1997-99 WISCONSIN STATE BUDGET

Comparative Summary of Budget Provisions

Enacted as 1997 Act 27

Volume I

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INTRODUCTION

This two-volume document, prepared by Wisconsin's Legislative Fiscal Bureau, is the final edition of the cumulative summary of executive and legislative action on the 1997-99 Wisconsin state biennial budget. The budget was enacted into law as 1997 Wisconsin Act 27 on October 11, 1997. This document describes each of the provisions of the budget act, including all fiscal and policy modifications recommended by the Governor, Joint Committee on Finance and Legislature.

The document is organized into six basic sections, the first of which contains a Table of Contents, History of the 1997-99 Budget, Brief Chronology of the 1997-99 Budget, Key to Abbreviations, User's Guide and a listing of the 1997-99 Biennial Budget Issue Papers prepared by the Legislative Fiscal Bureau.

This is followed by an "overview" section which provides a series of summary tables and charts which display 1997-99 revenues, appropriations and authorized position levels. Information is presented for all fund sources, the general fund, transportation fund and the state's lottery program.

The third section of the document, "General Fund Taxes," identifies the policy and 1997-99 revenue effect of each general fund tax change contained within the budget act. It appears in Volume I, starting on page 69.

The next section contains budget and policy summaries for each state agency and program. The agencies appear in alphabetical order. For each agency, comparative tables are presented which depict funding and authorized position levels. This is followed by a narrative description and fiscal effect, if any, of each budget change item. Volume I contains summaries of the Department of Administration (beginning on page 107) through Miscellaneous Appropriations. Volume II begins with the Department of Natural Resources on page 707. In this section, the author of each change is identified. The change document of each is as follows:

GOVERNOR:	SB 77 and AB 100
JOINT FINANCE:	SSA 1 to SB 77 and ASA 1 to AB 100
ASSEMBLY:	Engrossed AB 100
SENATE/LEGISLATURE:	Engrossed AB 100 as amended by the Senate
LEGISLATURE:	Enrolled AB 100
VETO:	Act 27

The fifth section of the document lists the various reports and studies which are required in 1997 Act 27. This begins on page 1305.

The sixth section provides a description of the nonfiscal, policy items contained within the Governor's original budget recommendations. Rather than being considered as a part of budget deliberations, these items were drafted as separate legislation. A description of each of these items is shown in this section which begins on page 1325.

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HISTORY OF THE 1997-99 BIENNIAL BUDGET

This section provides a narrative history of the 1997-99 biennial budget. Although the formal legislative history of the biennial state budget commenced with the introduction of a bill comprising the Governor's budget recommendations, the actual process of assembling the biennial budget began several months prior to introduction. This history starts at that point, on May 29, 1996, when the Department of Administration issued budget instructions to each state agency outlining the Governor's major budget policy priorities and detailing the procedures that agencies should follow in preparing their 1997-99 biennial budget requests.

Included in the Governor's major policy directives for the 1997-99 biennial budget were instructions that state agencies meet both a "budget target policy" and a "reduced base budgeting plan" for most of their general purpose revenue (GPR) funding requests.

The budget target policy directive required agencies to limit their GPR funding requests for the 1997-98 fiscal year to 101% of the funding level for the 1996-97 adjusted base year and to limit their funding requests for the 1998-99 fiscal year to 103% of the funding level for the 1996-97 adjusted base year. This budget target request limitation policy applied to all GPR-funded state operations appropriations (other than debt service), all GPR-funded aids to individuals and organizations appropriations and all GPR-funded local assistance appropriations (other than school aids). Agency GPR-funded standard budget adjustments were excluded from the target policy limitation requirement.

The reduced base budgeting plan directive required agencies to include a budget request for each fiscal year containing funding adjustments such that their GPR base budget for state operations (other than debt service), plus aids to individuals and organizations, was equal to 96.5% of the 1996-97 adjusted base year. State operations and administrative appropriations that were funded from the segregated Transportation, Conservation and Lottery funds were also made subject to this 96.5% reduced base budgeting plan requirement exercise.

Agencies were instructed to submit their formal budget requests, including any 101%/103% budget target policy proposals, to the Executive Budget Office by September 16, 1996. Further, agencies required to submit a spending reduction plan equivalent to 96.5% of their base budget were directed to forward the proposal to the Executive Budget Office by November 8, 1996.

The Executive Budget Office began reviewing agency funding requests and base funding reduction proposals as they were submitted. On November 20, 1996, as required by statute, the Executive Budget Office distributed to Governor Tommy G. Thompson and to the Legislature a compilation of state agencies' 1997-99 biennial budget requests. This summary of agencies' budget requests indicated that they were seeking total 1997-99 funding of $36.05 billion (all funds), of which $19.84 billion was requested from general purpose revenues. Also included in the summary was the statutorily-required estimate of tax revenues for the 1997-99 biennium, as developed by the Department of Revenue. Total general fund tax collections for the biennium were projected at $18.52 billion.

The Governor, with the assistance of the Department of Administration, continued to review agency funding and policy change requests to develop specific gubernatorial budget recommendations for each agency

for submittal to the 1997 Legislature. Also during this period, the Governor made decisions on individual gubernatorial funding and policy initiatives to be included in the biennial budget bill.

By statute, the Governor is required to submit the budget message and the executive budget bill (or bills) to the new Legislature on or before the last Tuesday in January of each odd-numbered year. However, under 1997 Senate Joint Resolution 1, adopted by the Senate on January 6, 1997, and concurred in by the Assembly on January 14, 1997, this deadline for the submission of the Governor's budget message and the executive budget bill (or bills) was extended to February 12, 1997. The Governor officially delivered his 1997-99 biennial budget message and recommendations to a joint convention of the Legislature on February 12, 1997.

That same day, the Joint Committee on Finance, at the request of the Governor, introduced companion biennial budget bills in each house of the Legislature. The bills, formally introduced in the Senate as 1997 Senate Bill 77 (SB 77) and in the Assembly as 1997 Assembly Bill 100 (AB 100), were both read for the first time and referred to the Joint Committee on Finance for further consideration. The Governor subsequently submitted the recommendations of the State Building Commission constituting the capital budget and the state building program to the Joint Committee on Finance on May 20. These recommendations were taken up by the Joint Committee on Finance as modifications to SB 77 and AB 100.

On March 3, Senator Brian Burke (D-Milwaukee), the Senate Chair of the Joint Committee on Finance, and Representative Scott Jensen (R-Waukesha), the Assembly Chair of the Joint Committee on Finance, issued a memorandum announcing the briefing and public hearing schedules for the biennial budget bills. Two Legislative Fiscal Bureau informational briefings on the biennial budget bills were held on March 12 and 13, during which Legislative Fiscal Bureau staff briefed the Committee on the major provisions contained in agency budget recommendations. Four agency informational briefings on the biennial budget bills were held by the Joint Committee on Finance between March 19 and March 27. During these briefings, agency representatives testified before the Committee on the executive budget recommendations affecting their respective agencies. Finally, five public hearings on the biennial budget bills were held by the Joint Committee on Finance between April 8 and April 22 to solicit public testimony on the proposals. Public hearings were held in Milwaukee on April 8, in Wausau on April 10, in Madison on April 16, again in Madison on April 17 for the purpose of taking testimony by video teleconference from De Pere and Superior, and in Eau Claire on April 22.

While the Joint Committee on Finance was conducting its informational briefings and public hearings, many of the standing committees in each house of the Legislature also held hearings on those aspects of the executive budget bills that fell under their subject matter jurisdiction.

On April 18, 1997, Senator Burke and Representative Jensen issued a memorandum outlining the process that the Joint Committee on Finance would follow during its deliberations on the 1997-99 state budget. The following procedures were announced:

- The Joint Committee on Finance would work from SB 77, and upon the completion of the Committee's work, all modifications would be incorporated into a substitute amendment to SB 77, which would be reported to the Senate for first house consideration. AB 100 would not be reported from the Committee.

- For a number of state agencies and programs, the Joint Committee on Finance would work from the 1996-97 adjusted base rather than from the recommendations for the agencies or programs, as proposed by the Governor in SB 77. Thus, while the Governor's recommendations with respect to these agencies and programs

would still be before the Committee for consideration, a majority vote would be required for the Governor's recommendations (or any other proposals affecting these specified agencies or programs) to be adopted. Agencies and programs subject to this treatment were the: (1) Department of Agriculture, Trade and Consumer Protection; (2) Building Commission and the authorized state building program; (3) Department of Corrections; (4) Gaming Board; (5) Office of the Commissioner of Insurance; (6) Department of Justice; (7) Lottery (including the Lottery Tax Credit and related provisions); (8) Department of Natural Resources; (9) Department of Public Instruction (except those provisions relating to public school choice, post-secondary options and charter schools); (10) Secretary of State; (11) State Treasurer; (12) Department of Transportation; and (13) the Department of Workforce Development (except those nonfiscal policy provisions of economic and child support which must comply with federal requirements prior to January 1, 1998).

- The Governor's recommendation for the proposed new educational telecommunications access program (TEACH initiative) would be reviewed by the Joint Committee on Information Policy, after which the Joint Committee on Finance would consider the recommendations of that body for possible incorporation into SB 77. A majority vote of the Joint Committee on Finance would be required to include any TEACH initiative proposals in the biennial budget.

- For all other agencies and programs, the Joint Committee on Finance would work from the Governor's recommendations contained in SB 77. The Committee would entertain motions to amend the bill with respect to these other agencies and programs, and a majority vote would be required for the bill to be amended.

- A total of 114 nonfiscal policy items (containing over 150 provisions) in SB 77 were identified that would not be addressed as part of the Joint Committee on Finance's budget deliberations. These provisions would be deleted from the biennial budget bill and would be drafted as separate legislation.

The Joint Committee on Finance held a total of 19 executive sessions on the biennial budget bill. The first executive session was held on April 24, and the last was held on June 9. At the Committee's final June 9 executive session, all of its previous actions modifying the biennial budget were adopted (on a vote of 10 to 6) as Senate Substitute Amendment 1 (SSA 1) to SB 77. The Committee then recommended passage of SSA 1 to SB 77 on an identical 10 to 6 vote. The revised budget bill, SSA 1 to SB 77, was formally reported to the Senate on June 19. Also on that date, the Senate received the report of the Joint Survey Committee on Tax Exemptions concerning the tax exemption provisions of SSA 1 to SB 77. The Joint Survey Committee expressed no opinion on the desirability of such provisions as a matter of public policy.

Following the conclusion of Joint Committee on Finance action on the biennial budget, the Legislative Fiscal Bureau conducted briefings on June 12, before both the Senate and the Assembly on the major provisions of the substitute amendment. In the days immediately following these general briefings, the majority party caucuses in both houses began holding a series of meetings to consider further modifications to the biennial budget bill, as recommended by the Joint Committee on Finance.

In the Senate, which had first house consideration of the biennial budget bill, both party caucuses received on June 18, a detailed briefing on the provisions of SSA 1 to SB 77 by the Legislative Fiscal Bureau. Subsequently, members of the Senate Democratic Caucus were advised to submit proposed changes to SSA 1 to party leadership for possible inclusion in a package of Senate modifications to the biennial budget bill. Once such a package could command the unanimous support of the 17-member Senate Democratic Caucus, the proposal would be advanced to the floor of the Senate for action.

This informal process continued through the end of June, with the Senate Democratic Caucus meeting once on June 23, to assess the status of assembling proposed changes to the state budget, and again on July 2, to review a specific package of modifications to SSA 1. These proposed changes garnered the support of a majority of the Senate Democratic Caucus, but was not unanimous.

Meanwhile, in the Assembly, the Assembly Republican Caucus began meeting to consider modifications to the biennial budget bill, once the bill was received from the Senate. Although the bill was not yet in the Assembly, the Assembly Republican Caucus used the Joint Committee on Finance version of the 1997-99 state budget (SSA 1 to SB 77) as its point of departure for the proposed changes. The Assembly Republican Caucus met on June 19, 23, 25, July 1, 2, 3, 8, 9 and 10 and formally considered 369 separate motions to modify SSA 1. On July 10, by a vote of 52-0, the Assembly Republican Caucus unanimously approved a package of recommended modifications to SSA 1. These proposed changes represented the position that the Assembly majority would advance once the biennial budget bill reached that house.

In the Senate, following the July 2, Senate Democratic Caucus vote, additional modifications to the proposed Caucus package were advanced. On July 29, the Legislative Fiscal Bureau briefed the Senate Democratic Caucus on the additional modifications which had been made to the July 2 Caucus proposal. This modified package was supported by 16 members of the Senate Democratic Caucus, with one member absent. On August 4, the Senate Democratic Caucus met again but was unable to marshall a unanimous Caucus position on the proposed modifications to SSA 1.

On August 27, 1997, Senate Majority Leader Charles Chvala (D-Madison) wrote to Assembly Speaker Ben Brancel (R-Endeavor) advising that the Assembly should take up consideration of the 1997-99 state budget by advancing Assembly Bill 100 from the Joint Committee on Finance.

On September 3, the Joint Committee on Finance met and on a vote of 10 to 6 adopted all of its previous actions modifying the biennial budget as Assembly Substitute Amendment 1 (ASA 1) to AB 100. The Committee then recommended passage of ASA 1 to AB 100 on an identical 10 to 6 vote. On September 4, ASA 1 was referred to the Joint Survey Committee on Tax Exemptions to consider the tax exemption provisions of ASA 1 to AB 100. The report of the Joint Survey Committee was subsequently received on September 16; the report expressed no opinion on the desirability of such provisions as a matter of public policy.

Also on September 4, the previously adopted actions of the Assembly Republican Caucus modifying the biennial budget bill were formally introduced as Assembly Amendment 1 to ASA 1. On September 9, both the Assembly Republican Caucus and the Assembly Democratic Caucus met to consider further modifications to ASA 1. The following nine bipartisan Assembly working groups were established to explore the possibility of developing mutually agreeable changes to the biennial budget: (1) abortion; (2) BadgerCare; (3) education; (4) environment; (5) labor; (6) miscellaneous provisions; (7) taxation; (8) transportation; and (9) Wisconsin Works. On September 11, the Assembly Republican Caucus adopted a number of changes to Assembly Amendment 1 that had been approved by the Caucus and by the nine bipartisan working groups. These modifications and those previously contained in Assembly Amendment 1 were then merged into a single, new simple amendment: Assembly Amendment 8 to ASA 1 to AB 100.

The Assembly considered the 1997-99 state budget on September 16. During the Assembly's deliberations, 14 amendments to ASA 1 to AB 100 were offered. The Assembly adopted Assembly Amendment 8 (as modified by Assembly Amendments 1, 3, 4, 5, 9, 10, 12 and 13) and Assembly Amendment

9 (as modified by Assembly Amendment 1). The substitute amendment, as amended, was adopted on a voice vote, and the budget bill was passed on a vote of 75 to 24. The bill was ordered engrossed and was immediately messaged to the Senate. The bill was formally received by the Senate on September 18.

On September 17 the Legislative Fiscal Bureau provided a briefing for the Senate on the major provisions of AB 100, as passed by the Assembly. Later that day, a six-member bipartisan Senate budget negotiating committee comprised of three Democrats (Senators Burke, Chvala and Decker) and three Republicans (Senators Farrow, Panzer and Schultz) met to consider possible modifications to the budget bill. The three Democrats proposed that the Senate Democratic Caucus position of July 29, form the basis of the negotiating committee's on-going discussions. The three Republican members proposed a list of 18 modifications to the budget bill, as passed by the Assembly.

In the absence of an agreement by the six-member negotiating committee, three Democratic senators (Senators George, Jauch and Wineke) offered an alternative proposal on September 18, containing 64 modifications to the state budget, as passed by the Assembly. Then on September 19, a Senate Democratic Caucus proposal was circulated identifying a revised listing of modifications drawn from the earlier July 29 Caucus position.

On September 23, the Senate Democratic Caucus approved a series of budget modifications including: (1) elements drawn from the September 19 revised Caucus proposal; (2) most of the proposals contained in the September 18 alternative offered by Senators George, Jauch and Wineke; and (3) additional policy items recommended by the Caucus. Also to be included in that package would be the proposals offered on September 17, by the Republican members of the bipartisan budget negotiating committee, provided sufficient support for the above modifications could be provided by Senate Republicans. Such support was indicated, and Senate Democratic and Republican budget negotiators finalized their budget discussions on September 24. All the agreed Senate modifications to the biennial budget bill were then drafted as Senate Amendment 1 to Assembly Bill 100.

On September 25, AB 100 was taken up in the Senate. Senate Amendment 1 was adopted on a vote of 31 to 2. The bill, as amended, was then concurred in on a vote of 30 to 3. The bill was immediately messaged to the Assembly.

On September 29, the Assembly Republican Caucus met to consider the Senate modifications to AB 100. The Caucus determined that no further modifications to the Senate changes would be offered in the Assembly. The Assembly met in the afternoon of September 29 to consider Senate Amendment 1 to AB 100. Seventeen Assembly amendments to Senate Amendment 1 were offered, but all were either tabled, withdrawn or ruled not germane. Senate Amendment 1 to AB 100 was subsequently concurred in by voice vote, thereby completing legislative action on the 1997-99 biennial state budget. The bill was enrolled on October 2, and awaited final action by the Governor.

The bill was called for by the Governor on October 10. The Governor approved Assembly Bill 100, in part, on October 11, and had it deposited in the Office of the Secretary of State as 1997 Wisconsin Act 27. The Governor indicated in his message to the Assembly that he had exercised his authority to make 152 partial vetoes to the bill, as passed by the Legislature. Act 27 was published on October 13, and except as otherwise specifically provided, became effective the following day. None of the Governor's partial vetoes has been considered by the Legislature.

BRIEF CHRONOLOGY OF THE 1997-99 BUDGET

GOVERNOR/ADMINISTRATION

• May 29, 1996	Department of Administration issued budget instructions
• September 16	Agencies submitted budget requests
• November 8	Agencies submitted 96.5% of base level funding spending reduction plans
• November 20	Executive Budget Office submitted compilation of agency budget requests and Department of Revenue estimate of tax revenues
• February 12, 1997	Governor delivered budget message and recommendations to the Legislature
• May 20	Governor submitted recommendations of the State Building Commission for the capital budget and authorized state building program

JOINT COMMITTEE ON FINANCE

• February 12	Introduced 1997 Assembly Bill 100 (AB 100) and 1997 Senate Bill 77 (SB 77) as companion executive budget bills
• March 12-13	Budget bill briefings by Legislative Fiscal Bureau
• March 19-27	Budget bill briefings by agency officials
• April 8-22	Public hearings
• April 18	Nonfiscal items removed from budget bills; decision announced to advance only SB 77 from the Joint Committee on Finance
• April 24-June 9	Executive sessions
• May 20	Received recommendations of the State Building Commission for the capital budget and authorized state building program
• June 9	Adopted Senate Substitute Amendment 1 (SSA 1) to SB 77 and passed bill on a 10-6 vote
• June 19	SSA 1 to SB 77, as recommended by the Joint Committee on Finance, reported to the Senate

LEGISLATURE

• June 12	Briefings for the Senate and the Assembly by the Legislative Fiscal Bureau
• June 18	Briefings for Senate Democratic and Republican Caucuses by the Legislative Fiscal Bureau
• June 19	Report of Joint Committee on Tax Exemptions received
• June 23 and July 2	Senate Democratic Caucus met but failed to achieve unanimous position on modifications to SSA 1
• June 19-July 10	While Senate deliberations continued, Assembly Republican Caucus met to formulate the Assembly position on SSA 1 once the bill reached that house
• July 10	Assembly Republican Caucus approved a package of modifications to SSA 1 on a vote of 52-0
• July 22 and August 4	Senate Democratic Caucus met but failed to achieve unanimous position on modifications to SSA 1

• August 27	Senate Majority Leader, in a letter to the Assembly Speaker, advised that the Assembly should take up the executive budget by advancing AB 100 from the Joint Committee on Finance

JOINT COMMITTEE ON FINANCE

• September 3	Adopted all previous actions modifying the biennial budget as Assembly Substitute Amendment 1 (ASA 1) to AB 100 and recommended ASA 1 for passage on a 10-6 vote
• September 4	ASA 1 to AB 100, as recommended by the Joint Committee on Finance, reported to the Assembly

LEGISLATURE

• September 4	Previously adopted actions of the Assembly Republican Caucus introduced as Assembly Amendment 1 to ASA 1
• September 9	Nine bipartisan working groups formed in the Assembly to explore the possibility of developing mutually agreeable changes to ASA 1
• September 11	Assembly Republican Caucus adopted additional modifications to Assembly Amendment 1 to ASA 1 approved by the Caucus and the nine bipartisan working groups and merged these provisions and those contained in Assembly Amendment 1 to ASA 1 into a new Assembly Amendment 8 to ASA 1
• September 16	Report of Joint Committee on Tax Exemptions received; Assembly adopted Assembly Amendment 8 to ASA 1 (as amended by Assembly Amendments 1, 3, 4, 5, 9, 10, 12 and 13) and Assembly Amendment 9 to ASA 1 (as amended by Assembly Amendment 1) and passed ASA 1 to AB 100, as amended, on a vote of 75-24
• September 17	Bipartisan six-member Senate budget negotiating committee met
• September 18	Engrossed AB 100 received by Senate
• September 18-24	Party Caucus and bipartisan budget negotiations continued in the Senate
• September 24	Senate Democratic and Republican budget negotiators finalize agreed modifications to AB 100
• September 25	Senate Amendment 1 to AB 100 adopted on a vote of 31-2, and the bill, as amended, concurred in on a vote of 30-3
• September 29	Assembly, by voice vote, concurred in Senate Amendment 1 to AB 100
• October 2	AB 100 reported correctly enrolled

ENACTMENT

• October 10	Enrolled AB 100 called for by the Governor
• October 11	Governor approved bill, with partial vetoes, as 1997 Wisconsin Act 27
• October 13	Act 27 published
• October 14	Act 27 became generally effective

KEY TO ABBREVIATIONS

REVENUES

BR	Bond revenues which are available from the contracting of public debt (general obligation bonding) or from the contracting of debt which is to be repaid from project revenues and does not constitute debt of the state (revenue bonding).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
REV	Revenue

APPROPRIATIONS

GPR	Appropriations financed from general purpose revenues available in the state's general fund.
FED	Appropriations financed from federal revenues.
PR	Appropriations financed from program revenues, such as user fees or product sales.
SEG	Appropriations financed from segregated revenues.
SEG-Local	Appropriations financed from local revenues which are administered through a state segregated fund.
SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.

KEY TO ABBREVIATIONS (continued)

OTHER

1995 Wisconsin Act 27	The 1995-97 biennial budget act.
1995 Wisconsin Act 113	The 1995-97 transportation budget act.
1997 Wisconsin Act 27	The 1997-99 biennial budget act.
SB 77	1997 Senate Bill 77, the Governor's 1997-99 budget recommendations (companion bill to AB 100).
AB 100	1997 Assembly Bill 100, the Governor's 1997-99 budget recommendations (companion bill to SB 77).
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,044 hours per appointment in a 12-month period.
1996-97 Base	The total 1996-97 authorized funding level for an agency or program. The base equals 1996-97 appropriations, pay plan modifications and any other supplements. It is this base that serves as the beginning point for calculating budget changes for 1997-99.
1996-97 Base Year Doubled	The 1996-97 base multiplied by two. This produces the biennial base level against which 1997-99 budget levels may be compared.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

USER'S GUIDE

The following explanation of entries is keyed to the accompany sample entry (page 11).

(1) The funding source for the amounts shown in columns 2 through 4. Only the funding sources which are included in the agency's budget are shown.

(2) The 1996-97 base represents authorized appropriation and position levels for 1996-97. The base is doubled in the budget column to provide a two-year to two-year comparison.

(3) Appropriation and position levels recommended by the Governor, Joint Committee on Finance, Legislature, and as authorized by 1997 Wisconsin Act 27 (includes the impact of any gubernatorial vetoes).

(4) These columns indicate the change of the budget level contained in 1997 Wisconsin Act 27 to the 1996-97 base year doubled. For positions, the increase or decrease is based on the 1998-99 authorized level compared to the 1996-97 level.

(5) This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions and removal of one-time items. The box highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented.

(6) Title of the budget change item. Immediately following the title, if applicable, "[ ]" shows the number of the Legislative Fiscal Bureau issue paper prepared on this item. In this example, paper [804] pertains to the program. A complete listing of all Fiscal Bureau issue papers begins on page 12 of this document.

(7) Funding and position change to the agency's base budget. If the entry is entitled, "GOVERNOR/LEGISLATURE," the recommendations proposed by the Governor were adopted by the Joint Committee on Finance and the Legislature. For those budget items where the recommendations of the Governor, Joint Finance Committee or Legislature differ, the fiscal and position effect shown at each step is the change to the previous recommendation.

(8) Narrative description of the various budget change items, for each entry, as recommended by the Governor, Joint Committee on Finance and Legislature.

(9) Narrative description, if any, of partial vetoes by the Governor. At the beginning of the veto entry in the "[ ]" is the number (in this example B-31) of the veto from the Governor's veto message (October 11, 1997).

(10) Bill sections relating to the budget change item. "Act 27 Sections" lists the sections which remain in the act. "Act 27 Vetoed Sections" lists those sections which were partially or entirely vetoed.

TOURISM

Budget Summary

(1) Fund	(2) 1996-97 Base Year Doubled	(3) 1997-99 Governor	(3) 1997-99 Jt. Finance	(3) 1997-99 Legislature	(3) 1997-99 Act 27	(4) Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$23,340,400	$23,323,200	$23,150,900	$23,225,900	$23,150,900	- $189,500	- 0.8%
PR	660,600	663,500	288,700	277,500	277,500	- 383,100	- 58.0
SEG	491,200	472,100	446,60	466,600	466,600	- 24,600	- 5.0
TOTAL	$24,492,200	$24,458,800	$23,886,200	$23,970,000	$23,895,000	- $597,200	- 2.4%

FTE Position Summary

(1) Fund	(2) 1996-97 Base	(3) 1998-99 Governor	(3) 1998-99 Jt. Finance	(3) 1998-99 Legislature	(3) 1998-99 Act 27	(4) Act 27 Change Over 1996-97 Base
GPR	58.00	58.25	58.25	58.25	58.25	0.25
PR	5.00	3.00	1.00	1.00	1.00	- 4.00
SEG	3.00	3.00	3.00	3.00	3.00	0.00
TOTAL	66.00	64.25	62.25	62.25	62.25	- 3.75

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Positions
GPR	- $366,700	- 2.00
PR	8,000	0.00
SEG	- 44,600	0.00
Total	- $403,300	- 2.00

(5) **Governor/Legislature:** Provide adjustments to the base budget for: (a) turnover (-$45,100 GPR annually); (b) removal of noncontinuing items (-$60,300 GPR and 2.0 positions in 1998-99); (c) full funding of salaries and fringe benefits (-$125,600 GPR, $2,800 PR and -$22,700 SEG annually); . . .

(6) 2. **LICENSING STATE SYMBOLS, SURPLUS PROPERTY AND COUNTY ASSOCIATIONS GRANTS** [LFB Paper 804]

(7)

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov.) Funding	Positions	Assembly/Leg. (Chg. to JFC) Funding	Positions	Net Change Funding	Positions
PR	$252,700	3.00	- $174,800	- 2.00	- $11,200	0.00	$66,700	1.00

(8) **Governor:** Provide $120,200 in 1997-98 and $132,500 in 1998-99 and 3.0 positions to administer a state symbols and surplus property program and provide grants for international trade, business and economic development to the Wisconsin Counties Association as follows: . . . .

Joint Finance: Delete the Governor's recommendation. Rather, provide $33,700 in 1997-98 and $44,200 in 1998-99 with 1.0 position. Authorize Tourism to request excess . . .

Assembly/Legislature: Delete $11,200 in 1997-98 to reflect a three month delay of funding for the position authorized under the bill to administer the Department's surplus property program.

(9) **Veto By Governor [B-31]:** Delete the provision that requires that 50% of revenues be deposited to the general fund as GPR-earned. As a result, all revenues would be deposited to Tourism's program revenue appropriation.

