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**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

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**AN ACT ...; relating to:** state finances and appropriations, constituting the executive budget act of the 2013 legislature; the budget; miscellaneous changes to Wisconsin Works; creating a Transform Milwaukee Jobs program; a pilot program reducing the interest rate on child support arrears; sponsorship and partnership agreements; highway maps published by the Department of Transportation; the total amount payable for service awards provided to volunteer fire fighters, first responders, and emergency medical technicians and making an appropriation; intergovernmental affairs; reducing the individual income tax rates; funding for a state enterprise resource planning system; sale or lease of state-owned real property, contractual operation of state facilities, and management of state-owned heating, cooling, and power plants; facility design services for state agencies; ...; the budget; fees for wolf harvesting approvals and the authority to hunt wolves during nighttime;



regulation of rental-purchase agreements and granting rule-making authority; a capital investment program and making an appropriation.

### *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 2013–2015 fiscal biennium.

The bill repeals and recreates the appropriation schedule in chapter 20 of the statutes, thereby setting the appropriation levels for the 2013–2015 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 Agriculture, Trade and Consumer Protection.**
- XX03 Arts Board.**

- XX04 Building Commission.**
- XX05 Child Abuse and Neglect Prevention Board.**
- XX06 Children and Families.**
- XX07 Circuit Courts.**
- XX08 Corrections.**
- XX09 Court of Appeals.**
- XX10 District Attorneys.**
- XX11 Educational Communications Board.**
- XX12 Employee Trust Funds.**
- XX13 Employment Relations Commission.**
- XX14 Financial Institutions.**
- XX15 Government Accountability Board.**
- XX16 Governor.**
- XX17 Health and Educational Facilities Authority.**
- XX18 Health Services.**
- XX19 Higher Educational Aids Board.**
- XX20 Historical Society.**
- XX21 Housing and Economic Development Authority.**
- XX22 Insurance.**
- XX23 Investment Board.**
- XX24 Joint Committee on Finance.**
- XX25 Judicial Commission.**
- XX26 Justice.**
- XX27 Legislature.**
- XX28 Lieutenant Governor.**
- XX29 Local Government.**
- XX30 Medical College of Wisconsin.**
- XX31 Military Affairs.**
- XX32 Natural Resources.**
- XX33 Public Defender Board.**
- XX34 Public Instruction.**
- XX35 Public Lands, Board of Commissioners of.**
- XX36 Public Service Commission.**
- XX37 Revenue.**
- XX38 Safety and Professional Services.**
- XX39 Secretary of State.**
- XX40 State Employment Relations, Office of.**
- XX41 State Fair Park Board.**
- XX42 Supreme Court.**
- XX43 Technical College System.**
- XX44 Tourism.**
- XX45 Transportation.**
- XX46 Treasurer.**
- XX47 University of Wisconsin Hospitals and Clinics Authority.**
- XX48 University of Wisconsin System.**

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- XX49 Veterans Affairs.**  
**XX50 Wisconsin Economic Development Corporation.**  
**XX51 Workforce Development.**  
**XX52 Other.**

For example, for general nonstatutory provisions relating to the State Historical Society, see SECTION 9120. 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 "52" (**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  
 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, DATCP administers the Soil and Water Resource Management Program. The program funds grants for projects to control soil erosion and reduce water pollution. This bill increases the general obligation bonding authority for the Soil and Water Resource Management Program by \$7,000,000.

**\*\*\* ANALYSIS FROM -0224/P3 \*\*\***

This bill authorizes DATCP to provide grants to persons operating dairy processing plants to promote the growth of the dairy industry.

**\*\*\* ANALYSIS FROM -0233/I \*\*\***

Current law requires DATCP to award a grant in each fiscal year from the agrichemical management fund for technical education and research under the Wisconsin grazing lands conservation initiative. This bill eliminates that requirement.

**\*\*\* ANALYSIS FROM -1326/I \*\*\***

**COMMERCE AND ECONOMIC DEVELOPMENT**

**FINANCIAL INSTITUTIONS**

Under current law, a consumer credit transaction that is entered into for personal, family, or household purposes, as well as certain consumer leases, are generally subject to the Wisconsin Consumer Act (consumer act). The consumer act grants consumers certain rights and remedies and contains notice and disclosure requirements and prohibitions relating to consumer credit transactions.

This bill creates requirements that specifically apply to rental-purchase agreements, imposes requirements on rental-purchase companies, and exempts rental-purchase companies and rental-purchase agreements from the scope of the consumer act and from provisions of the Uniform Commercial Code relating to security interests. A "rental-purchase agreement" is an agreement between a rental-purchase company and a lessee for the use of rental property if: 1) the rental property is to be used primarily for personal, family, or household purposes; 2) the agreement has an initial term of four months or less and is renewable with each payment after the initial term; 3) the agreement does not obligate the lessee to renew the agreement beyond the initial term; and 4) the agreement permits the lessee to acquire ownership of the rental property.

The bill requires a rental-purchase company to file notice with DFI within 30 days after commencing business in this state and to pay an annual fee to DFI of \$1,000, but provides an exception for a rental-purchase company that generates less than 75 percent of its revenues in this state from transactions involving rental-purchase agreements. The bill also limits the maximum amount that a rental-purchase company may charge in a rental-purchase transaction and that a lessee must pay to acquire ownership of rental property if the lessee elects an early-purchase option. The bill specifies conditions under which a lessee may reinstate a rental-purchase agreement that has ended without losing any rights or options previously acquired. Upon reinstatement, the rental-purchase company must provide the lessee with the same rental property or with substitute property of comparable quality and condition. A rental-purchase company must provide written notice to a lessee of the lessee's rights and obligations relating to

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reinstatement of the rental-purchase agreement within 15 days of repossession or voluntary return or surrender of the rental property, if the lessee is entitled to reinstatement.

The bill specifies that a rental-purchase company is not required to disclose a finance charge calculated as an annual percentage rate. However, every rental-purchase agreement must contain certain provisions, including a description of the rental property; the cash price of the rental property; the total amount of the rental payments and charges necessary to acquire ownership of the property; the rental payment and an itemized description of all charges or fees; and a summary of the lessee's early-purchase option and an explanation of the lessee's reinstatement rights of the rental-purchase agreement. The bill also prohibits the inclusion of certain provisions in a rental-purchase agreement, including a provision granting the rental-purchase company permission to enter the lessee's residence in repossessing the rental property; a provision requiring the lessee to purchase insurance from the rental-purchase company; and a provision requiring the lessee to pay attorney fees. Upon request, a rental-purchase company must provide the lessee with a copy of the lessee's payment history. The bill also creates requirements and limitations for advertising rental-purchase transactions. The bill includes provisions relating to liability of a rental-purchase company for violations of the provisions of the bill.

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\*\*\* ANALYSIS FROM -0367/1 \*\*\*  
\*\*\* ANALYSIS FROM -1281/1 \*\*\*  
\*\*\* ANALYSIS FROM -0297/1 \*\*\*  
\*\*\* ANALYSIS FROM -0366/3 \*\*\*  
\*\*\* ANALYSIS FROM -0232/P3 \*\*\*

Under current law, WEDC administers various programs that provide tax benefits to businesses, including the jobs tax credit program, the enterprise zone tax credit program, and the economic development tax credit program. The jobs tax credit program and the enterprise zone tax credit program provide tax benefits to businesses that create or retain certain full-time jobs in this state. The economic development tax credit program provides tax benefits to businesses that conduct eligible activities, including creating full-time jobs, investing in new equipment, machinery or property, and locating or retaining corporate headquarters, in this state.

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Under current law, the total amount of tax credits that WEDC may allocate under the economic development tax credit program may not exceed the sum of the tax credits remaining under the tax credit programs that were consolidated to create the economic development tax credit program and \$25,000,000. This bill increases the total amount of benefits that WEDC may allocate under the economic development tax credit program by \$75,000,000.

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Under current law, WEDC may award tax benefits under the jobs tax credit program in an amount that is equal to 10 percent of the wages a business pays to certain full-time employees who annually earn at least \$20,000 or \$30,000, depending on where the business is located. Under this bill, WEDC may award tax

benefits under the jobs tax credit program in an amount that is up to 10 percent of the wages a business pays to certain full-time employees who annually earn at least: (a) what an individual earns making 150 percent of federal minimum wage for 2,080 hours or (b) \$30,000, depending on where the business is located.

Under current law, a business certified by WEDC may receive tax benefits under the enterprise zone tax credit program for certain full-time employees in an amount that is up to 7 percent of the amount by which the annual wages for each of those employees exceeds either \$20,000 or \$30,000, depending on where the business is located. Under this bill, the amount of tax benefits that a business may receive under the enterprise zone tax credit program is up to 7 percent of the amount by which the annual wages for each full-time employee exceeds either: (a) what an individual earns making 150 percent of federal minimum wage for 2,080 hours or (b) \$30,000, depending on where the business is located. In addition, this bill eliminates the requirement that a business that retains jobs in an enterprise zone, but that employs 500 or fewer full-time employees in the enterprise zone, must be an original equipment manufacturer in order for the business to qualify for tax benefits based on that job retention.

Under current law, for purposes of the jobs tax credit program, the economic development tax credit program, the enterprise zone tax credit program, and the development opportunity zone tax credit program, "full-time job" is defined as a job in which an individual must work at least 2,080 hours per year as a condition of his or her employment. However, WEDC may make an exception to the 2,080 hour requirement for a job in which an individual works not less than 37.5 hours per week under certain tax credit programs. Under this bill, WEDC may make an exception to the 2,080 hours per year requirement under all these tax credit programs if a job annually pays at least 2,080 times 150 percent of the federal minimum wage and the job offers full-time benefits.

Subject to certain exceptions

\*\*\* ANALYSIS FROM -0326/P1 \*\*\*

Under current law, WHEFA may issue bonds to finance certain projects of health, educational, or research institutions; to refinance outstanding debt of health, educational, or research institutions; and to finance a purchase of the state's right to receive any of the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. This bill authorizes WHEFA to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, and to refinance outstanding debt of a nonprofit institution. Under this bill, a nonprofit institution is a nonprofit entity that is not a health, education, or research institution.

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may \*\*\* ANALYSIS FROM -1245/2 \*\*\*

Under current law, DOA is authorized to administer housing programs that are funded by the federal community development block grant. Under this bill, DOA's authority is expanded to include any program funded by the federal community development block grant, including the community development grant program and a revolving loan fund program.

\*\*\* ANALYSIS FROM -0336/P3 \*\*\*

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**CORRECTIONAL SYSTEM**

known ← Under current law relating to community youth and family aids, generally referred to as youth aids, DOC is required to allocate various state and federal moneys to counties to pay for state-provided juvenile correctional services and local juvenile justice services. DOC charges counties for the costs of services provided by DOC according to per person cost assessments (the "daily rate"). Currently, the daily rate is \$289 for care in a Type 1 juvenile correctional facility, \$289 for care for juveniles transferred from a juvenile correctional institution, \$100 for departmental corrective sanctions services, and \$40 for departmental aftercare services.

increases → Under this bill, the daily rates are as follows:

1. For fiscal year 2013-14, the daily rate is \$297 for care in a juvenile correctional facility, \$297 for care for juveniles transferred from a juvenile correctional institution, \$125 for corrective sanctions services, and \$41 for aftercare services. → Type 1

2. For fiscal year 2014-15, the daily rate is \$304 for care in a juvenile correctional facility, \$304 for care for juveniles transferred from a juvenile correctional institution, \$128 for corrective sanctions services, and \$41 for aftercare services. → Type 1

**\*\*\* ANALYSIS FROM -0374/P2 \*\*\***

Current law requires DOC to have a revolving fund consisting of money DOC has that belongs to persons on probation, parole, or extended supervision who have absconded or whose whereabouts are unknown. DOC must use the fund to defray certain expenses for persons on probation, parole, and extended supervision who are without means, and the persons on probation, parole, and extended supervision must repay the money if possible. This bill eliminates the requirement that DOC have such a revolving fund.

