program are MA waiver programs that permit DHS to offer home and community-based services to children under MA. Counties pay the nonfederal share of MA costs for services provided under the Birth to 3 waiver program and for services provided to some of the children in the disabled children's long-term support program. Currently, counties administer these programs and pay providers who provide services under the programs.

Under this bill, DHS must contract with a private entity to administer the Birth to 3 waiver program and the disabled children's long-term support program. The private entity must also pay providers for services provided under these programs.

This bill requires counties to pay the following costs by providing funds to DHS, rather than by paying the costs directly: 1) the nonfederal share of services the county provides without state funding under the disabled children's long-term support program; 2) the nonfederal share of benefits provided under the Birth to 3 waiver program; 3) the administration costs for the Birth to 3 waiver program; and 4) the administration costs for services the county provides without state funding under the disabled children's long-term support program for a participant enrolled after January 1, 2011.

Under current law, DHS reimburses certain hospitals for hospital care provided under MA to MA recipients and makes supplemental payments to certain hospitals. This bill eliminates the supplemental payments from the MA program to essential access city hospitals.

Certain services related to screenings, home health, reproductive health, mental health, physical and psychosocial rehabilitation, and other services (covered services) are among services that are covered under MA. Currently DHS may make MA payment adjustments to a county department for covered services. DHS then may decrease a county's allocation of community aids moneys by the amount of MA payment adjustments paid from general purpose revenue by DHS.

This bill creates a second procedure under which DHS may make payments to county departments for covered services. Under this procedure, county departments must submit, annually, certified cost reports to DHS for covered services. DHS must base the amount of a claim for federal MA funds on the certified cost reports the county departments submit. For those covered services, under this procedure, DHS must pay county departments a percentage, as established in the state's most recent biennial budget, of the federal funds claimed. This bill allows DHS to also pay local health departments under the second payment procedure.

Currently, DHS makes payments to providers of MA health services and other payments related to MA out of various appropriation accounts, including a general purpose revenue (GPR) appropriation account; a program revenue (PR) appropriation account containing moneys from MA cost sharing, penalty assessments, and the pharmacy benefits purchasing pool; and the MA trust fund.

This bill creates a PR appropriation account into which moneys received from provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to expenditures from the GPR appropriation account, the MA cost-sharing appropriation account, and the MA trust fund for the MA program, regardless of the fiscal year in which the expenditure was made, are deposited. DHS may expend the moneys in this PR appropriation account for the same purposes it expends moneys from the GPR appropriation account for the MA program.

HEALTH

Under current law, DHS administers the Senior Care program, which provides assistance to the elderly in the purchase of prescription drugs. To be eligible for Senior Care, a person must be a resident of the state, be at least 65 years of age, not be a recipient of prescription drug coverage through MA, have a household income that does not exceed 240 percent of the federal poverty line, and pay a program enrollment fee. This bill adds as a requirement for eligibility for Senior Care that the person must apply for and, if eligible, enroll in Medicare Part D, which is a federal prescription drug assistance program.

Under current law, in certain counties, a person who meets certain functional and financial criteria and who is either a frail elder or an adult with a physical disability or a developmental disability is eligible for community-based services through Family Care, a medical assistance waiver program known as Family Care Partnership, the Program of All-Inclusive Care for the Elderly (PACE), or a self-directed supports options program (known as IRIS). In a county where Family Care, Family Care Partnership, PACE, or IRIS is available, this bill caps enrollment in an available program at the number of participants in that program on a specific date for the 2011-13 biennium. This bill also prohibits the expansion of Family Care to counties in which the program is not available on July 1, 2011, during the 2011-13 biennium, unless DHS determines that the expansion is cost-effective.

Under current law, DHS provides funding for family planning services, including maintaining a state plan for community-based family planning programs and specific annual grants. This bill eliminates this family planning services funding.

Under current law, DHS regulates various types of long-term care providers, including one- and two-bed adult family homes. This bill eliminates the requirement that DHS regulate one- and two-bed adult family homes and the requirement that DHS certify one- and two-bed adult family homes in order for these homes to provide services to a person who is a recipient of Family Care, a community-based long-term care MA waiver program, or supplemental security income.

Under current law, the fees that a health care provider may charge for copies of patient health care records are set by statute. This bill eliminates statutory fees for copies of patient health care records and requires that DHS promulgate rules to establish maximum fees that a health care provider may charge for copies of patient health care records under certain circumstances.

This bill authorizes DHS to set fees by administrative rule for testing infants for congenital disorders.

OTHER HEALTH AND HUMAN SERVICES

Under current law, a county with a population of less than 500,000 must establish a county department of social services and may establish a county department of human services. A county with a population of 500,000 or more must establish both a department of social services and a department of human services. Two or more counties that are contiguous and that each have a population of less than 500,000 may combine to form a department of social services or a department of human services on a multicounty basis.

This bill authorizes two or more counties to combine to form a department of social services or a department of human services on a multicounty basis, regardless of whether they are contiguous and regardless of population.

Current law requires DCF to establish a pilot program under which not more than four counties and, in Milwaukee County, one licensed child welfare agency (agency) may employ alternative responses to a report of suspected or threatened child abuse or neglect. This bill eliminates those caps on the number of county agencies that may participate in the pilot program.

INSURANCE

Current law requires health insurance policies and self-insured governmental and school district health plans to cover the cost of contraceptives prescribed by a health care provider and of outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive. This bill eliminates these requirements.

The state life insurance fund (fund), administered by OCI, may issue any type of life insurance policy, with a limit not exceeding $10,000, to any state resident. This bill prohibits the fund from issuing any life insurance policies on or after the date on which this bill becomes a law except for policies issued on the basis of applications that were received before that date.

JUSTICE

Under current law, the Office of Justice Assistance (OJA) makes grants to counties that establish programs to provide alternatives to prosecuting and incarcerating criminal offenders who abuse alcohol or other drugs. This bill requires counties that receive these grants to provide a 25 percent funding match.

Under current law, the OJA provides, in each fiscal year, a $20,000 grant to each of 14 child advocacy centers within the state for education, training, medical advice, and quality assurance. This bill reduces that amount to $17,000 in each fiscal year.

Under current law, when a person is convicted of a crime or, if a person was charged with a crime but the criminal charge was amended to a civil offense, when a court finds that the person committed the civil offense, the person pays a crime victim and witness assistance surcharge. DOJ uses a percentage of the surcharge to provide grants for sexual assault victim services. This bill specifies that DOJ may use some of the surcharge funds to pay the costs of administering the grant program.

LOCAL GOVERNMENT

Under current law, local levy limits are applied to the property tax levies that were imposed in December 2010. Current law prohibits any city, village, town, or

county (political subdivision) from increasing its levy by a percentage that exceeds its "valuation factor," which is the greater of either 3 percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

This bill extends the levy limits to the property tax levies that will be imposed in December 2011 and 2012, and changes the limit to the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Also under current law, the base amount of a political subdivision's levy in any year is the maximum allowable levy for the immediately preceding year. Under this bill, the maximum base amount of a political subdivision's levy is limited to its actual levy for the immediately preceding year.

This bill also requires a political subdivision to reduce its levy limit if the amount of its levy in the current year for its payment of debt service for debt issued before July 1, 2005, is less than its levy for that purpose in the previous year. The amount of the levy reduction is the amount by which its levy for such debt service was reduced.