(10) [Act 27 Sections: 118, 149, 459, 1327 and 2472]

[Act 27 Vetoed Sections: 459 and 1327]

LEGISLATIVE FISCAL BUREAU

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OVERVIEW

ALL FUNDS BUDGET AND POSITION SUMMARIES

TABLE 1

Summary of 1997-99 Appropriations and Authorizations

Fund Source	1997-98	1998-99	Total	% of Total
General Purpose Revenue (GPR)	**$9,793,430,100**	**$9,946,490,900**	**$19,739,921,000**	**51.4%**
Appropriations	9,758,514,500	9,880,152,500	19,638,667,000	
Compensation Reserves	34,915,600	66,338,400	101,254,000	
Federal Revenue (FED)	**4,328,299,900**	**4,320,320,500**	**8,648,620,400**	**22.5**
Appropriations	4,319,116,400	4,302,166,300	8,621,282,700	
Compensation Reserves	9,183,500	18,154,200	27,337,700	
Program Revenue (PR)	**2,298,056,200**	**2,397,090,200**	**4,695,146,400**	**12.2**
Appropriations	2,273,283,400	2,348,118,700	4,621,402,100	
Compensation Reserves	24,772,800	48,971,500	73,744,300	
Segregated Revenue (SEG)	**2,180,495,400**	**2,138,847,500**	**4,319,342,900**	**11.2**
Appropriations	2,174,727,400	2,127,445,100	4,302,172,500	
Compensation Reserves	5,768,000	11,402,400	17,170,400	
Subtotal	**18,600,281,600**	**18,802,749,100**	**37,403,030,700**	**97.3%**
Appropriations	18,525,641,700	18,657,882,600	37,183,524,300	
Compensation Reserves	74,639,900	144,866,500	219,506,400	
Bonding Authorization			**1,030,441,400**	**2.7**
General Obligation Bonding			806,020,500	
Revenue Bonding			224,420,900	
TOTAL	**$18,600,281,600**	**$18,802,749,100**	**$38,433,472,100**	**100.0%**

TABLE 2

1997-99 Comparative Summary of Appropriations and Authorizations--All Funds

Fund Source	Governor	Jt. Finance	Assembly	Senate	Act 27
General Purpose Revenue	$19,375,425,800	$19,716,035,600	$19,760,824,700	$19,760,356,500	$19,739,921,000
Federal Revenue	8,381,523,100	8,633,336,900	8,643,192,000	8,650,743,400	8,648,620,400
Program Revenue	4,752,473,300	4,703,385,600	4,709,224,200	4,698,827,200	4,695,146,400
Segregated Revenue	4,053,384,700	4,269,096,900	4,319,467,700	4,319,442,900	4,319,342,900
Subtotal	$36,562,806,900	$37,321,855,000	$37,432,708,600	$37,429,370,000	$37,403,030,700
Bonding Authorization					
General Obligation	$618,992,200	$791,527,900	$801,440,700	$804,557,500	$806,020,500
Revenue	139,786,800	204,220,100	224,420,900	224,420,900	224,420,900
Subtotal	$758,779,000	$995,748,000	$1,025,861,600	$1,028,978,400	$1,030,441,400
TOTAL	$37,321,585,900	$38,317,603,000	$38,458,570,200	$38,458,348,400	$38,433,472,100

TABLE 3

Summary of Total All Funds Appropriations by Agency

Agency	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Assembly	1997-99 Senate/Legislature	1997-99 Act 27	1997-99 Act 27 Change Over Base Amount	Percent
Administration	$677,649,800	$723,340,700	$722,627,000	$721,719,000	$720,969,000	$720,969,000	$43,319,200	6.4%
Adolescent Pregnancy Prevention	1,093,800	0	1,089,600	1,089,600	1,089,600	1,089,600	-4,200	-0.4
Agriculture, Trade & Consumer Protection	116,441,000	118,179,300	116,597,800	117,032,700	119,502,700	119,302,700	2,861,700	2.5
Arts Board	6,827,200	6,890,500	7,774,700	7,004,300	6,783,300	6,783,300	-43,900	-0.6
Board of Commissioners of Public Lands	0	2,051,500	2,089,100	2,089,100	2,089,100	2,089,100	2,089,100	N.A.
Board on Aging and Long-Term Care	1,754,600	1,786,400	2,066,200	2,004,300	2,004,300	1,890,000	135,400	7.7
Building Commission	61,067,000	53,219,700	53,219,700	53,219,700	53,219,700	53,219,700	-7,847,300	-12.9
Child Abuse and Neglect Prevention Board	4,575,200	4,500,200	4,500,200	4,500,200	4,500,200	4,500,200	-75,000	-1.6
Circuit Courts	131,119,200	128,969,200	129,162,300	131,075,000	131,075,000	131,075,000	-44,200	0.0
Clean Water Fund Program	50,531,600	59,873,500	59,873,500	60,155,400	60,155,400	60,155,400	9,623,800	19.0
Commerce	353,948,600	402,029,000	400,154,800	395,752,600	395,752,600	395,752,600	41,804,000	11.8
Compensation Reserves		214,291,000	219,506,400	219,506,400	219,506,400	219,506,400	219,506,400	N.A.
Corrections	1,221,743,600	1,357,474,200	1,355,490,200	1,364,950,300	1,366,291,800	1,366,291,800	144,548,200	11.8
Court of Appeals	12,342,800	12,128,000	12,155,400	12,397,600	12,397,600	12,397,600	54,800	0.4
District Attorneys	60,117,400	63,773,500	64,065,300	63,948,400	64,206,700	64,106,700	3,989,300	6.6
Educational Communications Board	27,091,200	28,007,500	28,105,700	28,105,700	28,130,100	28,130,100	1,038,900	3.8
Elections Board	2,964,600	2,388,400	2,556,800	2,555,800	2,555,800	2,555,800	-408,800	-13.8
Employe Trust Funds	28,220,800	26,957,600	246,033,700	246,008,400	246,008,400	246,008,400	217,787,600	771.7
Employment Relations	12,449,000	12,515,900	12,394,200	12,377,800	12,377,800	12,377,800	-71,200	-0.6
Employment Relations Commission	5,669,200	5,483,200	5,483,200	5,483,200	5,833,600	5,833,600	164,400	2.9
Ethics Board	902,800	937,400	937,400	937,400	937,400	937,400	34,600	3.8
Financial Institutions	23,203,200	25,046,700	24,696,700	24,679,000	24,679,000	24,679,000	1,475,800	6.4
Gaming Board	7,819,200	0	0	0	0	0	-7,819,200	-100.0
Governor	5,142,800	5,507,000	5,457,600	5,790,400	5,790,400	5,790,400	647,600	12.6
Health and Family Services	7,482,019,800	7,697,171,400	7,826,771,500	7,812,740,200	7,810,834,700	7,794,208,300	312,188,500	4.2
Higher Educational Aids Board	106,010,800	108,010,200	108,067,100	113,563,400	118,904,700	118,904,700	12,893,900	12.2
Historical Society	31,702,200	33,053,600	34,336,000	34,557,100	34,985,500	34,985,500	3,283,300	10.4
Information Technology Investment Fund	10,000,000	9,600,000	1,829,600	1,829,600	1,829,600	1,829,600	-8,170,400	-81.7
Insurance	158,504,000	155,233,700	154,685,500	154,674,500	154,674,500	154,674,500	-3,829,500	-2.4
Investment Board	18,182,000	22,288,800	24,247,300	24,164,900	24,164,900	24,164,900	5,982,900	32.9
Judicial Commission	364,400	435,400	435,400	435,400	435,400	435,400	71,000	19.5
Justice	115,665,400	123,606,200	122,269,700	122,446,800	122,446,800	122,320,500	6,655,100	5.8
Legislature	102,893,000	103,640,500	108,550,800	110,286,100	110,286,100	110,286,100	7,393,100	7.2
Lieutenant Governor	951,800	941,000	941,000	941,000	941,000	941,000	-10,800	-1.1
Lower WI State Riverway Board	217,600	224,700	224,700	224,700	224,700	224,700	7,100	3.3

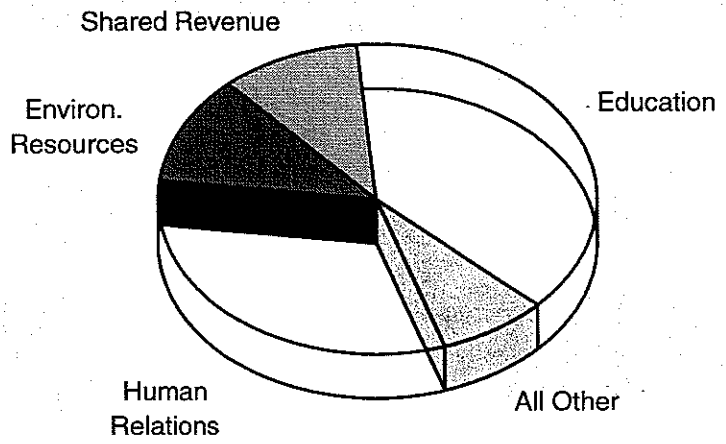
TABLE 3 (continued)

Summary of Total All Funds Appropriations by Agency

Agency	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Assembly	1997-99 Senate/Legislature	1997-99 Act 27	1997-99 Act 27 Change Over Base Amount	1997-99 Act 27 Change Over Base Percent
Marquette Dental School	$2,334,000	$2,334,000	$2,334,000	$2,334,000	$2,334,000	2,334,000	$0	0.0%
Medical College of Wisconsin	15,979,400	15,277,600	15,870,900	15,825,400	15,552,600	15,552,600	-426,800	-2.7
Military Affairs	71,039,600	76,999,600	76,268,300	77,827,700	78,541,000	78,541,000	7,501,400	10.6
MN-WI Boundary Area Commission	480,200	525,200	525,200	525,200	525,200	525,200	45,000	9.4
Miscellaneous Appropriations	107,607,800	137,857,000	136,156,400	156,668,800	156,668,800	156,668,800	49,061,000	45.6
Natural Resources	837,960,400	843,450,000	854,308,400	853,754,100	855,819,000	855,549,400	17,589,000	2.1
Personnel Commission	1,479,400	1,610,600	1,610,600	1,610,600	1,610,600	1,610,600	131,200	8.9
Program Supplements	87,273,600	17,610,100	69,857,700	103,871,700	109,651,700	109,651,700	22,378,100	25.6
Public Defender	120,504,400	117,083,400	116,959,100	116,943,600	117,532,100	117,532,100	-2,972,300	-2.5
Public Instruction	7,938,003,200	8,423,785,400	8,448,518,500	8,453,849,100	8,444,610,000	8,438,203,300	500,200,100	6.3
Public Service Commission	26,103,800	26,365,500	42,530,700	42,107,500	42,507,500	42,446,300	16,342,500	62.6
Regulation and Licensing	16,504,200	17,588,400	17,662,600	17,947,700	17,947,700	17,947,700	1,443,500	8.7
Revenue	276,830,200	271,017,700	274,649,300	274,212,700	270,822,700	270,822,700	-6,007,500	-2.2
Secretary of State	834,000	802,700	857,500	857,500	857,500	857,500	23,500	2.8
Shared Revenue and Tax Relief	3,367,328,800	3,804,260,300	3,829,497,400	3,810,293,300	3,816,156,300	3,814,919,800	447,591,000	13.3
State Fair Park	27,570,600	29,501,300	29,501,300	29,487,000	29,487,000	29,487,000	1,916,400	7.0
State Treasurer	4,951,400	2,763,800	2,691,600	2,679,800	2,679,800	2,679,800	-2,271,600	-45.9
Supreme Court	32,318,000	34,573,600	34,818,600	35,187,100	35,187,100	35,187,100	2,869,100	8.9
Technology for Educational Achievement in WI Board		84,807,400	97,553,800	98,036,600	98,936,600	98,036,600	98,036,600	N.A.
Tourism	24,492,200	24,458,800	23,886,200	23,895,000	23,970,000	23,895,000	-597,200	-2.4
Transportation	3,041,370,800	3,127,518,000	3,363,051,200	3,393,843,800	3,394,143,800	3,394,143,800	352,773,000	11.6
UW Hospitals and Clinics Board	106,817,000	109,653,800	109,653,800	109,653,800	109,653,800	109,653,800	2,836,800	2.7
UW System	4,985,823,200	5,231,733,800	5,203,964,500	5,226,005,100	5,211,145,900	5,210,922,600	225,099,400	4.5
Veterans Affairs	231,654,200	243,006,700	240,593,500	257,800,800	257,800,800	257,800,800	26,146,600	11.3
WHEDA	4,000,000	4,000,000	100,000	4,000,000	4,000,000	4,000,000	0	0.0
WI Technical College System	323,839,400	328,340,400	330,137,400	330,137,400	330,537,400	330,537,400	6,698,000	2.1
Workforce Development	1,844,092,600	2,076,325,900	2,139,900,400	2,135,107,300	2,135,107,300	2,135,107,300	291,014,700	15.8
SUBTOTAL	$34,336,378,000	$36,562,806,900	$37,321,855,000	$37,432,708,600	$37,429,370,000	$37,403,030,700	$3,066,652,700	8.9%
Bonding Authorization		758,779,000	995,748,000	1,025,861,600	1,028,978,400	1,030,441,400		
TOTAL		$37,321,585,900	$38,317,603,000	$38,458,570,200	$38,458,348,400	$38,433,472,100		

FIGURE 1

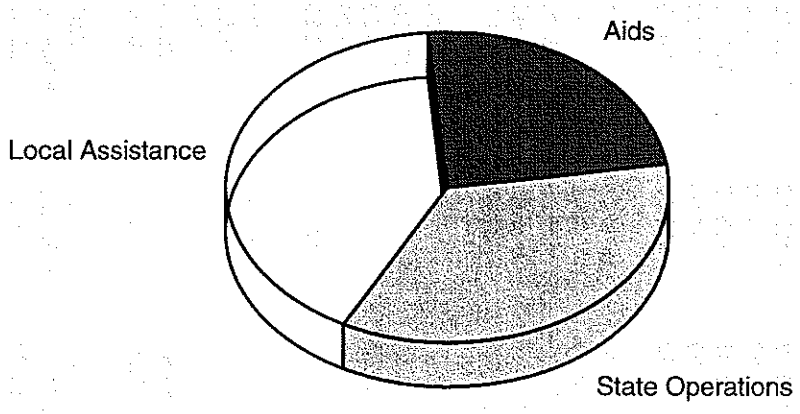
1997-99 All Funds Appropriations By Functional Area



Functional Area	Amount	Percent of Total
Education	$14,284,390,100	38.2%
Human Relations and Resources	11,945,343,600	31.9
Environmental Resources	4,334,493,500	11.6
Shared Revenue and Tax Relief	3,814,919,800	10.2
All Other	(3,023,883,700)	(8.1)
General Executive	1,409,336,500	3.8
Commerce	784,289,800	2.1
General Appropriations	321,369,800	0.8
Compensation Reserves	219,506,400	0.6
Judicial	179,095,100	0.5
Legislative	110,286,100	0.3
TOTAL	$37,403,030,700	100.0%

FIGURE 2

1997-99 All Funds Appropriations By Purpose



Purpose	Amount	Percent of Total
Local Assistance	$15,222,508,400	40.7%
State Operations	(13,187,886,400)	(35.3)
UW System	4,870,718,200	13.0
Other Programs	8,097,661,800	21.7
Compensation Reserves	219,506,400	0.6
Aids to Individuals and Organizations	8,992,635,900	24.0
TOTAL	$37,403,030,700	100.0%

TABLE 4

Summary of All Funds Full-Time Equivalent Positions by Agency

	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Assembly	1998-99 Senate/ Legislature	1998-99 Act 27	Change to Base
Administration	1,037.13	1,117.28	1,102.18	1,102.18	1,102.18	1,102.18	65.05
Adolescent Pregnancy Prevention	1.50	0.00	1.50	1.50	1.50	1.50	0.00
Agriculture, Trade and Consumer Protection	698.52	703.58	703.58	703.58	703.58	703.58	5.06
Arts Board	12.00	12.00	12.00	11.00	11.00	12.00	0.00
Board on Aging and Long-Term Care	14.90	16.90	20.90	20.90	20.90	18.90	4.00
Board of Commissioners of Public Lands	0.00	9.50	9.00	9.00	9.00	9.00	9.00
Child Abuse and Neglect Prevention Board	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Circuit Courts	494.00	494.00	494.00	496.00	496.00	496.00	2.00
Commerce	445.35	443.85	442.85	442.85	442.85	442.85	- 2.50
Corrections	7,695.89	8,611.68	8,615.72	8,582.02	8,582.02	8,582.02	886.13
Court of Appeals	73.00	73.00	75.50	75.50	75.50	75.50	2.50
District Attorneys	363.00	366.00	373.50	373.50	377.00	377.00	14.00
Educational Communications Board	90.50	84.50	84.50	84.50	84.50	84.50	- 6.00
Elections Board	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Employe Trust Funds	172.85	172.85	172.85	172.85	172.85	172.85	0.00
Employment Relations	90.75	88.75	86.50	86.50	86.50	86.50	- 4.25
Employment Relations Commission	33.50	30.50	30.50	30.50	33.50	33.50	0.00
Ethics Board	6.50	6.50	6.50	6.50	6.50	6.50	0.00
Financial Institutions	168.50	170.50	168.50	168.50	168.50	168.50	0.00
Gaming Board	53.45	0.00	0.00	0.00	0.00	0.00	- 53.45
Governor	46.05	46.05	46.05	46.05	46.05	46.05	0.00
Health and Family Services	6,226.14	6,245.80	6,354.65	6,368.30	6,369.30	6,369.30	143.16
Higher Educational Aids Board	11.00	20.00	20.00	20.00	20.00	20.00	9.00
Historical Society	177.00	173.75	177.40	177.40	177.40	177.40	0.40
Insurance	141.50	125.00	122.00	122.00	122.00	122.00	- 19.50
Investment Board	96.50	101.50	101.50	101.50	101.50	101.50	5.00
Judicial Commission	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Justice	538.90	527.40	541.40	548.40	548.40	547.40	8.50
Legislature	826.97	824.97	828.97	828.97	828.97	828.97	2.00
Lieutenant Governor	8.00	7.75	7.75	7.75	7.75	7.75	- 0.25

TABLE 4 (continued)

Summary of All Funds Full-Time Equivalent Positions by Agency

	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Assembly	1998-99 Senate/ Legislature	1998-99 Act 27	Change to Base
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Military Affairs	334.51	341.26	341.26	341.26	341.26	341.26	6.75
Natural Resources	2,905.72	2,874.72	2,877.22	2,881.22	2,888.22	2,886.22	- 19.50
Personnel Commission	10.00	10.00	10.00	10.00	10.00	10.00	0.00
Program Supplements	4.00	0.00	0.00	0.00	0.00	0.00	- 4.00
Public Defender	533.60	530.60	530.60	530.60	530.60	530.60	- 3.00
Public Instruction	617.05	592.55	606.95	606.95	609.95	606.95	- 10.10
Public Service Commission	190.00	190.00	192.50	192.50	192.50	191.50	1.50
Regulation and Licensing	125.50	126.00	126.00	128.50	128.50	128.50	3.00
Revenue	1,304.05	1,267.20	1,292.20	1,292.20	1,292.20	1,292.20	- 11.85
Secretary of State	6.50	6.50	7.50	7.50	7.50	7.50	1.00
State Fair Park	45.70	47.70	47.70	47.70	47.70	47.70	2.00
State Treasurer	23.50	14.50	15.50	15.50	15.50	15.50	- 8.00
Supreme Court	181.75	181.75	185.75	185.75	185.75	184.75	3.00
Technology for Educational Achievement in WI Board	0.00	6.00	6.00	6.00	6.00	6.00	6.00
Tourism	66.00	64.25	62.25	62.25	62.25	62.25	- 3.75
Transportation	3,936.27	3,893.70	3,871.45	3,899.45	3,897.95	3,897.95	- 38.32
UW Hospitals and Clinics Board	1,556.71	1,556.71	1,556.71	1,556.71	1,556.71	1,556.71	0.00
University of Wisconsin System	27,792.60	27,786.60	27,802.10	27,800.10	27,807.10	27,803.10	10.50
Veterans Affairs	799.30	821.30	816.30	816.30	816.30	816.30	17.00
Wisconsin Technical College System	93.50	82.30	81.30	81.30	81.30	81.30	- 12.20
Workforce Development	2,551.99	2,434.75	2,422.35	2,422.35	2,422.35	2,422.35	- 129.64
TOTAL	62,622.65	63,323.00	63,472.44	63,492.89	63,515.89	63,502.89	880.24

TABLE 5

Full-Time Equivalent Positions Summary by Funding Source

	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Assembly	1998-99 Senate/ Legislature	1998-99 Act 27	Change to Base
GPR	32,240.04	33,213.92	33,264.43	33,243.48	33,260.58	33,249.58	1,009.54
FED	8,072.22	8,040.29	8,011.50	8,022.95	8,022.95	8,022.95	- 49.27
PR	16,912.08	16,738.41	16,874.33	16,882.58	16,885.98	16,883.98	- 28.10
SEG	5,398.31	5,330.38	5,322.18	5,343.88	5,346.38	5,346.38	- 51.93
TOTAL	62,622.65	63,323.00	63,472.44	64,492.89	63,515.89	63,502.89	880.24

TABLE 6

Comparative Summary of Full-Time Equivalent Positions

All Funds Comparison

	1998-99 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Assembly	1998-99 Senate/ Legislature	1998-99 Act 27
Authorized Positions	62,622.65	63,323.00	63,472.44	63,492.89	63,515.89	63,502.89
Change to Base		700.35	849.79	870.24	893.24	880.24
Change to Governor			149.44	169.89	192.89	179.89
Change to Jt. Finance				20.45	43.45	30.45
Change to Assembly					23.00	10.00
Change to Senate						- 13.00

General Fund Comparison

Authorized Positions	32,240.04	33,213.92	33,264.43	33,243.48	33,260.58	33,249.58
Change to Base		973.88	1,024.39	1,003.44	1,020.54	1,009.54
Change to Governor			50.51	29.56	46.66	35.66
Change to Jt. Finance				- 20.95	- 3.85	- 14.85
Change to Assembly					17.10	6.10
Change to Senate						- 11.00

OVERVIEW

GENERAL FUND BUDGET AND POSITION SUMMARIES

TABLE 7

1997-99 General Fund Condition Statement

	1997-98	1998-99
Revenues		
Opening Balance, July 1	$331,145,100 *	$215,409,700
Estimated Taxes	9,222,973,300	9,643,244,500
Transfer from:		
Property Tax Relief Fund	257,755,900	0
Recycling Fund	3,850,000	0
Departmental Revenues	145,136,800	153,451,700
Total Available	$9,960,861,100	$10,012,105,900
Appropriations, Transfers and Reserves		
Gross Appropriations	$9,758,514,500	$9,880,152,500
Compensation Reserves	34,915,600	66,338,400
Transfer to:		
Local Government Property Insurance	2,217,200	2,108,600
Less Lapses	-50,195,900	-62,136,900
Net Appropriations	$9,745,451,400	$9,886,462,600
Balances		
Gross Balance	$215,409,700	$125,643,300
Less Required Statutory Balance	-97,934,300	-99,464,900
Net Balance, June 30	$117,475,400	$26,178,400

*Reflects balance taken from the Annual Fiscal Report for 1996-97 dated October 15, 1997. Enrolled AB 100 assumed an opening balance of $330,281,000.

TABLE 8

Estimated 1997-99 General Fund Taxes

Fund Source	1997-98	1998-99	Total	% of Total
Individual Income	$4,809,892,600	$4,982,402,800	$9,792,295,400	51.90%
Sales and Use	3,015,000,000	3,194,260,000	6,209,260,000	32.91
Corporate Income and Franchise	646,300,000	664,900,000	1,311,200,000	6.95
Public Utility	274,005,700	269,881,700	543,887,400	2.88
Excise				
Cigarette	243,700,000	254,500,000	498,200,000	2.64
Liquor and Wine	30,500,000	30,500,000	61,000,000	0.32
Beer	9,000,000	9,000,000	18,000,000	0.10
Tobacco Products	9,000,000	9,500,000	18,500,000	0.10
Adult Entertainment	375,000	1,500,000	1,875,000	0.01
Insurance Company	93,000,000	93,500,000	186,500,000	0.99
Estate and Gift	45,000,000	45,000,000	90,000,000	0.48
Pari-Mutuel	2,700,000	2,700,000	5,400,000	0.03
Miscellaneous	44,500,000	45,600,000	90,100,000	0.48
Amnesty	0	40,000,000	40,000,000	0.21
TOTAL	$9,222,973,300	$9,643,244,500	$18,866,217,800	100.00%

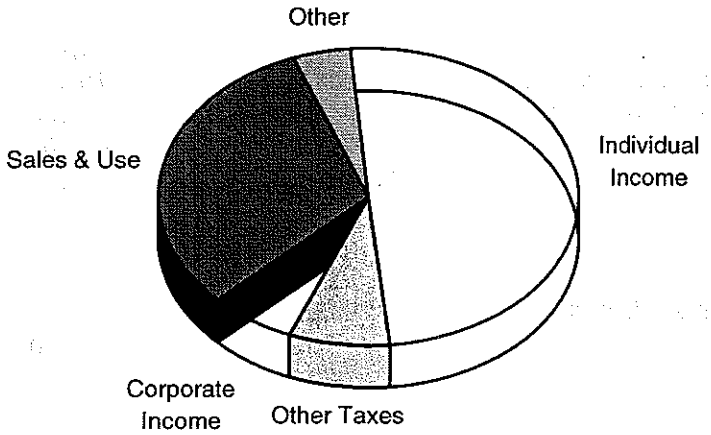
TABLE 9

Estimated 1997-99 Departmental Revenues
(GPR-Earned Amounts)

	1997-98	1998-99	1997-99
Administration	$2,177,700	$3,170,700	$5,348,400
Agriculture, Trade & Consumer Protection	616,500	576,500	1,193,000
Bd. of Commissioners of Public Lands	173,700	91,000	264,700
Circuit Courts	25,000,000	25,000,000	50,000,000
Commerce	4,000	4,000	8,000
Corrections	4,035,900	4,145,900	8,181,800
Court of Appeals	270,000	270,000	540,000
Educational Communications Board	9,000	9,000	18,000
Employment Relations	100	100	200
Ethics Board	7,200	46,200	53,400
Financial Institutions	9,968,900	9,623,800	19,592,700
Health and Family Services	31,291,200	31,383,200	62,674,400
Higher Educational Aids Board	27,500	28,000	55,500
Insurance	1,033,300	944,400	1,977,700
Interest Earnings	34,625,500	40,230,000	74,855,500
Justice	1,577,100	1,528,300	3,105,400
Military Affairs	5,000	5,000	10,000
Miscellaneous Appropriations	886,400	3,385,200	4,271,600
Natural Resources	7,575,500	7,575,500	15,151,000
Personnel Commission	5,000	5,000	10,000
Public Instruction	250,700	250,700	501,400
Public Service Commission	1,429,600	1,451,200	2,880,800
Regulation and Licensing	1,101,000	864,300	1,965,300
Revenue	4,522,300	4,292,000	8,814,300
Secretary of State	653,900	102,300	756,200
Shared Revenue and Tax Relief	7,618,800	8,178,800	15,797,600
State Treasurer	2,402,500	2,457,500	4,860,000
Supreme Court	72,000	72,000	144,000
UW System	6,703,400	6,703,400	13,406,800
Veterans Affairs	509,200	473,300	982,500
WI Technical College System	1,000	1,000	2,000
Workforce Development	582,900	583,400	1,166,300
TOTAL	$145,136,800	$153,451,700	$298,588,500

FIGURE 3

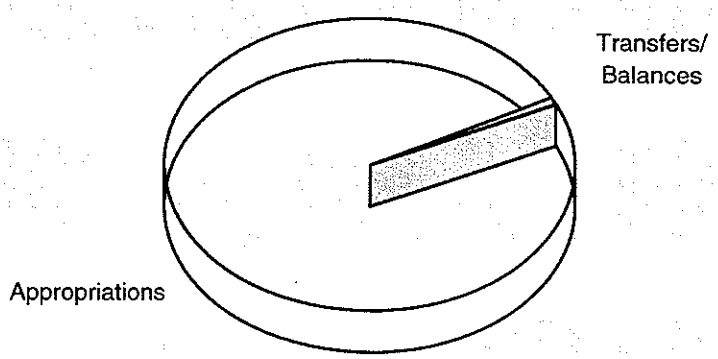
Estimated 1997-99 General Fund Revenues



Tax Source	Amount	Percent of Total
Individual Income	$9,792,295,400	49.6%
Sales/Use	6,209,260,000	31.4
Corporate Income	1,311,200,000	6.6
Public Utility	543,887,400	2.8
Excise Taxes		
Cigarette	498,200,000	2.5
Liquor	61,000,000	0.3
Beer	18,000,000	0.1
Tobacco Products	18,500,000	0.1
Adult Entertainment	1,875,000	< 0.1
Insurance	186,500,000	0.9
Estate	90,000,000	0.5
Pari-Mutuel	5,400,000	< 0.1
Miscellaneous	90,100,000	0.5
Amnesty	40,000,000	0.2
Total--Taxes	$18,866,217,800	95.5%
Other		
Opening Balance, July 1, 1997	$331,145,100	1.7%
Transfers from:		
Property Tax Relief Fund	257,755,900	1.3
Recycling Fund	3,850,000	< 0.1
Departmental Revenues	298,588,500	1.5
Total--Other	$891,339,500	4.5%
GRAND TOTAL	$19,757,557,300	100.0%

FIGURE 4

Use of 1997-99 General Fund Revenues



Use	Amount	Percent of Total
Appropriations	$19,739,921,000	99.3%
Gross Appropriations	19,638,667,000	98.8
Compensation Reserves	101,254,000	0.5
Transfer to Local Government Property Insurance Fund	4,325,800	< 0.1
Balances	125,643,300	0.6
Statutory Balance	99,464,900	0.5
Net Balance	26,178,400	< 0.1
GROSS TOTAL	$19,869,890,100	100.0%
Less Lapses	- 112,332,800	
NET TOTAL	$19,757,557,300	

TABLE 10

Summary of General Fund Appropriations by Agency

Agency	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Assembly	1997-99 Senate/Legislature	1997-99 Act 27	1997-99 Act 27 Change Over Base Amount	1997-99 Act 27 Change Over Base Percent
Administration	65,793,600	37,528,800	37,914,400	38,952,400	38,202,400	38,202,400	- 27,591,200	- 41.9%
Adolescent Pregnancy Prevention	1,093,800	0	1,089,600	1,089,600	1,089,600	1,089,600	- 4,200	- 0.4
Agriculture, Trade & Consumer Protection	48,667,200	48,148,900	47,824,000	47,849,000	50,319,000	50,319,000	1,651,800	3.4
Arts Board	5,116,400	5,040,100	5,040,100	5,040,100	5,040,100	5,040,100	- 76,300	- 1.5
Board on Aging and Long-Term Care	1,090,000	1,087,600	1,241,600	1,305,500	1,305,500	1,191,200	101,200	9.3
Building Commission	59,018,600	51,171,300	51,171,300	51,171,300	51,171,300	51,171,300	- 7,847,300	- 13.3
Circuit Courts	130,799,200	128,649,200	128,752,300	130,665,000	130,665,000	130,665,000	- 134,200	- 0.1
Clean Water Fund Program	42,531,600	51,873,500	51,873,500	52,155,400	52,155,400	52,155,400	9,623,800	22.6
Commerce	45,223,000	44,041,300	55,122,400	47,422,400	47,422,400	47,422,400	2,199,400	4.9
Compensation Reserves		96,038,600	101,254,000	101,254,000	101,254,000	101,254,000	101,254,000	N.A.
Corrections	983,265,600	1,101,494,300	1,121,230,100	1,123,951,300	1,124,902,800	1,124,902,800	141,637,200	14.4
Court of Appeals	12,342,800	12,128,000	12,117,000	12,359,200	12,359,200	12,359,200	16,400	0.1
District Attorneys	57,916,200	61,327,600	61,722,400	61,605,500	61,863,800	61,763,800	3,847,600	6.6
Educational Communications Board	14,917,800	13,735,600	13,735,600	13,735,600	13,735,600	13,735,600	- 1,182,200	- 7.9
Elections Board	1,513,800	1,483,300	1,651,700	1,650,700	1,650,700	1,650,700	136,900	9.0
Employe Trust Funds	679,000	565,300	220,324,400	220,324,400	220,324,400	220,324,400	219,645,400	N.A.
Employment Relations	10,892,800	11,042,400	10,986,500	10,970,100	10,970,100	10,970,100	77,300	0.7
Employment Relations Commission	4,971,400	4,768,200	4,768,200	4,768,200	5,118,600	5,118,600	147,200	3.0
Ethics Board	222,200	384,200	234,200	384,200	384,200	384,200	162,000	72.9
Governor	5,142,800	5,507,000	5,457,600	5,790,400	5,790,400	5,790,400	647,600	12.6
Health and Family Services	3,126,880,200	3,111,591,900	3,134,503,300	3,124,587,700	3,115,130,800	3,103,877,400	- 23,002,800	- 0.7
Higher Educational Aids Board	102,215,000	104,689,100	104,746,000	110,242,300	115,583,600	115,583,600	13,368,600	13.1
Historical Society	20,899,000	21,434,000	21,374,400	21,595,500	22,023,900	22,023,900	1,124,900	5.4
Information Technology Investment Fund	0	4,000,000	1,829,600	1,829,600	1,829,600	1,829,600	1,829,600	N.A.
Insurance	4,692,400	423,100	423,100	423,100	423,100	423,100	- 4,269,300	- 91.0
Judicial Commission	364,400	435,400	435,400	435,400	435,400	435,400	71,000	19.5
Justice	68,866,800	67,283,200	70,111,600	70,021,900	70,021,900	69,895,600	1,028,800	1.5
Legislature	100,144,000	100,996,300	105,906,600	107,641,900	107,641,900	107,641,900	7,497,900	7.5
Lieutenant Governor	951,800	941,000	941,000	941,000	941,000	941,000	- 10,800	- 1.1
Lower WI State Riverway Board	58,600	0	0	0	0	0	- 58,600	- 100.0