**\*\*\* ANALYSIS FROM -0422/P4 \*\*\***

**CRIMES**

including → Under current law, certain individuals are required to submit biological specimens to the crime laboratories in DOJ for deoxyribonucleic acid (DNA) analysis. These individuals include: a juvenile who has been adjudicated delinquent for certain offenses; an individual who is or was in prison for a felony or found guilty of a felony; an individual who was found guilty of fourth-degree sexual assault, lewd and lascivious behavior, or exposing genitals to a child for sexual gratification; an individual who has been found not guilty by reason of mental disease or defect for certain sex offenses; a person who has been found to be a sexually violent person; and an individual who is required by a court to provide a biological specimen. Under this bill, the following individuals must submit biological specimens to the crime laboratories in DOJ for DNA analysis: a juvenile who has been adjudicated delinquent, or taken into custody, for an offense that would be a felony if committed by an adult, fourth-degree sexual assault, endangering safety by the use of a dangerous weapon, lewd and lascivious behavior, prostitution, patronizing prostitutes, pandering, failure to submit a biological specimen, or exposing genitals to a child for sexual gratification; an adult who is convicted of a misdemeanor; and an adult who is arrested for a felony or for fourth-degree sexual assault, endangering

safety by the use of a dangerous weapon, lewd and lascivious behavior, prostitution, patronizing prostitutes, pandering, failure to submit a biological specimen, or exposing genitals to a child for sexual gratification. If, at the time the individual is charged with one of these offenses, the court determines that a biological specimen was not obtained when he or she was arrested or taken into custody, the court must order a law enforcement agency to obtain the specimen.

Under current law, specimens obtained must be submitted to the crime laboratories in DOJ for DNA analysis and inclusion of the DNA profile in the data bank. An individual whose DNA data are in the data bank due to a conviction or adjudication may request in writing that the data be removed on the grounds that the conviction or adjudication has been reversed, set aside, or vacated. If the crime laboratories receive a certified copy of the court order reversing, setting aside, or vacating the conviction or adjudication, the laboratories must purge all records and identifiable information in the data bank pertaining to the individual and destroy all samples from the individual. Under this bill, if an individual submitted a specimen at arrest, when taken into custody, or by court order, DOJ must similarly purge all records and information upon a written request if all charges requiring submission have been dismissed; if the trial court reached a final disposition and the individual was not found guilty of any charges requiring submission; if at least one year has passed since the arrest and the individual has not been charged; or if the individual was found guilty of a crime requiring submission but all such convictions have since been reversed, set aside, or vacated.

Under current law, if a court imposes a sentence or places an individual on probation for sexual assault, first-degree or second-degree sexual assault of a child, repeated sexual assault of a child, or sexual assault of a child placed in substitute care (sex offense) the court must impose a DNA analysis surcharge of \$250 and if a court imposes a sentence or places an individual on probation for a felony conviction that is not a sex offense, the court may impose a DNA analysis surcharge of \$250. Under this bill, if a court imposes a sentence or places an individual on probation, the court must impose a \$250 DNA surcharge for any felony conviction and a \$200 DNA surcharge for any misdemeanor conviction.

~~\*\*\* ANALYSIS FROM -1137/P4 \*\*\*~~

~~EDUCATION~~

~~PRIMARY AND SECONDARY EDUCATION~~

~~Under current law, a school board may enter into a contract with a person to establish a charter school, which operates 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 such charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.~~

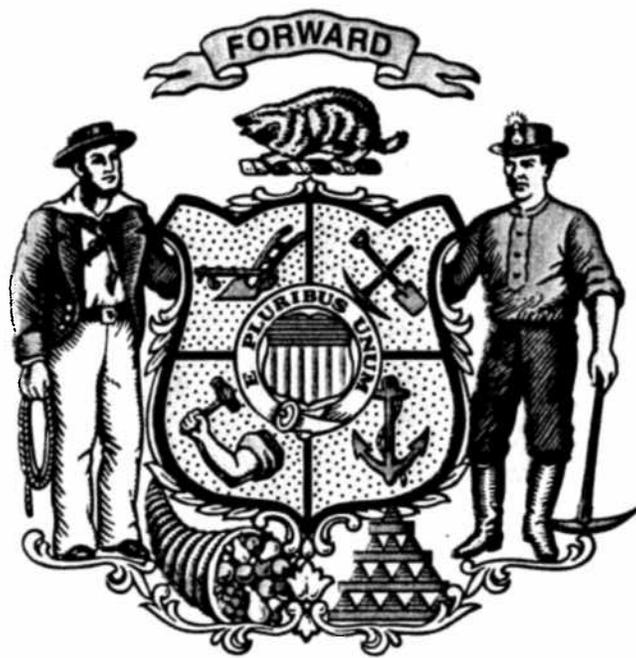
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Under current law, if a court imposes a sentence or places an individual on probation for ~~sexual assault, first-degree or second-degree sexual assault of a child, repeated sexual assault of a child, or sexual assault of a child placed in substitute care (sex offense)~~ the court must impose a DNA analysis surcharge of \$250 and if a court imposes a sentence or places an individual on probation for a felony conviction that is not a sex offense, the court may impose a DNA analysis surcharge of \$250. Under this bill, if a court imposes a sentence or places an individual on probation, the court must impose a \$250 DNA surcharge for any felony conviction and a \$200 DNA surcharge for any misdemeanor conviction.

\*\*\* ANALYSIS FROM -1137/P4 \*\*\*

## EDUCATION

### PRIMARY AND SECONDARY EDUCATION

Under current law, a school board may enter into a contract with a person to establish a charter school, which operates 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 such charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.

This bill creates the Charter School Oversight Board (CSOB), attached to DPI, and authorizes it to approve nonprofit, nonsectarian organizations, or consortia of such organizations, to contract with persons to operate independent charter schools. The CSOB consists of the state superintendent of public instruction and ten other

members. Of the latter members, two are appointed by the state superintendent, two are appointed by the governor, and six by the leaders in the senate and assembly. The bill prohibits the CSOB from promulgating administrative rules and provides that any policy or standard adopted by the CSOB is exempt from the rule-making process.

For any school established on or after the bill's effective date, the bill eliminates the authority of the entities specified above, and of any approved nonprofit organization, to establish an independent charter school directly. Under the bill, a charter school may be established only by contract and must be operated by a charter school governing board, although an existing independent charter school authorizer may continue to operate a charter school (itself if the school is) established before the effective date of the bill. The bill removes the restrictions that limit who may attend an independent charter school.

A nonprofit, nonsectarian organization or consortium of such organizations that wishes to contract with a charter school governing board to operate a charter school must apply to the CSOB. The application must include a strategic plan for such contracting; a performance framework for use in supervising and evaluating charter schools; an assurance that the organization or consortium will ensure accountability and transparency on the part of the governing boards with which it contracts; a plan, including corrective action strategies, designed to improve a charter school, or close such a school, that fails to meet contractual performance standards; a description of the types of charter schools it is seeking to establish; information on its finances; and a plan for entering into additional contracts in order to replicate successful charter schools. The CSOB must approve or deny an application within 90 days.

The bill provides that the contract between an authorizing entity and the independent charter school's governing board must allow the former to charge the governing board a fee. The contract must also allow the charter school governing board to open additional charter schools if the charter school governed by the contract receives a rating from DPI of "exceeds expectations" or "significantly exceeds expectations." The bill makes this provision applicable to existing contracts with independent charter schools as well.

The bill allows a charter school contract to provide for more than one charter school, and allows a charter school governing board to enter into more than one contract. The bill allows a school board to prohibit a pupil who resides in the school district from attending an independent charter school unless the school district's enrollment is at least 4,000 and at least two schools in the school district were rated "fails to meet expectations" or "meets few expectations" in DPI's most recent school report.

Current law prohibits a school board from converting all of the public schools in the school district to charter schools unless the school board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. In addition, a school board may not grant a petition to establish a charter school that would result in the conversion of all the public

submit an application  
in accordance with certain specified requirements

authorizing entity

schools in the school district to charter schools unless at least 50 percent of the teachers employed by the school district sign the petition.

This bill eliminates the conditions on converting all of a school district's public schools to charter schools and explicitly permits a school board to do so.

Current law provides that no pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents, if the pupil is a minor. This bill provides that this prohibition does not apply if all of a school district's public schools are converted to charter schools.

The bill requires that a charter school accept pupils at random if the capacity of the school is insufficient to accept all applicants. A charter school must, however, give preference in enrollment to pupils who were enrolled in the school in the previous school year and to siblings of pupils who are enrolled in the school. In addition, the bill allows a charter school to give preference in enrollment to children of the charter school's founders, governing board members, and full-time employees so long as the number of such children given preference constitutes no more than 10 percent of the school's enrollment.

The bill requires each charter school authorizer to submit an annual report to the legislature and DPI that includes the following:

1. An identification of each charter school under contract with it and each charter school that had its contract nonrenewed or revoked or that closed.
2. The academic and financial performance of each charter school.
3. Its operating costs, detailed in an audited financial statement.
4. The services it provided to the charter schools under contract with it.

The bill directs each nonprofit organization or consortium that has been approved by the CSOB to contract with a charter school operator annually to submit an identical report to the CSOB.

\*\*\* ANALYSIS FROM -0951/2 \*\*\*

Current law provides that, unless otherwise explicitly provided, the school code (chapters 115 to 121 of the Wisconsin statutes) does not apply to charter schools. This bill prohibits a contract between a school board and the operator of a charter school that is an instrumentality of the school district from imposing on the operator any requirement in the school code that does not explicitly apply to charter schools.

The bill also requires that a contract between a school board and the operator of a charter school that is an instrumentality of the school district do all of the following:

1. Specify the amount to be paid to the charter school operator for each pupil attending the charter school. The amount must be commensurate with the average per pupil cost for the school district.

2. Grant the charter school operator sole discretion over the charter school's budget, curriculum, and professional development activities, and over the hiring of personnel, and personnel policies for the charter school, unless a decision in any of these areas affects the health or safety of pupils. The bill does not modify the existing requirement that the school board employ all personnel for a charter school that is an instrumentality of the school district.

\*\*\* ANALYSIS FROM -0960/1 \*\*\*

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Under current law, beginning in the 2013-14 school year, the state pays an operator of a charter school that is operated by or under contract with an independent charter school a per pupil amount in each school year that is based on the per pupil amount the state paid in the previous school year and the revenue limit adjustment for public schools.

Under this bill, in the 2013-14 school year, the state pays an operator of an independent charter school a per pupil amount of \$7,852 and, beginning in the 2014-15 school year, the state pays an operator of an independent charter school a per pupil amount in each school year of \$7,931.

**\*\*\* ANALYSIS FROM -1026/P6 \*\*\***

Under current law, a pupil living in the city of Milwaukee or an eligible school district (currently, only the Racine Unified School District) may, under a parental choice program, attend a private school at state expense if, among other conditions, the pupil is a member of a family that has a total family income that does not exceed 300 percent of the poverty level.

This bill expands the parental choice program for eligible school districts by making eligible a school district having at least 4,000 pupils and in which two or more schools in the district have been placed in a performance category of "fails to meet expectations" or "meets few expectations" (qualifying categories) on an accountability report published by DPI. If, after a school district has been identified as an eligible school district, at least 20 pupils who reside in the school district apply to attend private schools under the parental choice program, the eligible school district becomes a qualifying eligible school district. Only after an eligible school district becomes a qualifying eligible school district may pupils who reside in that school district attend a private school under the parental choice program. The bill does not require a pupil who applies to attend a private school to be enrolled in a school that was placed in a qualifying category.

In the 2013-14 school year, participation in the expanded parental choice program cannot exceed 500 pupils residing in eligible school districts. In the 2014-15 school year, participation cannot exceed 1,000 pupils.

**\*\*\* ANALYSIS FROM -0961/4 \*\*\***

Currently, under the parental choice programs, the state pays a participating private school, for a pupil enrolled in the school under the program, the lesser of the school's educational cost per pupil or the amount paid per pupil in the previous school year increased by the percentage change in the amount appropriated as general school aid. In the 2011-12 and 2012-13 school years, however, the state pays the school's educational cost per pupil or \$6,442, whichever is less.

This bill changes the payments that the state makes to a private school participating in a parental choice program as follows:

1. In the 2013-14 school year, for a pupil enrolled in the school under the program, the state pays the lesser of the school's educational cost per pupil or \$6,442.
2. In the 2014-15 school year and thereafter, for a pupil enrolled in the school under the program, the state pays the lesser of the school's educational cost per pupil or the amount either of \$7,050, if the pupil is in a grade from kindergarten to eight, or of \$7,856, if the pupil is in a grade from nine to twelve.

no more than 500 pupils residing in qualifying eligible school districts may participate in the expanded parental choice program.

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**\*\*\* ANALYSIS FROM -0962/4 \*\*\***

Currently, a private school participating in a parental choice program must accept applications submitted under the choice program on a random basis. However, under current law, a participating private school may give a preference to a sibling of a pupil who is accepted on a random basis. Under this bill, a participating private school may, when accepting applications submitted under a choice program, give preference to any of the following:

1. Pupils who attended the private school during the school year prior to the school year for which the application is being made.
2. Siblings of pupils who attended the private school during the school year prior to the school year for which the application is being made and to siblings of pupils who have been accepted to the private school for the school year for which the application is being made.
3. Pupils who attended any private school in a choice program during the school year prior to the school year for which the application is being made.