Generally under current law a village with a population of at least 5,000 is required to provide police protection services by creating its own police department, by contracting for police protection services with a political subdivision, or by creating a joint police department with another city, village, or town (municipality). Also under current law, in general, a village with a population of at least 5,500 is required to provide fire protection services by methods that are similar to the way in which it provides police services.

Current law also authorizes any village to provide police and fire protection services (protection services) in one of two additional ways. The first way is by using a combined protective services department, which had to have been created before January 1, 1987, and in which the same person may be required to perform police protection and fire protection duties (protection duties). The second way is by requiring persons in a police department or fire department, alone or in combination with persons designated as police officers or fire fighters, to perform protection duties, subject to the limitation that those persons were required to perform those duties before January 1, 1987.

Generally under current law, 2nd, 3rd, and 4th class cities (presently all cities other than Milwaukee) with populations of at least 4,000 must have police departments and fire departments, and may have joint departments with other municipalities.

Under a decision of the Wisconsin Supreme Court, *Local Union No. 487, IAFF-CIO, v. City of Eau Claire*, 147 Wis. 2d 519 (1989), cities may not create combined protective services departments or require persons in a police department or fire department, alone or in combination with persons designated as police officers or fire fighters, to perform protection duties.

This bill authorizes 2nd, 3rd, and 4th class cities, and towns, to provide protection services in the same two additional ways that villages may do so. The bill

also removes the limitations on villages relating to the creation of a department, and the requirement relating to the performance of duties, before January 1, 1987.

If a city creates a combined protective services department, the city must create a chief of the department and must abolish the offices of chief of police and fire chief, which offices are required under current law. The chief of a combined protective services department has the same authority as the chief of police and fire chief.

Under current law, to participate in a public library system a municipal, county, or joint public library (local library) or a county must meet a maintenance of effort requirement, which relates to the amount of financial support provided to the local library or by the county for library services over the previous three years. This bill repeals these maintenance of effort requirements.

This bill authorizes a county board to direct its clerk of courts to operate a self-help center in the county courthouse to provide individuals with information regarding the court system, including small claims and family law proceedings, where to obtain legal advice and forms, and how to represent oneself in court. A self-help center may be staffed by county employees or volunteers, although no staff member may provide legal advice to self-help center patrons. The bill also authorizes a county to impose a fee on individuals who use the services provided by a self-help center.

NATURAL RESOURCES

STEWARDSHIP

Current law authorizes the state to incur public debt by issuing bonds for certain conservation activities under the stewardship program, which DNR administers. The state may authorize bonds to acquire state land or easements that are under the jurisdiction of DNR for areas such as state forests and state parks and the Lower Wisconsin State Riverway. Also, DNR may issue bonds to award grants or state aid to certain governmental units and to nonprofit conservation organizations in order to acquire lands, easements, or development rights.

This bill limits acquisitions of land, easements, and other rights or interests in land under the stewardship program to only acquisitions of land in fee simple, as opposed to just an easement or development rights, and acquisitions of certain easements for forestry purposes (forestry easements), easements for state trails or the Ice Age Trail, and easements that are necessary to provide access to lands or waters that are required to be open to the public and for which there is no public access or limited public access. Under the bill, an easement acquired for a state trail, for the Ice Age Trail, or to provide access to land or a body of water may not be more than five acres in size.

The bill requires a city, village, town, or county to adopt a nonbinding resolution that either supports or opposes a proposed acquisition of land or easement, except for forestry easements, and requires DNR to consider the resolution in determining whether to approve the acquisition.

Under current law, lands, and certain easements on lands, acquired under the stewardship program must be open to the public for nature-based outdoor activities such as hunting, fishing, hiking, and cross-country skiing, unless the DNR board determines that the land may be closed to protect public safety or a unique animal

or plant community or to accommodate usership patterns such as conflicts between these types of activities. This bill eliminates the accommodation of usership patterns as a reason for prohibiting public access with respect to lands, or easements on lands, that are not acquired for a state trail or the Ice Age Trail and that are acquired after the bill becomes law.

Under current law, if a land acquisition or development project under the stewardship program costs more than $750,000, DNR cannot obligate money from the stewardship fund for that activity until DNR gives to JCF written notice of the proposed activity and JCF reviews the obligation under its passive review process. This bill decreases the $750,000 threshold to $250,000.

Under current law, the acquisition costs to be used in calculating the amount of a grant under the stewardship program equal the fair market value of the land being acquired plus any other acquisition costs if the land has been owned by the person conveying the land for three years or more. If the land has been owned for one year or more but less than three years, the acquisition costs equal the sum of the current owner's acquisition price and an annual adjustment increase (adjusted price). If the land has been owned for less than one year, the acquisition costs equal the current owner's acquisition price.

Under this bill, the acquisition costs for land that has been owned for one year or more but less than three years equal the adjusted price or the current fair market value, whichever is lower. The acquisition costs for land that has been owned for less than one year equal the current owner's acquisition price or the current fair market value of the land, whichever is lower.

OTHER NATURAL RESOURCES

Under current law, land that DNR purchases is not subject to property taxes. Instead, DNR makes annual payments to municipalities for each parcel of land that the DNR has purchased in those municipalities. This bill eliminates those payments for land purchased after the bill's effective date.

Under current law, DNR administers a financial assistance program for projects that increase dam safety and may contract public debt to fund the program. This bill increases DNR's bonding authority for the program, the debt service on which is paid from the general fund, by $4,000,000.

Also, under this program, dam owners, including municipalities, generally are eligible to receive a grant only if DNR has issued a directive to the owner to take action to increase the dam's safety and the dam owner requests the grant within six months after having received the directive. This bill eliminates the deadline for making a grant request under the grant program.

Under current law, a person who owns a snowmobile that is not registered in this state or that is exempt from registration must display on the snowmobile a trail use sticker issued by DNR. Current law also requires DNR to calculate an amount equal to the number of those trail use stickers issued by DNR in the previous fiscal year multiplied by $15 and to credit this amount to an appropriation for aids to counties for activities such as trail development and maintenance. This bill increases the amount by which DNR must multiply the number of trail use stickers to $32 for purposes of determining the amount to be credited to the appropriation.

OCCUPATIONAL REGULATION

Under current law, DRL directly administers the regulation of real estate practice in Wisconsin. DRL's duties and powers include issuing licenses to real estate brokers and sales persons; approving forms for use in real estate practice; promulgating rules regulating real estate practice; and conducting investigations, holding hearings, and making findings regarding an alleged violation of real estate law. Currently, the real estate board (board) conducts disciplinary proceedings and may discipline licensees. The board also reviews and comments on administrative rules relating to real estate practice that DRL proposes and advises the secretary of regulation and licensing regarding real estate practice among other powers.

This bill eliminates the board, creates the Real Estate Examining Board, and transfers most of DRL's duties and powers regulating real estate practice to the examining board.

Current law defines the practice of pharmacy to include making therapeutic alternate drug selections, if made in accordance with written guidelines or procedures established by a hospital's pharmacy and therapeutics committee and approved by the hospital's medical staff and approved for a patient by the patient's physician or advanced practice nurse prescriber.

The bill requires that therapeutic alternate drug selections may also be made by a skilled nursing facility or an intermediate care facility for persons with mental retardation. The bill deletes the requirement that the written guidelines or procedures be approved by the hospital's medical staff and the patient's physician or advanced practice nurse prescriber.