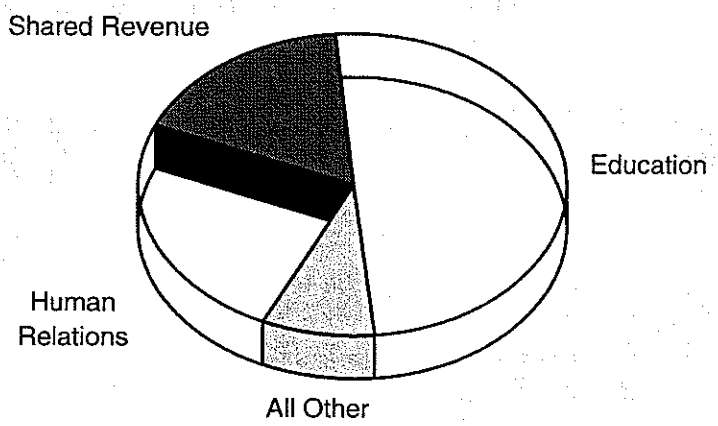
TABLE 10 (continued)

Summary of General Fund Appropriations by Agency

Agency	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Assembly	1997-99 Senate/Legislature	1997-99 Act 27	1997-99 Act 27 Change Over Base Amount	1997-99 Act 27 Change Over Base Percent
Marquette Dental School	$2,334,000	$2,334,000	$2,334,000	$2,334,000	$2,334,000	$2,334,000	$0	0.0%
Medical College of Wisconsin	15,979,400	15,277,600	15,870,900	15,825,400	15,552,600	15,552,600	- 426,800	- 2.7
Military Affairs	23,308,400	27,977,600	31,834,500	33,443,100	34,156,400	34,156,400	10,848,000	46.5
MN-WI Boundary Area Commission	137,000	0	0	0	0	0	- 137,000	- 100.0
Miscellaneous Appropriations	81,142,400	108,682,000	107,043,400	127,593,400	127,593,400	127,593,400	46,451,000	57.2
Natural Resources	335,280,800	316,200,600	318,616,800	317,970,800	319,696,200	319,696,200	- 15,584,600	- 4.6
Personnel Commission	1,473,400	1,604,600	1,604,600	1,604,600	1,604,600	1,604,600	131,200	8.9
Program Supplements	87,273,600	17,610,100	50,105,000	85,991,000	89,899,000	89,899,000	2,625,400	3.0
Public Defender	111,711,600	114,522,200	114,397,900	114,382,400	114,970,900	114,970,900	3,259,300	2.9
Public Instruction	7,213,882,600	7,600,947,900	7,629,079,500	7,634,410,100	7,625,171,000	7,618,764,300	404,881,700	5.6
Revenue	111,122,800	108,161,500	112,156,400	112,019,600	112,019,600	112,019,600	896,800	0.8
Shared Revenue and Tax Relief	3,054,164,200	3,413,039,200	3,417,439,200	3,394,939,200	3,397,412,200	3,396,175,700	342,011,500	11.2
State Fair Park	0	1,381,800	1,381,800	1,381,800	1,381,800	1,381,800	1,381,800	N.A.
Supreme Court	17,085,200	17,116,400	17,333,700	17,653,200	17,653,200	17,653,200	568,000	3.3
Technology for Educational Achievement in WI Board		59,557,400	60,082,400	59,945,200	60,845,200	59,945,200	59,945,200	N.A.
Tourism	23,340,400	23,323,200	23,150,900	23,150,900	23,225,900	23,150,900	- 189,500	- 0.8
UW System	1,682,074,600	1,722,579,900	1,717,516,100	1,725,726,000	1,724,393,500	1,724,170,200	42,095,600	2.5
Veterans Affairs	3,560,000	4,207,900	4,207,900	4,199,200	4,199,200	4,199,200	639,200	18.0
WHEDA	4,000,000	0	0	0	0	0	- 4,000,000	- 100.0
WI Technical College System	252,067,000	257,063,400	260,134,000	260,134,000	260,534,000	260,534,000	8,467,000	3.4
Workforce Development	464,098,200	476,029,300	457,964,700	457,958,100	457,958,100	457,958,100	- 6,140,100	- 1.3
TOTAL	$18,400,305,600	$19,375,425,800	$19,716,035,600	$19,760,824,700	$19,760,356,500	$19,739,921,000	$1,339,615,400	7.3%

FIGURE 5

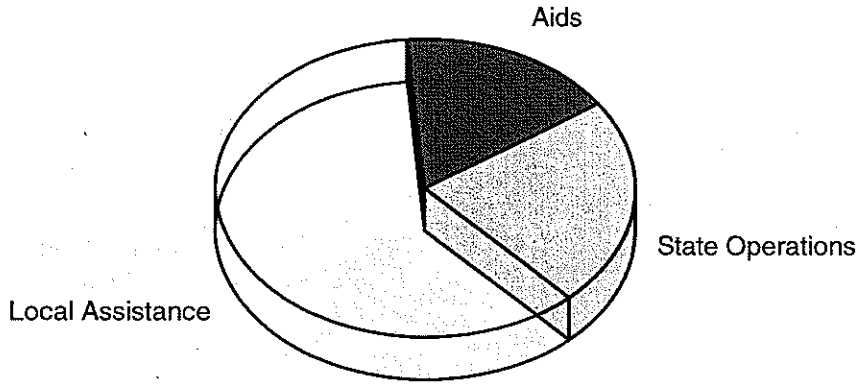
1997-99 General Fund Appropriations By Functional Area



Functional Area	Amount	Percent of Total
Education	$9,837,683,500	49.8%
Human Relations and Resources	4,864,152,700	24.6
Shared Revenue and Tax Relief	3,396,175,700	17.2
All Other	(1,641,909,100)	(8.4)
General Executive	506,858,300	2.6
Environmental Resources	395,002,500	2.0
General Appropriations	270,493,300	1.4
Judicial	161,112,800	0.8
Legislative	107,641,900	0.6
Compensation Reserves	101,254,000	0.5
Commerce	99,546,300	0.5
TOTAL	$19,739,921,000	100.0%

FIGURE 6

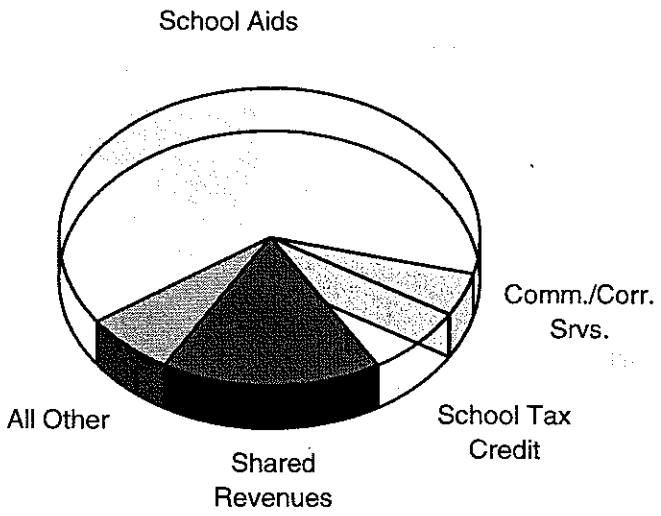
1997-99 General Fund Appropriations By Purpose



Purpose	Amount	Percent of Total
Local Assistance	$11,942,271,300	60.5%
State Operations	(4,515,399,900)	(22.9)
UW System	1,707,713,200	8.7
Other Programs	2,706,432,700	13.7
Compensation Reserves	101,254,000	0.5
Aids to Individuals and Organizations	3,282,249,800	16.6
TOTAL	$19,739,921,000	100.0%

FIGURE 7

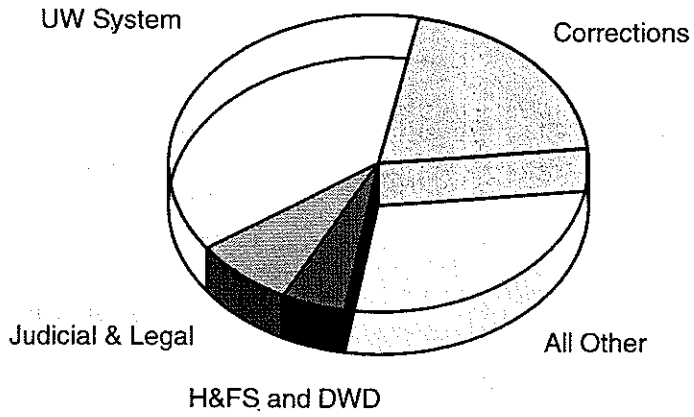
1997-99 General Fund Appropriations
Local Assistance



Program	Amount	Percent of Total
Elementary and Secondary School Aids	$7,583,604,300	63.5%
Shared Revenues	2,017,237,600	16.9
School Levy Tax Credit	938,610,000	7.8
Community & Juvenile Correctional Services	571,143,600	4.8
Environmental Aids	271,303,600	2.3
Technical College System Aids	252,831,000	2.1
Community Options Program	174,986,700	1.5
Other	132,554,500	1.1
TOTAL	$11,942,271,300	100.0%

FIGURE 8

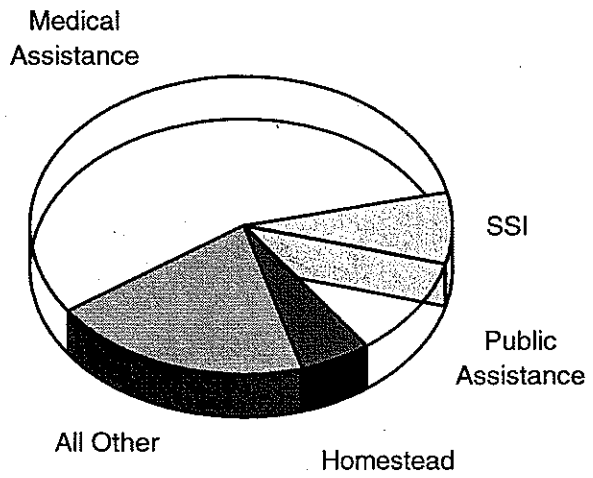
1997-99 General Fund Appropriations
State Operations



Program	Amount	Percent of Total
UW System	$1,707,713,200	37.8%
Correctional Services	910,616,000	20.2
Judicial and Legal Services	358,153,000	7.9
Health and Family Services/ Workforce Development	216,416,200	4.8
Pension Litigation	215,000,000	4.7
State Residential Institutions	165,352,700	3.6
Natural Resources	116,192,600	2.6
Tax Administration	112,019,600	2.5
Legislature	107,641,900	2.4
Compensation Reserves	101,254,000	2.3
Other	505,040,700	11.2
TOTAL	$4,515,399,900	100.0%

FIGURE 9

1997-99 General Fund Appropriations
Aids to Individuals and Organizations



Program	Amount	Percent of Total
Medical Assistance	$1,839,636,100	56.0%
Public Assistance	360,121,900	11.0
Supplemental Security Income	256,563,200	7.8
Homestead Tax Credit	179,400,000	5.5
Earned Income Tax Credit	153,500,000	4.7
Student Grants and Aids	140,438,600	4.3
Farmland Preservation Tax Credit	44,000,000	1.3
Other	308,590,000	9.4
TOTAL	$3,282,249,800	100.0%

TABLE 11

Distribution of 1997-99 General Fund Appropriations

	1997-98			1998-99			Total		
	Amount	% of Category	% of Total	Amount	% of Category	% of Total	Amount	% of Category	% of Total
LOCAL ASSISTANCE									
Elementary & Secondary School Aids	$3,694,077,700	62.9%	37.7%	$3,889,526,600	64.1%	39.1%	$7,583,604,300	63.5%	38.4%
Shared Revenues	1,008,618,800	17.2	10.3	1,008,618,800	16.6	10.1	2,017,237,600	16.9	10.2
School Levy Tax Credit	469,305,000	8.0	4.8	469,305,000	7.7	4.7	938,610,000	7.8	4.7
Community & Juvenile Correctional Services	287,598,400	4.9	2.9	283,545,200	4.7	2.9	571,143,600	4.8	2.9
Environmental Aids	137,487,000	2.3	1.4	133,816,600	2.2	1.3	271,303,600	2.3	1.4
Technical College System Aids	125,576,600	2.1	1.3	127,254,400	2.1	1.3	252,831,000	2.1	1.3
Community Options Program	84,833,800	1.5	0.9	90,152,900	1.5	0.9	174,986,700	1.5	0.9
Other	67,064,900	1.1	0.7	65,489,600	1.1	0.7	132,554,500	1.1	0.7
TOTAL--LOCAL ASSISTANCE	$5,874,562,200	100.0%	60.0%	$6,067,709,100	100.0%	61.0%	$11,942,271,300	100.0%	60.5%
STATE OPERATIONS									
UW System	$852,174,200	37.0%	8.7%	$855,539,000	38.7%	8.6%	$1,707,713,200	37.8%	8.7%
Correctional Services	442,007,200	19.2	4.5	468,608,800	21.2	4.7	910,616,000	20.2	4.6
Judicial and Legal Services	178,175,100	7.7	1.8	179,977,900	8.1	1.8	358,153,000	7.9	1.8
H&FS/Workforce Development	110,632,100	4.8	1.1	105,784,100	4.8	1.1	216,416,200	4.8	1.1
Pension Litigation	215,000,000	9.3	2.2	0	0.0	0.0	215,000,000	4.7	1.1
State Residential Institutions	80,728,300	3.5	0.8	84,624,400	3.8	0.9	165,352,700	3.6	0.8
Natural Resources	57,747,700	2.5	0.6	58,444,900	2.7	0.6	116,192,600	2.6	0.6
Tax Administration	55,395,400	2.4	0.6	56,624,200	2.6	0.6	112,019,600	2.5	0.6
Legislature	53,666,200	2.3	0.5	53,975,700	2.5	0.5	107,641,900	2.4	0.5
Compensation Reserves	34,915,600	1.5	0.4	66,338,400	3.0	0.7	101,254,000	2.3	0.5
Other	225,629,900	9.8	2.3	279,410,800	12.6	2.8	505,040,700	11.2	2.6
TOTAL--STATE OPERATIONS	$2,306,071,700	100.0%	23.5%	$2,209,328,200	100.0%	22.3%	$4,515,399,900	100.0%	22.9%
AIDS TO INDIVIDUALS AND ORGANIZATIONS									
Medical Assistance	$910,023,200	56.4%	9.3%	$929,612,900	55.7%	9.3%	$1,839,636,100	56.0%	9.3%
Public Assistance	180,090,100	11.2	1.9	180,031,800	10.8	1.8	360,121,900	11.0	1.8
Supplemental Security Income	128,281,600	8.0	1.3	128,281,600	7.7	1.3	256,563,200	7.8	1.3
Homestead Tax Credit	88,800,000	5.5	0.9	90,600,000	5.4	0.9	179,400,000	5.5	0.9
Earned Income Tax Credit	72,400,000	4.5	0.7	81,100,000	4.9	0.8	153,500,000	4.7	0.8
Student Grants and Aids	68,707,400	4.2	0.7	71,731,200	4.3	0.7	140,438,600	4.3	0.7
Farmland Preservation Tax Credit	22,000,000	1.4	0.2	22,000,000	1.3	0.2	44,000,000	1.3	0.2
Other	142,493,900	8.8	1.5	166,096,100	9.9	1.7	308,590,000	9.4	1.6
TOTAL--AIDS	$1,612,796,200	100.0%	16.5%	$1,669,453,600	100.0%	16.7%	$3,282,249,800	100.0%	16.6%
GRAND TOTAL	$9,793,430,100		100.0%	$9,946,490,900		100.0%	$19,739,921,000		100.0%

TABLE 12

Ten Largest General Fund Programs for 1997-99

	1997-98			1998-99			Total		
	Amount	% of Total	Cumulative % of Total	Amount	% of Total	Cumulative % of Total	Amount	% of Total	Cumulative % of Total
Elementary & Secondary School Aids	$3,694,077,700	37.7%	37.7%	$3,889,526,600	39.1%	39.1%	$7,583,604,300	38.4%	38.4%
Shared Revenues	1,008,618,800	10.3	48.0	1,008,618,800	10.1	49.2	2,017,237,600	10.2	48.6
Medical Assistance	910,023,200	9.3	57.3	929,612,900	9.3	58.5	1,839,636,100	9.3	57.9
UW System	852,174,200	8.7	66.0	855,539,000	8.6	67.1	1,707,713,200	8.7	66.6
School Levy Tax Credit	469,305,000	4.8	70.8	469,305,000	4.7	71.8	938,610,000	4.7	71.3
Correctional Services	442,007,200	4.5	75.3	468,608,800	4.7	76.5	910,616,000	4.6	75.9
Community & Juvenile Correctional Services	287,598,400	2.9	78.2	283,545,200	2.9	79.4	571,143,600	2.9	78.8
Public Assistance	180,090,100	1.9	80.1	180,031,800	1.8	81.2	360,121,900	1.8	80.6
Judicial and Legal Services	178,175,100	1.8	81.9	179,977,900	1.8	83.0	358,153,000	1.8	82.4
Environmental Aids	137,487,000	1.4	83.3	133,816,600	1.3	84.3	271,303,600	1.4	83.8
SUBTOTAL	$8,159,556,700	83.3%		$8,398,582,600	84.3%		$16,558,139,300	83.8%	
All Other Programs	1,633,873,400	16.7	100.0	1,547,908,300	15.7	100.0	3,181,781,700	16.2	100.0
GRAND TOTAL	$9,793,430,100	100.0%		$9,946,490,900	100.0%		$19,739,921,000	100.0%	

TABLE 13

Summary of General Fund Full-Time Equivalent Positions by Agency

	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Assembly	1998-99 Senate/ Legislature	1998-99 Act 27	Change to Base
Administration	214.02	172.27	171.71	171.71	171.71	171.71	- 42.31
Adolescent Pregnancy Prevention	1.50	0.00	1.50	1.50	1.50	1.50	0.00
Agriculture, Trade and Consumer Protection	307.11	305.61	311.61	311.61	311.61	311.61	4.50
Arts Board	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Board on Aging and Long-Term Care	8.45	10.45	12.45	14.45	14.45	12.45	4.00
Circuit Courts	494.00	494.00	494.00	496.00	496.00	496.00	2.00
Commerce	97.95	85.85	84.85	84.85	84.85	84.85	- 13.10
Corrections	6,278.47	7,119.91	7,136.45	7,102.75	7,102.75	7,102.75	824.28
Court of Appeals	73.00	73.00	75.50	75.50	75.50	75.50	2.50
District Attorneys	348.00	352.00	360.50	360.50	364.00	364.00	16.00
Educational Communications Board	65.75	61.75	61.75	61.75	61.75	61.75	- 4.00
Elections Board	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Employment Relations	82.05	81.55	80.05	80.05	80.05	80.05	- 2.00
Employment Relations Commission	28.50	25.50	25.50	25.50	28.50	28.50	0.00
Ethics Board	1.75	3.00	1.75	3.00	3.00	3.00	1.25
Governor	46.05	46.05	46.05	46.05	46.05	46.05	0.00
Health and Family Services	1,558.11	1,852.85	1,852.93	1,862.43	1,863.43	1,863.43	305.32
Higher Educational Aids Board	9.50	9.50	9.50	9.50	9.50	9.50	0.00
Historical Society	145.35	143.10	145.50	145.50	145.50	145.50	0.15
Judicial Commission	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Justice	410.15	411.90	408.40	408.40	408.40	407.40	- 2.75
Legislature	805.17	805.17	809.17	809.17	809.17	809.17	4.00
Lieutenant Governor	8.00	7.75	7.75	7.75	7.75	7.75	- 0.25
Military Affairs	105.83	106.58	108.08	108.08	108.08	108.08	2.25
Natural Resources	521.28	507.28	503.28	503.28	503.28	503.28	- 18.00

TABLE 13 (continued)

Summary of General Fund Full-Time Equivalent Positions by Agency

	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Assembly	1998-99 Senate/ Legislature	1998-99 Act 27	Change to Base
Personnel Commission	10.00	10.00	10.00	10.00	10.00	10.00	0.00
Program Supplements	4.00	0.00	0.00	0.00	0.00	0.00	- 4.00
Public Defender	529.60	526.60	526.60	526.60	526.60	526.60	- 3.00
Public Instruction	328.06	324.61	327.36	327.36	330.36	327.36	- 0.70
Revenue	913.75	893.25	907.75	907.75	907.75	907.75	- 6.00
Supreme Court	108.50	108.50	112.00	112.00	112.00	111.00	2.50
Technology for Educational Achievement in WI Board	0.00	6.00	6.00	6.00	6.00	6.00	6.00
Tourism	58.00	58.25	58.25	58.25	58.25	58.25	0.25
University of Wisconsin System	18,299.32	18,251.15	18,251.15	18,249.15	18,255.75	18,251.75	- 47.57
Veterans Affairs	5.65	6.65	6.65	6.65	6.65	6.65	1.00
Wisconsin Technical College System	38.85	38.85	38.65	38.65	38.65	38.65	- 0.20
Workforce Development	314.32	294.99	291.74	291.74	291.74	291.74	- 22.58
TOTAL	32,240.04	33,213.92	33,264.43	33,243.48	33,260.58	33,249.58	1,009.54

OVERVIEW

TRANSPORTATION FUND BUDGET

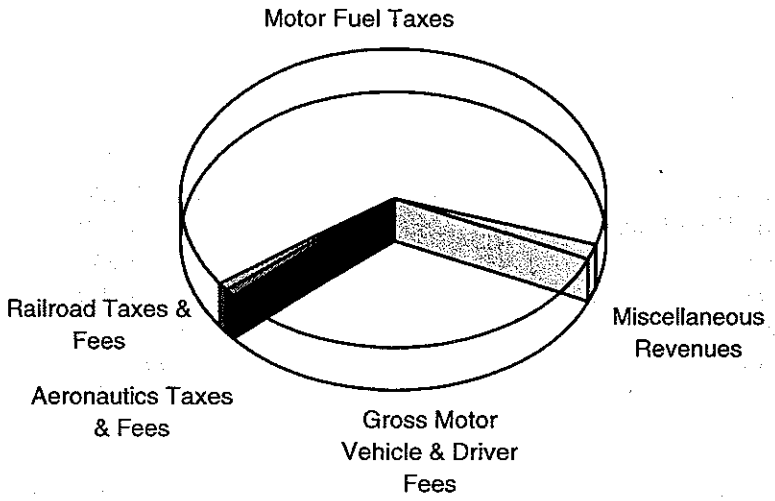
TABLE 14

1997-99 Transportation Fund Condition Statement

	1997-98	1998-99
Revenues		
Unappropriated Balance, July 1	-$7,095,800	$3,591,100
Motor Fuel Tax	$741,979,700	$785,584,900
Vehicle Registration Fees	308,825,600	326,257,400
Less Revenue Bond Debt Service	-74,665,300	-82,844,700
Net Registration Fees	234,160,300	243,412,700
Driver's License Fees	25,774,700	30,806,400
Miscellaneous Motor Vehicle Fees	26,318,200	35,291,300
Aeronautical Fees and Taxes	7,897,600	7,720,600
Railroad Revenue	11,479,200	10,332,900
Motor Carrier Fees	3,075,000	3,050,000
Investment Earnings	7,194,300	9,514,000
Miscellaneous Revenue	10,450,100	10,650,100
Total Annual Revenues	$1,068,329,100	$1,136,362,900
Total Available	$1,061,233,300	$1,139,954,000
Appropriations and Reserves		
DOT Appropriations	$1,042,463,000	$1,119,261,900
Other Agency Appropriations	14,690,600	15,890,500
Less Estimated Lapses	-3,490,000	-3,500,000
Compensation and Other Reserves	3,978,600	8,192,400
Net Appropriations and Reserves	$1,057,642,200	$1,139,844,800
Unappropriated Balance, June 30	$3,591,100	$109,200

FIGURE 10

Estimated 1997-99 Transportation Fund Revenues



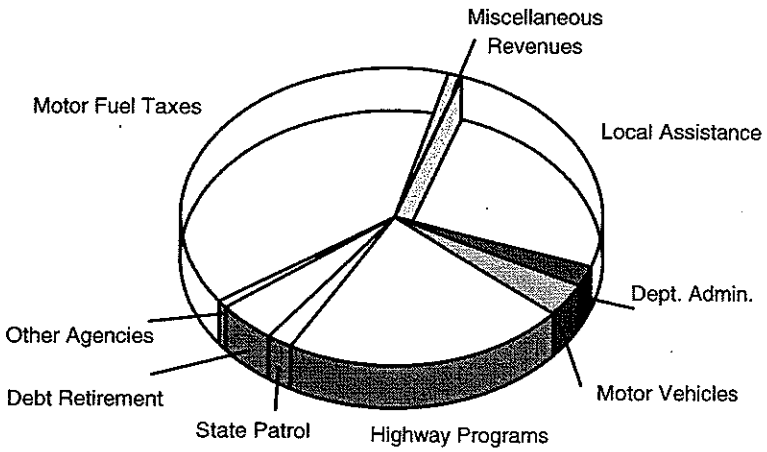
Source	Amount	Percent of Total
Motor Fuel Taxes	$1,527,564,600	64.7%
Gross Motor Vehicle and Driver Fees*	759,398,600	32.1
Railroad Taxes and Fees	21,812,100	0.9
Aeronautics Taxes and Fees	15,618,200	0.7
Miscellaneous Revenues	37,808,500	1.6
TOTAL	$2,362,202,000	100.0%

*Total motor vehicle fees before revenue bond debt service is subtracted and deposited to a separate debt service trust fund.

NOTE: The July 1, 1997, unappropriated balance of the transportation fund was -$7,095,800. Therefore, the total amount available in the transportation fund for the 1997-99 biennium is estimated to be $2,355,106,200.

FIGURE 11

1997-99 Transportation Fund Appropriations By Category



Category	Amount	Percent of Total
Local Assistance	$983,157,400	41.6%
Highway Programs	860,378,100	36.4
Debt Retirement*	171,401,400	7.3
Division of Motor Vehicles	136,867,700	5.8
Departmental Administration	88,301,000	3.7
Division of State Patrol	79,129,300	3.4
Other Agencies	30,581,100	1.3
Reserves	12,171,000	0.5
TOTAL	$2,361,987,000	100.0%

*Includes debt service on revenue bonds, which is subtracted from vehicle registration revenues prior to deposit in the transportation fund.

NOTE: Lapses from the appropriations above are estimated to be $6,990,000 in 1997-99. Therefore, expenditures in the 1997-99 biennium are estimated to be $2,354,997,000.

OVERVIEW

LOTTERY FUND BUDGET

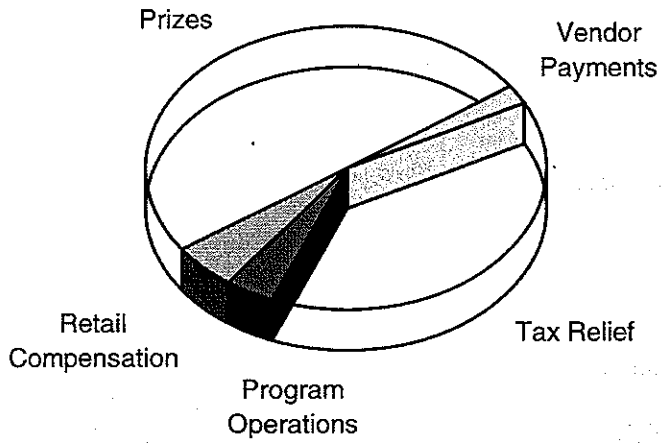
TABLE 15

1997-99 Lottery Fund Condition Statement

	1997-98	1998-99
Fiscal Year Opening Balance	$133,817,600	$9,277,600
Operating Revenues		
Ticket Sales	$463,800,000	$487,000,000
Retailer Fees and Miscellaneous	80,000	80,000
Gross Revenues	$463,880,000	$487,080,000
Expenditures		
Prizes	$265,202,600	$278,471,700
Basic Retailer Compensation	27,473,200	30,091,200
Vendor Payments	11,829,800	12,075,500
General Program Operations	20,382,900	20,711,500
Appropriation to DOJ	225,800	229,600
Appropriation to DOR	119,800	119,800
Total Expenditures	$325,234,100	$341,699,300
Net Proceeds	$138,645,900	$145,380,700
Interest Earnings	$7,655,300	$2,986,200
Total Available for Tax Relief	$280,118,800	$157,644,500
Appropriations for Tax Relief		
Lottery Property Tax Credit	$258,841,200	$136,102,900
Lottery Credit Local Administrative Costs	0	0
Farmland Tax Relief Credit	12,000,000	11,800,000
Total Appropriations for Tax Relief	$270,841,200	$147,902,900
Gross Closing Balance	$9,277,600	$9,741,600
Reserve (2% of Gross Revenues)	$9,277,600	$9,741,600
Net Closing Balance	$0	$0

FIGURE 12

1997-99 Lottery Fund Expenditures



	Amount	Percent of Total
Operating Expenditures	$666,933,400	61.4%
Prizes	543,674,300	50.1
Retailer Compensation	57,564,400	5.3
General Program Operations	41,094,400	3.8
Vendor Payments	23,905,300	2.2
Appopriations to DOJ and DOR	695,000	< 0.1
Appropriations for Tax Relief	$418,744,100	38.6%
Lottery Property Tax Credit	394,944,100	36.4
Farmland Tax Relief Credit	23,800,000	2.2
TOTAL	$1,085,677,500	100.0%

GENERAL FUND TAXES

GENERAL FUND TAXES

Budget Change Items

GENERAL FUND TAX CHANGES

The following table indicates the general fund tax changes recommended by the Governor and adopted by the Joint Committee on Finance, Assembly and Senate, along with the estimated fiscal effect of each for the 1997-99 biennium. The final column shows the tax changes in Act 27, after the Governor's partial vetoes.