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siblings  
of pupils,

**\*\*\* ANALYSIS FROM -1027/P2 \*\*\***

Under current law, in order to participate in a parental choice program, a private school must notify DPI of its intent to participate and pay a fee established by DPI. If the private school intends to participate in both parental choice programs, the private school must separately notify DPI and pay an additional fee. In addition, current law requires DPI to provide pupils who are eligible to enroll in a participating private school, or the parents or guardians of those pupils, with a list of the names of any such participating private school.

This bill provides that a private school may participate in both parental choice programs if it has paid the fee to and notified DPI of its intent to participate in either program. The bill requires DPI to provide eligible pupils or their parents or guardians with a list of private schools participating in both programs.

**\*\*\* ANALYSIS FROM -0990/3 \*\*\***

Current law directs DPI to establish a student information system to collect information about pupils enrolled in public schools, including their academic performance and demographic information. Within five years of the system's establishment, every school district must use the system.

This bill includes charter schools in the student information system. The bill also provides that within five years of the system's establishment, every private school participating in a parental choice program must use the system or use another system that is interoperable with the state system.

**\*\*\* ANALYSIS FROM -1116/2 \*\*\***

This bill establishes a Special Needs Scholarship Program. Under the program, a child with a disability may receive a scholarship to attend a public school located outside the pupil's school district of residence, a charter school, or a private school, if all of the following conditions are met:

1. The school has notified DPI of its intent to participate in the program and the child has been accepted by the school.
2. If the school is a private school, it is approved as a private school by DPI or is accredited.

3. An individualized education program (IEP) has been completed for the child.

4. The child attended a public school, attended a charter school, attended a private school under a parental choice program, or did not attend school in this state, in the previous school year.

Upon receipt of an application for a scholarship, DPI must review the child's IEP and determine the amount of the child's scholarship. The amount is the lesser of the cost to the child's school district of residence, the charter school, or private school that the child wishes to attend, of providing regular instruction, instructional and pupil support services, special education and related services, and supplementary aids and services to the child plus the per pupil operating and debt service costs; or the statewide cost per public school pupil in the previous school year plus the per pupil amount appropriated for special education in the previous school year. The number of scholarship recipients in any school year may not exceed five percent of the total number of children with disabilities residing in this state in the previous school year.

DPI pays the scholarship directly to the school district, charter school, or private school ~~that the child attends~~. The scholarship continues while the child attends a school eligible to participate in the program until he or she graduates from high school or until the end of the school term in which he or she turns 21, whichever comes first.

Under the bill, a pupil attending a private school, or a public school outside the pupil's school district of residence, under the program is counted for state aid purposes by the pupil's school district of residence. However, the state aid paid to that school district is reduced by the total amount of scholarships paid by DPI for pupils who reside in that school district.

Each private school participating in the program must comply with applicable health and safety laws; hold a valid occupancy permit, if required by the municipality; comply with federal law that prohibits discrimination against any person on the basis of race, color, or national origin; and conduct criminal background investigations of its employees and exclude from employment any person not permitted to hold a teaching license as the result of an offense and any person who might reasonably be believed to pose a threat to the safety of others.

The private school must also annually submit to DPI a school financial report prepared by a certified public accountant. If the private school expects to receive at least \$50,000 in scholarships during a school year, it must either file a surety bond with DPI or provide DPI with information demonstrating that it has the ability to pay an amount equal to the total amount of scholarships that it expects to receive.

The bill provides that if a child attends a private school under the program, his or her school district of residence must provide transportation to and from the school if the school is located at least two miles from the child's residence, the child resides in the private school's attendance area, and the private school is situated within the school district of residence or not more than five miles beyond the boundaries of the school district.

If the child attends a public school under the program, the child's parent is responsible for transporting the child to and from school unless transportation is

*in certain circumstances*

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required in the child's IEP. If the latter applies, the school district that the child attends is responsible for transporting the child. The bill allows a low-income pupil to apply to DPI for reimbursement of transportation costs.

The bill authorizes DPI to bar a school from participating in the program if the school intentionally and substantially misrepresents information required under the bill, routinely fails to comply with financial standards, uses a pupil's scholarship for any purpose other than educational purposes, or fails to refund any scholarship overpayments to the state.

Finally, the bill directs the Legislative Audit Bureau to contract for a study of the program. The results of the study must be reported to the legislature by January 9, 2016.

\*\*\* ANALYSIS FROM -1012/7 \*\*\*

Under the current part-time Open Enrollment Program, a high school pupil may apply to take one or two courses at a public school located outside the pupil's school district of residence under certain circumstances. The pupil's resident school board must pay to the nonresident school board an amount equal to the cost of providing the course to the pupil. The pupil's resident school board may reject the pupil's application under one of two circumstances: 1) the resident school board determines that the course conflicts with the pupil's individualized education IEP; or 2) the cost of paying for the pupil to attend the course would impose an undue financial burden on the resident school district.

This bill allows pupils in all grades to participate in the program. The bill also allows a pupil to attend, in addition to a public school in a nonresident school district, a UW institution, a technical college, a nonprofit institution of higher education, a tribal college, a charter school, or a nonprofit organization that is approved by DPI. The bill prohibits the educational institution that the pupil attends from charging to or receiving from a pupil or the pupil's resident school board any payment that is in addition to the one determined by DPI.

The bill also eliminates the ability of a resident school board to reject an application on the basis of undue financial burden. However, it allows the resident school board to reject an application if the school board determines that the course the pupil wishes to take at an educational institution does not conform to or support the pupil's academic and career plan or does not satisfy a high school graduation requirement.

\*\*\* ANALYSIS FROM -1136/4 \*\*\*

This bill requires DPI to ensure that, beginning in the 2017-18 school year, every school board is providing academic and career planning services to pupils enrolled in grades 6 to 12. DPI is also required to purchase, install, and maintain information technology that will be used by school districts statewide to provide academic and career planning to pupils in grades 6 to 12. Finally, DPI must provide training and technical assistance to school districts and school district staff related to implementing academic and career plans.

\*\*\* ANALYSIS FROM -1029/P6 \*\*\*

Under current law, a pupil enrolled in a home-based private educational program who has met the standards for admission to high school may take up to two

courses each semester in any school in the pupil's resident school district if there is space in the classroom. This bill expands this opportunity to permit any pupil enrolled in a home-based private educational program to attend up to two courses in any public school in any school district in the state. The bill permits a school district that allows such a pupil to attend a course to count the pupil for equalization aid purposes as 0.25 pupil for each course the pupil attends

*that has space*

**\*\*\* ANALYSIS FROM -0346/P4 \*\*\***

Current law requires the state superintendent of public instruction to adopt examinations to be administered to pupils in grades four, eight, and ten. Current law also requires the school board of each school district, the operator of each charter school, and the governing body of each private school participating in either parental choice program to administer the examinations to pupils enrolled in those grades in each school in the district, in the charter school, and in the participating private school, respectively.

*ya*

This bill requires the state superintendent of public instruction to adopt examinations to be administered, beginning in the 2014-15 school year, to pupils in grades nine and eleven in the same manner as examinations are administered to pupils in grades four, eight, and ten

**\*\*\* ANALYSIS FROM -0212/1 \*\*\***

Under current law, each school board and each independent charter school must annually assess all pupils in four-year-old and five-year-old kindergarten for reading readiness using an assessment selected by DPI. If a reading readiness assessment indicates that a pupil is at risk of reading difficulty, the school board or charter school must provide the pupil with certain reading services.

Under this bill, beginning in the 2014-15 school year, each school board and each independent charter school must annually assess all pupils in four-year-old kindergarten to grade two for reading readiness and provide reading services to any pupil who is determined to be at risk of reading difficulty.

**\*\*\* ANALYSIS FROM -1158/3 \*\*\***

This bill directs DPI, annually by June 30, to publish a school and school district accountability report that includes the following components:

1. Multiple measures to determine performance, including pupil achievement and growth in reading and mathematics; measures of college and career readiness; and gaps in pupil achievement and rates of graduation, categorized by race, English language proficiency, disability, and income.
2. An index system to identify a school's level of performance and annually place each school into one of five performance categories.

Within one year after an independent charter school, or a private school participating in a parental choice program, begins using the student information system established by DPI, DPI must include the school in its annual school accountability report.

**\*\*\* ANALYSIS FROM -1028/P7 \*\*\***

This bill creates a grant program through which a qualifying school may receive an award related to the school's performance on accountability reports issued by DPI. The bill identifies three categories of qualifying schools: 1) schools that are placed

*the*

*that are placed*

*operators must*

in a performance category of "significantly exceeds expectations" or "exceeds expectations" on the most recent accountability report; 2) schools that increase the score received on the most recent accountability report by at least three points over the previous accountability report; and 3) schools that are placed in a performance category of "fails to meet expectations" on the most recent accountability report and that submit a comprehensive school improvement plan to DPI.

~~\*\*\* ANALYSIS FROM -1524/P3 \*\*\*~~

Under current law, DPI must develop an educator effectiveness evaluation system (EES). Current law requires school districts and the operator of an independent charter school to employ the EES to evaluate teachers and principals on a variety of measures. This bill permits DPI to charge a fee to school districts and independent charter schools to use the EES developed by DPI. The bill also permits DPI to award grants to school districts to implement an EES or equivalency evaluation process.

~~\*\*\* ANALYSIS FROM -0987/3 \*\*\*~~

*equivalent*

This bill directs DPI to grant a charter school teaching license to any person who has a bachelor's degree and demonstrates that he or she is proficient in the subject or subjects that he or she intends to teach. The license authorizes the person to teach that subject or those subjects in a charter school. The bill does not explicitly limit the person to teaching only certain grades. The license is valid for three years and may be renewed.

~~\*\*\* ANALYSIS FROM -1132/P2 \*\*\*~~

This bill eliminates a requirement that any person teaching an online course in a public school, including a charter school, must complete at least 30 hours of related professional development. The bill also prohibits DPI from requiring a teacher licensed to teach in a virtual charter school to complete professional development not required to be completed by teachers who do not teach in a virtual charter school.

~~\*\*\* ANALYSIS FROM -1398/1 \*\*\*~~

*which*

Currently, DPI may issue an emergency permit to an applicant who has a bachelor's degree. An emergency permit authorizes the holder to be employed by a school board as a professional school employee for one specific assignment. The permit is valid for up to one year.

*no* This bill directs DPI to ensure that teaching experience gained while a person held an emergency permit counts toward fulfillment of the teaching experience requirement for a license based on experience or for an administrator's license.

~~\*\*\* ANALYSIS FROM -1133/P2 \*\*\*~~

This bill prohibits DPI from requiring that a licensed teacher or instructional staff member be physically present in the classroom when the delivery of content or collaborative instruction in the classroom is being provided digitally or through an online course.

~~\*\*\* ANALYSIS FROM -1307/2 \*\*\*~~

Under current law, a school district that is created as the result of consolidation is eligible to receive two types of additional state aid during the five school years following the consolidation. The first type is an increased amount of equalization aid

that is the result of a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation. The second type is special adjustment aid in an amount necessary to ensure that the consolidated school district's general aid is at least equal to the total amount of general aid that the districts that were consolidated to create the district received in the school year before the consolidation took effect (underlying district aid). This bill extends the period during which a consolidated school district may receive these two types of additional aid to seven years following the consolidation and makes the following changes during the extension period:

1. For the sixth school year following the consolidation, a 10 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors and the consolidated school district is guaranteed to receive at least 66 percent of the underlying district aid.

2. In the seventh year following the consolidation, a 5 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors and the consolidated school district is guaranteed to receive at least 33 percent of the underlying district aid.

**\*\*\* ANALYSIS FROM -1507/3 \*\*\***

Current law directs DPI, the Board of Regents of the UW System, the Technical College System Board, and the Wisconsin Association of Independent Colleges and Universities to enter into a written agreement requiring them to establish and maintain a longitudinal data system of student data that links such data from preschool programs to postsecondary programs.

This bill requires that DCF and DWD be parties to the agreement and that work force data be a part of the data system.

**\*\*\* ANALYSIS FROM -1127/2 \*\*\***

This bill requires DPI to provide funding to Teach for America, Inc., to recruit and prepare individuals to teach in low-income or urban school districts.

**\*\*\* ANALYSIS FROM -0820/1 \*\*\***

This bill increases the reimbursement rate to school districts for transporting a pupil who lives more than 12 miles from the school the pupil attends from \$220 per school year to \$275 per school year.