Under current law, DRL, and various boards in DRL, administers Wisconsin's professional credentialing laws. DRL is charged with ensuring the safe and competent practice by credentialed professionals in Wisconsin, such as doctors, nurses, cosmetologists, real estate agents, and veterinarians. This bill changes DRL's name to the Department of Safety and Professional Services (DSPS).

RETIREMENT AND GROUP INSURANCE

Currently, the Group Insurance Board (GIB) must offer to state employees and annuitants long-term care insurance policies that have been approved for offering under contracts established by GIB if an insurance company requests that the policy be offered. This bill eliminates the authority of an insurance company to require GIB to offer its long-term care insurance policy.

This bill specifies that the Health Insurance Risk-Sharing Plan Authority (HIRSPA) is not required to pay employer contributions for any benefits related to the sick leave conversion program or the supplemental health insurance premium credit program, which are administered by DETF. Employees of HIRSPA are not eligible for these programs.

SHARED REVENUE

This bill reduces the total amount of county and municipal aid payments beginning in 2012. The total amount of the reduction for all counties is $36,500,000 and the total amount of the reduction for all municipalities is $59,500,000. The reductions are allocated, generally, based on population and limited for each county

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and municipality to the lesser of a percentage of the entity's property value or 50 percent of the entity's county and municipal aid payment in 2011.

Under current law, a municipality may receive an expenditure restraint payment if its municipal budget has not increased from the previous year by more than the sum of an inflation factor and a valuation factor. The valuation factor is, generally, 60 percent of the municipality's property value. The inflation factor is the average annual percentage change in the U.S. Consumer Price Index, but not less than 3 percent. Under this bill, the inflation factor cannot be less than zero.

STATE GOVERNMENT

STATE FINANCE

This bill requires the secretary of administration to lapse to the general fund from the unencumbered balances of general purpose revenue (GPR) and program revenue appropriations to executive branch state agencies, other than sum sufficient appropriations and appropriations of federal revenues, an amount equal to $145,000,000 in the 2011-13 fiscal biennium and $145,000,000 in the 2013-15 fiscal biennium, subject to a 14-day passive review process by JCF. Under the bill, all executive branch state agencies, except for the UW System with respect to its program revenue appropriations, are subject to the lapse provisions. The bill further requires the secretary to make additional lapses to the general fund from GPR and program revenue appropriations to most executive branch state agencies and the courts during the 2011-13 and 2013-15 fiscal biennia.

The bill requires the cochairpersons of the Joint Committee on Legislative Organization to take actions during the 2011-13 and 2013-15 fiscal biennia to ensure that from GPR appropriations to the legislature an amount equal to $9,232,200 is lapsed from sum certain appropriation accounts or is subtracted from the expenditure estimates for any other types of appropriations, or both, during each fiscal biennium.

This bill authorizes the building commission to contract before July 1, 2013, up to $364,300,000 in state public debt to refund any unpaid indebtedness used to finance tax-supported or self-amortizing facilities.

Current statutes contain a rule of proceeding governing legislative action on certain bills. Generally, the rule provides that no bill directly or indirectly affecting GPR may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total GPR appropriations for that fiscal year. For each of fiscal years 2011-12 and 2012-13, the amount is $65,000,000. For each fiscal year thereafter, the amount is 2 percent of total GPR appropriations for that fiscal year.

This bill changes the amount for each of fiscal years 2013-14 and 2014-15 to $65,000,000. For 2015-16 and each fiscal year thereafter, the amount remains at 2 percent of total GPR appropriations for that fiscal year.

Currently, the statutes contain a rule of proceeding that limits the increase in moneys that may be appropriated from GPR during a fiscal biennium, based on changes in the state's aggregate personal income. This bill repeals this provision.

Currently, the College Savings Program Board, which is attached to the Office of the State Treasurer, administers the EdVest program, which is a college savings

plan established to enable families to contribute moneys to accounts for the college expenses of dependents. This bill attaches the College Savings Program Board to DOA, as well as requires DOA to administer the other college savings program, which is closed to new participants and currently administered by the state treasurer.

Under current law, the local government pooled-investment fund (fund) consists of moneys placed in the state investment fund by local governmental units. The state treasurer has several duties relating to the fund, which include prescribing the mechanisms and procedures for deposits and withdrawals into and from the fund. This bill transfers these duties to DOA.

STATE EMPLOYMENT

This bill authorizes the secretary of administration to abolish any full-time equivalent position at any executive branch state agency if the position is vacant and the secretary determines that filling the position is not required for the state agency to carry out its duties and exercise its powers.

STATE BUILDING PROGRAM

Currently, with limited exceptions, each state agency, including the UW System, must submit for approval of the Building Commission any contract for the engineering, design, construction, reconstruction, remodeling, or expansion of a building, structure, or facility if the project cost exceeds $150,000. Currently, DOA manages all engineering, design, and construction work for state agencies, including the UW System and, with limited exceptions, must provide public notice of proposed work and let contracts to the lowest responsible bidder. Plans and specifications for all work on UW projects are subject to approval of DOA. DOA may assess and collect from state agencies, including the UW System, a construction project management fee to cover its costs in managing each project. With limited exceptions, each engineering, design, or construction contract for a state building, structure, or facility is subject to approval of DOA and, if the contract involves an expenditure of more than $60,000, the approval of the governor.

This bill deletes DOA's and the governor's responsibility for managing and approving plans, specifications, and contracts for, any building, structure, or facility to be constructed, reconstructed, remodeled, or expanded for the University of Wisconsin-Madison authority created in this bill if the project is funded entirely from sources other than state general purpose revenue or general fund supported bonding. The bill also deletes the requirement for approval of the Building Commission on any such project if the cost does not exceed $500,000. Under the bill, the requirements that currently apply to DOA do not apply to the authority with respect to any such project, and DOA may not assess the authority for its construction management services.

STATE PROCUREMENT

Current law generally authorizes state agencies to purchase materials, supplies, or equipment under certain circumstances. With some exceptions, purchases for which the estimated cost exceeds $25,000 require bids to be invited or proposals to be solicited. This bill increases that $25,000 threshold to $50,000.

Under current law, DOA must generally approve and monitor contractual services that agencies purchase. No agency may purchase contractual services that involve an estimated expenditure of more than $25,000 without first conducting a uniform cost-benefit analysis; each agency entering into a contract must submit to DOA justification for the contract, and DOA must be satisfied that the justification conforms to current law before approving the contract; and the Office of State Employment Relations must review contracts to ensure that the purchasing agency properly uses the services of state employees, to evaluate the feasibility of using limited term appointments prior to entering into a contract, and to ensure that the contract does not conflict with any collective bargaining agreement covering state employees. This bill repeals these provisions.

Under current law, a state agency purchasing equipment that consumes energy, such as equipment to provide heating, lighting, ventilation, cooling, or refrigeration, must meet certain energy efficiency standards. This bill exempts from the standards purchases that cost $5,000 or less per unit.

This bill requires DOA to maintain a list of parties who have violated a state procurement contract or a statutory provision governing state procurement. Any party on the list is ineligible to be a party to a state contract unless DOA, after determining that the party complies with the statutory provisions and has adequate safeguards to prevent future contractual or statutory violations, removes the party from the list.

This bill also defines the University of Wisconsin-Madison authority created in this bill, as a state agency for state procurement purposes except that the bill provides the authority the authority to enter into contracts for items not commonly purchased by entities other than universities and allows the authority to be party to purchasing agreements with other higher education institutions.