1997-99 General Fund Taxes Changes -- Biennial Fiscal Effects
($ in Millions)

	Governor	Joint Finance	Assembly	Senate/ Legislature	Act 27
Individual Income					
Reduce tax rates/Index	$0.0	$0.0	-$49.8	-$49.8	-$49.8
Working families tax credit	0.0	-25.3	-25.3	-25.3	-25.3
Internal Revenue Code update	0.0	-16.0	-16.0	-16.0	-16.0
Change proration for non- and part-year residents	4.0	10.7	10.7	10.7	10.7
Married couple credit	0.0	0.0	-6.0	-6.0	-6.0
Family sales of business assets	0.0	0.0	-5.0	-5.0	-5.0
Phase-out senior credit	0.0	4.3	4.3	4.3	4.3
Audit recovery	0.0	3.6	3.6	3.6	3.6
Long-term care insurance deduction	0.0	-3.0	-3.0	-3.0	-3.0
Credit for sales tax on manufacturing fuel and electricity	0.0	-1.8	-1.8	-1.8	-1.8
Foreign investment income	0.0	0.0	0.6	0.6	0.6
License denial for delinquent taxes	0.8	0.0	0.0	0.0	0.0
Repeal farm loss limits*	0.0	0.0	0.0	0.0	0.0
General Sales and Use					
Use tax on catalog sales	36.1	36.1	36.1	36.1	36.1
Interstate telecommunications services	7.5	9.3	8.4	8.4	8.4
Increased audit recovery	0.0	4.2	4.2	4.2	4.2
Telephone answering services	1.9	4.5	4.1	4.1	4.1
Modular homes and manufactured buildings	-1.6	-2.0	-1.8	-1.8	-1.8
Exemption for raw materials used in printing	0.0	-0.8	-0.7	-0.7	-0.7
Motor fuel tax refunds	0.0	0.0	-0.7	-0.7	-0.7
Exemption for samples of medication to physicians	0.0	-0.5	-0.5	-0.5	-0.5
University food contracts	0.0	0.1	0.2	0.2	0.2
Coin-operated laundry	5.1	0.0	0.0	0.0	0.0
Time shares	0.0	0.0	-0.2	-0.2	0.0
Prepaid calling cards	0.0	0.0	0.2	0.2	0.0
Railroad maintenance of way	0.0	0.0	-1.0	0.0	0.0

	Governor	Joint Finance	Assembly	Senate/ Legislature	Act 27
Corporate Income and Franchise					
Internal Revenue Code update	$0.0	$10.0	$10.0	$10.0	$10.0
Increased audit recovery	3.5	4.2	4.2	4.2	4.2
Historic rehabilitation credit	0.0	-0.2	-0.2	-0.2	0.0
Cigarette					
Increase rate	41.9	123.9	106.4	106.4	106.4
Decrease distributor's discount	0.0	1.9	1.8	1.8	1.8
Other Taxes					
Amnesty	0.0	0.0	40.0	40.0	40.0
Adult entertainment	0.0	2.3	1.9	1.9	1.9
Total Change	$99.2	$165.5	$124.6	$125.6	$125.8

*The modifications to the farm loss provisions would take effect in tax year 1999 and would have no fiscal effect in the 1997-99 biennium. Beginning in 1999-2000, the fiscal estimate is a loss of $1.7 million annually.

Individual and Corporate Income Taxes

1. REDUCE INDIVIDUAL INCOME TAX RATES AND IMPLEMENT INDEXING

Chg. to Base
GPR-REV - $49,800,000

Assembly: Reduce the individual income tax rates beginning with tax year 1998 as follows: 1% in tax year 1998; 2% in tax year 1999; 3% in tax year 2000; 4% in tax year 2001; and 5% in tax year 2002 and thereafter. The table below shows the tax rates under this provision. Direct DOR to not adjust the withholding tables to reflect the lower tax rates until tax year 2000. This is estimated to reduce general fund tax revenues by $49.8 million in 1998-99 associated with the 1% rate reduction in tax year 1998. The remaining costs would not be incurred until outside of the 1997-99 biennium. In the out years, this provision is estimated to cost $173.5 million in 1999-2000, $184.5 million in 2000-01, $237.7 million in 2001-02 and $269.4 million in 2002-03.

Current Law	1998	1999	2000	2001	2002
4.90%	4.85%	4.80%	4.75%	4.70%	4.66%
6.55	6.48	6.42	6.35	6.29	6.22
6.93	6.87	6.79	6.72	6.65	6.58

Senate/Legislature: Delete the Assembly provision. Instead, reduce the income tax rates by 1% beginning with tax year 1998. In addition, index the standard deduction and income tax brackets

for changes in inflation, rounded to the nearest $10, beginning in tax year 1999. Inflation adjustments would be made based on changes in the U.S. consumer price index (CPI) for all urban consumers, U.S. city average. Retain the Assembly provision that would direct DOR to not adjust the withholding tables to reflect the lower tax rates until tax year 2000.

Compared to current law, this provision would cost $49.8 million in 1998-99, $129.7 million in 1999-2000, $133.6 million in 2000-01, $172.3 million in 2001-02, and $212.2 million in 2002-03. Compared to the Assembly budget, this provision is estimated to increase revenues by $43.8 million in 1999-2000, $50.9 million in 2000-01, $65.4 million in 2001-02 and $57.2 million in 2002-03. The 1998-99 cost ($49.8 million) would remain the same as the Assembly budget.

[Act 27 Sections: 2261ds thru 2261eo, 2294m, 2302m and 2302no]

2. WORKING FAMILIES TAX CREDIT

	Chg. to Base
GPR-REV	- $25,300,000

Joint Finance/Legislature: Create an individual income tax credit equal to a taxpayer's net tax liability for taxpayers with adjusted gross income up to $9,000 ($18,000 if married-joint), effective with tax year 1998. Provide that the credit would phase out over the next $1,000 of income until it would be eliminated when income equals $10,000 ($19,000 if married-joint). Specify that only full-year resident taxpayers and taxpayers who can not be claimed as a dependent on another taxpayer's return would be eligible for the credit. Direct the Department of Revenue to modify the withholding tables to reflect the credit. The credit is estimated to cost $25.3 million in 1998-99. However, depending on how the withholding tables are modified, there could be an additional one-time cost in the first year.

[Act 27 Sections: 2262np, 2264s, 2294m and 9343(2g)]

3. INTERNAL REVENUE CODE UPDATE [LFB Paper 110]

	Chg. to Base
GPR-REV	- $6,000,000

Joint Finance: Provide that, beginning in tax year 1997, state individual income and corporate and business tax provisions referenced to the federal Internal Revenue Code (IRC) would refer to the code in effect on December 31, 1996, rather than December 31, 1995, as under current law. In general, provisions that were adopted retroactively under federal law would also apply retroactively for state tax purposes. Provide that three provisions would not be adopted: (a) a change in the definition of targeted job members under the federal work opportunity credit; (b) audit procedures for S corporations; and (c) treatment of certain accumulated earnings and profits of S corporations. Repeal the current statutory provisions regarding the state medical savings account (MSA) program since the federal MSA program would be adopted as part of the IRC update. The fiscal effect of this provision is estimated to be a decrease in individual income tax revenues of $9.4 million in 1997-98 and $6.6 million in 1998-99 and an increase in corporate and business tax revenues of $4.3 million in 1997-98 and $5.7 million in 1998-99.

increase is estimated to cost $32.0 million in 1999-2000, $51.6 million in 2000-01 and $71.2 million in 2001-02.

[Act 27 Sections: 2262ns thru 2262nu]

6. EXCLUSION FOR CAPITAL GAINS ON BUSINESS ASSETS SOLD TO FAMILY MEMBERS

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$0	- $5,000,000	- $5,000,000

Joint Finance: Provide a complete exclusion for long-term capital gains realized on the sale of business assets and assets used in farming to a family member that were held for more than one year, including gains on property used in the ordinary course of business as defined under the Internal Revenue Code, effective January 1, 1999. Provide that farm assets would include shares in a corporation or trust that meet the same standards that currently allow a corporation or trust to carry on farming operations in the state. Specify that an eligible family member would include a person who is related by blood, marriage or adoption within the 3rd degree of kinship. Provide that amounts treated as ordinary income for federal tax purposes because of the recapture of depreciation or for any other reason would not be included in this provision. Specify that the capital gains exclusion under this provision would be applied after all capital gains and losses have been netted. Under current law, a 60% exclusion is provided for capital gains held for more than one year; capital losses that may be used to offset ordinary income are limited to $500 annually.

Since this provision would not take effect until tax year 1999, there would be no cost in the 1997-99 biennium. However, beginning in 1999-00, it is estimated to reduce general fund revenues by approximately $5.0 million annually.

Assembly/Legislature: Change the effective date for this provision from January 1, 1999, to January 1, 1998. This change is estimated to reduce general fund revenues by $5.0 million in 1998-99.

Specify that the family member who purchased the business would be required to retain ownership of the business assets for at least two years. If the business assets are resold within two years, a penalty would be imposed on the purchaser. As drafted, the penalty would equal the amount of the exclusion allowed under this provision plus an additional amount equal to the amount of the exclusion, adjusted based on the amount of time the business was held by the purchaser.

Veto by Governor [F-5]: Clarify that the penalty would equal the amount of the exclusion allowed under this provision, prorated according to the amount of time the assets were held.

[Act 27 Sections: 2261c, 2321m, 2332v and 9343(1c)]

[Act 27 Vetoed Section: 2332v]

7. PHASE-OUT SENIOR CITIZEN TAX CREDIT

	Chg. to Base
GPR-REV	$4,300,000

Joint Finance/Legislature: Phase out the senior citizen tax credit, which is currently $25 for each taxpayer over the age of 65, for married taxpayers filing joint returns with annual income over $40,000, single taxpayers with income over $30,000 and married-separate taxpayers with income over $20,000. The credit would phase out over the next $1,000 in income until it is eliminated. This would be effective for tax year 1997 and is estimated to increase individual income tax revenues by $2.1 million in 1997-98 and $2.2 million in 1998-99.

[Act 27 Sections: 2262p, 2262q and 9343(2u)]

8. INDIVIDUAL INCOME TAX: LONG-TERM CARE INSURANCE DEDUCTION

	Chg. to Base
GPR-REV	- $3,000,000

Joint Finance/Legislature: Create an income tax deduction for premium costs paid by taxpayers for long-term care insurance beginning in tax year 1998. Prohibit the premium costs for long-term insurance from being included as an itemized deduction for purposes of calculating the itemized deduction tax credit. This is estimated to reduce revenues by $3.0 million in 1998-99.

[Act 27 Sections: 2261d and 2262nm]

9. CREDIT FOR SALES TAX ON FUEL AND ELECTRICITY USED IN MANUFACTURING

	Chg. to Base
GPR-REV	- $1,800,000

Joint Finance: Provide, for tax years beginning on or after January 1, 1998, the tax credit for sales taxes on fuel and electricity used in manufacturing under the individual income tax to allow owners, partners and shareholders of businesses organized as sole proprietorships, partnerships, and tax-option corporations, respectively, to claim the credit. Shareholders in tax-option corporations and partners would claim the credit in proportion to the ownership interest of each shareholder or partner. The tax-option corporation or partnership would calculate the amount of credit which could be claimed by each shareholder or partner and provide that information to the individual. The credit could only be claimed against the tax imposed on the

business operations of the claimant in which the fuel and electricity are consumed and, for shareholders and partners, the credit could only be claimed against their pro-rated share of income. If the credit was not offset against income tax liability for the current year, the owner, partner or shareholder of the business could carry forward the remaining credit for up to 15 years to offset future tax liability. The provision would reduce individual income tax revenues by an estimated $1,800,000 in 1998-99.

Assembly/Legislature: Clarify statutory provisions used to determine when and how the manufacturer's sales tax credit is added to income.

[Act 27 Sections: 2261, 2262m, 2262s, 2262t, 2264m, 2267, 2276m, 2276n, 2276no, 2276p, 2280, 2280ar, 2280m, 2280n, 2286m, 2286n, 2286no, 2286p and 9343(9z)]

10. TAXATION OF INCOME FROM A PASSIVE FOREIGN INVESTMENT COMPANY

	Chg. to Base
GPR-REV	$600,000

Assembly/Legislature: Include excess distributions from passive foreign investment companies as Wisconsin adjusted gross income (AGI) for state individual income tax purposes beginning with tax year 1997. Under federal law, special rules are provided for individuals who invest in passive assets through a foreign investment company. Under these rules, excess distributions from these investments are not included in the taxpayer's federal AGI, but rather, are subject to a special federal tax. Since this income is not included as part of federal AGI, it is not included as part of Wisconsin AGI. This provision would require taxpayers to add the amount of excess distributions received from a passive foreign investment company when calculating Wisconsin AGI. This is estimated to increase revenues by approximately $300,000 annually.

[Act 27 Sections: 2261ao and 9343(3m)]

11. EARNED INCOME TAX CREDIT [LFB Paper 108]

Governor: Provide $18,500,000 in 1997-98 and $31,000,000 in 1998-99 for estimated costs of the earned income tax credit. The administration indicates that the increase includes $11.0 million in 1997-98 and $18.0 million in 1998-99 to reflect increased participation due to the implementation of the Wisconsin Works program. The remainder, $7.5 million in 1997-98 and $13.0 million in 1998-99, reflects indexing of the credit at the federal level and normal program growth over the base. Total funding would be $75.5 million in 1997-98 and $88.0 million in 1998-99. Funding for the credit is shown under the appropriations in "Shared Revenue and Tax Relief--Other Credits."

Joint Finance: Reestimate funding for the EITC by $3.2 million in 1997-98 and $200,000 in 1998-99. This would provide total funding of $78.7 million in 1997-98 and $88.2 million in 1998-99. The reestimate reflects an increase of $2.5 million in 1997-98 and a decrease of $1.1 million in 1998-

99 from the amounts provided in the bill for increased participation due to the W-2 program and an increase of $700,000 in 1997-98 and $1.3 million in 1998-99 for normal program growth.

Assembly/Legislature: Reestimate funding for the EITC by -$6.3 million in 1997-98 and -$7.1 million in 1998-99 to reflect actual spending levels for the program in 1996-97. This would provide total funding of $72.4 million in 1997-98 and $81.1 million in 1998-99 for the EITC.

12. REPEAL LIMIT ON FARM AND FARM INVESTMENT LOSSES

Assembly/Legislature: Repeal the state farm loss limits that are provided under current law for persons who are determined to be actively engaged in farming under federal law, effective January 1, 1999. Permit taxpayers with farm losses previously disallowed under the limits to carry forward the disallowed losses for 15 years to offset positive farm income. In addition, increase the amount of nonfarm income a taxpayer could have before no loss is allowed from $400,000 to $600,000 for persons who are not determined to be actively engaged in farming (this change would allow persons who are not actively engaged in farming with nonfarm AGI of between $400,000 and $600,000 to deduct $5,000 in farm losses, whereas these individuals could not deduct any amount under current law).

Currently, state law limits the use of net losses from farming as an offset against nonfarm income. The amount of offset allowed is reduced as nonfarm adjusted gross income (AGI) is increased: for nonfarm income of less than $55,000, the full amount is deductible; no loss is currently allowed if nonfarm income exceeds $400,000 (this would be increased to $600,000 under this modification). The table below shows the allowable losses and nonfarm AGI levels under current law.

Nonfarm AGI	Allowable Loss
$0 - $55,000	Full Amount
55,000 - 75,000	$20,000
75,000 - 100,000	17,500
100,000 - 150,000	15,000
150,000 - 200,000	12,500
200,000 - 250,000	10,000
250,000 - 300,000	7,500
300,000 - 400,000*	5,000
400,000 and Over*	No Loss

*The $400,000 amount would be increased to $600,000 under this provision.

Because of the January 1, 1999, effective date, there would be no fiscal effect in the 1997-99 biennium. Beginning in the 1999-2000 fiscal year, this provision would cost an estimated $1.7 million annually.

[Act 27 Sections: 2260t, 9343(7m) and 9443(7m)]

13. FEDERALIZE TREATMENT OF STATUTORY INDEPENDENT CONTRACTORS

Governor/Legislature: Specify that a qualified real estate agent or a direct seller who is not treated as an employe under the federal Internal Revenue Code would not be an employe for state income tax withholding purposes. Under current law, such individuals could be treated differently under state and federal tax laws. This could result in an individual being considered an independent contractor for federal tax purposes (which would require the individual to pay quarterly estimated income taxes) and for the same individual to be considered an employe for state tax purposes (which would require the employer to withhold state income taxes). This modification would specify that, if for federal tax purposes, a qualified real estate agent or direct seller is an independent contractor and no withholding is required by the payer, then that individual would also be considered an independent contractor and no withholding would be required for state tax purposes.

[Act 27 Section: 2291]

14. EXEMPT INTEREST PAID ON BONDS ISSUED BY A PREMIER RESORT CENTER

Governor: Exempt interest paid on bonds issued by a premier resort center from the individual income tax and the corporate income and franchise tax. This provision is summarized in greater detail under "Shared Revenue and Property Tax Relief -- Local Revenue Options."

Joint Finance/Legislature: Delete provision.

15. DEVELOPMENT ZONES TAX CREDITS [LFB Paper 252]

Governor: Eliminate the current development zones tax credits from the definition of tax benefits that are provided through the state development zone, development opportunity zone and enterprise development zone program, starting with tax years that begin on January 1, 1998. To replace the current credits, a new, consolidated development zones credit, based on amounts spent on environmental remediation and the number of full-time jobs created or retained, would be provided. The new development zone credit would be determined as follows:

a. *Environmental Remediation Component.* A credit could be claimed for the amount expended for environmental remediation in a development, development opportunity or enterprise development zone. "Environmental remediation" would be defined as removal or containment of environmental pollution, and restoration of soil or groundwater that is affected by environmental pollution in a brownfield if removal, containment or restoration began after the area that contains the site where the work was done was designated a development, development opportunity or enterprise development zone. "Environmental pollution" means the contaminating or rendering unclean or impure the air, land or waters of the state, or making the same injurious to public health, harmful for commercial or recreational use, or deleterious to fish, bird, animal or plant life. "Brownfield" would

be defined as an industrial or commercial facility the expansion or redevelopment of which is complicated by environmental contamination.

b. *Full-Time Jobs Component.* A credit of up to $6,500 could be claimed for each full-time job created or retained (as determined under rules promulgated by the Department of Commerce) in a development, development opportunity, or enterprise development zone and filled by a member of a targeted group. In addition, a credit of up to $4,000 could be claimed for each full-time job created or retained in a development, development opportunity, or enterprise development zone that is filled by an individual who is not a member of a targeted group. "Full-time job" would be defined as a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including leave and paid holidays, and for which the individual receives pay equal to at least 150% of the federal minimum wage and also receives benefits that are not required by federal or state law. A full-time job would not include initial training before an employment position began. "Member of a targeted group" would be defined as: (1) a person who is a member of a targeted group under the definition used for the current development zones jobs tax credit; (2) a person who resides in an empowerment zone or an enterprise community that the federal government has designated; or (3) a Wisconsin Works (W-2) participant, if the person or participant is certified in the appropriate manner and by the appropriate designated local agency. Compensation paid for full-time jobs could not be included as eligible research expenses for the purpose of claiming the state research credit.

Credits that are not entirely used to offset income or franchise taxes in the current year could be carried forward up to 15 years to offset future tax liabilities. Internal Revenue Code provisions would govern the carry-forward of unused credits in cases where there is a change of ownership. If a certification of eligibility for tax benefits is revoked, credits could not be claimed for the tax year in which the certification was revoked or for successive tax years and unused credits could not be carried forward to offset tax liabilities for the year in which certification was revoked and succeeding years. In addition, credits could not be claimed for the year in which a person that was certified for tax benefits ceased business operations in a development, development opportunity or enterprise development zone, and unused credit amounts could not be carried forward from that year or from previous years.

The Department of Revenue would be authorized to administer credit claims and could take any action, conduct any proceeding and proceed as authorized under income and franchise tax provisions relating to timely claims, assessments, refunds, appeals, collection, interest and penalties. Provisions related to the pass through of the current development zones jobs tax credit for partnerships, limited liability companies and tax-option corporations would be adopted.

The Department of Commerce would be authorized to promulgate rules that would further define a person's eligibility for tax benefits under the development zone, opportunity development zone and enterprise development zone programs. The rules would be required to do at least all of the following:

a. Limit a person's eligibility to claim tax benefits for retaining full-time jobs to those jobs that likely would not have been retained without the tax benefits.

b. Allow a person to claim up to $6,500 in tax benefits during the time that an area is designated as a development or enterprise development zone for creating or retaining a full-time job that is filled by a member of the target population.

c. Allow a person to claim up to $4,000 in tax benefits during the time that an area is designated as a development zone or an enterprise development zone for creating or retaining a full-time job that is filled by an individual who was not a member of the target population.

d. Require that at least 25% of the tax benefits claimed be based on creating or retaining full-time jobs. At least one-third of the tax benefits claimed for creating or retaining full-time jobs would have to be for full-time jobs that were filled by members of the target population.

e. Specify the length of time that a full-time job must be maintained in order for a person to claim a tax credit that is based on that job.

f. Generally provide incentives for encouraging the retention of employes who would fill full-time jobs on which tax benefits would be based.

The Department of Commerce would also be authorized to promulgate rules which would provide exceptions to: (1) the requirements that a certain proportion of tax benefits be based on full-time jobs created and retained and full-time jobs filled by members of the target population; and (2) the requirement that an individual's pay must equal at least 150% of the federal minimum wage. The Department of Commerce would be required to verify related information that was submitted concerning the new development zones credit.

A number of statutory references to jobs would be modified to reflect the new definition of full-time jobs. The provisions that would be modified include those related to: factors that must be considered in making a determination to designate a development or enterprise development zone; nomination applications; development and enterprise development zone plans; tax benefit eligibility certifications; tax benefit limits; circumstances which prevent certification; circumstances that would be exempt from the prohibition; and Departmental authority.

These provisions would first apply to tax years beginning on January 1, 1998.

Under current law, Wisconsin has three programs which provide tax credits to businesses as incentives to expand and locate in designated economically distressed areas--the development zone, enterprise development zone and development opportunity zone programs. The programs are designed to promote economic growth through job creation and investment in the distressed areas. Designation criteria target areas with high unemployment, low incomes and decreasing property values. Businesses which locate or expand in the different zones are eligible to receive various tax credits.

Eligible businesses which conduct economic activity in development opportunity or enterprise development zones may claim the following tax credits:

Jobs Credit. Eligible businesses may claim a tax credit, based on the federal targeted jobs tax credit, equal to 20% of the first $13,000 ($2,600) of qualified first and second year wages for each targeted employe hired. In addition, the credit equals 25% of the first $13,000 ($3,250) of qualified first and second year wages for individuals in W-2 employment positions. Finally, a credit can be claimed for an amount equal to 10% of the wages earned by an employe who is a resident of a zone during the first two years of employment, up to a maximum of $1,200.

The definition of eligible target groups is referenced to federal law. Under federal law, eligible target groups include:

a. A handicapped individual receiving vocational rehabilitation;

b. An individual between 18 and 22 years of age who is a member of an economically disadvantaged family;

c. A Vietnam veteran who is a member of an economically disadvantaged family;

d. An individual receiving federal Supplemental Security Income payments or state supplements;

e. An individual receiving state and local general assistance;

f. A youth between 16 and 19 years of age who is a member of an economically disadvantaged family and a participant in a qualified cooperative education program;

g. An ex-convict who is a member of an economically disadvantaged family and who is hired not more than five years after the last date of conviction or release from prison;

h. An eligible work incentive program (WIN) employe or participant in a work incentive demonstration program; and

i. A qualified summer youth employe.

State law expands the federal definition of target groups to include dislocated workers. As a result, eligible target groups also include: (a) persons who have been terminated or laid off or who have received notice of termination or layoff, are eligible for or have exhausted their unemployment compensation benefits, and are unlikely to return to their previous industry or occupation; (b) persons who have been terminated or who have received notice of termination or layoff as a result of a permanent plant closure; (c) persons who are long-term unemployed and have limited opportunities for new employment in a similar occupation in the area, including elderly who face barriers to employment because of their age; and (d) persons who were self-employed, including farmers, and

are unemployed as a result of general economic conditions in their area or because of natural disasters. The definition of target groups also includes persons who are unemployed as a result of plant closings or mass layoffs that are subject to the state plant closing law.

Investment Credit. Eligible businesses may claim a tax credit of 2.5% of the purchase price of depreciable tangible personal property placed in service in the zone.

Location Credit. Eligible businesses may claim a tax credit equal to 2.5% of the amount expended on certified projects to acquire, construct, rehabilitate, remodel, repair and place in service real property in a development zone.

Sales Tax Credit. Eligible businesses may claim a tax credit for the amount of sales taxes paid on purchases, leases and rentals of construction materials and supplies and related materials used to construct, rehabilitate, repair or remodel real and investment credit property in a development zone.

Research Credit. Under current law, a corporation can claim a tax credit for 5% of certain increased research expenses. Eligible businesses may claim an additional credit of 5% of eligible research expenses incurred in a zone. This credit may only be claimed under the corporate income/franchise tax.

Day Care Credit. Eligible businesses may claim a tax credit for employment-related day care expenses, up to a maximum of $1,200 for the first two years of qualifying expenses, for each qualified dependent of a member of a targeted group who is employed by the claimant. This credit is only available to claimants who begin operations in a zone after July 29, 1995.

Environmental Remediation Credit. Eligible businesses may claim a tax credit for 7.5% of the amount expended by the claimant to remove or contain environmental pollution or to restore soil or groundwater affected by environmental pollution in a zone. This credit is only available to claimants who begin operations in a zone after July 29, 1995.

Funding decreases associated with elimination of the current credits are shown under "Shared Revenue and Property Tax Relief--Other Credits." The bill does not include a fiscal effect for the new consolidated development zones credit, which would take effect in tax year 1998.

Joint Finance/Legislature: Include the Governor's provisions with the following modifications:

a. Specify that the environmental remediation credit equals 50% of eligible expenses.

b. Define Wisconsin Works participant as a person who: (a) is employed in an unsubsidized job but meets eligibility requirements for a W-2 employment position; (b) is employed in a trial job; or (c) is eligible for W-2 health care or child care assistance. Require Commerce to reduce the credit amount for persons in trial jobs by the amount of subsidy received.

c. Specify that the current development zones credits are eliminated for tax years beginning on or after January 1, 1998. Permit the carryforward of unused credits from prior years.

d. Specify that the new credit for jobs retained cannot be claimed for an employe for whom jobs credits have been claimed under current law.

e. Require claimants of the new, consolidated credit to submit, along with their return, the certification for tax benefits and a statement of verification of expenses from Commerce.

f. Allow the costs of an investigation to be an eligible cost for the purpose of claiming the environmental remediation component of the development zone tax credit, except in cases where the investigation determines that remediation is required and remediation is not undertaken.

g. Specify that the credit can be claimed for 50% of the annual amounts expended for environmental remediation.

[Act 27 Sections: 2261, 2261h, 2261j, 2261k, 2261m, 2261p, 2261t, 2261v, 2262, 2263, 2265, 2267, 2274, 2275, 2275bm, 2275c, 2275d, 2275e, 2275f, 2275g, 2276, 2277, 2277m, 2279, 2280, 2285, 2285bp, 2285c, 2285d, 2285e, 2285f, 2285g, 2286, 2287, 2287m, 2288, 2358, 2401, 4500 thru 4504, 4505, 4506, 4512 thru 4532 and 9310(6)]

16. SUPPLEMENT TO FEDERAL HISTORIC REHABILITATION CREDIT

	Jt Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR-REV	- $176,400	$176,400	$0

Joint Finance/Legislature: Provide that qualified rehabilitation expenditures would be eligible for the state supplement to the federal historic rehabilitation credit if either the physical work of construction or destruction in preparation for construction begins after December 31, 1988. This provision would change the date for determining when eligible qualified rehabilitation expenditures were incurred. As a result, general fund tax revenues would be decreased by $176,400 in 1997-98.

Veto by Governor [F-4]: Delete provision.

[Act 27 Vetoed Sections: 2262r, 2277n, 2287mn and 9343(10ia)]

17. SINGLE-OWNER ENTITIES AND WITHDRAWALS FROM LLCs

Joint Finance/Legislature: *Single-Owner Entities.* Adopt federal regulations that allow single-owner entities to be disregarded as a separate entity for federal income tax purposes to be

disregarded for state tax purposes, unless the entity elects to be taxed as a corporation. Specify that the owner would be subject to the tax on the entity's income. Provide that if a partnership is the owner of a disregarded single-owner entity, the entity's information would be included on the owner's statement that is required to be filed with DOR.

Provide that, for withholding purposes, the owner, not the entity, would be the "employer" in a single-owner entity that is disregarded as a separate entity under the Internal Revenue Code.

Specify that, for purposes of a business registration certificate under the Tax Appeals Commission provisions, the person is the owner in the case of a single-owner entity that is disregarded as a separate entity under the IRC. Provide that "person" includes the owner of a single-owner entity that is disregarded as a separate entity under the IRC under the sales and use tax provisions. Specify that, for purposes of the sales tax return that is required to be filed by a seller, if a single-owner entity is disregarded as a separate entity under the IRC, the information from that entity would be included on its owner's return.