**\*\*\* ANALYSIS FROM -1134/3 \*\*\***

Current law directs DPI to award a grant to any teacher who is certified by the National Board for Professional Teaching Standards or licensed by DPI as a master educator. A person awarded a grant is eligible for additional grants over the succeeding nine years.

Beginning with grants awarded in 2014-15, this bill requires that a person who is receiving a grant and is licensed as a master educator have and maintain a rating of "effective" or "highly effective" in the applicable educator effectiveness system.

**\*\*\* ANALYSIS FROM -0394/1 \*\*\***

This bill directs DPI to develop and maintain an online resource, called WISElearn, to provide educational resources for parents, teachers, and pupils; offer online learning opportunities; provide regional technical support centers; provide professional development for teachers; and enable video conferencing.

who is

**\*\*\* ANALYSIS FROM -1105/P4 \*\*\***

**HIGHER EDUCATION**

Under current law, technical colleges receive funding from various sources, including property taxes levied by technical college district boards. Current law also ~~includes~~ makes various appropriations for technical colleges, include a specified amount of state aid each fiscal year that the Technical College System (TCS) Board is required to allocate to each technical college district. Current law requires the TCS Board to allocate the state aid to districts based on a formula that specifies the costs eligible for the state aid. The formula also allocates a greater percentage of the state aid to districts that have lower property valuations, which are not able to generate as much property tax revenue as districts with higher property valuations.

This bill gradually ~~replaces~~ the formula under current law with a new formula ~~established~~ established by the TCS Board for allocating the state aid based on a technical college district's performance regarding all of the following criteria (performance criteria): 1) student job placement rates; 2) the number of degrees and certificates awarded in high-demand fields, as determined by the TCS Board and DWD; 3) the number of programs or courses with industry-validated curriculum, as defined under the bill; 4) the transition of adult students from basic education to skills training; 5) participation in certain dual enrollment programs; and 6) workforce training provided to businesses and individuals. No later than December 31, 2013, the TCS Board must submit a plan for making allocations pursuant to the new formula to the secretary of administration (secretary). Upon approval or modification by the secretary, the TCS Board must administer the plan.

The bill establishes the following schedule for replacing the formula under current law with the new formula under the bill. In fiscal year 2014-15, 90 percent of the state aid is distributed under the current law formula and 10 percent is distributed under the new formula. In fiscal year 2015-16, 80 percent is distributed under the current law formula and 20 percent is distributed under the new formula. In fiscal year 2016-17, 70 percent is distributed under the current law formula and 30 percent is distributed under the new formula. In fiscal year 2017-18, 60 percent is distributed under the current law formula and 40 percent is distributed under the new formula. In fiscal year 2018-19, 50 percent is distributed under the current law formula and 50 percent is distributed under the new formula. In fiscal year 2019-20 and each fiscal year thereafter, 100 percent is distributed under the new formula.

The bill also requires the TCS Board to submit a report to the secretary in each fiscal year that describes how the state aid is allocated to each technical college district under the new formula. In addition, the TCS Board must submit with its biennial budget request any legislative proposals regarding the plan, the new formula, or the performance criteria.

**\*\*\* ANALYSIS FROM -1186/2 \*\*\***

This bill directs the Board of Regents of the UW System to award grants to UW institutions to provide funding for:

1. Economic development programs.
2. Programs that have as their objective the development of an educated and skilled workforce.

*in accordance with a specified schedule,*

*including*

*according*

*109*

3. Programs to improve the affordability of postsecondary education for resident undergraduates.

The bill directs the Board of Regents to report annually to DOA on the programs awarded a grant. The report must include the goals, budget, and results for each program and a systemwide summary of all programs funded.

for

~~This bill eliminates~~ <sup>2 The consolidates</sup> \*\*\* ANALYSIS FROM -1117/4 \*\*\*

~~a number of separate appropriations to the TCS Board for grants to technical college districts for various purposes and, with one exception (the elimination of aid for driver training), provides for the funding of the programs through one consolidated appropriation.~~ The bill provides that all such grants are discretionary, not mandatory, and also authorizes the TCS Board to award grants to district boards for activities that are related to improving district performance. The bill directs the TCS Board to submit an annual report to DOA describing how the moneys will be distributed to the district boards and the programs that the moneys will fund.

~~\*\*\* ANALYSIS FROM -0503/P3 \*\*\*~~

Current law imposes a limit of 1.5 mills on the property taxes levied by a technical college district board for the operation of the district. This bill eliminates that limit.

~~\*\*\* ANALYSIS FROM -1180/5 \*\*\*~~

This bill imposes a limit on the increase in a technical college district board's operating levy. Under the bill, no district board may increase its tax levy by a percentage that exceeds its valuation factor. The valuation factor is a percentage equal to the greater of zero percent or the percentage change in the district's equalized value due to the aggregate new construction, less improvements removed, in municipalities located in the district during the previous year.

If a district board's allowable levy is greater than its actual levy in any year, the district board may by a three-fourths vote increase its limit in the succeeding year by the difference, up to a maximum of 0.5 percent of its actual levy.

NO 9

If a district board wishes to exceed its limit, it must adopt a resolution to that effect and hold a district-wide referendum. The limit is increased by the amount approved at the referendum.

NO 4

If a district board exceeds its limit without the approval of the electors, the state technical college system board must reduce the district's aid payments by the amount of the excess.

~~\*\*\* ANALYSIS FROM -0492/6 \*\*\*~~

of the UW System

Current law requires that the Board of Regents and the chancellor of UW-Madison submit compensation plans for UW employees to the director of the Office of State Employment Relations (OSER), who then makes recommendations for UW employee compensation to the Joint Committee on Employment Relations (JCOER) for approval. This bill requires the Board of Regents and the chancellor of UW-Madison to establish compensation plans for UW employees without submission of the plans to the director of OSER and without JCOER approval.

submit

eliminates the requirements that

receive

From P21

Under the bill

Current law, with exceptions, prohibits the Board of Regents from increasing employee salaries unless the salary increase conforms to the UW compensation plan approved by JCOER. This bill eliminates this restriction.

NOT

In addition, the bill eliminates all funding for the Board of Regents from the compensation reserve, a pool of moneys used to fund salary adjustments for UW System employees. Instead, salary adjustments will be funded from moneys directly appropriated to the Board of Regents.

\*\*\* ANALYSIS FROM -1199/P2 \*\*\*

Current law requires the Board of Regents to establish policies for transferring credits between institutions within the system. The policies must designate the courses that are transferable without loss of credit toward graduation or toward completion of a specific course of study. In addition, current law allows the Board of Regents to establish policies for transferring credits with educational institutions outside the system. Current law also allows the TCS Board, in agreement with the Board of Regents, to designate courses that are transferable for collegiate credit between the technical colleges and the UW System.

(core general education courses)

This bill requires the Board of Regents and the TCS Board to enter into an agreement regarding transfer of credit for "core general education courses," which the bill defines as courses generally required for an undergraduate degree that are prerequisite or otherwise in addition to the courses required for an undergraduate degree in a specific course of study. The agreement must ensure that, beginning in the 2014-15 academic year, not fewer than 30 credits of such courses are transferable within and between each UW school and technical college. The agreement must also ensure that the courses are transferrable without loss of credit toward graduation or toward completion of a specific course of study.

In addition, the Board of Regents and the TCS Board must ensure that in-state tribally controlled colleges (tribal colleges) and certain private schools have an opportunity to participate in the agreement. The private schools that must be ensured the opportunity are the nonprofit institutions of higher education who are members of the Wisconsin Association of Independent Colleges and Universities. If a tribal college or private school participates, the agreement must ensure that credits for core general educational courses are transferable within and between each participating tribal college and private school, as well as UW schools and technical colleges.

The bill also requires

\*\*\* ANALYSIS FROM -1160/P2 \*\*\*

Under current law, a veteran who was a resident of this state when he or she entered the armed forces and who meets certain additional criteria is eligible for a full remission of tuition and segregated fees at a UW institution, or of tuition and materials fees at a technical college, for 128 credits or eight semesters, whichever is

\*longer

This bill makes the following changes to this fee remission program for eligible veterans:

1. The bill provides that the veteran must have been a resident of this state when he or she entered the armed forces or for at least five consecutive years.

that

more

- 2. The bill provides that in determining a veteran's residence at the time he or she entered the armed forces, the state from which the veteran entered is irrelevant.
- 3. The bill requires a veteran to maintain a cumulative grade point average of at least 2.0 to remain eligible for the fee remission. *the same tuition*

Under current law, the spouse and children of a veteran who was a resident of this state when he or she entered the armed forces and to whom one of the following applies is eligible for a remission of resident tuition and segregated fees at a UW institution, or of tuition and materials fees at a technical college, for 128 credits or eight semesters, whichever is longer.

- 1. The veteran, while a state resident, died while on active duty, as the result of a service-connected disability, or in the line of duty while in training.
- 2. The veteran has been awarded at least a 30 percent service-connected disability rating by the U.S. Department of Veterans Affairs.

Under current law, with certain exceptions, a spouse is eligible for a fee remission under this program only if he or she is a state resident and only for the first ten years after the veteran receives the disability rating or after the veteran dies. A child is eligible only if he or she is a state resident and is at least 17 and not yet 26 years old.

*no* ¶ This bill makes the same changes to this fee remission program as it makes to the first-described program. In addition, the bill eliminates the ten-year limitation described above. *for a spouse* *and* *beginning on July 1, 2013,*

**\*\*\* ANALYSIS FROM -1537/P2 \*\*\***

With certain exceptions, current law prohibits the Board of Regents from being a member, shareholder, or partner in organizations that provide telecommunications services, including Internet-related services. The prohibition applies beginning July 1, 2013. Unless an exception applies, current law also requires the Board of Regents to ensure that, beginning on that date, all UW schools, including the UW-Extension (UW schools), are not members, shareholders, or partners in such organizations. Current law includes an exception for organizations that are comprised entirely of universities and university-affiliated research facilities.

This bill creates a new exception for an organization that advances research or higher education. However, the bill specifies that an association called WiscNet does not qualify for the new exception. The bill's new exception applies if the Board of Regents or a UW school served as a member, shareholder, or partner in the organization on February 1, 2013. The exception also applies to an organization if the DOA secretary determines that the organization advances research or higher education. If the bill's new exception applies, the Board of Regents or UW school may use the organization's services. The Board of Regents or UW school may also participate in the organization's operations or provide certain services to the organization, but only if the participation, or provision of services, is in connection with the Board of Regents' or UW school's use of the organization's services.

**\*\*\* ANALYSIS FROM -1385/P2 \*\*\***

This bill makes an appropriation to the Board of Regents for costs incurred by the UW Carbone Cancer Center (center) that relate to translational imaging research, research imaging and scanning, research imaging equipment, and the

*2*

*must*

*the same tuition*

*and*

*beginning on July 1, 2013,*

*for a spouse*

*and including the UW-Extension (UW schools)*

*except that*

*qualifies for the exception*

*and*

Wisconsin Oncology Network. The bill also requires the center to submit a plan to the secretary of administration for raising matching funds from federal, private, and other sources to help defray the foregoing costs. The bill prohibits any release of moneys from the appropriation until the secretary of administration approves the fund-raising plan.

\*\*\* ANALYSIS FROM -1153/2 \*\*\*

This bill directs the Board of Regents annually to allocate \$1,500,000 for the Wisconsin Academy for Rural Medicine and the Training in Urban Medicine and Public Health Program at the UW School of Medicine and Public Health.

\*\*\* ANALYSIS FROM -1557/1 \*\*\*

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Current law appropriates to the Higher Educational Aids Board certain general purpose revenue for the support of Wisconsin residents who are pursuing doctor of dental surgery degrees at the Marquette University Dental School. Current law caps the number of Wisconsin residents who may be so funded at 160. This bill increases that cap to 200.

\*\*\* ANALYSIS FROM -1433/2 \*\*\*

Current law requires the State Historical Society (SHS) to operate certain historic sites such as Villa Louis and Old World Wisconsin. Current law, however, permits the SHS to enter into a lease agreement with the Circus World Museum Foundation, Inc., to operate Circus World Museum. This bill provides that if such a lease agreement is not in effect, the SHS is required to operate Circus World Museum.

\*\*\* ANALYSIS FROM -0469/1 \*\*\*

Under current law, the Educational Approval Board (EAB) inspects and approves private trade, correspondence, business, and technical schools to protect the students of those schools, prevent fraud, and encourage accepted educational standards at those schools. Currently, the EAB is attached to the TCS Board for administrative purposes. This bill attaches the EAB to DSPS for administrative purposes.