OTHER STATE GOVERNMENT

Currently, eligible candidates for the office of justice of the supreme court may receive state grants funded from general purpose revenue, which is provided to the democracy trust fund when individual income tax filers designate $2 to be deposited into the fund. If the designations for the fund do not generate sufficient revenue for all candidates to receive full grants, the deficiency is paid from a general purpose revenue (GPR) appropriation. An eligible candidate for the office of justice of the supreme court may also receive supplemental grants from the fund under certain circumstances. This bill deletes the GPR supplement to the democracy trust fund; if there are insufficient moneys available to pay the full amounts of grants to which candidates are entitled, the grants are prorated. The bill also deletes the supplemental grants. The bill permits candidates who accept grants to also accept additional private contributions in an amount sufficient to cover any deficiency in the public grants to which they would otherwise be entitled.

Current law creates the Office of Energy Independence (OEI) in DOA to work on and facilitate initiatives regarding the state's energy independence, bioindustry and biorefineries, renewable energy markets, alternative energy research, and motor vehicle fuels that blend gasoline and certain biofuels. This bill eliminates OEI, requires DOA to develop and implement a cost-effective, balanced, reliable, and

environmentally responsible energy strategy to promote economic growth, and requires DOA, whenever feasible and cost-effective, to encourage, rather than require, state agencies to take certain actions regarding hybrid-electric motor vehicles and using gasohol and other alternative fuels.

Under current law, DOA must require that, by 2015, state agencies collectively reduce the usage of gasoline by at least 50 percent below the total used in 2006 and reduce the usage of diesel fuel by at least 25 percent below the total used in 2006. Under this bill, DOA must encourage, rather than require, that, by 2015, state agencies collectively reduce the usage of gasoline by at least 20 percent below the total used in 2006 and reduce the usage of diesel fuel by at least 10 percent below the total used in 2006. The bill also eliminates a requirement for DOA to submit an annual report to the legislature regarding the state's usage of hybrid-electric motor vehicles and gasohol and alternative fuels.

Under current law, DOA makes grants from the utility public benefits fund (UPBF) to provide assistance to low-income households for the following: 1) weatherization and other energy conservation services (weatherization and conservation assistance); and 2) payment of energy bills and early identification or prevention of energy crises (bill and crisis assistance). In each fiscal year, DOA must ensure that the amount spent under the program on grants for weatherization and conservation assistance is equal to 47 percent of a specified sum. As a result, 53 percent of the specified sum is available to be spent on grants under the program for bill and crisis assistance.

In fiscal years 2009-10 and 2010-11, DOA was authorized to subtract no more than $10,000,000 from the amount that must be spent on weatherization and conservation assistance under the program. As a result, any amount subtracted by DOA was available to be spent on bill and crisis assistance. This bill allows DOA to make the same $10,000,000 subtraction in fiscal years 2011-12 and 2012-13.

Under current law, the chancellor of the UW-Madison and the vice chancellor who serves as deputy are subject to the standards of conduct under the code of ethics for state public officials as well as the requirement to file annual statements of economic interests. Other employees of the UW-Madison are subject to a code of ethics established by the Board of Regents of the UW System. Under the bill, the chancellor and vice chancellor are still subject to the code of conduct but not to the filing requirement, and the Board of Trustees of the University of Wisconsin-Madison authority created in the bill must establish a code of ethics for other employees of the authority.

Currently, DOA manages the state's risk management program, including worker's compensation and liability insurance, and annually assesses each state agency, including the UW System, for its risk management costs. This bill permits the University of Wisconsin-Madison authority, with six months' notice, to opt in or out of the state's risk management program for any fiscal year.

Under current law, certain administrative services functions are performed in the Office of the Secretary of State and certain management services functions are performed in the Office of the State Treasurer. This bill transfers those functions, as determined by the secretary of administration, to DOA. The bill, however, does

not transfer any positions relating to those functions. The bill also eliminates from the unclassified service one stenographer appointed by the secretary of state and one stenographer appointed by the state treasurer.

This bill creates an Office of Business Development in DOA to perform the functions determined by the secretary of administration. The office is headed by a director outside the classified service who is appointed by the governor to serve at his or her pleasure.

Currently, DOA may maintain a federal-state relations office in Washington, D.C., for the purpose of promoting federal-state cooperation. The director and one staff assistant are appointed by the governor, subject to concurrence of the Joint Committee on Legislative Organization. This bill deletes the requirement for concurrence in these appointments by the joint committee.

Currently, DOA must contract with one or more child care providers to supplement the cost of providing suitable space for child care services provided to the children of employees of state agencies whose work stations are located in the central Madison area. This bill eliminates DOA's authority to enter into these contracts and to provide child care facilities for state employees.

Currently, with limited exceptions, any person who brings a civil lawsuit against a state employee on account of any act growing out of or committed in the course of the employee's duties must give the attorney general notice of the claim within 120 days of the act giving rise to the lawsuit, and liability is limited to $250,000. In addition, with certain limitations, this state must pay damages assessed against a state employee for acts committed while carrying out his or her duties as an employee within the scope of employment.

This bill provides that if this state enters into a valid agreement with the state of Minnesota providing for interchange of employees or services, any employee of the state of Minnesota who is named as a defendant in any civil lawsuit brought under Wisconsin law as a result of performing services for this state under the agreement and any employee of this state who is named as defendant as a result of performing services for the state of Minnesota under the agreement has, for purposes of notice of claim requirements and liability limitations, the same status as when performing the same services for this state in any civil lawsuit brought under the laws of this state. In addition, the bill provides that any employee of the state of Minnesota who is found liable in a civil lawsuit as a result of performing services for this state under the agreement shall be indemnified by this state to the same extent as an employee of this state performing the same services for this state. The bill directs DOJ to represent any employee of the state of Minnesota who is named as a defendant in any civil lawsuit brought under Wisconsin law as a result of performing services for this state under the agreement and any employee of this state who is named as a defendant as a result of performing services for the state of Minnesota under the agreement in any civil lawsuit brought under Wisconsin law.

TAXATION

INCOME TAXATION

Under current law, for claims filed in 2011, based on property taxes or rent constituting property taxes from the prior year, the homestead tax credit threshold

income is $8,060; the maximum amount of property taxes, or rent constituting property taxes, that a claimant may use in calculating his or her credit is $1,460, and the maximum household income is $24,680. Under the current law formula, as a claimant's income exceeds $8,060, the credit is phased out and equals zero when income exceeds $24,680. Also under the formula, if the household income is $8,060 or less, the credit is 80 percent of the property taxes, or rent constituting property taxes, accrued. For claims filed in 2011 and thereafter, the threshold income, maximum property taxes, and maximum household income are all indexed for inflation.

Under this bill, the indexing provisions are repealed and, for claims filed in 2011 and thereafter, the threshold income, the maximum property taxes, and the maximum household income are the same as those for claims filed in 2011.

Under current law, for taxable years beginning after December 31, 2010, an individual; an individual partner or member of a partnership, limited liability company, or limited liability partnership; or an individual shareholder of a tax-option corporation (claimant) may elect to defer the payment of income taxes on up to $10,000,000 of the gain realized from the sale of any capital asset held more than one year (original asset) that is treated as a long-term gain under the Internal Revenue Code (IRC), if the claimant completes a number of requirements.