Specify that a single-owner entity that is disregarded as a separate entity for state income and franchise tax purposes, would be disregarded as a separate entity for purposes of the temporary recycling surcharge. Provide that the information from that entity be included in computing the surcharge on the owner's return. Include an entity treated as a partnership under the IRC under the definition of partnership for purposes of the temporary recycling surcharge and alcohol beverages tax.

Define partnership, for state income and franchise tax purposes, to include limited liability companies (LLCs) and other entities that are treated as partnerships under the IRC. Specify that partnership does not include publicly traded partnerships treated as corporations for state corporate tax purposes. Modify the definition of corporation to include any other entities treated as corporations under the classification election regulations of the IRC. Specify that a single-owner entity that is disregarded as a separate entity under the IRC would be disregarded as a separate entity for state corporate tax purposes and its owner would be subject to tax on the entity's income.

LLC Gift Memberships. Specify that if an LLC member acquired an interest for no or nominal consideration, the member may withdraw from the LLC only in accordance with the operating agreement and only at the time or upon the occurrence of an event specified in the operating agreement. Provide that if the operating agreement does not specify such time or event, the member may not withdraw, prior to dissolution and commencement of winding up, without the written consent of all members of the LLC.

Specify that these provisions would take effect beginning with taxable years on or after January 1, 1997.

[Act 27 Sections: 2257, 2266k thru 2267m, 2291m, 2360, 2383m, 2394g, 2401m thru 2401v, 2903r, 3132m, 3132p and 9343(8v)]

General Sales and Use Tax

1. SALES AND USE TAX AGREEMENTS WITH DIRECT MARKETERS [LFB Paper 102]

	Chg. to Base
GPR-REV	$36,100,000

Governor: Authorize DOR to enter into agreements with direct marketers about the collection of state and local sales and use taxes and about making quarterly payments of those taxes. It is estimated that such an agreement would result in increased state sales and use tax collections of $6,800,000 in 1997-98 and $29,300,000 in 1998-99. These estimates assume that the agreement would take effect on January 1, 1998, and that shipping and handling charges would be excluded from taxation.

Joint Finance/Legislature: Modify the Governor's recommendation by: (a) removing specific references to tax collections and quarterly payments to provide broader authority for DOR to enter into agreements with direct marketers about state and local sales and use taxes; and (b) specifying that DOR could not implement any sales and use tax agreement if the terms of the agreement do not conform to state law.

Veto by Governor [F-12]: Delete the restriction against DOR implementing a sales and use tax agreement if the terms of the agreement do not conform to state law.

[Act 27 Section: 2363]

[Act 27 Vetoed Section: 2363]

2. SALES TAX ON INTERSTATE TELECOMMUNICATIONS THAT TERMINATE IN THIS STATE [LFB Paper 103]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$7,500,000	$1,800,000	- $870,000	$8,430,000

Governor: Impose the sales tax on telecommunications services that terminate in this state and are charged to a service address in this state, regardless of the location where the charge is billed or paid. Under current law, such services are taxable only if they originate in Wisconsin. This provision would take effect on the first day of the second month beginning after publication of the bill. The estimated fiscal effect is an increase in state sales tax revenues of $3,300,000 in 1997-98 and $4,200,000 in 1998-99. [The administration indicates that the fiscal estimate assumes that calls to "800" numbers in this state would not be subject to the sales tax under this provision, which was the administration's intent. As drafted, such calls would be taxable.]

Joint Finance: Modify the Governor's recommendation by excluding from taxation telecommunications services that are obtained by means of a toll-free number, that originate outside this state and that terminate in this state. Also, reestimate the fiscal effect to be $3,900,000 in 1997-98 and $5,400,000 in 1998-99. These amounts exceed the administration's estimates by $600,000 in the first year and $1,200,000 in the second year.

Assembly/Legislature: Provide a credit for sales taxes properly paid to another state on interstate telecommunications services. Also, decrease the estimated fiscal effect by $870,000 in 1997-98 to reflect delayed passage of the budget bill. This estimate assumes that the new provisions would take effect on December 1, 1997, rather than October 1, 1997.

[Act 27 Sections: 2387, 2391mn and 9443(13)]

3. SALES TAX ON TELEPHONE ANSWERING SERVICES [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$1,900,000	$2,600,000	- $430,000	$4,070,000

Governor: Impose the sales tax on telephone answering services, which would include services that consist of: (a) taking messages by telephone and transferring them to the purchaser of the service or at that purchaser's direction, but not including such services if they are an incidental element of another service that is sold to the purchaser; and (b) recording messages for a particular person into a central computer database and activating those messages for that person when the computer is accessed for the messages. This provision would take effect on the first day of the second month beginning after publication of the bill, and is estimated to increase state revenues by $800,000 in 1997-98 and $1,100,000 in 1998-99.

Joint Finance: Adopt the Governor's recommendation with modifications to: (a) impose the sales tax on services that consist of "recording telecommunications messages" rather than "taking messages by telephone"; (b) delete the portion of the bill that would impose the tax on services that consist of recording messages for a particular person into a central computer data base and activating those messages for that person when the computer is accessed for the messages; (c) specify that the exclusion for services that are incidental to another service would apply only if the other service is not taxable; and (d) provide a cross reference to clarify that the current definition of "incidental" under the sales tax statutes would apply to this provision.

Also, reestimate the fiscal effect of these provisions by $1,100,000 in 1997-98 and $1,500,000 in 1998-99. These figures account for imposition of the sales tax on burglar alarm and security monitoring services. The estimates used in the Governor's bill did not include these services, and

the administration indicates that it was not intended for the sales tax to apply to these items. However, the Department of Revenue believes that, under both the Governor's bill and the Joint Finance provisions, the sales tax on answering services would include burglar alarm and security monitoring services.

Assembly/Legislature: Decrease the estimated fiscal effect by $430,000 in 1997-98 to reflect delayed passage of the budget bill. This estimate assumes that the new provisions would take effect on December 1, 1997, rather than October 1, 1997.

[Act 27 Sections: 2388 and 9443(12)]

4. SALES TAX ON MODULAR HOMES AND MANUFACTURED BUILDINGS [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	- $1,600,000	- $360,000	$180,000	- $1,780,000

Governor: Modify the sales tax treatment of modular homes and manufactured buildings, as described below.

Taxation of Property Used in Fabricating Modular Units

Under current law, real property construction is not subject to the sales tax. However, building contractors and subcontractors are considered the consumers of tangible personal property used by them in real property construction activities, and the sales tax applies to the sale of tangible personal property to them. "Real property construction activities" include the fabrication of modular units designed and fabricated for a specific prefabricated building to be affixed to land at a particular location designated by the purchaser before the fabrication of the modules, if the modular units will have a realty function and will become a permanent accession to the realty. Therefore, the fabrication of the unit is considered a real property construction activity, and sales of such modular units are considered nontaxable sales of real property. The fabricators of such units must pay sales tax on supplies and materials that become part of these units when fabricated in Wisconsin.

The bill would delete this definition of "real property construction activities." Instead, such activities would be defined as activities that occur at a site where tangible personal property that is applied or adapted to the use or purpose to which real property is devoted is affixed to that real property, if the intent of the person who affixes that property is to make a permanent accession to the real property. "Real property construction activities" would not include affixing to real property tangible personal property that remains tangible personal property after it is affixed.

The intent of this modification is to reverse a Wisconsin Supreme Court decision which determined that the fabrication of modular units and modular homes by a fabricator was a real property construction activity, even though the units or homes were sold to a dealer (who then situated the units or homes on a parcel of land). The Governor's recommendation is intended to, instead, treat modular units and homes as tangible personal property when they are sold from a fabricator to a dealer. As a result, the sale of the units in Wisconsin from the fabricator to the dealer would be subject to sales tax, and the purchase of materials and supplies that become part of the units would be exempt from tax as a sale for resale.

The fiscal effect of this provision is an estimated sales tax reduction of $510,000 in 1997-98 and $660,000 in 1998-99.

Sales Tax on Final Sales of Manufactured Buildings

The bill would specify that retailers of manufactured buildings could exclude a portion of the gross receipts and sales price of such buildings from the sales tax. Specifically, the retailer would have the option to exclude either: (a) 35% of the gross receipts or sales price; or (b) an amount equal to the gross receipts or sales price minus the cost of the materials that become an ingredient or component part of the building. Once a retailer chooses one of these options, the retailer could not use the other option for other sales without written approval from DOR. This provision is similar to the current statute which excludes 35% of the price of new mobile homes from gross receipts and sales price subject to the sales tax.

"Manufactured building" would mean any structure or component thereof which is intended for use as a dwelling and: (a) is of closed construction and fabricated or assembled on-site or off-site in manufacturing facilities for installation, connection, or assembly and installation, at the building site; or (b) is a building of open construction which is made or assembled in manufacturing facilities away from the building site for installation, connection, or assembly and installation, on the building site and for which certification is sought by the manufacturer. "Manufactured building" would not include a mobile home or manufactured home as defined under provisions relating to the regulation of buildings and safety. The fiscal effect of this provision is estimated to be a reduction in sales tax revenues of $190,000 in 1997-98 and $240,000 in 1998-99.

Both of these provisions would take effect on the first day of the second month beginning after publication of the bill, and would first apply to sales of property pursuant to contracts entered into on that date.

Joint Finance: Reestimate the net fiscal effect of these provisions to be a decrease of $830,000 in the first year and $1,130,000 in the second year.

Assembly/Legislature: Decrease the estimated fiscal effect by $180,000 in 1997-98 to reflect delayed passage of the budget bill. This estimate assumes that the new provisions would take effect on December 1, 1997, rather than October 1, 1997.

[Act 27 Sections: 2380, 2382, 2383, 2384, 2385, 9343(7) and 9443(8)]

5. SALES TAX EXEMPTION FOR RAW MATERIALS USED IN PRINTING

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	- $800,000	$70,000	- $730,000

Joint Finance: Create a sales and use tax exemption for raw materials used for the processing, fabricating or manufacture of, or the attachment to or incorporation into, printed materials that are transported and used solely outside the state. Repeal the current provision which excludes from the definition of taxable "storage" keeping, retaining or exercising any right or power over raw materials by a publisher or printer of printed materials for processing or fabricating or for manufacturing into, attachment to or incorporation into printed materials to be transported, and thereafter used solely, outside this state.

These provisions would take effect on the first day of the second month beginning after publication of the bill, and are estimated to decrease sales tax revenues by $300,000 in 1997-98 and $500,000 in 1998-99 and thereafter.

Under current law, raw materials purchased from out-of-state sellers and incorporated into printed materials that are transported for use solely outside the state are exempt from the sales and use tax. This provision would also allow the exemption if the materials are purchased from an in-state seller.

Assembly/Legislature: Decrease the estimated fiscal effect by $70,000 in 1997-98 to reflect delayed passage of the budget bill. This estimate assumes that the new provisions would take effect on December 1, 1997, rather than October 1, 1997.

[Act 27 Sections: 2386g, 2386h, 2386p, 2393q and 9443(17x)]

6. USE TAX EXEMPTION FOR REFUNDS OF MOTOR FUEL TAXES

	Chg. to Base
GPR-REV	- $710,000

Assembly/Legislature: Provide a use tax exemption for state and federal motor fuel taxes that are refunded to exempt purchasers of motor fuel, effective on the first day of the second month beginning after publication of the bill.

Under current law, the sales tax is not charged on purchases of motor fuels that are subject to the state motor fuel tax. The sales tax is generally imposed on fuels that are not subject to the motor fuels tax. Because the motor fuel tax is paid at the terminal level, the sales price at the pump includes the tax. Purchasers of exempt motor fuels, therefore, must file a claim for refund with the state in order to recover the motor fuel taxes they paid. At the time of the refund, the purchase price of the fuel (including state and federal motor fuel taxes) is subject to the 5% state use tax. This provision would modify the definition of "sales price" under the sales and use tax statutes to provide that state and federal motor fuel taxes would not be included in the computation of the use tax in situations where a motor fuel tax refund is granted.

The fiscal effect is estimated to be a reduction in general fund revenues of $260,000 in 1997-98 and $450,000 in 1998-99.

[Act 27 Sections: 2381m, 2383r and 9443(18e)]

7. SALES TAX EXEMPTION FOR SAMPLES OF MEDICINE

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Veto (Chg. to Leg.)	Net Change
GPR-REV	- $530,000	$50,000	- $40,000	- $520,000

Joint Finance: Create an exemption from the sales and use tax for medicines furnished without charge to a physician, surgeon, nurse anesthetist, advance practice nurse, osteopath, dentist, podiatrist or optometrist if the medicine may not be dispensed without a prescription. This provision would take effect on the first day of the second month beginning after publication of the bill and is estimated to reduce sales tax collections by $230,000 in 1997-98 and $300,000 in 1998-99 and thereafter.

Assembly/Legislature: Decrease the estimated fiscal effect by $50,000 in 1997-98 to reflect delayed passage of the budget bill. This estimate assumes that the new provisions would take effect on December 1, 1997, rather than October 1, 1997.

Veto by Governor [F-11]: The Governor's veto message indicates that this provision was deleted. However, the Governor's partial veto in Act 27 inadvertently eliminated a statutory provision

relating to business tax registration (section 2392no) instead of the sales tax exemption language (section 2393no). The vetoes in Act 27 also eliminated the specific effective date for the sales tax exemption [section 9443(17t)].

In an October 20, 1997, letter to the President of the Senate and the Speaker of the Assembly, the Secretary of DOA indicates that the administration will treat the veto of the sales tax exemption language (section 2393no) as being invalid and treat the veto of the delayed effective date [section 9443(17t)] as being valid. The veto of the business tax registration language (section 2392no) will be treated as invalid because the Governor did not identify this provision in his veto message. In an October 28, 1997, letter to the Legislative Fiscal Bureau, an assistant attorney general concurred in this interpretation.

Under this interpretation, which is consistent with the text of Act 27, the sales tax exemption took effect on October 14, 1997, rather than on December 1, 1997. Compared to the enrolled bill, the fiscal effect is a revenue loss of $40,000 in 1997-98 due to the earlier effective date.

[Act 27 Section: 2393no]

[Act 27 Vetoed Section: 9443(17t)]

8. SALES TAX ON UNIVERSITY FOOD CONTRACTS [LFB Paper 107]

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$100,000	$100,000	$200,000

Joint Finance: Modify the current sales tax exemption for meals, food, food products and beverages furnished in accordance with any contract or agreement by a public or private institution of higher education to provide the exemption only if these items are furnished for purposes that are consistent with the institution's educational mission. In addition, provide that the exemption could not be used for purchases of meals by faculty members and specify that this provision would take effect on the day after publication of the bill, and first apply to contracts entered into on or after that date. This provision would increase sales tax revenues by a minimal amount in 1997-98 and an estimated $100,000 in 1998-99 and thereafter.

Assembly/Legislature: Provide the sales tax exemption only if the meals, food, food products or beverages are: (a) furnished to an undergraduate student, graduate student or a student in a professional school who is enrolled for credit at the institution that makes the sale, and are consumed by the student; or (b) furnished to a professional football team that is training at the institution under a contract that has been signed prior to January 1, 1998. Compared to the Finance Committee's

provision, this modification is estimated to increase general fund revenues by $60,000 in 1997-98 and $40,000 in 1998-99.

Veto by Governor [F-8]: Delete the requirement that a contract with a professional football team must be signed before January 1, 1998, in order for the exemption to apply. With this veto, the exemption will continue to apply to such contracts signed after that date.

[Act 27 Sections: 2393nq and 9343(8w)]

[Act 27 Vetoed Section: 2393nq]

9. SALES TAX ON COIN-OPERATED LAUNDRIES [LFB Paper 104]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	$5,100,000	- $5,100,000	$0

Governor: Impose the sales tax on laundry, dry cleaning, pressing and dyeing services performed by the customer through the use of coin-operated, self-service machines. This provision would take effect on the first day of the second month beginning after publication of the bill, and is estimated to increase sales tax revenues by $2,300,000 in 1997-98 and $2,800,000 in 1998-99. The sales tax is currently imposed on these services when purchased with a token or other non-coin method of payment, but not if the services are provided through coin-operated machines. Professional laundry and dry cleaning services are also currently taxable.

Joint Finance/Legislature: Delete provision.

10. SALES TAX EXEMPTION FOR PLASTIC SHEETING USED IN FARMING

Governor/Legislature: Specify that plastic bags, plastic sleeves, plastic sheeting and other containers used by farmers to store or cover hay or silage would be exempt from the sales tax. In addition, specify that this exemption and existing exemptions for seeds, plants, feed, fertilizer, livestock and other farming supplies would apply when these items are used in custom farming services (the performance of a farming activity for a farmer for a fee). These provisions would take effect on the first day of the second month beginning after publication of the bill. The Department of Revenue indicates that these provisions reflect the current treatment of these items; therefore, no fiscal effect is estimated.

[Act 27 Sections: 2393 and 9443(2)]

11. USE TAX ON AUTOMOBILES USED BY DEALERS [LFB Paper 114]

Governor: Modify provisions regarding imposition of the use tax on vehicles that are used for a purpose in addition to retention, demonstration or display while held for sale in the regular course of business by motor vehicle dealers. Under current law, the use tax is imposed on the fair rental or lease value of the vehicle as determined under federal income tax regulations, except that the lease value for vehicles held in inventory and used by employes for whom the dealer is required to withhold federal income taxes is specified at $96 per month. The $96 amount is adjusted for inflation each year.

Under the bill, the $96 monthly lease value would also be applied to persons who have an ownership interest in the dealership and actively participate in the daily operation of the dealership. This provision would take effect on the first day of the second month beginning after publication of the bill. The fiscal effect is estimated to be minimal.

Joint Finance/Legislature: Define "actively participates" for purposes of this provision to mean performing services for the motor vehicle dealership, such as sales, accounting, management and consulting, for more than 500 hours in a taxable year for compensation. "Actively participates" would not include services performed only in the capacity of an investor such as studying and reviewing financial statements or reports on operation of the business, preparing or compiling summaries or analyses of finances of the business for the investor's own use, or monitoring the finances or operations of the activity in a non-managerial capacity. In addition, modify the language to read "day-to-day" rather than "daily" operation of the dealership.

These modifications are intended to clarify that the provision would not apply to individuals who are only marginally involved in the day-to-day operations of the dealership.

[Act 27 Sections: 2392 and 9443(4)]

12. SALES TAX ON VENDING MACHINE SALES

Assembly/Legislature: Require the Legislative Audit Bureau to conduct a study on the feasibility of replacing the current sales tax provisions for vending machine purchases of food and beverages with an annual permit requirement, including the potential impact on state revenues and issues of constitutionality. Direct the Audit Bureau to submit its study to the Legislature by February 1, 1998.

[Act 27 Section: 9132(1to)]

13. SALES TAX EXEMPTION FOR PERIODICALS

Senate/Legislature: Provide an exemption from the sales and use tax for periodicals sold by subscription and issued at average intervals not exceeding six months by an educational association or tax-exempt nonprofit corporation. This provision would take effect on the first day of the second month beginning after publication of the budget bill and is estimated to have a minimal fiscal effect.

Under current law, subscription sales of periodicals are exempt from tax if the publications are regularly issued at average intervals not exceeding three months. This current exemption would be retained along with the new exemption for certain periodicals issued every six months.

[Act 27 Sections: 2393noo and 9443(19g)]

14. SALES TAX EXEMPTION CERTIFICATES FOR CERTAIN COMMODITIES

Senate/Legislature: Provide that no exemption certificate would be required for sales of commodities, as defined under federal law, that are consigned for resale in a warehouse in or from which the commodity is deliverable on a contract for future delivery subject to a commodity market regulated by the U.S. Commodity Futures Trading Commission if upon the sale the commodity is not removed from the warehouse. An exemption certificate would still be required if the sale results in the commodity being removed from the warehouse. This provision would take effect on the first day of the second month beginning after publication of the bill.

Under current law, the burden of proving that a sale of tangible personal property or services is not taxable is generally upon the person who makes the sale unless the purchaser provides a certificate from the Department of Revenue indicating that the property or service is for resale or otherwise exempt from tax. This provision would specify that no certificate would be required for certain sales of commodities.

[Act 27 Sections: 2392p and 9443(19bn)]

15. SALES TAX ON TIME-SHARE PROPERTY

	Assembly/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR-REV	- $190,000	$190,000	$0

Assembly/Legislature: Provide that the furnishing of rooms or lodging through the sale of a time-share property would be exempt from the sales tax regardless of whether or not the use of the

rooms or lodging is fixed at the time of sale as to the starting day or lodging unit. This provision would take effect on the first day of the second month beginning after publication of the bill.

Under current law, the furnishing of rooms or lodging through the sale of a time-share property is exempt from the sales tax only if the use of the rooms or lodging is fixed at the time of sale as to the starting day or lodging unit. Such "fixed-time" time-share sales are subject to the real estate transfer fee rather than the sales tax. Under this provision, all time-share sales (both "fixed-time" and "flex-time") would be exempt from the sales tax.

According to the Department of Revenue, "fixed-time" transactions would continue to be subject to the real estate transfer fee. However, neither the sales tax nor the real estate transfer fee would be imposed on "flex-time" time-share transactions, because such sales have been treated as lodging services rather than sales of real property.

The fiscal estimate is a revenue loss of $70,000 in 1997-98 and $120,000 in 1998-99 and thereafter. The first year amount assumes an effective date of December 1, 1997.

Veto by Governor [F-10]: Delete provision.

[Act 27 Vetoed Sections: 2383g, 2386q, 2393nv and 9443(18n)]

16. SALES TAX ON PREPAID CALLING CARDS

	Assembly/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR-REV	$150,000	- $150,000	$0

Assembly/Legislature: Provide that sales of prepaid calling cards and prepaid authorization numbers would be considered sales of tangible personal property and subject to the sales and use tax, effective on the first day of the second month beginning after publication of the bill.

Under current law, the sales tax is imposed on each taxable call made with a prepaid calling card or prepaid authorization number. Telephone calls are taxable if they originate in this state and are billed to a service address in this state. For calls made using prepaid cards, the tax is imposed if the call is made from a telephone located in this state, and the telephone company is required to collect the tax on these calls and remit the proceeds to DOR. This provision would, instead, impose the sales tax on the initial purchase of the calling card or authorization number.

Based on industry data, it is estimated that this provision would increase sales tax revenues by $50,000 in 1997-98 and $100,000 in 1998-99. These estimates should be considered speculative.

Veto by Governor [F-7]: Delete provision.

[Act 27 Vetoed Sections: 2387 and 9443(13)]

17. SALES TAX EXEMPTION FOR INTERNET ACCESS CHARGES

Assembly/Legislature: Provide that telecommunications services and computer exchange services that are subject to the sales and use tax would not include access to the internet. The current sales tax statutes do not specifically address internet access charges. However, under DOR's interpretation of present law, internet access charges are considered taxable telecommunications services if the charge originates in this state and is billed to a service address in this state. The fiscal effect of this provision is estimated to be minimal in the 1997-99 biennium. Because the internet is a relatively new and evolving technology, the Department is currently not collecting significant amounts of tax revenue on access charges. However, in future years, this exemption could result in a substantial revenue loss.

Veto by Governor [F-9]: Delete provision.

[Act 27 Vetoed Section: 2386j]

18. SALES TAX EXEMPTION FOR RAILROAD MAINTENANCE OF WAY MATERIALS

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR-REV	- $1,000,000	$1,000,000	$0

Assembly: Provide an exemption from the sales and use tax for materials, supplies and fuel used in the maintenance of railroad tracks, effective July 1, 1998. This provision is estimated to reduce general fund revenues by $1 million in 1998-99 and thereafter.

Senate/Legislature: Delete provision.

Excise Taxes and Alcohol Beverage Regulation

1. INCREASE CIGARETTE TAX [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$41,900,000	$82,000,000	- $17,500,000	$106,400,000

Governor: Increase the cigarette tax rate by 5¢ per pack, from 44¢ per pack to 49¢, effective on the first day of the second month beginning after publication of the budget act. This would increase general fund tax revenues by an estimated $20.4 million in 1997-98 and $21.5 million in 1998-99, assuming an effective date of September 1, 1997.

Joint Finance: Increase the cigarette tax rate by an additional 11¢, for a total increase of 16¢ per pack, from the current law rate of 44¢ to 60¢, effective on the first day of the second month beginning after publication of the budget act or September 1, 1997, whichever is earlier. This would increase general fund tax revenues by $40.2 million in 1997-98 and $41.8 million in 1998-99 from the Governor's provision and by $60.6 million in 1997-98 and $63.3 million in 1998-99 from current law.

Assembly/Legislature: Reduce the cigarette tax increase adopted by the Finance Committee from 16¢ per pack to 15¢ (a reduction of 1¢). This would increase the cigarette tax rate from 44¢ per pack under current law to 59¢. In addition, delay the effective date from September 1 to November 1, 1997, or the first day of the second month beginning after publication of the budget act, whichever is earlier, to reflect delayed passage of the budget bill. From the Committee's version of the budget bill, this would reduce general fund tax revenues by $13.7 million in 1997-98 ($3.8 million is due to the rate reduction and $9.9 million is due to the delayed effective date) and $3.8 million in 1998-99. From current law, this would increase tax revenues by $46.9 million in 1997-98 and $59.5 million in 1998-99.

[Act 27 Sections: 2956, 2957 and 9443(14)]

2. CIGARETTE DISCOUNT RATE

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$1,900,000	- $100,000	$1,800,000

Joint Finance: Reduce the manufacturers' and distributors' cigarette discount percentage from 2.0% to 1.6%, effective September 1, 1997. The cigarette tax is paid through the purchase of tax stamps from the Department of Revenue, generally by a manufacturer or distributor. The tax stamp must be affixed to each pack of cigarettes prior to its first sale in the state. Under current law, cigarette manufacturers and distributors receive a 2% discount on stamp purchases (or tax payments) as compensation for their administrative costs. Based on current law estimates of cigarette tax revenues, manufacturers and distributors would receive a discount of approximately $4.0 million annually. The proposed increase in the cigarette tax and the reduction in the discount rate would result in approximately the same discount amount.

Assembly/Legislature: Change the effective date of this provision from September 1 to November 1, 1997, or the first day of the second month beginning after publication of the budget act, whichever is earlier, to reflect delayed passage of the budget bill. This would reduce general fund revenues by an estimated $100,000 in 1997-98.

[Act 27 Sections: 2962g, 2962h and 9443(7z)]

3. SALE OF CIGARETTES BY NATIVE AMERICANS -- CHANGE REFUND PERCENTAGE

Assembly: Reduce the statutory refund percentage from 70% to not more than 50% of sales of stamped cigarettes by Native American retailers to non-Native Americans, effective on the first day of the second month beginning after publication of the budget act or November 1, 1997, whichever is earlier. In addition, specify that the refund percentage would be adjusted to reflect any future agreements between the state and Native American tribes.

Wisconsin currently has an agreement with most Native American tribes through which Native American retailers purchase and sell only stamped (taxed) cigarettes. The state then provides a refund to the tribes of 100% of the tax paid on sales to Native Americans and of 70% of the tax paid on sales to non-Native Americans. The current refund provisions are outlined in agreements between the state and the tribes, along with the provision that Native Americans retailers sell stamped cigarettes. The refund percentages are also specified in the statutes.

It is unclear how this change would impact state revenues. If the tribes accept the modification and continue to sell stamped cigarettes, refund payments could decrease by an estimated $3.9 million in 1997-98 and $3.75 million in 1998-99 (based on a 59¢ cigarette tax). However, if tribes choose to stop selling stamped cigarettes, revenues could decrease by $4.9 million in 1997-98 and $5.7 million in 1998-99 (the amount of tax the state is estimated to retain from Native American sales with a 59¢ cigarette tax), plus additional amounts if Native American sellers can offer a larger price advantage as an incentive for other consumers to purchase cigarettes. As a result, it is unclear what effect a statutory change would have on revenues.

Senate/Legislature: Delete provision.

4. ADULT ENTERTAINMENT TAX

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	$2,250,000	- $375,000	$1,875,000

Joint Finance: Impose a 5% gross receipts tax on the sale of adult entertainment products and services, effective January 1, 1998. Provide that the products and services subject to the tax would generally be the same items that are defined as being harmful to children under current law, except that movies and magazines would not be subject to the tax. Specify that the tax would be imposed on the admittance to a strip club. Direct the Department of Revenue to promulgate administrative rules specifying the products and services that would be subject to the tax. It is estimated that this tax would generate approximately $1.5 million annually; however, this estimate should be considered speculative.

The products and services that would be subject to the tax would include visual representations, printed materials or sound recordings that depict nudity or sexually explicit conduct that predominantly appeals to prurient interests, is patently offensive to prevailing standards in the adult community as being harmful to children and lacks serious literary, artistic or educational value.

Assembly/Legislature: Delay the effective date of the tax from January 1, 1998, to April 1, 1998. This would reduce general fund revenues by an estimated $375,000 in 1997-98.

[Act 27 Sections: 2379m, 2410tw, 9143(7k) and 9443(15L)]

5. TAX ON CONTROLLED SUBSTANCES

Assembly/Legislature: Modify provisions related to the occupational tax on controlled substances as follows:

a. Prohibit the Department of Revenue from requiring dealers to provide any identifying information in connection with the purchase of drug tax stamps. In addition, specify that no information obtained from a dealer as a result of a dealer's compliance with the occupational tax could be used against the dealer in any criminal proceeding unless that information had been independently obtained, except that information obtained by DOR could be used in connection with a proceeding involving occupational taxes due from the dealer.

b. Provide that any person who violated confidentiality provisions related to facts obtained by DOR in administering the tax would be subject to a fine of not more than $1,000 or imprisonment for not more than 60 days or both.

c. Authorize DOR to retain a portion of the taxes, penalties and interest equal to the costs of administering the tax. No later than November 1 of each year, DOR would be required to review the costs of administering the tax in the previous fiscal year and adjust the amount retained to reflect those costs. An annual program revenue appropriation would be created for the amounts retained to fund administrative costs; however, no expenditure authority would be provided. (DOR could request expenditure authority under s. 16.515 of the statutes). The remaining amounts of taxes, penalties and interest would continue to be paid to the state or local law enforcement agency that made the arrest associated with the revenue.

d. Adopt nonstatutory provisions indicating that the Legislature intends that, irrespective of the constitutionality of the requirements to affix and display drug tax stamps and the associated rules, all other civil and administrative procedures that are related to the civil obligation to pay the tax, interest and penalties are severable from the requirements to affix and display tax stamps and are to remain in full force and effect. To the extent necessary to effectuate the Legislature's intent, the civil obligation to pay the tax, interest and penalties would be retroactively reimposed beginning May 1, 1990.