Insert JTK

\*\*\* ANALYSIS FROM -1313/1 \*\*\*

**ENVIRONMENT**

**AIR QUALITY**

The federal government has delegated to DNR the authority to administer the federal Clean Air Act in this state. The Clean Air Act requires operators of certain stationary sources of air pollution, such as large factories, to have operation permits (federal operation permits). State law requires operators of additional stationary sources of air pollution to have operation permits (state operation permits).

Generally, current law requires an operator who has a federal operation permit to pay an annual fee of \$35.71 per ton of certain pollutants emitted in the previous year, subject to a cap. This bill increases the amount of the annual fee imposed on operators who have federal operation permits to \$46.71 per ton in 2014 and \$59.81 per ton in 2015. After 2015, the fee per ton is increased by 4 percent annually.

\*\*\* ANALYSIS FROM -0559/1 \*\*\*



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\*\*\* ANALYSIS FROM -0559/1 \*\*\*

Generally, current law requires an operator who has a state operation permit to pay a fee of \$300 per year. This bill increases the fee to \$725 per year.

**\*\*\* ANALYSIS FROM -1092/2 \*\*\***

**ENVIRONMENTAL CLEANUP**

Currently, this state operates a program (known as PECFA) to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. Under current law, DSPS administers PECFA, with involvement by DNR. Current law also authorizes DSPS to provide funding for the removal of abandoned underground petroleum product storage tanks.

*No* This bill transfers the administration of PECFA and the authority to fund the removal of abandoned underground petroleum product storage tanks from DSPS to DNR.

**\*\*\* ANALYSIS FROM -0226/1 \*\*\***

**WATER QUALITY**

Under current law both DSPS and DNR administer laws with regard to erosion control at construction sites. DSPS has erosion control authority over building sites for public buildings, buildings that are places of employment (commercial buildings), and one-family and two-family dwellings. DNR has erosion control authority over sites where the construction activities do not include the construction of a building, such as sites involving street or bridge construction.

This bill transfers from DSPS to DNR erosion control authority over construction sites with a land disturbance area of one or more acres, regardless of whether the construction activity includes the construction of a building. Under the bill, DSPS retains authority over construction sites with a land disturbance area of less than one acre and that involve the construction of a commercial building or a one-family or two-family dwelling.

Current law requires certain persons who discharge storm water to obtain a storm water discharge permit. This bill specifies that this permit requirement applies to conveyances of storm water associated with a construction site, including a building construction site.

**\*\*\* ANALYSIS FROM -0603/1 \*\*\***

Under the Clean Water Fund Program, this state provides financial assistance for projects for controlling water pollution, including loans at subsidized interest rates. This bill sets the present value of the Clean Water Fund Program subsidies that may be provided during the 2013-15 biennium at \$76,700,000.

Under the Safe Drinking Water Loan Program, this state provides loans at subsidized interest rates to local governmental units for projects for the construction or modification of public water systems. This bill sets the present value of the Safe Drinking Water Loan Program subsidies that may be provided during the 2013-15 biennium at \$29,600,000 and increases the general obligation bonding authority for the Safe Drinking Water Loan Program by \$7,100,000.

**\*\*\* ANALYSIS FROM -0766/1 \*\*\***

Under current law, DNR administers a program to provide financial assistance for projects to reduce nonpoint source water pollution in areas that are targeted due

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to surface water quality problems. This bill increases the authorized general obligation bonding authority for the program by \$7,000,000.

**\*\*\* ANALYSIS FROM -0767/1 \*\*\***

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 \$5,000,000.

**\*\*\* ANALYSIS FROM -0768/1 \*\*\***

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 general obligation bonding authority for sediment removal projects by \$5,000,000.

**\*\*\* ANALYSIS FROM -0222/1 \*\*\***

**GAMBLING**

*MOVE*

Current law regulates the operation of crane games by requiring DQA registration of a crane game before it is set up for play, and before the owner may collect any proceeds from the game. A crane game is an amusement device involving skill that rewards the player exclusively with merchandise contained within the device. The merchandise is restricted to prizes, toys, and novelties of limited value.

*NOTE* This bill repeals all provisions that regulate the operation of crane games.

**\*\*\* ANALYSIS FROM -0229/5 \*\*\***

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the annuity payments are made, the prize may be paid to the person's estate.

*NOTE*

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of an estate to choose for the estate to receive the remaining installments as a lump sum. It also allows persons, other than prize winners, who are receiving annuity payments of unpaid prize money to choose a lump sum payment. The ability to choose a lump sum payment is not available when the prize money is from a multistate lottery.

*remainder of the*

**\*\*\* ANALYSIS FROM -0843/1 \*\*\***

**HEALTH AND HUMAN SERVICES**

**PUBLIC ASSISTANCE**

Under current law, DHS administers the federal Supplemental Nutrition Assistance Program (SNAP), formerly known as the food stamp program and currently known in Wisconsin as FoodShare, under which eligible households receive benefits to purchase food at retail food stores. Under current law, DHS may require a recipient of SNAP benefits who is able and who is 18 to 60 years of age to participate in the FoodShare employment and training program (FSET) to be eligible for SNAP benefits, with exceptions for an individual who is participating in a Wisconsin Works employment position, an individual who is the caretaker of a child under the age of 12 weeks, and an individual who is enrolled at least half time in school or in a training program or an institution of higher education.

*with certain exceptions*

*including*

This bill authorizes DHS to implement a federal policy under which DHS may limit the amount of SNAP benefits that an able-bodied adult may receive to three months during a three-year period if the adult does not meet certain work requirements. An able-bodied adult, as defined by the bill, is an individual who is 18 to 49 years old, is fit for employment, is not a parent of a household member who is younger than 18, is not pregnant, and is not otherwise exempt from specific work requirements under federal law. DHS may implement this policy in addition to the current employment and training program.

Under current law, DHS may contract with a county, multicounty consortium, or tribal governing body to administer FSET. Under this bill, DHS may also contract with a local workforce development board or another organization to administer FSET. This bill also expands the exception for an individual who is the caretaker of a child under the age of 12 weeks to a caretaker of a child under the age of six to comply with federal law.

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years

FSET participation requirement

\*\*\* ANALYSIS FROM -0090/4 \*\*\*  
HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, the transitional jobs demonstration project, under which DCF pays wage subsidies to employers who employ low-income individuals in transitional jobs, will end on July 1, 2013. This bill creates a Transform Milwaukee Jobs program (TMJ program) that is very similar to the transitional jobs demonstration project. Under the TMJ program, DCF pays to an employer, or a person with which DCF contracts to administer the program (contractor), that employs a program participant a wage subsidy that is equal to the wage the employer or contractor pays the participant, up to 40 hours per week at minimum wage. The employer or contractor must employ the participant at least 20 hours per week at a location in this state and pay at least minimum wage, although the employer, or contractor with the approval of DCF, may pay the participant more than the wage subsidy. An individual may participate in the program for a maximum of 1,040 hours, which is equivalent to 26 40-hour weeks. In addition to paying the wage subsidy, DCF may reimburse an employer or contractor for certain taxes, unemployment contributions or taxes, and worker's compensation insurance premiums that are attributable to employment of the participant.

To be eligible to participate in the TMJ program, an individual must be at least 18 years old, and, if over 24 years old, must be the parent or primary relative caregiver of a child under the age of 18. The individual must have household income below 150 percent of the poverty line, be unemployed for at least four weeks, be ineligible to receive unemployment benefits, and not be participating in a Wisconsin Works (W-2) employment position. A program participant may be eligible for a child care subsidy under Wisconsin Shares, which generally provides child care subsidies for participants in W-2, if the program participant needs child care services in order to participate in the program.

DCF may administer the TMJ program or contract with any person, including a W-2 agency, county department, local workforce development board, or community action agency, to perform administrative functions, including determining eligibility,

providing or identifying employers to provide jobs for eligible individuals, providing job orientation and employment services, and maintaining participant demographic, eligibility, and employment records. DCF may recover an overpayment from a participant that results from a misrepresentation about his or her eligibility, and must recover an overpayment from a contractor that results from a failure to comply with the contract or to meet performance standards established by DCF. For the TMJ program, the bill allocates \$3,750,000 in fiscal year 2013-14 and \$5,000,000 in fiscal year 2014-15 from federal Temporary Assistance for Needy Families (TANF) block grant program funds.

*Insert  
PJK-1*

**\*\*\* ANALYSIS FROM -0317/1 \*\*\***

**HEALTH AND HUMAN SERVICES**

**CHILDREN**

Subject to certain exceptions, current law requires a social services agency, including DCF, to maintain the confidentiality of records kept or information received about an individual who is or was in the care or legal custody of the agency. The bill permits DCF to provide to DOR, upon request, information concerning a recipient of kinship care payments or aid granted on behalf of a child placed in a foster home, group home, subsidized guardianship home, or residential care center for children and youth, including information contained in the electronic records of DCF, solely for the purposes of administering state taxes, including verifying a claim for a state tax refund or a refundable state tax credit, and collecting debts owed to DOR.

**PUBLIC ASSISTANCE**

Current law prohibits any person from disclosing information about individuals applying for or receiving benefits under a number of public assistance programs for any purpose not related to administration of the programs. DCF is authorized, however, to disclose such information to DOR for the sole purpose of administering state taxes. The bill provides that DCF and DHS may disclose such information by transmitting or allowing access to electronic data, that administering state taxes includes verifying refundable income tax credits, and that the information may also be disclosed for the purpose of collecting debts owed to DOR.

**OTHER HEALTH AND HUMAN SERVICES**

Under current law, disclosure of information from vital records is limited. Among other specified, limited disclosures, the state or local registrar may disclose certain information from a vital record to a federal, state, or local agency, upon request by that agency, for use in the conduct of the agency's duties and may disclose a social security number on a vital record to DCF or a county child support agency for purposes related to child and spousal support and establishment of paternity. This bill allows the state or local registrar to disclose information on vital records, including a social security number, to DOR, upon DOR's request, for the following purposes related to administering state taxes and collection of debts referred to DOR: locating persons, or assets of persons, who have failed to file tax returns, have underreported their taxable income, or are delinquent debtors; identifying

fraudulent tax returns and credit claims; and providing information for tax-related prosecutions.

### **RETIREMENT AND GROUP INSURANCE**

This bill permits DETF to disclose information concerning the payment of annuities under the Wisconsin Retirement System (WRS) to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax-related prosecutions.

### **TRANSPORTATION**

#### **DRIVERS AND MOTOR VEHICLES**

Current law requires DOT to issue an identification card, upon proper application, to a resident who does not hold a valid driver's license containing a photograph. DOT must maintain current records for identification cards in the same manner as required for driver's licenses. DOT may not disclose any identification card record or other information about an identification card applicant except in limited circumstances, including to a court, district attorney, or law enforcement agency.

Current law also requires DOT to provide to DOR a person's name, address, license number, and social security number, as stated on the person's application for a driver's license or identification card, for DOR's use in administering state taxes and collecting debt.

This bill specifies that DOT may, upon request, provide to DOR identification card information maintained by DOT, including social security numbers. DOR is subject to certain confidentiality requirements with respect to this information.

\*\*\* ANALYSIS FROM -0850/7 \*\*\*

### **HEALTH AND HUMAN SERVICES**

#### **PUBLIC ASSISTANCE**

Under current law, DCF allocates specific amounts of federal moneys in each fiscal year, including Child Care Development Funds and moneys received under the Temporary Assistance for Needy Families block grant program, for various public assistance programs and for child care-related purposes, including its day care licensing activities. This bill continues, increases, decreases, and modifies those allocations.

\*\*\* ANALYSIS FROM -0903/4 \*\*\*

### **HEALTH AND HUMAN SERVICES**

#### **WISCONSIN WORKS**

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. 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 child care subsidy for child care services under the W-2 program. This child care subsidy program is known as Wisconsin Shares. This bill makes the following changes to Wisconsin Shares:

1. Current law provides that DCF distributes child care subsidies by reimbursing child care providers or distributing funds to county departments or tribal governing bodies for child care services provided under Wisconsin Shares and to private nonprofit agencies that provide child care for children of migrant workers. This bill provides that, in addition to the ways in which DCF may distribute child care subsidy funds under current law, DCF may issue benefits directly to individuals who are eligible for the subsidies.

2. Under current law, counties set maximum rates, which are approved by DCF, for child care services under Wisconsin Shares. However, DCF may modify an individual child care provider's maximum rate on the basis of the child care provider's quality rating under the quality rating plan known as YoungStar. Current law allows DCF to increase the maximum rate for a provider who receives a four-star rating under YoungStar by up to 5 percent. Under this bill, DCF determines the maximum rates for child care services under Wisconsin Shares. This bill also authorizes DCF to increase the maximum rate for a child care provider who receives a four-star rating under YoungStar by up to 10 percent beginning January 1, 2014.