This bill creates another income tax deferral under which a claimant may elect to defer the payment of income taxes on any amount of the gain realized from the sale of any capital asset held more than one year (original new asset) that is treated as a long-term gain under the IRC, if the claimant completes a number of requirements.

Current law requires that the claimant must place the gain from the original asset in a segregated account in a financial institution, must invest all of the proceeds in a qualified new business venture (QNBV) as certified by Commerce, within 180 days after the sale of the original asset that generated the gain, and must notify DOR on a form prepared by DOR that the claimant is deferring the payment of income tax on the gain from the original asset because the proceeds have been reinvested. The amount of the investment must be equal to or greater than the gain generated by the sale of the original asset.

The requirements under the bill are the same as current law with regard to placing the original new asset in a segregated account in a financial institution and notifying DOR, but under the bill a claimant must invest all of the proceeds in a qualified Wisconsin business (QWB) as certified by the Wisconsin Economic Development Corporation (WEDC), within 180 days after the sale of the original new asset that generated the gain, instead of in a QNBV.

WEDC may certify a business as a QWB if it determines that, in the taxable year ending immediately before the date of the business's application, at least 50 percent of the business's payroll is paid in Wisconsin and at least 50 percent of the value of the business's real and tangible personal property is used by the business in this state. The bill permits WEDC to adopt rules in consultation with DOR, and it requires WEDC to make a list of certified businesses available at WEDC's Web site.

Under the bill, a claimant may not claim the deferral under this bill if the claimant also claims the current law deferral or the capital gains exclusion for Wisconsin-sourced assets, as created in this bill.

Under current law, there is an income tax exclusion for individuals for 30 percent of the net capital gains realized from the sale of assets held for at least one year, except a farm asset is subject to an exclusion for 60 percent of such gains.

Under this bill, subject to some exceptions, for taxable years beginning after December 31, 2015, a claimant may subtract from federal adjusted gross income the lesser of the claimant's federal net capital gain as reported on the claimant's federal tax return if, in that year, the claimant had a qualifying gain, or the claimant's qualifying gain.

The bill defines "qualifying gain" as the gain realized by the sale of any asset that is purchased after December 31, 2010, held for at least five consecutive years, is a Wisconsin capital asset at the time of purchase and for at least two of the next four years, and treated as a long-term gain under federal law. A "Wisconsin capital asset" is real or tangible personal property that is located in this state and used in a Wisconsin business, or stock or other ownership interest in a Wisconsin business.

Under current law, for each taxable year that a corporation that is a member of a combined group has net business loss carry-forward from a taxable year beginning on or after January 1, 2009, the corporation may, after using such net business loss carry-forward to offset its own income for the taxable year, use the remaining net business loss carry-forward to offset the income of all other members of the combined group.

Under the bill, for each taxable year that a corporation that is a member of a combined group has net business loss carry-forward from a taxable year beginning prior to January 1, 2009, the corporation may, after using such net business loss carry-forward to offset its own income for the taxable year, use up to 5 percent of the remaining net business loss carry-forward to offset the income of all other members of the combined group.

Under current law, a taxpayer may elect to include in its combined group, for income and franchise tax reporting purposes, every corporation in its commonly controlled group, regardless of whether such corporations are engaged in the same unitary business of the taxpayer. If DOR determines that the election has the effect of tax avoidance, DOR must disregard the election's tax effect or disallow the election. Under the bill, DOR may not disallow such an election, or disregard its effect, regardless of whether DOR determines that the election has the effect of tax avoidance.

Under federal law, the earned income tax credit (EITC) is a refundable tax credit for low-income workers. If the amount of the claim exceeds the worker's tax liability, the claimant receives a check for the excess amount from the Internal Revenue Service.

Under current law, an individual may claim the refundable Wisconsin EITC if he or she has one or more qualifying children. The Wisconsin EITC is equal to 4 percent of the federal EITC if the claimant has one qualifying child, 14 percent if the

claimant has two qualifying children, and 43 percent if the claimant has three or more qualifying children.

This bill changes for the Wisconsin EITC the percentages of the federal EITC that may be claimed for taxable years starting after December 31, 2010, to 5 percent if the claimant has one qualifying child, 8 percent if the claimant has two qualifying children, and 40 percent if the claimant has three or more qualifying children.

The bill adopts, for state income and franchise tax purposes, recent changes made to the federal IRC related to tax credit bonds, allowing Roth individual retirement accounts in certain retirement plans, annuity contracts, and long-term care annuities.

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if a health facility uses the bond proceeds to acquire information technology hardware or software. Under the bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued to a person who is eligible to receive bonds from another issuer for the same purpose and the interest income received from the other bonds is exempt from taxation.

OTHER TAXATION

Under the bill, a percentage of the sales and use tax collected on the sale or use of motor vehicle parts and accessories is deposited into the transportation fund.

Under current law, certain aircraft, motor vehicles, and truck bodies that are sold in this state, but used outside this state, are exempt from state and local sales and use taxes. The bill exempts from state and local sales and use taxes modular and manufactured homes that are sold in this state, but used outside this state.

The bill exempts from state and local sales and use taxes vegetable oil or animal fat that will be converted into motor vehicle fuel that is exempt from motor vehicle fuel taxes because it is used by an individual in his or her personal motor vehicle.

Under current law, generally, a railroad company pays public utility taxes based on the value of its property in this state, rather than general local property taxes. All such taxes paid by railroad companies are annually distributed to the towns, villages, and cities in which railroad company property is located. The bill provides that, beginning in 2011, the amount of such taxes distributed to each town, village, or city may be no less than the amount distributed to each town, village, or city in 2010.

TRANSPORTATION

HIGHWAYS

Under current law, a major highway project is a project that costs more than $5,000,000, meets other specified criteria, and must generally receive the approval of the Transportation Projects Commission (TPC) and the legislature (generally referred to as "enumeration"). DOT may not begin preparing an environmental impact statement (EIS) or environmental assessment (EA) for a potential major highway project, and the legislature may not enumerate any major highway project without TPC approval. Major highway projects are funded from state, federal, and local funds appropriations and bond proceeds.

Under current law, southeast Wisconsin freeway rehabilitation projects include certain improvements to state trunk highways located in Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, or Waukesha county. A project may not be considered both a major highway project and a southeast Wisconsin freeway rehabilitation project. Southeast Wisconsin freeway rehabilitation projects, which include the Marquette interchange reconstruction project, the I 94 north-south corridor project, and the Zoo interchange project in Milwaukee County, may be funded only from appropriations specifically designated for such projects or from bond proceeds. After June 30, 2011, funding under the state, federal, and local funds appropriations for southeast Wisconsin freeway rehabilitation projects terminates, but bond proceeds may still be used to fund these projects.

Currently, DOT administers a state highway rehabilitation program. This program provides funding for state highway improvements that are not major highway projects or southeast Wisconsin freeway rehabilitation projects and are funded from state, federal, and local funds appropriations and bond proceeds.

This bill modifies the definition of "major highway project" to recognize two categories of major highway projects. In the first category, a major highway project is defined as under current law except that the total cost threshold is increased to $30,000,000. In the second category, with certain exceptions, a major highway project is a project that costs at least $75,000,000. For both categories of major highway projects, DOT annually adjusts the total cost threshold based on an inflation index. The bill creates a TPC review and approval process for major highway projects in the second category. Under the bill, DOT may prepare an EIS or EA for a major highway project in the second category without TPC approval but, prior to construction of the project, must submit a report to the TPC and request TPC approval to proceed with the project under a passive review process. Once approved by the TPC, the project is considered enumerated as a major highway project under the statutes.