[Act 27 Sections: 700r, 2979m, 2979mt, 2979p, 2979q, 9143(2v) and 9343(1wo)]

6. ALCOHOL BEVERAGE REGULATION

Joint Finance: Make the following changes to the state's alcohol beverage laws:

Local Ordinances. Delete the current provision that allows municipalities to enact regulations incorporating state alcohol beverage laws and additional regulations for the sale of alcohol beverages that are not in conflict with state statute. Delete the provision that allows municipalities to prescribe forfeitures or license suspension or revocation for violations of such ordinances, which must be adopted by ordinance.

Instead, allow municipalities to enact regulations only if such regulations are in strict conformity with state statute.

License Suspension or Revocation. Prohibit the Department of Revenue or municipality from revoking, suspending or refusing to renew an alcohol license or permit for the first violation of a state law restricting the procurement or sale of alcohol to underage persons. Provide that this provision would also apply to local ordinances adopted in strict conformity with state law regulating the conduct of underage persons. Specify that the first violation would be expunged if a subsequent violation has not occurred within 12 months of the first.

Delete the provision that allows a resident of a municipality to file a complaint with the municipal clerk about a person with an alcohol license that keeps or maintains a disorderly or riotous, indecent or improper house or if the person has sold or given away alcohol beverages to known habitual drunkards. Provide that the same provision would be deleted as it relates to an authorized employe of DOR filing a complaint with the clerk of circuit court.

Retire Licenses and Special Fee. Require all municipalities to record the number of retail "Class B" licenses that are authorized but unissued on July 1, 1997. (A "Class B" license authorizes the sale of liquor and wine for on premise consumption.) Specify that one-half of such unissued licenses would be deemed permanently retired and the municipality's quota would be permanently reduced by the number of retired licenses; if the number of unissued licenses is an odd number, the number of retired licenses would be equal to the number of unissued licenses, minus one, divided by one-half.

Provide that the remaining unissued, unretired licenses could be issued for an initial license fee of at least $10,000. Provide that this fee would be in addition to all other alcoholic beverages fees. Specify that each license issued under this provision would be site-specific and could not be transferred to another site. Specify that this fee would not apply to licenses issued to bona fide clubs and lodges situated and incorporated in the state for at least six years.

Under current law, the annual fee for a "Class B" license is determined by the municipality and must be the same for all "Class B" licenses, except that the minimum fee must be at least $50 and maximum fee is $500. The minimum fee does not apply to licenses issued to bona fide clubs and lodges situated and incorporated in the state for at least six years.

"Class B" Liquor License Quota Exception. Allow a municipality that has reached its quota to issue a site-specific "Class B" liquor and wine license to any of the following establishments: (a) a full-service restaurant with a seating capacity of 300 or more; or (b) a hotel with 100 or more rooms with sleeping accommodations with either an attached full-service restaurant with a seating capacity of 150 or more or an attached banquet facility providing full-service meals with a seating capacity of 400 or more. Require a municipality that issues such a license to revoke it if the licensee fails to meet the criteria. Provide that the annual fee for this license would be determined by the municipality independently of the current provisions regarding "Class B" license fees and that the initial fee could be different than the annual fee thereafter.

Assembly/Legislature:

Local Ordinances. Specify that no municipality could enact or enforce regulations regarding the sale of alcohol beverages to underage and intoxicated persons, the presence of underage persons on licensed premises and the possession of alcohol by underage persons, including related penalties, unless the regulation strictly conforms to state statute. This modification would limit the Joint Finance provision so that it would only apply to alcohol beverage regulations regarding underage and intoxicated persons.

Retire Licenses. Modify the Joint Finance provision to require municipalities to record the number of retail "Class B" (sale of liquor and wine for on premise consumption) licenses that are authorized but not granted or issued on the first day of the second month beginning after the effective date of the budget bill.

Provide that the municipality's license quota would equal the number of licenses that have been granted or issued as of that date plus the number of "reserve" licenses, as determined by the following formula:

a. If the number of unissued licenses is three or fewer, the number of reserve licenses would be equal to the number of unissued licenses.

b. If the number of unissued licenses is four or more, the number of reserve licenses would be determined by: (1) subtracting three from the number of unissued licenses; (2) dividing the remaining number of licenses by two; (3) rounding down to the nearest whole number; and (4) adding back three licenses. For example, if a municipality had 12 unissued licenses, the number of reserve licenses would be seven, as shown below:

Number of Unissued Licenses	12
Subtract Three	-3
Remaining Licenses	9
Divide by Two	4.5
Round Down	4
Add Back Three Licenses	+3
Total Reserve Licenses	7

Also, provide that the number of reserve licenses would be increased by one for each 500-person increase in the municipality's population after the first day of the second month beginning after the effective date of the budget bill.

Operator's Licenses. Require municipalities to issue an operator's license to any applicant who is qualified under state law.

Veto by Governor [F-14]:

Local Ordinances. Delete the provision that would not allow municipalities to enact or enforce regulations regarding underage and intoxicated persons unless the regulation strictly conforms to state statute. This veto restores current law, which allows municipalities to enact alcohol beverage laws and additional regulations for the sale of alcohol beverages that are not in conflict with state statute.

License Suspension or Revocation. Retain a current law provision that allows a resident of a municipality to file a complaint with the municipal clerk about a person with an alcohol license that keeps or maintains a disorderly or riotous, indecent or improper house or if the person has sold or given away alcohol beverages to known habitual drunkards. Retain the same provision as it relates to an authorized employe of DOR filing a complaint with the clerk of circuit court.

[Act 27 Sections: 2903t, 2904m, 2906gm, 2906gr, 2906mm, 2906mt, 2906mv, 2907dd thru 2907pp and 9343(1tv)]

[Act 27 Vetoed Sections: 2906gg, 2906mg, 2906mr and 9343(1tu)]

7. UNDERAGE DRINKING PENALTIES

Assembly/Legislature: Increase the fines and forfeitures for providing false proof of age and possessing false identification to between $300 and $1,250. Under current law, a person providing false identification to an underage person is subject to a fine of between $100 and $500 or may be imprisoned for between 10 and 30 days. Currently, an underage person who carries false identification, alters an identification card, or provides false information to obtain identification is subject to a forfeiture of between $100 and $500, driver's license suspension, participation in a supervised work program or any combination of these penalties.

Create a civil liability exemption for any person who sells alcoholic beverages for retaining an identification card for a reasonable length of time in a good faith effort to determine whether a person is underage or to notify law enforcement of a suspected false identification. This provision would first apply to retention of identifications occurring on the effective date of the budget bill.

[Act 27 Sections: 2903rm, 2905g, 2905m and 9343(1vx)]

Other General Fund Tax Provisions

1. TAX AMNESTY

	Chg. to Base
GPR-REV	$40,000,000

Assembly/Legislature: Require the Department of Revenue (DOR) to develop a proposal for a tax amnesty program to be conducted in the 1997-98 fiscal year. Specify that the Department's proposal must be developed and presented to the Joint Committee on Finance for its consideration at the December, 1997, s. 13.10 meeting.

Estimate increased general fund tax collections of $40 million in 1997-98 due to the program, based on the state amnesty program that was conducted in 1985.

Veto by Governor [F-6]: Delete provisions which require the tax amnesty program to be conducted in fiscal year 1997-98 and that DOR develop and present a proposal for a tax amnesty program at the Joint Committee on Finance's December, 1997. s 13.10 meeting. The Governor's veto message indicates that the amnesty program would be conducted in 1998-99. Approval by the Finance Committee would still be required.

[Act 27 Section: 9143(2mf)]

[Act 27 Vetoed Section: 9143(2mf)]

2. RECYCLING FUND TRANSFER TO GENERAL FUND [LFB Paper 592]

	Chg. to Base
GPR-REV	$3,850,000

Governor/Legislature: Transfer $3,850,000 from the recycling fund to the general fund in 1997-98.

3. TAX APPEALS COMMISSION -- FILING FEE [LFB Paper 111]

	Chg. to Base
GPR-Earned	$19,000

Governor: Increase, from $5 to $25, the filing fee for appeals to the Tax Appeals Commission, except those related to the homestead tax credit (HTC). The filing fee for appeals related to the HTC would be set at $5. This provision would take effect on the first day of the second month beginning after publication of the bill.

Under current law, a taxpayer or municipality can appeal a determination of the State Board of Assessors or the Department of Revenue by filing a petition with the Tax Appeals Commission. Petitioners are required to pay a $5 filing fee, which is deposited in the general fund. However, under current law, there is no fee for appeals of homestead tax credits. The bill does not include additional revenues associated with the fee increase.

Joint Finance: Include provision and estimate filing fee collections to be $9,500 GPR-Earned annually.

Assembly/Legislature: Delete the provision that would impose a $5 filing fee for homestead tax credit related appeals to the Tax Appeals Commission. As noted, under current law, there is no filing fee for appeals of homestead tax credit amounts.

[Act 27 Sections: 2354, 2355 and 9443(5)]

4. UTILITY TAX ON PERSONAL COMMUNICATIONS SERVICES [LFB Paper 113]

Governor: Specify that the transitional adjustment fee on certain telecommunications utilities would be imposed on persons that provide commercial mobile service. Under current law, the provision, instead, refers to cellular mobile radio telecommunications utilities. Commercial mobile service for state utility tax purposes would have the same meaning as under federal law. Under federal law, commercial mobile service means any mobile service (radio communication carried on between mobile stations and land stations or between different mobile stations) that is provided for profit and makes service available to the public or to a substantial portion of the public.

The administration indicates that this modification would clarify that personal communications services (PCS) would be treated the same as cellular telecommunications companies. The administration also indicates that when the law that imposed the transition fee was enacted (1995 Act 351), it was understood that the term cellular mobile radio telecommunications included PCS.

Joint Finance/Legislature: Adopt the Governor's recommendation. Specify that only persons licensed by the Federal Communications Commission to provide commercial mobile service would be subject to the transition fee. In addition, specify that, if an interexchange company also provides commercial mobile service, the revenues used to calculate the transition fee would be limited to the person's activities as a commercial mobile service provider.

[Act 27 Sections: 2378 thru 2379e, 2915 and 5508]

5. CLAIMS FOR REFUNDS AFTER ASSESSMENT

Assembly/Legislature: Modify provisions, under the individual and corporate income and franchise taxes, related to a claim for refund after assessment of a tax or to recover a tax credit as follows:

a. Provide that each tax year included in a multiple year audit by the Department of Revenue is to be viewed separately for purposes of qualifying to use the claim for refund provision.

b. Extend the deadline for qualifying to file a claim for refund from two years after the date of assessment or refund notice to four years after the date of assessment or refund notice.

c. Provide that the claim for refund provisions apply to refund determinations issued by DOR which a taxpayer does not appeal.

d. Provide that the claim for refund is limited to those items adjusted in the notice of assessment or refund.

These provisions would take effect on January 1, 2000.

[Act 27 Sections: 2315m and 9343(10c)]

STATE AGENCY BUDGET SUMMARIES

Adminstration Through

Miscellaneous Appropriations

ADMINISTRATION

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$65,793,600	$37,528,800	$37,914,400	$38,202,400	$38,202,400	- $27,591,200	- 41.9%
FED	199,698,600	207,762,300	207,762,300	207,762,300	207,762,300	8,063,700	4.0
PR	410,424,600	468,911,000	473,856,100	471,910,100	471,910,100	61,485,500	15.0
SEG	1,733,000	9,138,600	3,094,200	3,094,200	3,094,200	1,361,200	78.5
TOTAL	$677,649,800	$723,340,700	$722,627,000	$720,969,000	$720,969,000	$43,319,200	6.4%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	214.02	172.27	171.71	171.71	171.71	- 42.31
FED	70.61	64.41	64.41	64.41	64.41	- 6.20
PR	743.80	867.90	852.86	852.86	852.86	109.06
SEG	8.70	12.70	13.20	13.20	13.20	4.50
TOTAL	1,037.13	1,117.28	1,102.18	1,102.18	1,102.18	65.05

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Chg. to Base Positions
GPR	$425,100	0.00
FED	237,500	- 8.20
PR	2,054,800	0.00
SEG	23,200	0.00
Total	$2,740,600	- 8.20

Governor/Legislature: Request the following adjustments to the base budget: (a) turnover reductions (-$210,300 GPR and -$599,600 PR annually); (b) removal of noncontinuing items from base (-$99,700 FED and -$147,000 PR and -7.8 FED positions in 1997-98 and -$199,700 FED and -$147,000 PR and -8.2 FED positions in 1998-99); (c) full-funding of salaries and fringe benefits ($338,200 GPR, $249,300 FED, $925,000 PR and $7,100 SEG annually); (d) financial services charge-backs ($4,600 GPR, $62,000 PR and $4,500 SEG annually); (e) reclassifications ($3,600 GPR, $3,000 FED and $1,900 PR in

1997-98 and $8,600 GPR, $3,100 FED and $1,900 PR in 1998-99); (f) overtime ($15,600 GPR and $567,700 PR annually); (g) night and weekend shift differentials ($1,400 GPR and $61,700 PR annually); (h) fifth vacation week as cash ($24,600 GPR and $25,000 PR in 1997-98 and $24,900 GPR and $25,600 PR in 1998-99); (i) full funding of lease costs ($7,100 GPR, $8,600 FED and $71,600 PR annually); and (j) full funding of delayed pay adjustments ($25,100 GPR, $58,800 PR and $7,500 FED annually).

2. LAPSE FROM SPACE RENTAL ACCOUNT

	Chg. to Base
GPR-REV	$1,500,000

Governor/Legislature: Require the Secretary of the Department of Administration to lapse $1,500,000 from the space rental account to the general fund by June 30, 1998. The space rental account is the appropriation which DOA uses to fund minor repairs and maintenance, cleaning, supplies for building operations and utilities costs for state owned or operated facilities. Revenues for the account are provided from charges assessed state agencies for rent of space in state office buildings.

[Act 27 Sections: 167 and 9201(2)]

3. DEBT SERVICE REESTIMATE

	Chg. to Base
PR	$5,604,800

Governor/Legislature: Provide $2,607,100 in 1997-98 and $2,997,700 in 1998-99 for increased debt service costs associated with state office building and parking facilities construction projects. The changes are for the following:

a. -$490,700 in 1997-98 and $61,200 in 1998-99 associated with the principal and interest costs incurred in financing land acquisition for and construction of parking facilities in Madison. Total debt service costs for parking facilities would be $908,200 in 1997-98 and $1,460,100 in 1998-99. Funding for the parking facility debt service costs are provided from charges assessed for parking in state-owned parking spaces in Madison.

b. $3,097,800 in 1997-98 and $2,936,500 in 1998-99 associated with the principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement of facilities housing state agencies. Total debt service costs for construction and remodeling costs associated with state office buildings managed by DOA would be $11,310,200 in 1997-98 and $11,148,900 in 1998-99. Funding for these debt service costs are provided from charges assessed state agencies for renting space in state office buildings.

4. STATE BUDGET SYSTEM REDESIGN [LFB Paper 120]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$325,000	- $325,000	$0

Governor: Provide $125,000 in 1997-98 and $200,000 in 1998-99 for an evaluation of the current state budget computer system and an examination of advanced information technology methodology which would be used to upgrade the present system. Of the total funding provided, $30,000 annually would support consulting service costs and $95,000 in 1997-98 and $170,000 in 1998-99 would support development and acquisition of hardware and software. Funding in 1997-98 would be provided on a one-time basis, with funding in 1998-99 provided as an ongoing base budget increase. The Department indicates that the project will likely not be completed until the 1999-2001 biennium.

Joint Finance/Legislature: Delete provision. Instead, place $60,000 in the Joint Committee on Finance GPR supplemental appropriation for release to DOA for consulting services related to the redesign of the state budget system upon approval by the Committee of a joint report from DOA and the Legislative Fiscal Bureau defining the parameters of the consultant's study (fiscal effect shown under Program Supplements).

5. CONTRACT COMPLIANCE OFFICER [LFB Paper 121]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$95,500	1.00	- $58,600	- 1.00	- $12,300	0.00	$24,600	0.00

Governor: Provide $44,400 in 1997-98 and $51,100 in 1998-99 and 1.0 position to support the costs of a contract compliance officer to monitor and review construction and change orders, lease agreements and contracts for the DOA's Divisions of Facilities Development (DFD) and Buildings and Police Services (DBFS). The cost of the positions would be divided between the two divisions as follows: (a) DFD, $21,900 in 1997-98 and $25,500 in 1998-99 and 0.5 position; and (b) DBFS, $22,500 in 1997-98 and $25,600 in 1998-99 and 0.5 position. Funding for the DFD portion would be provided from a dedicated percentage of the total cost of state building projects which would be transferred to DFD's program revenue budget. Funding for the DBPS portion would be provided from charges assessed against state agencies for rent of space in state office buildings.

Joint Finance: Modify provision to offset the funding and position authority increase associated with the contract compliance officer by deleting 1.0 vacant position (program assistant) in the Division of State Agency Services and $29,300 PR annually.

Assembly/Legislature: Reduce funding by $12,300 in 1997-98 to reflect a January 1, 1998, starting date for the new position, rather than October 1, 1997.

6. CENSUS SUPPORT STAFF [LFB Paper 122]

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$77,900	1.00	- $10,500	0.00	$67,400	1.00

Governor: Provide $33,700 in 1997-98 and $44,200 in 1998-99 and 1.0 four-year project position to serve as the liaison with the US Census Bureau during the decennial census, develop annual population for the state's shared revenue formulas and formulate long-range population projections. Funding would be provided from charges assessed to state agencies by DOA in connection with the non-GPR portion of the state's payments to local governments for municipal services.

Assembly/Legislature: Reduce funding by $10,500 in 1997-98 to reflect a January 1, 1998, starting date for the new position, rather than October 1, 1997.

7. DIVISION OF ADMINISTRATIVE SERVICES FUNDING REDUCTION

	Chg. to Base
GPR	- $190,800

Governor/Legislature: Reduce supplies and services funding for the Division by $95,400 annually.

8. STATE PROSECUTORS OFFICE

Governor/Legislature: Transfer the State Prosecutors Office appropriation from its own separate program (program 8) under DOA and continue it as a separate appropriation under DOA's Supervision and Management Program (program 1).

[Act 27 Sections: 690 and 691]

9. SHIFT OF POSITIONS BETWEEN APPROPRIATIONS [LFB Paper 123]

Governor: Transfer positions and associated funding between various program revenue programs and/or appropriations as follows: (a) 1.0 position from the Division of Buildings and Police Services to the Division of Technology Management; (b) 1.0 position in the Division of State

Agencies Service from the printing and document sales appropriation to the DOA overhead appropriation; (c) 2.0 positions in the Division of Technology Management from the DOA overhead appropriation to the telecommunications appropriation; (d) 1.0 position from the printing and documents appropriation in the Division of State Agency Service to the telecommunications appropriation in the Division of Technology Management; (e) 2.0 positions (including 1.0 unclassified position) in the Division of Technology Management from the financial services appropriation to the telecommunications appropriation; and (f) 3.0 positions in the Division of Energy and Intergovernmental Relations from the federal grants applications processing fee appropriation to the DOA overhead appropriation.

Joint Finance/Legislature: Repeal the separate federal grants applications processing appropriation.

[Act 27 Section: 670p]

10. SHIFT FUNDING FOR VARIOUS POSITIONS [LFB Paper 122]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $222,600	- 2.17	- $10,000	- 0.06	- $232,600	- 2.23
PR	222,600	2.17	10,000	0.06	232,600	2.23
Total	$0	0.00	$0	0.00	$0	0.00

Governor: Make the following position and funding shifts:

Clerical Assistant. Convert $23,900 annually and 1.0 clerical assistant position in the State Budget Office from GPR to PR. Division of Buildings and Police Services. Funding to support this increased PR funding would be provided from charges assessed state agencies for rental of space in the state office buildings.

Demographics Research Assistant. Convert $9,800 annually and 0.17 demographics research assistant position in the Division of Energy and Intergovernmental Relations from GPR to PR. Funding to support this increased PR funding would be provided from charges assessed to state agencies in connection with the non-GPR portion of the state's payment for municipal services.

Management Information Positions. Convert $77,600 annually and 0.5 information manager and 0.5 management information supervisor position in DOA's Division of Administrative Services from GPR to PR. Funding to support the increased PR funding request would be provided from charges assessed by DOA for agency overhead charges against other DOA programs.

Joint Finance/Legislature: Modify provision by converting an additional $5,000 annually and 0.06 position from GPR to PR associated with the workload of the Demographic Services Section regarding the payments for the municipal services program.

11. BLACK POINT ESTATE

	Chg. to Base
GPR	$143,000

Joint Finance/Legislature: Create a sum sufficient GPR appropriation in DOA for debt service costs associated with $1.6 million in general fund supported borrowing for the construction of a visitors center and various improvements to the grounds and buildings at the Black Point estate to make them suitable for public use. Provide $143,000 in 1998-99 for the debt service payments related to the bonding. The Black Point estate is a parcel of land in Walworth County which includes approximately 600 feet of frontage on the south shore of Lake Geneva and a 13-bedroom Queen Anne style residence constructed in 1888.

[Act 27 Sections: 378m, 685m, 726, 727, 735am and 767m]

12. PUBLIC ENRICHMENT FOUNDATION BOOK PROGRAM

	Chg. to Base
GPR	$100,000

Joint Finance: Provide $100,000 in 1998-99 in a new, annual appropriation under DOA. Specify that the funding would be placed in unallotted reserve for release by DOA. Create a gifts and grants appropriation under DOA for donations collected for literacy programs. Require DOA, in cooperation with the literacy program administered by the Governor's Office, to contract with the Public Enrichment Foundation (PEF) in Michigan to provide free books to educational and social service organizations in the state of Wisconsin. Require the Governor's Office literacy program staff to take requests from organizations for free books and forward them to PEF.

Require DOA, in cooperation with the literacy program in the Governor's Office, to seek additional resources from foundations and private donors to support literacy programs. Require DOA and the literacy program to report to the Secretary of DOA after November 30, 1997, regarding their success in obtaining additional funding through private donations. Specify that, if the Secretary determines that fundraising efforts have been sufficient, he could release the funding from unallotted reserve.

Assembly/Legislature: Require the Department of Administration (DOA) to solicit competitive sealed proposals from any organization that can provide free books to educational and social service organizations in the state in an effort to promote literacy. Require DOA to contract with the organization that submits the most advantageous competitive sealed proposal. Delete the provision that would require DOA, in cooperation with the Governor, to contract with the Public Enrichment

Foundation (PEF) in Michigan to provide free books to educational and social service organizations in this state. Delete all references to the PEF and the requirement to provide $100,000 GPR to PEF in 1998-99 for the distribution of free books to promote literacy.

[Act 27 Sections: 22, 100m, 666nm, 667m, 668p and 9101(11h)]

13. PERFORMANCE-BASED PROGRAM BUDGETING

Joint Finance: Create session law language requiring the Departments of Transportation, Workforce Development, Natural Resources, Health and Family Services and Corrections to submit agency budget requests for the 1999-2001 biennium on a performance-based program budget basis. Require that each of these agencies, under the direction of the State Budget Office, develop program outcome measures and associated budget requests for the agency's programs. Specify that the outcome measures selected must be ones which will allow the Governor and the Legislature to assess the performance results of each agency's programs in terms of the program outcome measures identified in the agency's performance-based program budget request. Provide that these agencies must submit their program outcome measures to DOA for approval by July 1, 1998.

Assembly/Legislature: Include the Technology for Educational Achievement in Wisconsin (TEACH) Board in the performance-based budgeting provision.

Veto by Governor [E-6]: Remove the Departments of Workforce Development, Natural Resources, Health and Family Services and Corrections from the performance-based program budgeting provision.

[Act 27 Section: 9156(5m)]

[Act 27 Vetoed Section: 9156(5m)]

14. EXECUTIVE OFFICE EXPENSES

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$1,000,000	- $750,000	$250,000

Assembly: Increase funding for the Department of Administration's general program operations appropriation by $500,000 annually for expenses of the Governor's Office.

Senate/Legislature: Modify the Assembly provision to instead provide $125,000 annually for expenses of the Governor's Office.

15. AGENCY BUDGET REDUCTIONS

	Chg. to Base
GPR-Lapse	$422,000

Assembly/Legislature: Require that the Secretary of DOA allocate annually reductions of $211,000 to DOA's sum certain GPR state operations appropriations to be achieved by requiring DOA to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under a 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

16. BIENNIAL BUDGET COMPARISONS WITH PRIOR BIENNIAL BUDGETS

Assembly/Legislature: Require that the Department of Administration, when preparing the biennial budget executive summary, provide both a comparison of the base level of appropriated funding for the current biennium with Governor's proposed level of appropriations for the forthcoming biennium and a comparison of the estimated level of actual expenditures for the current biennium with the Governor's proposed level of appropriations for the forthcoming biennium.

Veto by Governor [E-7]: Delete provision.

[Act 27 Vetoed Sections: 105p, 105q, 105r and 105t]

17. MASTER LEASE REPORT

Assembly/Legislature: Require the Department of Administration to report to the Legislature before January 15 of each odd-numbered year on the costs and benefits of the state's master lease program.

Veto by Governor [E-3]: Delete provision.

[Act 27 Vetoed Section: 123mk]

18. VOLUNTEER HEALTH CARE PROVIDER PROGRAM

Assembly/Legislature: Modify current law regarding the volunteer health care provider program to delete the requirement that the Joint Committee on Finance must approve any application for participation in the program that is submitted from any county other that Brown, Dane, Dodge,

Fond du Lac, Kenosha, La Crosse, Milwaukee, Outagamie, Racine, Rock and Sheboygan Counties. The program allows health care providers (such as physicians, dentists and nurses) to offer their services, in connection with a local non-profit entity, without charge to provide basic medical care for low-income, uninsured persons who do not receive health care from other publicly-funded programs such as medicaid. Individuals approved to provide services under the program are statutorily considered agents of the Department of Health and Family Services and thus are provided the same coverage as other state employes in terms of protections against liability from performance of the duties of their job responsibilities. Under this change, approval of participation in the volunteer health care provider program by the Department of Administration would still be required, as is the case for the counties enumerated above.

[Act 27 Sections: 3009m thru 3009qs]

Information Technology

1. STATE INFORMATION TECHNOLOGY SERVICES -- INCREASED BUDGET [LFB Paper 130]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	$0	$2,000,000	$2,000,000
PR-REV	0	- 2,000,000	- 2,000,000
PR	$12,756,000	8,045,400	20,801,400

Governor: Provide $6,378,000 annually to increase the supplies and services expenditure level in the Division of Information Technology Services continuing appropriation to reflect estimated expenditure levels. Funding for this request would be provided from charges to state agencies for their use of state computer utility services.

Joint Finance/Legislature: Provide an additional $3,918,700 in 1997-98 and $4,126,700 in 1998-99 to reestimate supplies and services and permanent property expenditure levels in the information technology processing services appropriation based on estimated 1996-97 expenditure levels. Convert the current appropriation for information technology services from a continuing appropriation to an annual appropriation. Require DOA to lapse, on the effective date of the budget act, $2,000,000 from the information technology services appropriation to the general fund.

Veto by Governor [E-4]: Delete the conversion of the appropriation from a continuing appropriation to an annual appropriation. As a result, the appropriation remains a continuing appropriation.

[Act 27 Section: 9201(3x)]

[Act 27 Vetoed Sections: 169 (as it relates to s. 20.505(1)(kL)) and 670r]

2. BUREAU OF JUSTICE INFORMATION SYSTEMS [LFB Papers 131 and 132]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
PR	$6,841,500	- $157,900	- $40,900	$6,642,700

Governor: Provide $2,720,200 in 1997-98 and $4,247,200 in 1998-99 and 3.0 positions annually for the Division of Technology Management's Bureau of Justice Information Systems (BJIS). Funding would be provided as follows:

a. *BJIS Administration.* $244,500 in 1997-98 and $248,400 in 1998-99 and 3.0 positions (2.0 information technology management consultant positions and 1.0 programming and policy analyst).

b. *BJIS Administration Technical Adjustment.* -$38,000 in 1997-98 and -$121,200 in 1998-99 to: (1) reduce base supplies and services funding and shift that funding from the justice information system fee funding to funding provided through the Office of Justice Assistance (-$3,000 in 1997-98 and -$86,200 in 1998-99); and (b) reduce permanent property funding (-$35,000 annually).

c. *District Attorney Offices Automation.* $1,707,600 in 1997-98 and $1,939,600 in 1998-99 for the costs of continuation of computer automation in district attorney (DA) offices statewide.

d. *State Public Defenders Automation.* $806,100 in 1997-98 and $2,180,400 in 1998-99 to begin the computer automation of the State Public Defender's Office (SPD).

Also, delete $53,900 in 1997-98 and $72,000 in 1998-99 and 3.0 positions annually in the Division of Buildings and Police Services (DBPS) to offset the increased positions in BJIS. [On December 16, 1996, the Joint Committee on Finance, under s. 13.10, approved a reduction in DBPS of $71,700 and 3.0 position in 1996-97 associated with requested BJIS staffing increases. The Governor vetoed the deletion of these positions and funding.]

Create an annual program revenue appropriation to allow BJIS to receive funding from Office of Justice Assistance's (OJA's) federal anti-drug grant. Of the total increased program revenue provided to BJIS in the bill, $754,500 in 1997-98 and $1,495,300 in 1998-99, would be provided from OJA funds. These OJA funds would be used as follows: (a) $235,200 in 1997-98 and $152,000 in 1998-99 for BJIS administration; (b) $299,300 in 1997-98 and $443,300 in 1998-99 for DA office automation; and (c) $220,000 in 1997-98 and $900,000 in 1998-99 for SPD automation. The remaining funds, $1,965,700 in 1997-98 and $2,751,900 in 1998-99, would come from BJIS share of revenue derived from justice information systems fee revenues.