3. Under current law, individuals receiving child care subsidies under Wisconsin Shares must pay a copayment for the child care, which is a percentage of the cost of the child care, as specified by DCF in a printed copayment schedule. The bill changes the copayments that eligible individuals must pay for child care to the difference between the cost of the child care provided by the provider selected by the individual and the subsidy amount. DCF is required to specify minimum or estimated copayment amounts based on family size, income level, and other factors.

4. This bill changes the services and benefits that certain noncustodial parents are eligible to receive under the W-2 program. Under the bill, if a noncustodial parent of a child is required to pay child support and the custodial parent of the child is a participant in the W-2 program or is eligible to receive a child care subsidy for the child under Wisconsin Shares, the noncustodial parent is eligible to receive the following services and benefits under the W-2 program:

- a. Job search assistance and case management services.
- b. A monetary stipend for up to four months.
- c. Work experience in one trial employment match program job.

5. Under the bill, any noncustodial parent who is ineligible for a job access loan solely because the individual is not a custodial parent is eligible to receive a job access loan, which is a loan provided under the W-2 program to enable an individual to obtain or continue employment.

\*\*\* ANALYSIS FROM -1124/4 \*\*\*

## HEALTH AND HUMAN SERVICES

### WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. 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 child care subsidy for child care services under the W-2 program. This child care subsidy program is known as Wisconsin Shares. Under current law, a provider that may be paid a subsidy for child care provided under Wisconsin Shares must be licensed or certified by DCF or a child care program established or contracted for by a school board in this state. Counties set the maximum rates at which child care providers who provide services under Wisconsin Shares are reimbursed for their services, subject to review, approval, and modification by DCF. DCF may modify a child care provider's rate on the basis of the provider's quality rating.

This bill provides that an individual who is eligible for a child care subsidy under Wisconsin Shares may use the subsidy for child care that is provided by an out-of-state provider. Under the bill, DCF sets the rate at which the out-of-state provider is paid on the basis of the maximum rate paid to a provider in the county in which the eligible individual resides or the out-of-state provider's actual rate, whichever is lower. As a condition of payment under Wisconsin Shares, an out-of-state provider must comply with the requirements of Wisconsin Shares that apply to in-state providers, as determined by DCF.

\*\*\* ANALYSIS FROM -0063/4 \*\*\*

## HEALTH AND HUMAN SERVICES

### WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law provides work experience and monetary benefits for low-income custodial parents who are at least 18 years old; monetary benefits for certain unmarried pregnant women and low-income custodial parents of infants eight weeks of age or less; and job search assistance to noncustodial parents who are required to pay child support, to minor custodial parents, and to certain pregnant women who are not eligible for monetary benefits under the program. W-2 is administered, generally, by W-2 agencies under contracts with DCF. W-2 provides work experience to a participant through placement in one of a number of different employment positions, depending on the participant's skills, training, and experience. For one of the employment positions, called trial jobs, a W-2 agency pays a wage subsidy to a private employer that employs a W-2 participant and that agrees to retain the participant as a permanent employee when the subsidy ends. This bill terminates the trial job employment position and replaces it with a trial employment match program (TEMP) that has the same features as the trial job employment position, except for a few changes to current law.

Under current law, a W-2 agency pays an employer a wage subsidy of not more than \$300 per month for full-time employment of a participant in a trial job. Under the bill, in TEMP the W-2 agency and employer will negotiate the wage subsidy, which will be paid for every hour that the participant actually works, up to 40 hours per week, and which may not be less than the applicable minimum wage. In addition, the W-2 agency may, as negotiated between the W-2 agency and the employer, reimburse the employer for all or a portion of other costs associated with employment

of the participant, such as federal social security and Medicare taxes and worker's compensation insurance premiums. Currently, a participant may work in a trial job for up to three months, with a possible three-month extension. The bill changes the maximum time in a TEMP job to up to six months, with a possible three-month extension. Currently, an employer that employs a participant in a trial job must agree to make a good faith effort to retain the participant as a permanent unsubsidized employee after the wage subsidy under the trial job ends. For TEMP the bill adds that, if the employer does not retain the participant, the employer must serve as an employment reference for the participant or must provide the W-2 agency with a written performance evaluation with recommendations for improvement.

In addition to the replacement of trial jobs with TEMP, the bill repeals the real work, real pay employment position in W-2, which was a pilot project that ended on December 31, 2009. The bill eliminates the subsidized private sector employment program, under which participants were to be paid minimum wage for work in certain projects. The program's operation was dependent on certain conditions and it was never implemented. The bill also eliminates the workforce attachment and advancement program, which provided funding to W-2 agencies and local workforce development boards for providing certain job-related services to individuals eligible for federal Temporary Assistance for Needy Families (TANF) block grant program funds. The workforce attachment and advancement program has not received TANF funding or operated since 2003.

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**\*\*\* ANALYSIS FROM -1485/P2 \*\*\***  
**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Currently, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core). Under current law, BC+ has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits.

Under current law, under certain circumstances, DHS may propose a policy that would add to or change current law regarding the MA program. Currently, DHS has proposed changes, having not been rejected by JCF, that have been submitted to the federal Department of Health and Human Services (federal DHHS) for approval. Some of these changes pertain to BC+ and BC+ Core and may have been implemented following approval by the federal government.

Under current law, family income is the total gross earned and unearned income received by all members of a family. Beginning on January 1, 2014, under the bill, for purposes of determining eligibility for BC+ and BC+ Core, family income is defined under a federal regulation and uses an income calculation based on modified adjusted gross income. The bill also makes other changes to calculation of income and family size for BC+ and BC+ Core on January 1, 2014, or sooner.

that

The bill also changes criteria for presumptive eligibility, retroactive eligibility and transitional MA.

Under current law, certain individuals are eligible for benefits under the BC+ standard plan. Beginning in January 1, 2014, under the bill, a pregnant woman must have an income that does not exceed 133 percent of the federal poverty line (FPL) to be eligible for BC+ standard plan benefits. Also, beginning on January 1, 2014, the bill reduces the income eligibility level for the BC+ standard plan for parents and caretaker relatives from not more than 200 percent of the FPL to not more than 100 percent of the FPL before a five percent income disregard is applied. The bill defines, beginning on January 1, 2014, for purposes of eligibility of a parent or caretaker relative, a "dependent child."

~~Under current law, certain children and pregnant women are presumptively eligible for benefits under the BC+ standard plan beginning the day on which a qualified entity determines, based on preliminary information, income eligibility for BC+. The bill eliminates, if the federal DHHS approves, presumptive eligibility for children. Beginning January 1, 2014, the bill also limits presumptive eligibility for pregnant women to those whose family income, based on preliminary information, does not exceed 133 percent of the FPL.~~

~~Under current law, certain individuals are retroactively eligible for BC+ benefits for any of the three months before the month of application for BC+. The bill eliminates retroactive eligibility for adults who are not pregnant, not disabled, and not elderly and whose income exceeds 133 percent of the FPL. If the federal DHHS approves, the bill eliminates retroactive eligibility for all individuals who are not disabled regardless of their age, pregnancy status, or income level.~~

The bill retains the current law ineligibility provisions for certain individuals with health insurance coverage or access to coverage during certain times and adds, with certain limitations, individuals to the types of individuals for whom access to coverage results in ineligibility and specifies the types of insurance that result in ineligibility. Under the bill, certain individuals are ineligible for BC+ if they have private major medical insurance with a certain premium. The bill also adds certain individuals to those who are ineligible for BC+ for three months for not maintaining certain types of health coverage.

~~Under current law, certain individuals are eligible for benefits under the BC+ Benchmark plan. Beginning on January 1, 2014, the bill eliminates eligibility for the BC+ Benchmark plan for all of the following individuals: pregnant women whose family income exceeds 200 percent but does not exceed 300 percent of the FPL and children under one year of age of those women; certain other pregnant women; and parents or caretaker relatives whose family income includes self-employment income and does not exceed 200 percent of the FPL under a certain calculation. Under the bill, beginning on January 1, 2014, an unborn child whose family income exceeds 200 percent of the FPL but does not exceed 300 percent of the FPL is eligible for BC+ Benchmark but only for prenatal care benefits. On January 1, 2014, the bill eliminates the ability for children whose family incomes exceed 300 percent of the FPL to receive Benchmark plan benefits by paying the full member per month cost of coverage.~~

If the federal DHHS allows, under the bill, DHS may provide an alternate Benchmark plan to adult individuals who are not pregnant, whose family incomes

Department of Health and Human Services (Federal)

MA

exceed 100 percent of the FPL, and who are otherwise eligible for BC+. The alternate Benchmark plan, if DHS provides the plan, provides coverage for benefits similar to those in a commercial, major medical insurance policy and may charge higher copayments than are charged for the standard plan, with certain limitations.

The bill allows DHS to administer medical home initiatives as service delivery mechanisms to provide and coordinate care for individuals who are eligible for services under a fee-for-service model of Medical Assistance, including BC+ and BC+ Core.

Current law requires certain individuals to pay premiums for BC+ standard plan and the Benchmark plan. The bill requires an adult parent or adult caretaker who is not pregnant, disabled, or American Indian and whose family income exceeds 133 percent of the FPL and, if the federal DHHS approves, a child who is not disabled and whose family income is at a level determined by DHS but at least 150 percent of the FPL, to pay a premium for BC+. Six-month

a required premium

Under current law, if an individual who is required to pay a premium does not pay or requests termination of coverage under BC+, the coverage under BC+ is terminated and an ineligibility period begins. The bill changes the ineligibility period for an adult to 12 months except for any month in which the former recipient's family income does not exceed 133 percent of the FPL. For a child, the bill retains the six-month ineligibility period except for any month in which the child's family income does not exceed 150 percent of the FPL; however, if the federal DHHS approves, the ineligibility period becomes 12 months.

Under current law, DHS also administers BC+ Core, which provides basic primary and preventive care to adults who are under age 65, who have family incomes that do not exceed 200 percent of the FPL, and who are not otherwise eligible for MA, including BC+. The bill requires certain childless adults with a family income exceeding 133 percent of the FPL to pay a premium for BC+ Core benefits. Beginning January 1, 2014, the bill allows only those individuals whose family incomes do not exceed 100 percent of the FPL, before a 5 percent income disregard is applied, to be eligible for BC+ Core.

Certain individuals, under current law, are eligible for transitional Medical Assistance because of becoming ineligible for another public assistance program. The bill eliminates transitional Medical Assistance benefits, if the federal DHHS approves.

The bill allows DHS to enroll a child who is receiving services through the early intervention program in a special plan, if the federal DHHS approves.

Under current law, DHS is required to develop a purchasing pool, known as Badger Rx Gold, for pharmacy benefits and set eligibility requirements to obtain prescription drug coverage through the purchasing pool. Current law allows DHS to contract with an entity to operate the purchasing pool, which is not an MA program. The bill eliminates the purchasing pool Badger Rx Gold.

which is not an MA program and is

\*\*\* ANALYSIS FROM -1096/3 \*\*\*

## HEALTH AND HUMAN SERVICES

### MEDICAL ASSISTANCE

Under current law, an individual who would be eligible for the Medical Assistance (MA) program based on eligibility for supplemental security income (SSI), but who is not eligible for SSI because he or she is employed and has too much earned and unearned income to be eligible, may pay premiums for coverage under MA if his or her family's net income is less than 250 percent of the poverty line and his or her assets do not exceed \$15,000, excluding certain assets. This program is known as the MA purchase plan (MAPP). When determining the value of the individual's assets for continued eligibility under MAPP, DHS excludes amounts in a DHS-approved account that consists solely of savings from the individual's employment after the individual's coverage under MAPP began. These accounts are known as "independence accounts."

This bill makes a number of changes to the eligibility and premium requirements under MAPP. Under current law, when determining whether an individual's net income is less than 250 percent of the poverty line, certain disregards are deducted from the individual's and his or her spouse's total earned income, then the individual's and his or her spouse's total unearned income is added, and then another general disregard is deducted. Under the bill, the same disregards as under current law are deducted from the individual's and his or her spouse's total earned and unearned income, then a new deduction of up to \$500 per month of the individual's out-of-pocket medical and remedial expenses and long-term care costs is applied, and then the same general disregard as under current law is deducted. The bill also requires DHS to verify an individual's income from work activities through documentation provided by the individual, and requires that, to be engaged in gainful employment, an individual must be paying, or having withheld, certain taxes and must document that payment or withholding to DHS.