The bill also creates a category of highway projects called "southeast Wisconsin freeway megaprojects," which are projects on southeast Wisconsin freeways that have a total cost of more than $500,000,000 as adjusted for inflation annually by DOT. These projects may be funded only from newly created state, federal, and local funds appropriations for these projects, along with bond proceeds and an existing insurance cost-recovery appropriation. No funding for construction of these projects may be provided without legislative approval by statutory enumeration. The bill enumerates the I 94 north-south corridor project and the Zoo interchange project as southeast Wisconsin freeway megaprojects. The bill also authorizes proceeds from certain general obligation bonding to be used to fund southeast Wisconsin freeway megaprojects.

Under this bill, southeast Wisconsin freeway rehabilitation projects may also be considered major highway projects, eligible for major highway project funding, if they satisfy all criteria and requirements for major highway projects. A southeast Wisconsin freeway rehabilitation project that is not a major highway project and not a southeast Wisconsin freeway megaproject may be eligible for state highway rehabilitation funding.

Under current law, the state may contract up to $553,550,000 in public debt, in the form of general obligation bonds, for DOT's funding of the Marquette interchange reconstruction project and the I 94 north-south corridor reconstruction project. This bill increases to $704,750,000 the limit for this authorized general obligation bonding and allows proceeds from this bonding to also be used to fund the reconstruction of the Zoo interchange.

Under current law, the state may contract up to $504,712,200 in public debt to fund state highway rehabilitation projects. This bill increases this authorized general obligation bonding limit by $115,351,500.

Under current law, the state may contract up to $60,000,000 in public debt to fund state highway rehabilitation projects. This bill increases this authorized general obligation bonding limit to $110,000,000.

Under current law, the state may contract up to $50,000,000 in public debt to fund major highway projects. This bill increases this authorized general obligation bonding limit to $100,000,000.

Under current law, the Building Commission may issue revenue bonds for major highway projects and transportation administrative facilities in a principal amount that may not exceed $3,009,784,200. This bill increases the revenue bond limit to $3,351,547,300.

This bill adds four major highway projects recommended by TPC to the current list of projects already approved for construction.

Under current law, the state may contract up to $225,000,000 in public debt to fund major interstate bridge projects, but only if the state receives federal funds that cover at least $75,000,000 of the state's share of the project's cost. This bill eliminates the federal funds precondition.

DRIVERS AND MOTOR VEHICLES

Under 2007 Wisconsin Act 20, certain provisions specified in the federal REAL ID Act of 2005 are incorporated into state law when DOT provides notice that it is ready to implement the federal REAL ID Act. Among these provisions is the requirement that DOT follow certain procedures in processing applications for driver's licenses and identification cards and that each driver's license and identification card include a photograph. Although the REAL ID Act allows states to issue operator's licenses and identification cards that are not compliant with REAL ID standards under certain circumstances, this provision was not incorporated into state law.

This bill allows DOT, upon the implementation of the REAL ID Act in Wisconsin, to process applications for driver's licenses and identification cards in a manner other than that required by REAL ID if the driver's licenses and identification cards are marked to indicate that they are not REAL ID compliant and DOT processes the applications in compliance with DOT practices and procedures applicable immediately prior to implementation of REAL ID. An applicant for a REAL ID noncompliant driver's license or identification card will still be required to provide certain documentation to DOT, but in processing an application for a REAL ID noncompliant driver's license or identification card, DOT is not required to meet

the standards for document retention and verification that are imposed for REAL ID compliant products.

Current law provides for limited exceptions, including a religious belief exception, allowing DOT to issue a driver's license, but not an identification card, that does not contain a photograph of the license holder. After the implementation of REAL ID, however, all REAL ID compliant driver's licenses and identification cards must contain a photograph. This bill creates a new religious belief photograph exception for identification cards, until the implementation of the REAL ID Act, and creates, after the implementation of REAL ID, a religious belief photograph exception for REAL ID noncompliant driver's licenses and identification cards.

Under current law, DOT issues and delivers a certificate of title to the owner of a vehicle upon receipt of a proper application. If there is a security interest in the vehicle, the security interest is noted on the certificate of title.

Under this bill, if there is a security interest in a vehicle, DOT issues the certificate of title in the name of the vehicle owner but delivers the certificate of title to the secured party having the primary perfected security interest in the vehicle, not to the vehicle owner.

Under current law, DOT must refuse, or suspend, registration of a vehicle for certain specified reasons and requires DOT, subject to certain conditions, to implement the International Registration Plan (IRP), which is a registration reciprocity agreement among various jurisdictions, including states and Canadian provinces, providing for apportionment by these jurisdictions of the vehicle registration fees of motor carriers operating in more than one jurisdiction.

This bill requires DOT to refuse registration of a vehicle if the applicant applies for IRP registration and identifies as the motor carrier responsible for vehicle safety a motor carrier that is subject to a federal out-of-service order, or other federal notice, for unsatisfactory safety compliance. If DOT receives notice that a motor carrier has been issued a federal out-of-service order for unsatisfactory safety compliance, DOT must suspend the registration of each motor vehicle that is already registered with DOT under the IRP for which this motor carrier is identified on the vehicle's registration application as the motor carrier responsible for vehicle safety.

Current law prohibits a person from operating a commercial motor vehicle (CMV) while the person or the CMV is ordered out-of-service under state or federal law, and a person is disqualified from operating a CMV for a specified time if the person is convicted of operating a CMV while the operator or vehicle is ordered out-of-service under state or federal law.

This bill additionally prohibits a person from operating a CMV while a federal out-of-service order for unsatisfactory safety compliance is in effect for the motor carrier identified on the motor vehicle's registration application as the motor carrier responsible for vehicle safety.

Under current law, all vehicle registration plates must display an indication of the vehicle's registration period or expiration date, and most automobile registration plates must display an indication of the month and year of registration. When renewing a vehicle registration, DOT may issue an insert tag, decal, or other evidence of registration, to be placed on the vehicle's registration plate, to indicate

the vehicle's period of registration. In addition, under current law, the registration plates for most vehicles registered on the basis of gross weight must indicate the weight class into which the vehicle falls.

This bill eliminates each of these requirements. The gross weight of a vehicle registered on that basis must be shown on the vehicle's certificate of registration. This bill allows DOT to renew registration plates issued to vehicle dealers, distributors, manufacturers, or transporters, or to finance companies or financial institutions without issuing new plates, tags, or decals.

Under current law, DOT issues commercial driver licenses (CDLs) authorizing the licensee to operate CMVs in interstate or intrastate commerce. An applicant must include certification that he or she meets certain driver qualification requirements. If an applicant for a CDL does not meet the physical qualification requirements for CMV drivers operating in interstate commerce but is otherwise qualified to operate a CMV, DOT may issue to the applicant a CDL restricted to authorizing the operation of CMVs that are not in interstate commerce.

Under this bill, if a person issued a CDL authorizing operation of CMVs in interstate commerce does not have on file with DOT a current certification covering the person's physical qualifications to operate CMVs in interstate commerce, DOT may downgrade the CDL to a restricted CDL and impose a "K" restriction on the CDL restricting the licensee from operating CMVs in interstate commerce.