Increase the current justice information system fee assessed on certain civil court proceedings from $5 to $7 effective October 1, 1997, or the day after publication of the bill, whichever is later. Specify that four-sevenths ($4) of the new fee amount would be created to the PR appropriation for BJIS operations and two-sevenths ($2) would be newly credited to the Supreme Court appropriation for the circuit court automation project (CCAP). The remaining $1 would continue to be deposited in the general fund. Modify the current CCAP appropriation to allow for the receipt of this new source of revenues (the $2 increase) fee revenue. Under the bill, BJIS and the general fund would continue to receive the same dollar amount from the fee as is currently received. While the fee increase would not be effective until October 1, 1997, two-sevenths of the justice information fee would, under the bill, be deposited to the CCAP appropriation, effective on the date of enactment of the bill. Therefore, a technical correction is needed so that funds are not required to be deposited to the CCAP appropriation until the increased fee is in effect.

Joint Finance: Reduce funding for the Bureau of Justice Information Systems by $96,800 in 1997-98 and $61,100 in 1998-99, as follows:

a. *BJIS Administration.* Delete $35,700 in 1997-98 to fund the 3.0 new BJIS positions for only nine months in 1997-98, and delete $3,500 annually to reflect the actual amount of continuing funding needed in 1997-99 to reflect actions by the Joint Committee on Finance under a previous s. 16.505/515 request.

b. *District Attorney Offices Automation.* Delete $28,800 annually to reflect reestimates of funding available from the justice information fee.

c. *State Public Defenders Automation.* Delete $28,800 annually to reflect reestimates of funding available from the justice information fee.

In addition, make a technical correction to delay the deposit of justice information funds to CCAP to October 1, 1997.

Assembly/Legislature: Reduce funding by $40,900 in 1997-98 to reflect a January 1, 1998, starting date for the new positions, rather than October 1, 1997.

[Act 27 Sections: 147, 668, 671, 5194 and 9409(1)]

3. INFORMATION TECHNOLOGY INFRASTRUCTURE SUPPORT [LFB Paper 133]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$1,063,400	- $306,300	$757,100

Governor: Provide $629,700 in 1997-98 and $433,700 in 1998-99 for small agency information technology infrastructure support. Funding would be divided as follows: (a) $498,400 in 1997-98 and $258,700 in 1998-99 for the cost of contracting with one or more private vendors statewide to provide technical IT support staff services to small state agencies for such items as hardware and software installation, operating problem resolution, help desk services, user training, data base development and application development and conversion; and (b) $131,300 in 1997-98 and $175,000 in 1998-99 placed in unallotted reserve to fund the potential cost of 3.0 positions to provide contract administration. The executive budget book indicates that the 3.0 positions would be reallocated from within DOA. These position shifts are not identified in the budget documents. Funding for this request would be provided from charges assessed against state agencies for the cost of providing the technical assistance.

Joint Finance/Legislature: Modify provision by deleting $131,300 in 1997-98 and $175,000 in 1998-99 placed in unallotted reserve to fund the potential costs of 3.0 reallocated positions to provide information technology support contract administration.

4. DOCUMENTS IMAGING TECHNICAL SUPPORT [LFB Paper 133]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$922,100	- $346,100	$576,000

Governor: Provide $447,800 in 1997-98 and $474,300 in 1998-99 to provide state agencies with technical and project assistance in document imaging. The executive budget book indicates that 3.0 positions would be reallocated within DOA to establish an expert imaging team to assist state agencies in assessing the feasibility of imaging projects and the design and implementation of imaging systems. This position shift is not identified in the budget documents. Of the total funding, $288,000 annually is provided to hire contract consultants and $159,800 in 1997-98 and $186,300 in 1998-99 is placed in unallotted reserve for potential use in funding any reallocated positions. Funding for this request would be provided from charges assessed to state agencies for their use of the state telephone and data systems.

Joint Finance/Legislature: Modify provision by deleting $159,800 in 1997-98 and $186,300 in 1998-99 placed in unallotted reserve to fund the potential costs of reallocated positions to provide technology support for documents imaging.

5. TRANSFER OF IT SUPPORT POSITIONS [LFB Paper 134]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$984,800	9.50	- $384,800	0.50	$600,000	10.00

Governor: Provide $492,400 annually and 9.5 positions for additional IT support positions in DOA. These positions would be transferred from DHFS to DOA. Funding and positions are for the following: (a) $300,000 annually and 5.0 positions (4.0 management information specialists and 1.0 management information supervisor) for internet development and support to state agencies ($176,600 annually and 3.0 positions in the Division of Information Technology Services (DITS) and $123,400 annually and 2.0 positions in the Division of Technology Management (DTM)); and (b) $192,400 annually and 4.5 positions (2.0 data processing operations technicians, 1.5 management information specialists and 1.0 management information supervisor) in DITS for responsibilities associated with the printing of reports, records and documents from mainframe computer systems. Funding to support the positions in DITS would be from charges to agencies for their use of state computer utility services. Funding to support the DTM positions would be from charges assessed to state agencies for their use of the state telephone and data systems.

Specify that incumbent employes in the positions at DHFS, on the effective date of the bill, will be transferred to DOA and that these employes would retain all rights and status as they had prior to the transfer and that they would not be required to service any new probationary period as a result of the transfer.

Joint Finance/Legislature: Modify provision by deleting $192,400 annually provided for costs associated with the printing of reports, records and documents from mainframe computers. These costs are currently funded by DITS. Provide an additional 0.5 position associated with the positions to be transferred from DHFS.

[Act 27 Section: 9123(8)]

6. ELECTRONIC MEDICAL SERVICES PROJECT [LFB Paper 133]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$412,900	- $163,100	$249,800

Governor: Provide $194,800 in 1997-98 and $218,100 in 1998-99 for an electronic medical services project to be coordinated by DOA. The purpose of the project would be for DOA to work with the Departments of Health and Family Services, Corrections and Veterans Affairs (and possibly other agencies) to examine how to use information technology to streamline and improve the operation and delivery of services in the state's medical facilities. The intent would be to identify the IT hardware and software needed for this purpose and to develop a project plan for the redesign of existing delivery of services. The executive budget book indicates that 1.0 position will be reallocated within DOA to support the project. This position shift is not identified in the budget documents. The executive budget book also states that an interim report on the project is to be submitted to the Governor by the end of 1997-98. The funding would be allocated as follows: (a) $124,900 annually to hire contract consultants; (b) $30,000 in 1997-98 and $40,000 in 1998-99 for supply costs; and (c) $39,900 in 1997-98 and $53,200 in 1998-99 placed in unallotted reserve for potential costs associated with reallocated positions. Funding for this request would be provided from charges assessed to state agencies for their use of the state telephone and data systems.

Joint Finance/Legislature: Modify provision by deleting $69,900 in 1997-98 and $93,200 in 1998-99 placed in unallotted reserve to fund the potential costs of reallocated positions to provide support for the electronic medical services project.

7. AGENCY STRATEGIC IT PLANS [LFB Paper 135]

a. Required Contents

Governor/Legislature: Modify current law regarding the requirement that each executive branch agency, biennially submit a strategic plan regarding its utilization of IT to require that each agency identify in that plan all proposed IT development projects, the priority for undertaking such projects and the justification for each project including anticipated benefits. Under current law, each state agency submits to DOA, for its approval, a strategic plan that must identify all resources relating to information technology which the agency desires to acquire, the priority for such acquisitions and the justification for such acquisitions.

b. Required 1997-98 Amendments

Governor: Create a nonstatutory provision requiring that no later than October 1, 1997, each executive branch agency that receives funding under the bill for any information technology

development project file an amendment to its strategic plan with DOA. Require that the plan amendment: (a) identify each information technology development project for which funding has been provided under the bill; and (b) specify, in a form prescribed by the Secretary of DOA, the benefits that the agency expects to realize from undertaking the project. Provide that an agency may proceed with any such project in accordance with its amended plan unless DOA notifies the agency in writing that the amended plan is not approved. Under current law, each state agency in the executive branch must adopt, revise biennially and submit to DOA for its approval a strategic plan for the utilization of information technology to carry out the functions of the agency. The plan must identify all resources relating to information technology which the agency desires to acquire, the priority for such acquisitions and the justification for such acquisitions.

Joint Finance/Legislature: Modify the provision by: (a) deleting the language that an agency may not proceed with any IT project approved in the 1997-99 biennial budget in accordance with its amended plan if DOA notifies the agency in writing that the amended plan has not been approved; and (b) changing the remaining language from a session law provision to instead make it a permanent statutory requirement and to provide that each biennium, within 60 days after the effective date of each biennial budget act, an agency file an amended IT plan with DOA.

[Act 27 Sections: 143 and 143m]

8. LARGE INFORMATION TECHNOLOGY SYSTEMS OVERSIGHT

Joint Finance: Require DOA to submit, semiannually, a report to the Joint Committee on Information Policy and the Joint Committee on Finance which identifies and describes all existing or planned information technology system development and procurement projects which will cost the state more than $1 million in any fiscal biennium. Require that the first such report be submitted no later than September 1, 1997.

In addition, authorize the Joint Committee on Information Policy and the Joint Committee on Finance, to jointly direct DOA to submit a report to the Joint Committees on any specific IT system which is being designed, developed, implemented or tested and which will cost the state more than $1 million in any fiscal biennium. Require that any such report include all of the following:

a. The major stages and substages of the project, including the assessment of need, design, implementation and testing stages and their major substages.

b. The scheduled, estimated and actual completion dates for each major stage and substage.

c. The budgeted amounts and amounts actually expended on each major stage and substage.

d. An evaluation of the project, including problems encountered and risks associated with proceeding to the next stage of the project.

Assembly/Legislature: Modify the provision related to the submission of the first semiannual report to the Joint Committee on Information Policy and the Joint Committee on Finance on information technology system development and procurement projects which will cost the state more than $1 million in any fiscal biennium by changing the required reporting date from no later than September 1, 1997, to no later than January 1, 1998.

Veto by Governor [E-5]: Delete the provision requiring DOA to semiannually submit a report to the Joint Committee on Information Policy and the Joint Committee on Finance which identifies and describes all existing or planned information technology system development and procurement projects which will cost the state more than $1 million in any fiscal biennium.

[Act 27 Sections: 7m and 10s]

[Act 27 Vetoed Sections: 143n and 9101(11g)]

9. ADMINISTRATION OF INFORMATION TECHNOLOGY INVESTMENT FUND [LFB Paper 500]

	Chg. to Base
GPR	$242,600

Joint Finance/Legislature: Create an annual appropriation, for the 1997-99 biennium only, to support the administrative costs of the information technology investment fund. Provide funding of $121,300 annually in this one-time appropriation.

[Act 27 Sections: 143r thru 146s, 666m, 666n, 740c thru 740j and 9401(3g)]

10. BADGERNET ACCESS

Joint Finance/Legislature: Authorize DOA to allow the following to have access to BadgerNet: (a) nonprofit and public museums; (b) bona fide public zoos that have an educational mission; (c) regionally accredited four-year nonprofit colleges and universities that are incorporated in this state or that have their regional headquarters and principal place of business in this state; (d) Indian community colleges located in this state; and (e) private elementary and secondary schools. Require that any use by these groups be on the same terms and conditions that apply to a municipality using the system. Specify that DOA establish eligibility requirements for the participation of museums and zoos.

[Act 27 Sections: 147k thru 147p]

General Statutory Provisions

1. PAYMENT OF STADIUM DISTRICT BILLS TO DOA [LFB Paper 138]

Governor: Specify that a professional baseball park district that directly benefits from services provided by the Department of Administration or the Building Commission would be liable for the fair market value of those services, as determined by the Secretary of DOA, including services provided before the effective date of the bill. In addition, a district would be liable regardless of whether it had been in existence at the time the services were provided or whether the district authorized the services. Specify that any actions taken by DOA and the Building Commission to provide such services before the effective date of the bill are validated.

Require the Secretary of DOA to determine and certify to the Department of Revenue any amount that a district would be liable for and remains unpaid. The amount would be paid on the date specified in the certification from the revenues generated by the district's 0.1% sales tax. [Under current law, DOR collects the sales tax on behalf of the district and, after deducting for its administrative percentage, transfers the revenues to the district.] The Secretary's certification would apportion the unpaid liability between the DOA appropriation for capital planning and building construction services and the Building Commission's capital improvement fund based on the extent to which the expenditures were made from these appropriations. The certification could provide for a lump sum repayment or for installment payments. The budget bill does not provide an estimate of the amount that would be collected under this provision. However, DOA has indicated that the state's stadium-related expenses are approximately $916,200 ($552,200 to DOA's capital planning and construction services appropriation and $364,000 to the capital improvement fund).

Joint Finance/Legislature: Delete provision.

2. TRANSFER OF SURPLUS PROPERTY TO TOURISM [LFB Paper 804]

Governor: Require DOA to transfer any supplies, materials or equipment declared surplus by state agencies to the Department of Tourism, at no cost, at the request of Tourism. Also, require DOA to transfer any excess or surplus federal personal property to Tourism, at no cost, at the request of Tourism and subject to any federal restrictions. Tourism would be required to enter into contracts for the marketing or sale of surplus property with statewide organizations that represent counties to promote international trade, business and economic development in the state. [See "Tourism" for more detail.]

Under current law, DOA is require to promulgate rules: (a) allowing state agencies to declare supplies, materials and equipment as surplus; and (b) providing for the transfer of surplus materials to other agencies or for the disposal by private or public sale. Due credit is also to be given to agencies at the time of release. Current law also requires DOA to acquire federal excess and surplus real and personal property for the benefit of state agencies.

Joint Finance/Legislature: Modify the provision to specify that state surplus property be transferred to Tourism only if the transfer is permitted by the agency that has possession of the property. Further modify the provision to make permissive, rather than mandatory, the transfer of any excess or surplus federal property.

[Act 27 Sections: 118 and 149]

3. STATE ENERGY CONSERVATION AUDITS AND CONSTRUCTION PROJECTS [LFB Paper 139]

Governor: Make the following statutory changes:

a. *Energy Conservation Audits.* Allow DOA to contract with a qualified party for an energy conservation audit to be performed at any state-owned building, structure or facility. Specify that under the contract, the contractor: (1) prepare a report containing a description of the physical modifications to the building, structure or facility that are required to achieve specific future energy savings within a specified period; and (2) determine the minimum savings in energy usage that would be realized by the state from making any modifications.

b. *Energy Conservation Construction Projects.* Specify that after a review of the energy conservation audit report, and subject to any necessary approval by the Building Commission, DOA may contract for such energy conservation construction work to be performed, if, in the judgment of DOA, the anticipated savings to the state after completion of the work will enable recovery of the costs of the work within a reasonable period of time.

Require the contractor to undertake the construction work at its own expense. Require that the contract provide for the state to pay a specific amount, including any financing costs incurred by the contractor, but not to exceed the minimum savings determined under the audit. Payments under the contract would be made as the savings in energy costs identified in the audit are actually realized by the state. Require that any contract include a provision stating that payments under the contract are contingent upon available appropriations.

Require DOA to pay the construction costs from individual agency energy costs appropriations and modify agency energy costs appropriations to allow such expenditures. Allow DOA to also

charge its costs for negotiation and administration of the construction contract to the same appropriations.

Exempt energy conservation projects from notice and bidding requirements for construction projects and from the requirement that such projects be enumerated in the authorized state building program. Under current law, state construction projects that are estimated to cost more than $30,000 must be publicly advertised and awarded to the lowest qualified responsible bidder. Projects that are estimated to cost more than $100,000 are subject to Building Commission approval and those over $250,000 must be specifically enumerated in the authorized state building program.

Joint Finance/Legislature: Modify the provision to: (a) specify that the state is only responsible for the repayment of projects during the period specified in the required energy conservation audit; (b) require DOA to annually, by January 1, report to the Joint Committee on Finance regarding any energy conservation audit and construction project financed under the energy conservation audit and construction project provision, the project's estimated annual savings and the final project repayment date; and (c) repeal the current law energy saving performance contracting provisions.

[Act 27 Sections: 124m, 126 thru 130, 131, 234, 243, 244, 245, 248, 271, 508, 569mm, 647, 665, 686 and 759]

4. STATE PUBLICATIONS [LFB Paper 800]

Joint Finance/Legislature: Require DOA to promulgate administrative rules related to the standards to be used by state agencies that are authorized to seek the sponsorship of state publications.

Veto by Governor [E-3]: Delete provision.

[Act 27 Vetoed Sections: 123n and 123r]

Transfers and Modifications of Functions

1. REPEAL LAND INFORMATION BOARD [LFB Paper 140]

Governor: Repeal the Land Information Board, shift 2.5 PR positions and current duties of the Board, with certain modifications, to a new land information program within DOA. Specify that the transferred employes would retain all rights and status that they had prior to the transfer and that they would not be required to serve any new probationary period as a result of the transfer. Specify that all rules and orders of the Land Information Board would remain in effect until they expire or are repealed and that all matters pending before the Board on the effective date of the bill be transferred to DOA. Shift the existing appropriations of the Board for general program operations, grants to counties and technical assistance and education to DOA.

The Land Information Board is composed of the following 13 members: (a) four department secretaries (Administration, Agriculture, Trade and Consumer Protection, Natural Resources and Transportation or their designees); (b) the State Cartographer; (c) four representatives from county and municipal government selected from various geographical regions of the state, including at least one member of a county board, one member of a city council, village board or town board and one person who is a county officer active in land information management; and (d) four representatives from public utilities and private businesses selected from various geographical regions of the state, including at least one public utility representative and at least one representative of a professional land information board. The non-ex officio members are appointed; with the advice and consent of the Senate, by the Governor to six-year terms.

Joint Finance/Legislature: Delete provision, except for the shift of 2.5 PR positions currently attached to the Land Information Board to the Department of Administration and including provisions related to the retention of rights and status by those transferred employes.

[Act 27 Section: 9101(1)]

2. WISCONSIN LAND COUNCIL CREATION

Governor/Legislature: Create a 16-member Wisconsin Land Council, attached to DOA for administrative purposes. The Council would sunset on September 1, 2003. Provide that the Council have the following membership and duties:

Membership. Specify the following Council membership: (a) the Secretaries (or their designees) of the Departments of Administration, Agriculture, Trade and Consumer Protection,

Commerce, Natural Resources, Revenue, and Transportation; (b) the State Cartographer; (c) one member who represents the interests of cities; (d) one member who represents the interests of counties; (e) one member who represents the interests of towns; (f) one member who represents the interests of local governments; (g) one representative from the University of Wisconsin System; and (h) four members of the public. Except for ex officio members, the members of the Council would be appointed by the Governor.

Specify that members representing cities, counties, towns, local governments, the UW System and the four public members serve five-year terms. For the initial appointment of the members with fixed terms, their terms of appointment be staggered with three members having terms that expire on July 1, 2000, three members having terms that expire on July 1, 2001, and three members having terms that expire on July 1, 2002. Provide that the Governor appoint a member of the Council to serve at the pleasure of the Governor, as Council Chair.

Duties. Require the Council to:

a. Identify and recommend state land use goals;

b. Identify state land use priorities to further the state's land use goals and recommend legislation to implement these priorities;

c. Study areas of cooperation and coordination in the state's land use statutes and recommend legislation to harmonize these statutes to further the state's land use goals;

d. Study areas of the state's land use statutes that conflict with each other and recommend legislation to resolve these conflicts to further the state's land use goals;

e. Identify areas of the state's land use statutes that conflict with county or municipal land use ordinances, and areas of county or municipal land use ordinances that conflict with each other, and recommend legislation to resolve these conflicts;

f. Establish a technical working group composed of the State Cartographer, a representative of the University of Wisconsin System who has expertise in land use issues and any other land use experts designated by the Council's chairperson, to study the development of a computer-based Wisconsin land information system and recommend legislation to implement such a computer system;

g. Establish a state agency resource working group composed of representatives of the Departments of Administration, Agriculture, Trade and Consumer Protection, Commerce, Natural Resources, Revenue, Transportation and other appropriate agencies to discuss, analyze and address land use issues and related policy issues, including: (a) gathering information about the land use plans of state agencies; (b) establishing procedures for the distribution of the information to other state agencies, local units of government and private persons; and (c) the creation of a system to facilitate,

and to provide training and technical assistance for the development of, local intergovernmental land use planning;

h. Study the activities of local units of government in the land use area to determine how these activities impact on state land use goals, and recommend legislation to foster coordination between local land use activities and state land use goals;

i. Identify procedures for facilitating local land use planning efforts, including training and technical assistance for local units of government, and recommend legislation to implement such procedures;

j. Gather and analyze information about the land use activities in this state of the federal government and American Indian governments and inform the Governor of the impact of these activities on state land use goals;

k. Study any other issues that are reasonably related to the state's land use goals, including methods for alternative dispute resolution for disputes involving land use issues, and recommend legislation in the areas studied by the Council that would further the state's land use goals; and

l. Establish a state-local government-private sector working group to study and advise the Council on land use issues; and

m. At the Council's discretion, gather information about land use issues including: (a) holding public hearings or informational meetings on land use issues; (b) conducting surveys on land use issues; and (c) consulting with any person who is interested in land use issues.

Require that any recommended legislation be submitted to the Governor. Specify that, no later than one year after the effective date of the bill, the Council, in conjunction with the state-local government-private sector working group, develop evaluation criteria for its functions. Require the Council to complete, not later than September 1, 2002, a report that contains an evaluation of its functions and activities and a recommendation as to whether the Council should continue in existence past its sunset date (August 31, 2003) and, if so, an enumeration of any recommended structural modifications to the Council's functions or to the state's land use programs. Require the report to be submitted to the Governor and the Legislature.

[Act 27 Sections: 55, 97 and 9101(2)]

3. ESTABLISH LAND INFORMATION PROGRAM [LFB Paper 140]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,036,300	5.50	- $8,400	0.00	- $57,800	0.00	$970,100	5.50
SEG	500,000	0.00	- 500,000	0.00	0	0.00	0	0.00
Total	$1,536,300	5.50	- $508,400	0.00	- $57,800	0.00	$970,100	5.50

Governor: Provide net increased funding of $601,800 PR and $275,000 SEG in 1997-98 and $434,500 PR and $225,000 SEG in 1998-99 and 5.5 PR positions for: (a) establishment of a modified land information program in the Department instead of in the Land Information Board; (b) functions of the Wisconsin Land Council created under the bill; and (c) a new requirement that DOA develop and maintain geographic information systems (GIS) relating to land in Wisconsin for use by state and local governments and the public. Existing funding and staff for the Land Information Board would also be transferred to DOA under the land information program. The increased program revenue funding and positions ($460,800 PR in 1997-98 and $300,500 PR in 1998-99 and 3.0 PR positions from a new fee assessed certain state agencies, and $177,500 PR in 1997-98 and $170,500 PR in 1998-99 and 2.5 PR positions from the current $2 land information fee) would be used to provide additional support for DOA's land information program and activities of the Council. In addition, DOA's printing, document sales, mail distribution and record services appropriation is reduced by $36,500 PR annually as a result of the transfer. Under the bill, total funding for the land information program would be $2,645,700 PR and $275,000 SEG in 1997-98 and $2,478,400 PR and $225,000 SEG in 1998-99 and a total of 8.0 PR positions.

Shift the existing appropriations to the Board (PR appropriations for: (a) general program operations; (b) land information project grants to counties; and (c) technical assistance and education) to DOA. Modify the general program operations appropriation to provide that this appropriation may be used both for the land information program functions established under DOA and also for the functions of the Wisconsin Land Council. Further, create a SEG appropriation, funded from the recycling fund, for the new requirement that DOA develop and maintain geographic information systems related to land in the state (funding of $275,000 SEG in 1997-98 and of $225,000 SEG in 1998-99). Also, create a program revenue appropriation, funded by fees assessed by DOA against state agencies for the Department's land information functions and the functions of the Land Council. Provide that the fees may be assessed against any state agency for any amount that DOA determines to be required to support these functions. The executive budget book indicates that fees would be assessed to six agencies (DOA, DATCP, Commerce, DNR, DOR and DOT).

Transfer all existing duties of the Land Information Board to the land information program established under DOA. The following duties would be transferred: (a) to direct and supervise the state land information program; (b) to serve as the state clearinghouse for access to land records; (c) to maintain and distribute an inventory of land information and land information systems available in and for Wisconsin; (d) to prepare guidelines to coordinate the modernization and integration of

land records and land information systems in and among local units of government and state agencies; (e) to determine the award of grants to counties for land information projects; and (f) to approve countywide plans for land records modernization. In addition, the following existing duties for review would also be transferred but with the modification that DOA would facilitate (presumably in concert with other parties) the following: (a) the review of counties' applications for grants for land information projects; (b) review of countywide plans for land records modernization; and (c) provision of technical assistance and advice to state agencies and local governmental units with land information responsibilities.

Provide that the following provisions, currently applicable to the Land Information Board, be instead be made applicable to DOA under the land information program: (a) DOA could seek advice and assistance from the UW, state agencies, local units of government and experts involved in collecting and managing land information; (b) state agencies would be required to cooperate with DOA in the coordination of land information collection; (c) DNR would be required to cooperate with DOA in conducting wetlands mapping activities or any related land information collection activities and to consult with DOA in determining the scope and character of aerial photographic surveys; (d) DATCP would be required to cooperate with DOA in developing a methodology to collect and organized soil erosion data; and (e) the UW Board of Regents would have to consult with DOA regarding the appointment of the State Cartographer and the cartographer's exercise of his or her duties.

Specify that in regard to the land information program responsibilities transferred to DOA, the definition of a state agency includes an office, department, independent agency, institution of higher education, association, society or other body in state government created by the constitution or any law and includes the Legislature and the Courts but not statutory authorities.

Joint Finance: Modify the provision as follows:

a. Maintain a separate land information program, under the direction of the Land Information Board;

b. Modify the appropriation created in the bill for "land information; state agency support," to specify that the appropriation is only for costs related to support of the Wisconsin Land Council. Delete the language allowing the appropriation's use for support of the land information program;

c. Create a combined Land Information Board and Land Council staff in DOA, with the positions funded as follows between the current Land Information Board appropriation and the new Land Council appropriation: (1) Land Information Board appropriation: 0.5 director, 1.0 management information specialist, 1.5 community support specialists, 0.5 program and planning specialist and 0.5 program assistant; and (2) Land Council appropriation: 0.5 director, 1.0 management information specialist, 0.5 community support specialist, 1.5 program and planning analysts and 0.5 program assistant;

d. Increase funding provided in the Land Information Board appropriation by $15,800 PR in 1997-98 and $3,800 PR in 1998-99 and transfer 1.0 PR position [0.5 executive director and 0.5 community support specialist] from the Land Information Board appropriation to the Land Council appropriation;

e. Decrease the Land Council appropriation funding by $50,900 PR in 1997-98 and increase funding by $22,900 PR in 1998-99;

f. Require the Land Information Board and the Land Council to enter into a memorandum of understanding to ensure cooperation between the organizations and avoid duplication of functions;

g. Require the Land Information Board and the Land Council to provide an evaluation, including recommendations, on how best to continue their activities, including the feasibility of combining their functions, to the Governor and the Legislature no later than September 1, 2002;

h. Provide a sunset date for the Land Information Board and the Land Council of September 1, 2003, unless action is taken by the Legislature and Governor based on the recommendations of the Board and Council;

i. Provide that the current land information fee continue after the sunset of the land information program in order to allow counties to develop, maintain and implement countywide plans for land records modernization. Reduce the total fee from $10 for the recording of the first page of certain documents with each county registrar of deeds to $8. [The $2 reduction reflects funding currently provided to the state's land information program.]; and

j. Delete $275,000 SEG in 1997-98 and $225,000 SEG in 1998-99 for GIS activities in DOA funded from the recycling fund and associated statutory language. Instead, authorize DOA to develop and maintain geographic information systems relating to land for use by governmental and nongovernmental units, but provide that such authority would not become effective until: (1) DOA has submitted a report, for approval under a 14-day passive review process, to the Joint Committee on Finance detailing how the new GIS authority will be utilized; and (2) any additional legislation necessary to fund the GIS activity has been enacted.

Assembly/Legislature: Reduce funding by $57,800 in 1997-98 to reflect a January 1, 1998, starting date for the new positions, rather than October 1, 1997.

Veto by Governor [E-8]: Delete the restrictions on utilization of DOA's GIS authority. As a result, on the effective date of the bill, DOA is authorized to develop and maintain geographic information systems relating to land for use by governmental and nongovernmental units.

[Act 27 Sections: 44, 51, 97, 133am thru 142am, 666g, 666h, 666p, 666q, 666r, 669, 669am, 672, 672m, 682ad, 683ad, 684ad, 769ad, 774am, 775am, 1156ad, 1164ad, 2164am, 2164c, 2164e, 2175aj, 2175ak, 2175aL, 2175am, 2175b, 2175c, 2489ad, 9101(1)&(11m) and 9456(3m)]

[Act 27 Vetoed Section: 133c]

4. TRANSFER PLAT REVIEW AND MUNICIPAL BOUNDARY REVIEW TO DOA

	Chg. to Base Funding	Chg. to Base Positions
GPR	$208,200	2.00
PR	671,200	5.50
Total	$879,400	7.50

Governor/Legislature: Provide $104,100 GPR annually and 2.0 GPR positions to reflect the transfer of the municipal boundary review function from the Department of Commerce to DOA and $335,600 PR annually and 5.5 PR positions to reflect the transfer of the plat review function from Commerce to DOA. Modify the Department of Commerce's safety and buildings appropriation to provide for plat review functions that remain with Commerce (the review and approval of lot size and lot elevation for septic systems and assurances of adequate drainage for waste treatment facilities). Specify that all employes performing these functions on the effective date of the bill are transferred to DOA with the same status and right that they had in Commerce prior to the transfer and that they would not be required to serve any new probationary period as a result of the transfer. Further, specify that all assets, liabilities and personal property of Commerce that related to plat review and municipal boundary review become the property of DOA on the effective date of the bill. Require that any matter pending with Commerce related to plat review or municipal boundary review on the effective date of the bill become the responsibility of DOA. The PR supported funding is derived from fees that are assessed individuals for plat reviews.

While, under current law, both programs are statutorily assigned to Commerce, they are being administered by the Department of Revenue under a memorandum of understanding.

Under current law, anyone wanting to divide a parcel of land into five or more lots of one and a half acres or less for the purpose of sale or building development must have the land surveyed and a plat or the land reviewed and approved by both a specified local agency and the Department of Commerce. This general plat review and approval function is transferred under the bill from Commerce to DOA.