Premiums for MA coverage under MAPP are calculated for an individual by adding together all of the individual's unearned income, after certain specified amounts are deducted, and then adding, in practice, 3 percent of the individual's earned income, although the statutes provide that 3.5 percent of the individual's earned income is to be added. DHS may waive any premiums that are calculated to be below \$10 per month, although, in practice, DHS waives any premiums below \$25 per month. In addition, DHS is prohibited from assessing a premium to an individual whose earned and unearned income is below 150 percent of the poverty line for a family the size of the individual's family, and, in practice, DHS uses the individual's total earned and unearned income. Under the bill, an individual whose total earned and unearned income is at least 150 percent of the poverty line for an individual is required to pay a premium. The premium payable is equal to 3 percent of the individual's total earned and unearned income, after deducting the same specified amounts that are deducted under current law from an individual's unearned income, and rounded down to the nearest \$25. A minimum monthly premium of \$50 is set, however, for anyone whose premium calculation is below that amount.

Finally, certain MA programs consider an individual's income and assets when determining eligibility and any cost-sharing requirements for the program. The bill requires DHS to exclude, to the extent approved by the federal government, independence accounts and retirement benefits that accumulated or were earned through employment income or employer contributions while the individual was employed and receiving MA coverage under MAPP when determining eligibility or cost-sharing requirements under various MA programs, including Family Care and MAPP, except that independence accounts are already excluded under current law with respect to MAPP.

\*\*\* ANALYSIS FROM -0749/2 \*\*\*

Under current law, eligibility for certain MA programs, especially those providing long-term care services, involves satisfying certain income and asset requirements. An individual who divests income or assets, or disposes of income or assets for less than fair market value, may be ineligible for a MA program for a certain period of time. This bill makes various changes to the laws regarding divestment and financial eligibility for MA programs.

Current law specifies a method for determining the starting date for a period of ineligibility for MA resulting from a divestment. This bill specifies that the current law method applies to applicants for MA. For recipients of long-term care services through MA, the bill sets as the starting date for a period of ineligibility the first day of the month following the month in which the individual receives advance notice of that period of ineligibility.

Under current law, the purchase by an individual or his or her spouse of a promissory note, loan, or mortgage is a transfer of assets for less than fair market value, triggers an ineligibility period unless certain circumstances apply, including that the loan's terms prohibit cancellation of the balance upon the death of the lender. This bill specifies that a promissory note in which the debtor is a presumptive heir of the lender or in which neither the lender nor debtor has any incentive to enforce repayment is considered cancelled upon the death of the lender for purposes of divestment and eligibility for MA.

Current law provides for protection of certain income and resources for a spouse who is not receiving long-term care services through MA, known as the community spouse, of an institutionalized individual. This bill specifies that even though the community spouse's resources are considered unavailable, the transfer of those resources or other assets by the community spouse within the first five years of eligibility for MA may result in a period of ineligibility for MA for the institutionalized spouse. The bill also allows DHS to deny MA eligibility to an institutionalized spouse if the institutionalized spouse and community spouse do not provide the total value of their assets and information on income and resources to the extent required under federal law or do not sign the MA application.

Current law allows a community spouse to have a minimum monthly maintenance needs allowance, and the community spouse is allowed a resource allowance to generate the income to provide the minimum monthly maintenance needs allowance. If either spouse establishes at a fair hearing that the resource allowance determined outside the fair hearing does not generate enough income to

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meet the minimum monthly maintenance needs allowance, DHS is required, under current law, to establish an amount that results in a sufficient minimum monthly maintenance needs allowance. The bill specifies that on what DHS must base the amount to be used to raise the income to the level of the minimum monthly maintenance needs allowance and that any resource may be transferred to provide that amount.

Under current law, eligibility for the MA program for the medically indigent is contingent on the applicant's property not exceeding certain parameters. Certain applicants, under current law, are eligible only if the total face value of all of their life insurance policies that have a cash surrender value is \$1,500 or less. The bill changes this parameter such that those applicants are eligible only if the combined cash surrender value of all life insurance policies with cash surrender values, including riders and other attachments, is \$1,500 or less.

including that

\*\*\* ANALYSIS FROM -1218/P1 \*\*\*

Under current law, DHS administers the Medical Assistance (MA) program, under which eligible low-income individuals or families receive health care benefits, and low-income elderly or disabled individuals receive health care benefits or long-term care services. Generally, benefits provided under MA are paid for partially by the federal government and partially by the state. One of the benefits provided under MA is psychosocial services provided by the staff of a community-based psychosocial service program. This benefit, however, is available to a recipient under MA only if the county in which the recipient resides elects to make this benefit available under MA, in which case DHS reimburses a provider of the services for the portion of the allowable MA charge that is provided by the federal government and the county must reimburse the provider for the remainder of the allowable MA charge. This bill provides that, if a county delivers this MA benefit on a regional basis, DHS will reimburse a provider both for the allowable MA charge that is provided by the federal government and for the remainder of the allowable charge.

\*\*\* ANALYSIS FROM -0256/1 \*\*\*

Under current law, DHS administers the Medical Assistance (MA) program, which provides health care benefits to low-income individuals and families through a combination of federal and state funding. Federal law requires that an MA recipient receive benefits in the state in which he or she resides. This bill requires DHS to electronically verify the residence of an applicant for MA for purposes of determining eligibility and of a recipient of MA for purposes of determining continued eligibility when a recipient's eligibility is reviewed. If DHS is unable to electronically verify residence, an applicant or recipient must then provide DHS with adequate proof of residency. The bill contains a few exceptions to the electronic residency verification requirement, including exceptions for persons who reside in nursing homes and whose care is paid by MA, children placed in foster care, and persons who are receiving food stamp benefits and who have already provided an acceptable form of residency verification.

\*\*\* ANALYSIS FROM -0217/1 \*\*\*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, DHS administers the Medical Assistance (MA) program, which provides health care benefits to low-income individuals and families (recipients) through a combination of federal and state funding. If a recipient has health care coverage from another source (third party), such as a health insurance policy or an employer's self-insured health plan, the recipient's right to the health care benefits from the third party for items or services for which payment has been made under MA is assigned to DHS, entitling DHS to be reimbursed by the third party for any MA payments that DHS has made. This bill requires a third party to accept claims from DHS in electronic form for reimbursement of payments made under MA and to timely pay the claims in the manner provided under the statute that, generally, requires an insurer to pay a claim within 30 days after receiving notice of the claim.

\*\*\* ANALYSIS FROM -0066/5 \*\*\*

**HEALTH AND HUMAN SERVICES**

**CHILDREN**

Under current law, if a county that investigates a report of child abuse or neglect determines that a specific person has abused or neglected the child, the person may appeal the determination in accordance with procedures established by DCF by rule.

*not* This bill requires a county that makes an initial determination that a specific person has abused or neglected a child to provide the person with an opportunity for a review of that initial determination in accordance with rules promulgated by DCF before the county may make a final determination that the person has abused or neglected a child. The bill also grants to the person the right to a contested case hearing on that determination and to obtain judicial review of the final administrative decision following the contested case hearing.

**CHILDREN**

Subject to certain exceptions, current law requires DCF to maintain the confidentiality of records kept or information received about an individual who is or was in the care or legal custody of DCF. The bill permits DCF to provide to DOR information concerning a recipient of payments for providing out-of-home care for a child solely for the purposes of administering state taxes and collecting debts owed to DOR.

**RETIREMENT AND GROUP INSURANCE**

This bill permits DETF to disclose information concerning the payment of annuities under the Wisconsin Retirement System (WRS) to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax-related prosecutions.

*Insert PJK-4*

**TRANSPORTATION**

**DRIVERS AND MOTOR VEHICLES**

Current law requires DOT to issue an identification card, upon proper application, to a resident who does not hold a valid driver's license containing a photograph. DOT must maintain current records for identification cards in the same manner as required for driver's licenses. DOT may not disclose any identification card record or other information about an identification card applicant except in limited circumstances, including to a court, district attorney, or law enforcement agency.

Current law also requires DOT to provide to DOR a person's name, address, license number, and social security number, as stated on the person's application for a driver's license or identification card, for DOR's use in administering state taxes and collecting debt.

This bill specifies that DOT may, upon request, provide to DOR identification card information maintained by DOT, including social security numbers. DOR is subject to certain confidentiality requirements with respect to this information.

**\*\*\* ANALYSIS FROM -1235/5 \*\*\***

This bill creates an Office of Children's Mental Health (office) in DHS and requires the office to study and recommend ways, and coordinate initiatives, to improve the integration across state agencies of mental health services provided to children and monitor the performance of programs that provide those services. Under the bill, the director of the office is appointed by the governor to serve at the pleasure of the governor.

**\*\*\* ANALYSIS FROM -0072/4 \*\*\***

Under current law, a person who is licensed to operate a child care center, certified as a child care provider for purposes of reimbursement under Wisconsin Shares, or contracted by a school board to operate a child care program (collectively, "child care provider") is eligible for reimbursement under Wisconsin Shares. Current law, however, requires a person to undergo a background investigation before the person may be so licensed, certified, or contracted or before a person may be a caregiver or nonclient resident of a child care provider.

This bill requires a child care provider that is receiving, or that wishes to receive, reimbursement under Wisconsin Shares or an adult nonclient resident or caregiver of such a child care provider to be fingerprinted as part of his or her background investigation and permits the person to be charged a fee for the fingerprinting.

payment

**\*\*\* ANALYSIS FROM -0841/2 \*\*\***

Under current law, an order of the court assigned to exercise jurisdiction under the Children's Code (juvenile court) that places or continues the placement of a child in an out-of-home placement terminates when the child reaches 19 years of age, if the child is a full-time student at a secondary school or its vocational or technical equivalent and is reasonably expected to complete the program before reaching 19 years of age, unless the juvenile court specified a shorter period or terminates the order sooner.

*such*  
 This bill provides that an order of the juvenile court that places or continues the placement of a child with a disability in an out-of-home placement terminates when the child reaches 21 years of age if the child is a full-time student at a secondary school or its vocational or technical equivalent and if an Individualized Education Program is in effect for the child, unless the juvenile court specified a shorter period or terminates the order sooner.

**\*\*\* ANALYSIS FROM -0067/5 \*\*\***

Under current law, the amount of a subsidized guardianship payment payable to the guardian of a child in need of protection or services is equal to the foster care payment received by the guardian for the month preceding the month in which the guardianship order was granted, unless a lesser amount is agreed to by the guardian. Similarly, the initial amount of adoption assistance payable to the adoptive parents of a child with special needs is equivalent to the foster care or subsidized guardian payments received by the adoptive parents at the time the adoption assistance agreement was signed, and the initial amount of adoption assistance for a child who was not in that care immediately prior to placement for adoption is the uniform foster care rate applicable to the child at that time, unless a lesser amount is agreed to by the adoptive parents.

This bill requires the amount of a monthly subsidized guardianship payment or the initial amount of adoption assistance to be based on the circumstances of the guardian or adoptive family and the needs of the child, but provides that those amounts may not exceed the payments received by the guardian or adoptive parents or the uniform foster care rate, whichever is applicable, for the month preceding the month in which the guardianship order was granted or at the time the adoption assistance agreement was signed.

Under current law, when the juvenile court or a tribal court enters an order terminating parental rights to a child (TPR), the juvenile court or tribal court may transfer guardianship of the child to DCF, which is then responsible for securing the adoption of the child. This bill requires DCF, under those circumstances, to seek a permanent adoptive placement for the child or to seek to enter into a subsidized guardianship agreement with a proposed guardian of the child.

**\*\*\* ANALYSIS FROM -0069/4 \*\*\***

Current law requires DCF to distribute grants for children's community programs to counties for the purpose of supplementing payments for the care of certain individuals residing in foster homes so that those individuals may live in a family home or other noninstitutional situation after attaining age 18.

This bill provides that a county is eligible to receive funding for that purpose only if the county received such funding in fiscal year 2012-13. In addition, the bill requires DCF to distribute grants for children's community programs to counties for the purpose of assisting individuals who attain the age of 18 while residing in out-of-home care to make the transition from out-of-home care to independent living.

Under current law, DCF provides funding from various appropriations to the Indian tribes of this state for various tribal family services, including tribal adolescent services, domestic abuse services, child care services, and child welfare

~~\*\*\* ANALYSIS FROM -0070/4 \*\*\*~~

*editor's note: TPR is not used again but is the common term for it. please keep in (per GMM)*

services. DCF also reimburses tribes and counties, from an appropriation of Indian gaming receipts, for unexpected or unusually high-cost out-of-home care placements of Indian children by tribal courts.