Under current law, an identification card issued by DOT must include a photograph of the cardholder, and DOT may not process an application without taking a photograph. An identification card is valid for eight years, after which it may be renewed.

This bill authorizes DOT to renew identification cards by mail or by any electronic means available to DOT. However, DOT cannot make consecutive renewals by mail or electronic means, so only every other renewal can be completed by mail or electronic means. If DOT renews an identification card by mail or electronic means, DOT is not required to take a new photograph for the identification card.

Under current law, a person must pay to DOT a fee of $53 for a first certificate of title for a vehicle or for a certificate of title after a vehicle is transferred. In addition, the person must pay an environmental impact fee of $9 unless the vehicle is a low-speed vehicle. DOT deposits the environmental impact fee in the environmental fund for environmental management.

This bill repeals the environmental impact fee of $9 and increases the certificate of title fee by $9, to $62. The certificate of title fee is first available for the repayment of revenue bonds and, if not needed, is then deposited into the transportation fund.

TRANSPORTATION AIDS

Under current law, DOT administers a general transportation aids program that makes payments to a county based on a share-of-costs formula, and to a village, city, or town (municipality) based on the greater of a share-of-costs formula or an aid rate per mile. This bill decreases, for 2012 and thereafter, the maximum amount of aid that may be paid to counties and municipalities under the program.

Also under current law, aid amounts payable to municipalities may not be reduced by more than 5 percent annually, and aid amounts payable to counties may not be reduced by more than 2 percent annually. This bill provides that aid amounts payable to municipalities and counties may not be reduced by more than 15 percent annually.

Under current law, DOT provides state aid payments for each of four classes of mass transit systems to local public bodies in urban areas served by mass transit systems to assist with the expenses of operating those systems. A fifth class for rail mass transit systems does not have a specified amount payable. This bill decreases the total amount of state aid payments to the four classes of mass transit systems for which aid amounts are specified and changes the funding source for mass transit operating aids from the transportation fund to the general fund beginning in the 2012-2013 fiscal year.

Under current law, DOT administers the Southeast Wisconsin Transit Capital Assistance Program under which DOT awards grants to eligible applicants for transit capital improvements. The only eligible applicant for this program is the Southeastern Regional Transit Authority, often referred to as SERTA. The only source of funding for the program is proceeds from state general obligation bonds. This bill eliminates the program and bonding authority for the program.

Under current law, DOT administers an intercity bus assistance program to award grants to cities, villages, towns, or counties or enter into contracts with private providers of intercity bus service for the purpose of increasing the availability of intercity bus service in this state. This bill eliminates the grant portion of the program.

RAIL AND AIR TRANSPORTATION

This bill increases the authorized general obligation bonding limit for the acquisition and improvement of rail property from $126,500,000 to $186,500,000.

OTHER TRANSPORTATION

The 2009 biennial budget act (Act 28) authorized the creation of several new regional transit authorities (RTAs): the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Each RTA, once created, is a public body corporate and politic and a separate governmental entity. The board of directors of an RTA may, upon adopting a resolution, impose a sales and use tax in the RTA's jurisdictional area at a rate not exceeding 0.5 percent of the gross receipts or sales price if certain conditions are satisfied.

This bill requires that an RTA hold a referendum in the RTA's jurisdictional area before the RTA may impose a sales and use tax within its jurisdictional area.

Upon approval by its board of directors, SERTA may impose a rental car transaction fee in the counties of Kenosha, Racine, and Milwaukee.

This bill requires that SERTA hold a referendum in the counties of Kenosha, Racine, and Milwaukee before SERTA may impose the rental car transaction fee in these counties.

Under current law, DOT may accept payment by credit card, debit card, or any other electronic payment mechanism of certain fees, which generally derive from

transactions related to motor vehicles or motor vehicle operators. DOT may charge a convenience fee for each transaction in which payment is made in this way.

This bill allows DOT to accept payment of any fee by credit card, debit card, or any other electronic payment mechanism, and to charge a convenience fee whenever payment is made in this way. DOT may promulgate rules requiring a person to pay an additional fee for conducting an in-person, telephone, or paper transaction in lieu of using an electronic filing or submission option when DOT has made an electronic filing or submission option available.

This bill increases the authorized general obligation bonding limit for harbor improvement grants from $66,100,000 to $78,800,000.

VETERANS AND MILITARY AFFAIRS

Currently, DVA operates two veterans homes in the state, one at King and the other at Union Grove. Operation of veterans homes includes hiring personnel and providing services to the residents of the home. A third home, that has not yet been opened, is to be located in Chippewa Falls. For this third home, in lieu of DVA operating the home, DVA may contract with a private entity to operate the home. The bill also specifically requires the Legislative Audit Bureau, at the request of the governor or the legislature, to conduct one or more financial audits of the operation of the Chippewa Falls home by a private entity.

Because this bill directly or substantially affects the development, construction, cost or availability of housing in this state, the Department of Administration, as required by law, will prepare a report to be printed as an appendix to this bill.

TAXEM

For further information see the ~~***state and local***~~ fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 11.26 (9) (a) and (b) of the statutes are amended to read:

2 11.26 **(9)** (a) Except as provided in par. (ba), no individual who is a candidate
3 for state or local office may receive and accept more than 65 percent of the value of
4 the total disbursement level determined under s. 11.31 or 11.511 (7) ~~(a)~~ for the office
5 for which he or she is a candidate during any primary and election campaign
6 combined from all committees subject to a filing requirement, including political
7 party and legislative campaign committees.

(b) Except as provided in par. (ba), no individual who is a candidate for state or local office may receive and accept more than 45 percent of the value of the total disbursement level determined under s. 11.31 or 11.511 (7) ~~(a)~~ for the office for which he or she is a candidate during any primary and election campaign combined from all committees other than political party and legislative campaign committees subject to a filing requirement.

SECTION 2. 11.506 (1) of the statutes is amended to read:

11.506 **(1)** An eligible candidate shall not accept private contributions ~~other than seed money contributions and qualifying contributions that the candidate accepts during the exploratory period and the public financing qualifying period~~ during the primary election campaign period in an aggregate amount exceeding the difference, if any, between the maximum amount of the public financing benefit for the primary election campaign period and the actual amount of the public financing benefit for that period paid to the eligible candidate. An eligible candidate shall not accept private contributions during the election campaign period in an aggregate amount exceeding the difference, if any, between the maximum amount of the public financing benefit for the election campaign period and the actual amount of the public financing benefit for that period paid to the eligible candidate.

SECTION 3. 11.51 (title) of the statutes is amended to read:

11.51 (title) **~~Certification~~ Certifications by candidate and board.**

SECTION 4. 11.51 (1m) of the statutes is created to read:

11.51 **(1m)** Upon determination of the number of eligible candidates who qualify for a public financing benefit for the primary election campaign period, the board shall determine the amounts of the public financing benefits that are payable to all eligible candidates in the primary election campaign period and the election

campaign period by reserving a public financing benefit amount from the democracy trust fund for the election campaign period for 2 eligible candidates, if 2 or more candidates qualify to receive a public financing benefit for the primary election campaign period, or for one eligible candidate, if only one candidate qualifies to receive a public financing benefit for the primary election campaign period and, if there are insufficient moneys in the democracy trust fund to make full payment of all public financing benefits that are or may become payable for the primary and election campaign periods, by prorating the amounts of the public financing benefits to fully allocate all available moneys to the eligible candidates. If, on the day that the board makes its certification under sub. (3), there are additional moneys in the democracy trust fund that have become available for distribution to eligible candidates in the election campaign period, the board shall distribute the additional moneys in equal amounts to each eligible candidate at the spring election or, if there is only one eligible candidate, to that candidate alone, up to the maximum amount of the public financing benefit for the spring election, as provided in s. 11.511 (3) and (6).