NSA This bill consolidates funding for those various tribal family services into a single appropriation, permits DCF to distribute tribal family services grants from that appropriation to the elected governing bodies of those Indian tribes, and permits such an elected governing body to expend the grant moneys as determined by that body. The bill also permits DCF to use its appropriation of Indian gaming receipts to reimburse tribes and counties for subsidized guardianship payments for guardianships of Indian children ordered by tribal courts.

\*\*\* ANALYSIS FROM -0060/3 \*\*\*

## HEALTH AND HUMAN SERVICES

### CHILDREN

Under current law, an individual who is obligated to pay court-ordered child support or family support (child support and maintenance combined) must pay interest at the rate of 1 percent per month, or 12 percent per year, on any amount of child support that is not paid on time (child support in arrears). This bill authorizes DCF to conduct a pilot program, beginning at any time after December 31, 2013, but ending on June 30, 2015, during which time the interest rate on child support in arrears would be 0.5 percent per month, or 6 percent per year. The interest rate reverts to 1 percent per month at the end of any such pilot program unless DOA approves the continuation of the lower rate.

\*\*\* ANALYSIS FROM -0427/P2 \*\*\*

Under current law, the Child Abuse and Neglect Prevention Board (CANPB) may award grants to organizations to fund programs for the primary prevention of child abuse and neglect.

This bill decreases the amount an organization receiving such a grant must match to at least 10 percent of the amount received, or a larger percentage at CANPB's discretion.

\*\*\* ANALYSIS FROM -0428/P2 \*\*\*

Under current law, (CANPB) may award grants to organizations to fund programs that provide direct parent education, family support, and referrals to other social services programs and outreach programs (family resource center grants). Current law prohibits an organization from receiving family resource center grants totaling more than \$150,000 in any year and prohibits the CANPB from allocating more than \$150,000 in a fiscal year for family resource center grants to organizations located in Milwaukee County. This bill eliminates those caps.

\*\*\* ANALYSIS FROM -0628/P2 \*\*\*

Under current law, CANPB is attached to DCF for administrative purposes. This bill transfers CANPB to DOA.

\*\*\* ANALYSIS FROM -0721/P1 \*\*\*

Current law specifies basic maintenance rates that are paid by the state or a county to a foster parent for the care and maintenance of a child. This bill increases those rates by 2.5 percent beginning on January 1, 2014, and by an additional 2.5 percent beginning on January 1, 2015.

the child abuse and neglect prevention Board

**\*\*\* ANALYSIS FROM -1345/2 \*\*\***  
**\*\*\* ANALYSIS FROM -1540/P2 \*\*\***

**HEALTH**

The bill requires DHS to distribute two types of grants for graduate medical training programs (residency programs). First, DHS must distribute grants to assist hospitals or groups of hospitals in procuring infrastructure and increasing case volume in order to develop accredited residency programs. The bill requires recipients of these grants to provide matching funds and limits the terms of the grants to three years. Second, DHS must distribute grants to assist hospitals that have existing residency programs in certain specialty areas with maintaining those programs. The bill limits these grants to \$50,000 per state fiscal year per hospital, except that DHS must also award additional federal matching funds if DHS receives those funds.

**\*\*\* ANALYSIS FROM -1259/2 \*\*\***

Under current law, DHS and DETF may contract with a data organization (organization) to request health care claims information from health insurers and insurance plan administrators. The organization must analyze and publicly report this information with respect to the cost, quality, and effectiveness of health care; provide DHS with health care claims information and reports upon request; and maintain a centralized data repository. If DHS and DETF determine that the organization is not fulfilling certain requirements, DHS must carry out these functions itself. The bill adds an additional source of general purpose revenue funding to finance the duties performed by the organization and also requires the organization to do all of the following: 1) provide an Internet site to offer health care provider cost and quality data and reports to consumers; 2) conduct statewide consumer information campaigns to improve health literacy; 3) provide software to allow providers to validate data prior to its publication on the Internet site; 4) conduct other functions as specified by DHS and DETF; and 5) satisfy timelines established by DHS and DETF.

take actions including

**\*\*\* ANALYSIS FROM -0321/1 \*\*\***

Under current law, DHS licenses community-based residential facilities (CBRFs), which are generally defined, with certain exceptions, as places where five or more adults who do not require care above intermediate level nursing care reside and receive care, treatment, or services that include no more than three hours of nursing care per week per resident. DHS must inspect a CBRF before issuing a permanent license to operate a CBRF and must also, for certain applicants, conduct a second inspection before issuing the permanent license. Under the bill, for those applicants, DHS must conduct the first inspection and then evaluate the CBRF before issuing a permanent license to operate. Under the bill, DHS may, but is not required to, conduct the second inspection for those applicants as part of that evaluation.

**\*\*\* ANALYSIS FROM -1221/2 \*\*\***

**MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES**

Under current law, the county board of a county or a federally recognized American Indian tribe or band (tribe) may establish an initiative to provide

coordinated treatment, education, care, services, and other resources to children who are involved in two or more systems of care and their families (initiative). <sup>defined</sup> <sup>to</sup> A system of care is defined as a public or private organization that provides services for children, including services for children with disabilities and child welfare, juvenile justice, educational, economic support, substance abuse, and health care services.

A county or tribe that establishes an initiative must appoint a coordinating committee and designate an administering agency. Initiatives satisfying certain requirements may apply for state funding. The bill allows for the creation of multi-entity initiatives, which include more than one county or tribe. An agreement to establish a multi-entity initiative must specify a lead administrative county or tribe, which must then appoint the membership of the coordinating committee. The bill allows multi-entity initiatives to apply for state funding and permits DHS to establish certain additional requirements for multi-entity initiatives, even if those criteria conflict with the requirements for single-county and single-tribal initiatives.

**\*\*\* ANALYSIS FROM -1215/1 \*\*\***

Under current law, DHS makes grants to certain community programs. The bill allows DHS to also distribute moneys in each fiscal year, beginning in 2014-15, to regional peer-run respite centers for individuals with mental health and substance abuse concerns.

**\*\*\* ANALYSIS FROM -0617/2 \*\*\***

Under current law, DHS is required to recover the amount of certain benefits (recoverable public assistance benefits) provided to individuals under certain programs (public assistance programs) by making claims against the estates of the individuals or their spouses. Recoverable public assistance benefits include benefits provided to individuals with hemophilia, cystic fibrosis, or kidney disease under the disease aids program; benefits under certain long-term care programs, including family care; and medical assistance (MA) benefits provided to individuals residing in nursing homes. Also under current law, DHS may collect the amounts of those recoverable public assistance benefits provided to an individual or his or her spouse from the nonprobate property of the individual, by sending an affidavit to a person who possesses the property. Besides making the estate recovery provisions for each of the types of recoverable public assistance benefits consistent with one another and streamlining the nonprobate property recovery program so that it applies to all of the types of recoverable public assistance benefits, this bill makes some changes to those recoverable public assistance benefits recovery programs.

Current law does not define the property that is subject to recovery by DHS. The bill defines the property that is subject to recovery, both nonprobate property and property in an estate, as all real and personal property to which the individual who received the recoverable public assistance benefits under a public assistance program (recipient) held any legal title, or in which the recipient had any legal interest, immediately before death, including assets transferred to an heir or a survivor, such as jointly owned property or property transferred by a living trust. In addition, the property subject to recovery includes any real or personal property in which the recipient's spouse had an ownership interest at the recipient's death and

in which the recipient had a marital property interest at any time within five years before the recipient applied for the public assistance program or during the time that the recipient was eligible for the public assistance program. The bill provides that there is a rebuttable presumption that all nonprobate property, and all property in the estate, of the recipient's deceased surviving spouse was marital property held with the recipient and that 100 percent of that property is subject to recovery by DHS. As under current law, however, DHS may not recover nonprobate property or property in an estate if the deceased person has a surviving spouse or a child who is under age 21 or disabled, in which case DHS receives a lien in the amount that it may recover on any real property included in the estate or nonprobate property.

The bill expands on the procedure under current law for recovery of nonprobate property. The bill specifies all of the following: what information must be provided in an affidavit by DHS to a person who possesses property of a decedent; what costs will be allowed if the property was real property and the person has sold the property; that the person receiving an affidavit has the right to a fair hearing on the value of the recipient's interest in the property and how the recipient's interest is determined; and that DHS may bring an action or issue an order to compel transmittal of the property if the person does not transmit the property to DHS after receiving an affidavit.

The bill establishes procedures for DHS to follow with respect to real property owned by a recipient, both before and after death. DHS must create three documents for recording in the office of the register of deeds: 1) a REQUEST FOR NOTICE OF TRANSFER OR ENCUMBRANCE AND NOTICE OF POTENTIAL CLAIM (REQUEST); 2) a TERMINATION OF REQUEST FOR NOTICE OF TRANSFER OR ENCUMBRANCE AND NOTICE OF POTENTIAL CLAIM (TERMINATION); 3) and a CERTIFICATE OF CLEARANCE (CLEARANCE). Whenever a recipient, upon becoming eligible for a public assistance program or during the time that the recipient is eligible for a public assistance program, has a current ownership interest in real property, or has a spouse with a current ownership interest in real property in which the recipient had a marital property interest at any time within the five years before applying for the public assistance program or during the time that the recipient is eligible for the public assistance program, DHS may record a REQUEST with respect to the property. Thereafter, unless DHS has recorded a TERMINATION or a CLEARANCE with respect to the property, any title insurance company or agent conducting a title search must note that a REQUEST is recorded against the property in any report for, or in any commitment to offer, a certificate of title insurance for the property. In addition, any person intending to transfer title to, encumber, or terminate an interest in, the property must notify DHS. If the recipient is alive when the notice is given, the person may transfer title to, encumber, or terminate an interest in, the property. If the recipient is deceased and DHS determines that it has no claim for recoverable public assistance benefits, DHS must issue a CLEARANCE to the person for recording. However, if the recipient is deceased and DHS determines that it does have a claim for recoverable public assistance benefits, DHS must send the person a statement of claim and may recover

against the property in an appropriate manner, including by placing a lien on the property.

The bill sets out requirements for the enforcement of liens on real property by DHS for recovering recoverable public assistance benefits, including specifying that DHS may enforce such a lien in the same manner as a mortgage on real property; prohibiting DHS from enforcing such a lien if the recipient has a surviving spouse or a child who is under age 21 or disabled; and specifying the circumstances under which DHS must release such a lien if DHS cannot enforce the lien because the recipient has a surviving spouse or a child who is under age 21 or disabled. The bill also provides that a section of the statutes that, generally, imposes a 30-year statute of limitations on the commencement of actions affecting the possession or title to real property applies to liens that DHS has on real property for recovering recoverable public assistance benefits.

The bill specifies that certain transfers of real property are voidable by DHS in court actions, in which case title to the real property reverts to the grantor or his or her estate. A voidable transfer is one that satisfies all of the following criteria: the transfer was made by a grantor who was receiving or who received MA; the transfer was made while the grantor was eligible for MA; DHS was unaware of the transfer; and the transfer was made to hinder, delay, or defraud DHS from recovering MA paid on behalf of the grantor. The bill provides that there is a rebuttable presumption that any "fraudulent transfer" was made to hinder, delay, or defraud DHS from recovering MA if the transfer was made by a grantor who was receiving or who received MA and while the grantor was eligible for MA. The bill defines a "fraudulent transfer" as one in which the property was transferred for less than fair market value or one in which the deed or other conveyance was not recorded during the lifetime of the grantor.

The bill requires trustees of living trusts to notify DHS, within 30 days after the death of the trust settlor and before any assets are distributed, if the trust settlor, or his or her predeceased spouse, received any recoverable public assistance benefits. If DHS sends the trustee a claim for the recovery of recoverable public assistance benefits, the trustee must, within 90 days, pay DHS the amount that it may recover or provide DHS with information about any property that was distributed and to whom it was distributed. The bill requires a trustee of a special needs or pooled trust, the beneficiaries of which receive MA, to provide notice to DHS within 30 days after the death of a trust beneficiary, and to repay DHS, within 90 days after receiving a claim from DHS, for the amount of MA paid on behalf of the beneficiary. If the trustee fails to comply with the notice or repayments requirements, the trustee is personally liable to DHS for any MA amounts paid on behalf of the beneficiary that DHS is unable to recover. The bill also provides that, after the death of a beneficiary under a pooled trust, the trustee may retain up to 30 percent of the balance in the deceased beneficiary's account, unless the trustee fails to comply with the notice and repayment requirements, in which case the trustee may not retain any of the balance in the deceased beneficiary's account.

\*\*\* ANALYSIS FROM -0318/P2 \*\*\*

Insert PJK-5