SECTION 5. 11.51 (2) of the statutes is amended to read:

11.51 **(2)** The board shall certify ~~to the state treasurer~~ the name of each eligible candidate at the spring primary together with the amount of the public financing benefit payable to the candidate promptly after the candidate demonstrates his or her eligibility and, in any event, not later than 5 days after the end of the public financing qualifying period. ~~The state treasurer~~ Upon certification of an eligible candidate, the board shall immediately credit that candidate's account with a line of credit for the amount certified. No candidate may utilize a line of credit received under this subsection until the beginning of the primary election campaign period.

1 **SECTION 6.** 11.51 (3) of the statutes is amended to read:

2 11.51 **(3)** The board shall certify ~~to the state treasurer~~ the name of each eligible
3 candidate at the spring election together with the amount of the public financing
4 benefit payable to the candidate not later than 48 hours after the date of the spring
5 primary election for the office of justice, or the date that the primary election would
6 be held if a primary were required. ~~The state treasurer~~ Upon certification of an
7 eligible candidate, the board shall immediately credit that candidate's account with
8 a line of credit for the amount certified. However, no candidate for a particular office
9 shall receive a line of credit until all candidates for the office of justice who apply and
10 qualify for a public financing benefit have been certified as eligible candidates.

11 **SECTION 7.** 11.511 (1) of the statutes is amended to read:

12 11.511 **(1)** The ~~state treasurer~~ board shall provide to each eligible candidate
13 who qualifies to receive a public financing benefit for the primary or election
14 campaign period separate lines of credit for the public financing benefits payable to
15 the candidate for the primary and election campaign periods in the amounts
16 specified in this section, subject to any required adjustment under s. 11.512 (2) or
17 11.513 (2). An eligible candidate may use this public financing benefit to finance any
18 lawful disbursements during the primary and election campaign periods to further
19 the election of the candidate in that primary or election. An eligible candidate shall
20 not use this public financing benefit to repay any loan, or in violation of ss. 11.502
21 to 11.522 or any other applicable law.

22 **SECTION 8.** 11.511 (1) of the statutes, as affected by 2011 Wisconsin Act .... (this
23 act), is amended to read:

24 11.511 **(1)** The board shall provide to each eligible candidate who qualifies to
25 receive a public financing benefit for the primary or election campaign period

separate lines of credit for the public financing benefits payable to the candidate for the primary and election campaign periods in the amounts specified in this section~~,~~ ~~subject to any required adjustment under s. 11.512 (2) or 11.513 (2)~~. An eligible candidate may use this public financing benefit to finance any lawful disbursements during the primary and election campaign periods to further the election of the candidate in that primary or election. An eligible candidate shall not use this public financing benefit to repay any loan, or in violation of ss. 11.502 to 11.522 or any other applicable law.

SECTION 9. 11.511 (2) of the statutes is amended to read:

11.511 **(2)** ~~Except as provided in ss. 11.512 (2) and 11.513 (2), the~~ The maximum public financing benefit for a primary election campaign period is $100,000, subject to adjustment under s. 11.51 (1m).

SECTION 10. 11.511 (3) of the statutes is amended to read:

11.511 **(3)** ~~Except as provided in ss. 11.512 (2) and 11.513 (2), the~~ The maximum public financing benefit for an election campaign period is $300,000, subject to adjustment under s. 11.51 (1m).

SECTION 11. 11.511 (6) of the statutes is amended to read:

11.511 **(6)** Notwithstanding subs. (2) and (3), beginning on July 1, 2012, and every 2 years thereafter, the board shall modify the maximum public financing benefits provided for in subs. (2) and (3) to adjust for the change in the consumer price index, all items, U.S. city average, published by the U.S. department of labor for the preceding 2-year period ending on December 31.

SECTION 12. 11.511 (7) (a) of the statutes is renumbered 11.511 (7) and amended to read:

11.511 **(7)** ~~Except as provided in par. (b), no~~ No candidate for the office of justice who files an application for a public financing benefit and certification under s. 11.51 (1) and who accepts a public financing benefit may make or authorize total disbursements in a campaign, beginning with the first day of the exploratory period and ending on the date of the spring election, to the extent of more than the maximum amounts specified in ss. 11.502 (2) and 11.508 (1), plus the amount specified in s. 11.511 (3), as adjusted under s. 11.511 (6), and, if there is a primary for the office of justice, the amount specified in s. 11.511 (2), as adjusted under s. 11.511 (6).

SECTION 13. 11.511 (7) (b) of the statutes is repealed.

SECTION 14. 11.512 of the statutes is repealed.

SECTION 15. 11.513 of the statutes is repealed.

SECTION 16. 11.515 of the statutes is amended to read:

11.515 Democracy trust fund. The democracy trust fund shall be administered by the ~~state treasurer~~ government accountability board. The ~~state treasurer~~ board shall establish an account within the fund for each eligible candidate.

SECTION 17. 11.517 (1) of the statutes is amended to read:

11.517 **(1)** Notwithstanding s. 11.60 (1), if an eligible candidate makes disbursements that exceed the total amount of the public financing benefit allocated to the candidate for any campaign ~~and~~, the total qualifying and seed money contributions lawfully accepted by the candidate, and the total private contributions that the candidate may accept under s. 11.506 (1), the candidate may be required to forfeit not more than 10 times the amount by which the disbursements exceed ~~the allocation~~ that total.

SECTION 18. 11.522 of the statutes is amended to read:

11.522 Contributions to nonparticipating candidates. A nonparticipating candidate may accept contributions from private sources ~~without limitation, except that no person may make any contribution or contributions to a nonparticipating candidate exceeding a total of $1,000 during any campaign~~, subject to applicable limitations under s. 11.26.

SECTION 19. 13.099 (1) (a) of the statutes is amended to read:

13.099 **(1)** (a) ~~"Department"~~ "Authority" means the ~~department of commerce~~ Wisconsin Housing and Economic Development Authority.

SECTION 20. 13.099 (1) (b) of the statutes is amended to read:

13.099 **(1)** (b) "State housing strategy plan" means the plan developed under s. ~~560.9802~~ 234.5602.

SECTION 21. 13.099 (2) (a) of the statutes is amended to read:

13.099 **(2)** (a) If any bill that is introduced in either house of the legislature directly or substantially affects the development, construction, cost, or availability of housing in this state, the ~~department~~ authority shall prepare a report on the bill within 30 days after it is introduced. The ~~department~~ authority may request any information from other state agencies, local governments or individuals, or organizations that is reasonably necessary for the ~~department~~ authority to prepare the report.

SECTION 22. 13.099 (2) (b) of the statutes is amended to read:

13.099 **(2)** (b) A bill that requires a report by the ~~department~~ authority under this section shall have that requirement noted on its jacket when the jacket is prepared. When a bill that requires a report under this section is introduced, the legislative reference bureau shall submit a copy of the bill to the ~~department~~ authority.