Currently, most towns may incorporate as a city or village only after following certain procedures and receiving approval for the incorporation from a circuit court and the Department of Commerce. Further, if a town wishes to consolidate with another contiguous city, village or town, the consolidation may not take effect unless a circuit court and Commerce find that the proposed

consolidation is in the public interest. Town territory that is contiguous to any city or village may be annexed to that city or village under several methods, including direct annexation and annexation by referendum. Under both of these methods, in a county with a population of at least 50,000, Commerce is authorized to advise whether the proposed annexation is against the public interest. Upon receiving notice, the annexing municipality is required to review Commerce's advice before final action is taken. State public interest determination is transferred, under the bill, from Commerce to DOA.

[Act 27 Sections: 199, 206, 2186 thru 2188, 2190 thru 2194, 2235, 2236, 3391 thru 3393 and 9110(1)]

5. ELIMINATE THE EDUCATIONAL TECHNOLOGY BOARD AND PIONEERING PARTNERS PROGRAM [LFB Paper 791]

	Chg. to Base
GPR	- $20,146,600

Governor: Eliminate the Educational Technology Board (ETB) which is attached to DOA. Delete $10,000,000 for grants and $73,300 for ETB administration annually from the DOA base level budget.

Eliminate the pioneering partners grant and loan program which, under the direction of ETB, provides competitive grants and loans to school districts and public libraries for the purposes of educational technology and distance education improvements including building infrastructure upgrades, staff and teacher professional development programs, telecommunications fee payments, curricular or administrative projects, and hardware and software purchases. The state trust fund has reserved $15,000,000 annually for low-interest loans to school districts and libraries under this program. These loans would continue to be available under the Governor's proposed educational technology initiative. [See "Technology for Educational Achievement Board" (TEACH).]

Transfer from ETB to the TEACH Board all contracts, rules and pending matters. Provide that all contracts that were in effect would remain in effect until their specified expiration date or until they were rescinded or modified by the TEACH Board. Specify that all rules promulgated and orders issued by ETB that were in effect would remain in effect until their specified expiration date or until they were amended or repealed by the TEACH Board. Provide that for pending matters and all materials submitted to ETB or actions taken by ETB concerning the pending matter would be considered as having been submitted to or been taken by the TEACH Board.

Under current law, the Board consists of: (1) an employe of DOA appointed by the Secretary; (2) an employe of the Division of Libraries and Community Learning in DPI; (3) a representative of public libraries appointed by the Governor; (4) a member of the Wisconsin Advanced Telecommunications Foundation appointed by the Governor; (5) a technical college district board member or employe; (6) an employe of a UW System institution or center; (7) an employe of the

Public Service Commission; (8) a representative of a local or regional distance education network appointed by the Governor; and (9) a school board member or employe, appointed by the Governor.

Joint Finance/Legislature: Provide $5,000,000 GPR in 1997-98 for transition funding for the pioneering partners competitive grant program. Require that the TEACH Board distribute these competitive grants among the applicants to the February, 1997 funding cycle of the ETB, based on the applications recommended for grants by ETB. Reduce funding for the general fund educational technology block grants distributed by the TEACH Board by $5,000,000 GPR in 1998-99. Provide that the base level funding for these general fund block grants would be considered to be $35,000,000 GPR in 1998-99 for purposes of the 1999-01 budget process. (For more information, see "TEACH.")

[Act 27 Sections: 45, 53, 151, 270, 680, 681, 815, 816, 818 thru 820, 824 and 9101(10)]

6. SUPPORT POSITIONS FOR TEACH WISCONSIN BOARD [LFB Paper 797]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$683,200	5.00	- $122,900	- 1.00	- $84,600	0.00	$475,700	4.00

Governor: Provide $309,500 in 1997-98 and $373,700 in 1998-99 and 5.0 positions to provide administrative services to the TEACH Wisconsin Board and consulting services related to the wiring of schools districts. Funding and positions would be divided between DOA's Division of Facilities Development ($142,500 in 1997-98 and $172,000 in 1998-99 and 2.0 positions) and the Division of Information Technology Services ($167,000 in 1997-98 and $201,700 in 1998-99 and 3.0 positions). Positions in the Division of Facilities Development would be funded through charges assessed to school districts for the provision of professional engineering, architectural, project management and other building construction services for the installation or maintenance of electrical and computer network wiring. Funding for the positions in the Division of Information Technology Services would be provided from charges assessed to school districts, cooperative educational service agencies, the UW System and Wisconsin Technical College System districts for educational technology materials, supplies, equipment or contractual services.

Joint Finance: Modify the Governor's recommendation to, instead, provide $253,800 PR in 1997-98 and $306,500 PR in 1998-99 and 4.0 PR positions beginning in 1997-98. Provide 1.0 PR permanent position and 1.0 PR four-year project position to each of DITS and DFD.

Assembly/Legislature: Reduce funding by $84,600 in 1997-98 to reflect a January 1, 1998, starting date for the new positions, rather than October 1, 1997.

7. EDUCATIONAL TECHNOLOGY SERVICES [LFB Paper 796]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	$5,500,000	- $5,500,000	$0

Governor: Modify DOA's responsibilities relating to the provision of educational technology services. Educational technology would be defined as technology used in the education or training of any person or in the administration of an elementary or secondary school and related telecommunications services.

a. Authorize the Division of Information Technology Services (DITS) in DOA to purchase educational technology materials, supplies, equipment or contractual services from orders placed with DOA by the TEACH Board on behalf of school districts, cooperative educational service agencies (CESAs), technical college districts and the Board of Regents of the University of Wisconsin System.

Under current law, DOA can negotiate with private vendors to facilitate the purchase of computers and other educational technology, by public and private K-12 teachers for their private use. DOA must attempt to make available types of computers and other educational technology that will encourage and assist teachers in becoming knowledgeable about the technology and its uses and potential uses in education. Under this program, educational technology includes the use of technology in the administration of public libraries. Under the Governor's proposal, DOA would maintain these duties to negotiate computer purchases for teachers.

b. Authorize DOA to provide or contract for the provision of professional engineering, architectural, project management and other building construction services on behalf of school districts for the installation or maintenance of electrical and computer network wiring. DOA could assess fees for services provided and would credit all revenues to the appropriation for services for nonstate governmental units.

c. Require DITS to coordinate with the TEACH Board to provide school districts with telecommunications access under the educational telecommunications access program that would be created within the Public Service Commission (PSC), and contract with telecommunications providers to provide such access. Create a sum sufficient, segregated appropriation for monies from the universal service fund (USF) in PSC to pay any amounts due to telecommunications providers under contract with DOA to the extent that these amounts are not paid by school districts. Modify an existing appropriation for the expenditure of information technology receipts from nonstate entities to accept these payments from school districts. Provide $2,500,000 in 1997-98 and $3,000,000 in 1998-99, for the estimated USF costs of this access. Under current law, telecommunications providers contribute a proportionate share of their gross intrastate operating revenues to the USF to support the following four purposes: (1) assisting designated classes of customers in obtaining affordable access to essential telecommunications services; (2) assisting in the deployment of the advanced

telecommunications service capabilities throughout the state; (3) promoting affordable access throughout Wisconsin to high-quality education, library and health care information services; and (4) administering the USF.

Under the Governor's proposal, funds in the USF would be utilized to provide subsidized access to telecommunications services for school districts. Districts would pay no more than $250 per month for direct Internet access or a two-way full motion interactive video link. [See the "Public Service Commission" for further information.]

Joint Finance/Legislature: Modify the Governor's recommendation by: (a) deleting the sum sufficient appropriation created under DOA to fund the educational telecommunications access program from the USF and instead, creating a biennial sum certain appropriation under the TEACH Board; and (b) transferring the amounts which would have been appropriated under DOA ($2,500,000 SEG in 1997-98 and $3,000,000 SEG in 1998-99) to the TEACH appropriation. (For more information, see "TEACH.")

[Act 27 Sections: 116, 117m, 117n, 120, 124, 125, 148, 150, 667, 1347 and 3150]

8. TRANSFER GAMING BOARD FUNCTIONS TO DOA [LFB Papers 395 and 397]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$6,999,500	44.85	$0	- 2.00	$6,999,500	42.85

Governor: Provide $3,512,600 in 1997-98 and $3,486,900 in 1998-99 with 44.85 positions beginning in 1997-98 for: (a) the regulation and security of pari-mutuel racing, charitable gaming (bingo and raffle games) and crane games; and (b) the oversight and security of Indian gaming under the state-tribal gaming compacts. Eliminate the Gaming Board and create a Division of Gaming under DOA. Transfer the Gaming Board's current statutory responsibilities (with the exception of rulemaking, oversight and security responsibilities for the state lottery) to DOA. Create an unclassified division administrator for gaming. Provide that the Division of Gaming under DOA be designated as a separate employing unit for the purposes of personnel transactions. Transfer the five-member Council on Charitable Gaming from the Gaming Board to the Department of Administration. [See "Gaming Board" for budget adjustments that affect the funds and positions transferred and other modifications affecting DOA's administration of gaming.]

Provide that any employe in the Division of Gaming who performs any duty related to pari-mutuel racing, charitable gaming or crane games or the Executive Assistant or the Secretary or Deputy Secretary of DOA, and any member of such a person's immediate family, be subject to current conflict of interest provisions relating to the area of gaming for which the person performs

duties, while that person is employed or for two years following the termination of his or her employment with DOA. The conflict of interest provisions generally restrict: (a) employment with, or having an interest in, any concern holding a license, registration or contract for gaming activities; (b) accepting anything of value from any person connected with the regulated form of gaming; and (c) participation in the forms of gaming being regulated. Under current law, the members and employes of the Gaming Board are subject to these conflict of interest restrictions.

Included in the transfer would be 4.0 unclassified positions for the Office of Indian Gaming: 1.0 Indian gaming Director position and 3.0 attorney positions for tribal gaming compact negotiations. These four positions would be appointed by, and serve at the pleasure of, the Secretary of DOA; the Director would perform all duties under the Secretary's direction.

Provide that, on the effective date of the bill (the day following publication): (a) all assets and liabilities of the Gaming Board would become the assets and liabilities of DOA; (b) all tangible personal property, including records of the Board, would be transferred to DOA; and (c) all contracts entered into by the Board which are in effect would remain in effect and be transferred to DOA. Require DOA to carry out any such contractual obligations until modified or rescinded by DOA to the extent allowed under the contracts. Provide that all incumbent employes holding positions at the Board be transferred to DOA and have all employment rights and status at DOA that they enjoyed at the Board. No transferred employe would be required to serve a probationary period. Any matters pending with the Gaming Board on the effective date of the transfer would be transferred to DOA and all materials submitted to or actions taken by the Board with respect to any pending matter would be considered as having been submitted to or taken by DOA. All rules and orders of the Gaming Board, other than rules and orders relating to the state lottery, would remain in effect until their specified expiration date or until amended, repealed or rescinded by DOA. (All rules and orders relating to the state lottery would remain in effect until their specified expiration date or until amended, repealed or rescinded by the Department of Revenue.)

The following table shows the allocation of funds and positions for the Division of Gaming in DOA under the bill. The positions include: (a) 5.0 unclassified positions (1.0 Division Administrator position funded from racing revenues and 4.0 for Indian gaming); (b) 4.0 project positions for Indian gaming; and (c) 35.85 classified positions (24.1 for racing, 4.0 for Indian gaming, 5.0 for charitable and crane games and 2.75 positions, funded from racing revenues, to assist the Division Administrator with the overall administration of the division).

Division of Gaming
Funding and Position Allocations

	1997-98	1998-99	Positions
Pari-Mutuel Racing	$2,290,100	$2,304,500	27.85
Indian Gaming	930,400	874,300	12.00
Charitable and Crane Games	292,100	308,100	5.00
Total	$3,512,600	$3,486,900	44.85

Joint Finance/Legislature: Include provision and delete 2.0 unclassified attorney positions from the Office of Indian Gaming. Provide the funding associated with the deleted positions for the hiring of contracted legal counsel.

[Act 27 Sections: 15, 17, 49, 86, 87, 175, 176, 226 thru 233, 690, 691, 754, 757, 3094, 3097, 3293, 3295, 3299, 3301, 3307, 3313, 3314, 4549 thru 4592, 4594 thru 4605, 4607 thru 4615, 4617 thru 4621, 4624 thru 4663e, 4663r thru 4674, 4676 thru 4683, 4685 thru 4697, 4700, 4702 thru 4736, 4786 thru 4793, 5223, 5224, 5342 and 9120(1)]

9. DELAYED DIVISION OF GAMING POSITION STARTING DATES

	Chg. to Base
PR	- $48,400

Assembly/Legislature: Delete $48,400 in 1997-98 to reflect delayed position starting dates as follows: (a) -$34,300 to reflect delayed starting dates for 2.0 unclassified positions (a director and attorney for Indian gaming) to November 1, 1997; and (b) -$14,100 to reflect a delayed starting date for an auditor position for bingo regulation to January 1, 1998.

10. COMPULSIVE GAMBLING AWARENESS CAMPAIGN

	Chg. to Base
PR	- $128,000

Assembly/Legislature: Delete $64,000 annually from the Division of Gaming ($50,000 from Indian gaming and $14,000 from racing) to transfer to the Department of Health and Family Services to partially fund a public awareness campaign on compulsive gambling. DHFS would be provided with $100,000 annually to fund a public awareness campaign on compulsive gambling. The remainder of the funds budgeted for the campaign would be transferred from lottery funds for the general program operations of the state lottery.

Veto by Governor [C-13]: Delete $100,000 in 1997-98 from the appropriation made to the Department of Health and Family Services. The effect of the veto is that no transfer of funds from

the racing and Indian gaming program revenue accounts under the Division of Gaming would take place in 1997-98.

[Act 27 Sections: 228, 229m, 605m, 704g and 1410g]

[Act 27 Vetoed Sections: 169 (as it relates to s. 20.435(7)(kg)) and 1410g]

Agency Services

1. STATE AGENCY SERVICES -- INCREASE POSTAGE RESALE BUDGET [LFB Paper 144]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$3,401,500	- $170,000	$3,231,500

Governor: Provide $1,614,900 in 1997-98 and $1,786,600 in 1998-99 for postage to be resold by the Bureau of General Services to the Department of Tourism for mailing of tourist informational packets and to the Department of Workforce Development for child support enforcement mailings. Funding for this request would be provided from the charges assessed against these two agencies for the cost of purchased postage.

Joint Finance/Legislature: Modify provision by deleting $170,000 in 1998-99 associated with the mailing of informational brochures for the Department of Tourism.

2. STATE AGENCY SERVICES -- STATE COPY CENTERS EQUIPMENT [LFB Paper 144]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$1,229,800	- $256,300	$973,500

Governor: Provide $439,400 in 1997-98 and $790,400 in 1998-99 for replacement copiers and new printers for DOA copy centers. The requested funds are for: (a) $338,800 in 1997-98 and $336,900 in 1998-99 in one-time funding to purchase replacement copiers; (b) $100,600 in 1997-98 and $197,200 in 1998-99 for maintenance on the new copiers; (c) $194,000 in 1998-99 in one-time funding to purchase a digital color printer to print materials for the Department of Tourism; and (d)

$62,300 in 1998-99 for maintenance and supplies associated with the color printer. Funding for this request would be provided from charges to state agencies for their use of copy center services.

Joint Finance/Legislature: Modify provision by deleting $256,300 in 1998-99 associated with the purchase and maintenance of a digital color printer to print informational brochures for the Department of Tourism.

3. STATE AGENCY SERVICES -- STATE RECORDS CENTER COSTS

	Chg. to Base
PR	$250,000

Governor/Legislature: Provide $120,000 in 1997-98 and $130,000 in 1998-99 for the following: (a) $28,000 annually for increased space rental costs at the State Records Center; (b) one-time funding of $50,000 in 1997-98 and $60,000 in 1998-99 to replace three microfilm cameras; and (c) one-time funding of $42,000 in each year for purchase of additional storage shelves for state agency records. Funding for this request would be provided from the charges assessed against state agencies for use of the Records Center's microfilming and storage services.

4. STATE FACILITIES DEVELOPMENT -- CONVERT FUNDING FROM GPR TO PR

	Chg. to Base Funding	Chg. to Base Positions
GPR-REV	- $700,000	
GPR	- $5,770,100	- 38.58
PR	5,770,100	38.58
Total	$0	0.00

Governor/Legislature: Transfer $2,885,000 in 1997-98 and $2,885,100 in 1998-99 and 38.58 positions from GPR to PR funding in the Division of Facilities Development (DFD). The Division provides engineering, architectural and construction supervision services for the state building program and provides staff support to the Building Commission. Funding for this request would be funded from a dedicated percentage of the total cost of state building projects funding which would be transferred to DFD's program revenue budget.

As a result of the conversion of DFD to program revenue, $350,000 annually in GPR-Earned that was generated by DFD for design services on building construction projects would be eliminated. Instead, these costs would be funded from program revenue.

5. STATE FACILITIES MANAGEMENT -- CAPITOL HEAT AND POWER PLANT FUEL COSTS

	Chg. to Base
PR	$840,000

Governor/Legislature: Provide $400,000 in 1997-98 and $440,000 in 1998-99 for increased fuel costs at the Capitol power plant associated with the addition to the facilities served by the plant of the Lake Terrace State Office Building, and Monona Terrace Convention Center, the addition of improved heating, ventilating and air conditioning (HVAC) in the south wing of the Capitol and upgrades to the current HVAC systems in other state office buildings.

Funding for this request would be provided from charges assessed state agencies for space rental in state buildings.

6. STATE FACILITIES MANAGEMENT -- OPERATIONAL COSTS OF STATE BUILDINGS

	Chg. to Base
PR	$507,000

Governor/Legislature: Provide $77,000 in 1997-98 and $430,000 in 1998-99 for increased building management and maintenance costs associated with the expansion of existing state facilities or the acquisition of new facilities. The funding would be for added costs of: (1) $77,000 in 1997-98 and $80,000 in 1998-99 for the new air services hanger in Madison; and (2) $350,000 in 1998-99 for costs of the new State Laboratory of Hygiene. The types of costs for which funding is requested include janitorial cleaning, building maintenance and repair, supplies for building operations and utility costs. Funding for this request would be provided from charges assessed state agencies for rental of space in state office buildings.

7. STATE FACILITIES MANAGEMENT -- MADISON PARKING OPERATIONS

	Chg. to Base
PR	$653,800

Governor/Legislature: Provide net increased funding of $317,000 in 1997-98 and $336,800 in 1998-99 for Madison parking facilities operating costs associated with the operation of the new Monona Terrace parking ramp. Total funding for the separate Madison parking facilities operations appropriation would be set at $566,000 in 1997-98 and $585,800 in 1998-99. Of this total, $249,000 annually would be for existing costs and would be transferred from the current parking costs appropriation and the remainder ($317,000 in 1997-98 and $336,800 in 1998-99) is associated with the opening of the Monona Terrace ramp. Parking operation expenditures include the costs of snow plowing, parking facilities repairs and maintenance and purchase of miscellaneous supplies and services. Funding for this appropriation (including the increased funding) would be provided from charges assessed for parking in state-owned parking spaces in Madison.

8. STATE FINANCIAL SERVICES -- AUDITING SERVICES CONTRACT [LFB Paper 145]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$200,000	0.00	- $120,900	1.00	- $11,300	0.00	$67,800	1.00

Governor: Provide one-time funding of $100,000 in 1997-98 and 1998-99 for the Bureau of Financial Operations to contract with a private auditing firm for the conduct of financial audits of

state agencies to alleviate a backlog of that Bureau's agency audit transactions. Funding for this request would be provided from charges assessed against state agencies for financial services provided by DOA.

Joint Finance: Delete funding of $100,000 annually for an auditing services contract. Instead, provide $33,900 in 1997-98 and $45,200 in 1998-99 and 1.0 senior auditor position annually in the State Controller's Office for increased audit activities.

Assembly/Legislature: Reduce funding by $11,300 in 1997-98 to reflect a January 1, 1998, starting date for the new position, rather than October 1, 1997.

9. STATE FINANCIAL SERVICES -- PERFORMANCE EVALUATION UNIT [LFB Paper 146]

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$628,100	8.00	- $63,700	0.00	$564,400	8.00

Governor: Provide $261,700 in 1997-98 and $366,400 in 1998-99 and 8.0 positions (6.0 auditors and 2.0 policy analysts) to create a performance evaluation and review unit in DOA's Division of Executive Budget and Finance. The unit would conduct performance audits and assess state agencies and programs. Funding for this request would be provided from charges assessed against all state agencies for financial services provided by DOA.

Assembly/Legislature: Reduce funding by $63,700 in 1997-98 to reflect a January 1, 1998, starting date for the new positions, rather than October 1, 1997.

10. STATE TRANSPORTATION SERVICES -- ADDITIONAL ASSIGNED VEHICLES AND AIRCRAFT EQUIPMENT

	Chg. to Base
PR	$1,265,700

Governor/Legislature: Provide $796,600 in 1997-98 and $469,100 in 1998-99 for additional vehicles to be assigned to specific agencies and for equipment and hanger improvements for the state air fleet. The requested funds are for: (a) $603,200 for in 1997-98 to purchase 41 additional vehicles and $341,100 in 1998-99 to purchase 25 additional vehicles; (b) $85,400 in 1997-98 and $128,000 in 1998-99 for increased fuel and maintenance costs associated with these new vehicles; and (c) one-time funding of $108,000 in 1997-98 to purchase fuel tanks and a refueling truck at DOA's airplane hanger in Madison. Funding would be provided from charges assessed against state agencies for vehicle and airplane usage.

11. STATE TRANSPORTATION SERVICES -- UW-MILWAUKEE VEHICLE FLEET CONSOLIDATION

	Chg. to Base
PR	$1,636,200

Governor/Legislature: Provide $1,303,900 in 1997-98 and $332,300 in 1998-99 to allow DOA to purchase and manage the University of Wisconsin-Milwaukee's (UW-M) vehicle fleet. The funds would be allocated as follows: (a) one-time funding of $325,100 in 1997-98 for purchase of UW-M's 73 current vehicles; (b) $60,000 in 1997-98 on a one-time basis to convert the fuel systems for 12 of these vehicles to compressed natural gas (CNG); (c) one-time funding of $543,800 in 1997-98 and $204,800 in 1998-99 to replace 26 vehicles in 1997-98 and nine vehicles in 1998-99 with CNG vehicles; (d) $125,000 in 1997-98 and $127,500 in 1998-99 for fuel, maintenance and insurance costs associated with these additions to the state's fleet; and (e) $250,000 in 1997-98 in unallotted reserve (for release by the State Budget Office) for a CNG refueling facility if DOA cannot find a private sector source. Funding for this request would be provided from charges assessed against UW-M for use of state fleet vehicles. Under this recommendation, UW-M's entire central fleet would be managed by DOA. The Department currently manages portions of vehicle fleets at UW-System Administration, UW-Extension and seven campuses or centers.

12. STATE TRANSPORTATION SERVICES -- FUEL AND MAINTENANCE COST INCREASES

	Chg. to Base
PR	$866,000

Governor/Legislature: Provide $394,700 in 1997-98 and $471,300 in 1998-99 for estimated fuel and maintenance cost increases associated with the operation of state's vehicle and aircraft fleets. Funding for this request would be provided from charges against state agencies for use of state fleet vehicles and airplanes.

13. STATE TRANSPORTATION SERVICES -- VEHICLE REPLACEMENT AND AIRCRAFT OVERHAUL

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
PR	$808,700	- $1,470,000	- $661,300

Governor: Provide $348,200 in 1997-98 and $460,500 in 1998-99 for vehicle replacements and aircraft engine and propeller overhauls. Utilizing base funding ($6,596,300 annually) plus the budget increase, DOA would perform the aircraft overhauls and purchase 406 replacement vehicles in 1997-98 and 415 vehicles in 1998-99. Funding for this request would be provided from charges assessed against state agencies for use of state fleet vehicles and airplanes.

Assembly/Legislature: Reduce funding to purchase new vehicles for DOA state vehicle fleets by $730,000 PR in 1997-98 and $740,000 PR in 1998-99. In addition, create a requirement, effective on the effective date of the budget bill, that DOA verify and record the country of origin for every motor vehicle purchased for any state agency.

Veto by Governor [E-3]: Delete the provision requiring DOA to verify and record the county of origin for every motor vehicle purchased for any state agency.

[Act 27 Vetoed Sections: 117s and 9301(1m)]

14. RISK MANAGEMENT -- CLAIMS PAYMENTS REESTIMATES

	Chg. to Base
PR	- $3,328,400

Governor/Legislature: Adjust estimated risk management claims payments by -$1,864,200 in 1997-98 and -$1,464,200 in 1998-99. The reestimates involve the following: (a) an increase of $190,000 in 1997-98 and $290,000 in 1998-99 to increase total estimated property claims payments to $2,500,000 in 1997-98 and $2,600,000 in 1998-99; and (b) a decrease of $2,054,200 in 1997-98 and $1,754,200 in 1998-99 to decrease estimated state's worker's compensation claims payments to $10,300,000 in 1997-98 and $10,600,000 in 1998-99. Funding for this request would be provided from charges assessed state agencies for the operation of the self-insured state risk management program.

15. TELECOMMUNICATIONS RELAY SERVICE

	Chg. to Base
PR	$1,888,800

Governor/Legislature: Provide $944,400 annually to fund an expected increase in the volume of call traffic on the statewide telecommunications relay services provided to deaf individuals. Total funding for telecommunications relay would be $5,000,000 annually. Funding for this request would be provided from revenues derived from a special assessment against telephone companies for the provision of the relay service. A relay service allows a hearing or speech impaired person to communicate by telephone with hearing persons. Relay services utilize operators who translate between a person using a telecommunications device for the deaf (TDD) and a person who does not use a TDD.

16. STATE AGENCY SERVICES -- GRAPHIC DESIGN SERVICE [LFB Paper 147]

	Chg. to Base Funding	Chg. to Base Positions
PR	- $1,015,000	- 12.60

Joint Finance/Legislature: Eliminate 12.6 positions, effective September 30, 1997, and delete $507,500 annually in expenditure authority, associated with the WisComp graphic design unit in DOA.

17. RECYCLING STAFF CONVERSION [LFB Paper 594]

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $242,000	- 2.50
SEG	242,000	2.50
Total	$0	0.00

Joint Finance/Legislature: Convert $121,000 annually and 2.5 positions from GPR to recycling fund SEG to administer recycling procurement specifications and provide information about products made from recycled material for purchase by state and local governmental agencies.

[Act 27 Section: 673m]

Housing

1. DIVISION OF HOUSING -- SUPPLIES AND SERVICES FUNDING

	Chg. to Base
GPR	- $36,400

Governor/Legislature: Reduce the Division of Housing's base funding for supplies and services by $18,200 annually.

2. COMBINE APPROPRIATIONS FOR MOBILE HOME PARK DEALERS

Governor/Legislature: Repeal the separate program revenue appropriation for the regulation of mobile home dealers and salespersons, and provide that the license fee revenue from and expenditures for the regulation of mobile home dealers and salespersons be included with the appropriation for mobile home park regulation.

[Act 27 Sections: 688 and 689]

3. URBAN HOPE PROJECT

Governor/Legislature: The executive budget book identifies the Governor's intent that the Division of Housing allocate $50,000 GPR annually for the next three fiscal years from its existing appropriations to support Reggie White's Urban Hope initiative in Wisconsin. The executive budget book also indicates the Governor's intent that $50,000 GPR annually for the next three fiscal years be allocated from the Wisconsin Development Fund in the Department of Commerce for this purpose. There is no language or allocated funding within the Division of Housing related to this project.

The project is intended to provide business, entrepreneurial and housing opportunities for individuals in the state's central cities. The Administrator of the Division of Housing would have to determine what appropriation will fund the Division's contribution to this project. The executive budget book also indicates the intent that the release of these funds will be matched by private resources.

4. FOR-PROFIT ORGANIZATIONS ELIGIBILITY FOR GRANTS

Joint Finance/Legislature: Modify current law to allow for-profit organizations to qualify as eligible applicants and designated agents for all state housing programs administered by the Division of Housing, except where expressly prohibited by federal law.

[Act 27 Sections: 102ar thru 102or and 687r]

5. COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATIONS

Joint Finance/Legislature: Require the Division of Housing to promulgate rules for the federal small cities community development block grant (CDBG) program requiring that applicants, who submitted an application in the prior award year and were determined eligible to receive a grant but were not awarded a grant, to be automatically eligible for consideration for a grant in the following award year without have to reapply.

[Act 27 Section: 102pr]

Office of Justice Assistance

1. OFFICE OF JUSTICE ASSISTANCE -- FEDERAL FUNDING INCREASES

	Chg. to Base
FED	$7,697,000

Governor/Legislature: Provide $5,269,500 in 1997-98 and $2,427,500 in 1998-99 for federal grants to state and local agencies. Funding includes: (1) $693,700 in 1997-98 and $852,900 in 1998-99 for grants to local governments and Native American Tribes under the federal Juvenile Justice Delinquency Prevention and the Violence Against Women Acts (base funding is $1,273,000); (2) $1,866,400 in 1997-98 for a grant to the Department of Justice for a criminal history improvement project (base funding is $587,000); (3) $576,900 in 1997-98 and

$608,200 in 1998-99 for grants to private non-profit agencies under the federal Juvenile Justice and Delinquency Prevention and the Violence Against Women Acts (base funding is $531,600); (4) $1,301,500 in 1997-98 and $966,400 in 1998-99 for grants to local government agencies under the federal Anti-Drug Abuse Act (base funding is $5,189,000); and (5) $831,000 in 1997-98 for grants to state agencies under the federal Anti-Drug Abuse Act (base funding is $3,459,300).

2. OFFICE OF JUSTICE ASSISTANCE -- PENALTY ASSESSMENT

	Chg. to Base
PR	$1,128,500

Governor/Legislature: Provide an additional $759,600 in 1997-98 and $368,900 in 1998-99 from the penalty assessment surcharge for required matching funds to federal anti-drug abuse funds. Funding includes (1) $189,900 in 1997-98 for the 15% matching contribution for grants to local agencies; and (2) $569,700 in 1997-98 and $368,900 in 1998-99 for the 25% matching contribution for grants to state agencies.

3. OFFICE OF JUSTICE ASSISTANCE -- INFRASTRUCTURE SUPPORT

	Chg. to Base
FED	$46,000
PR	7,800
Total	$53,800

Governor/Legislature: Provide increased funding of $23,000 FED and $3,900 PR annually for information technology. Funding includes master-lease payments for equipment and $1,000 annually in support costs for each full-time equivalent position, and would come from: (1) penalty assessment surcharge revenue ($3,900 PR annually); (2) the OJA administrative appropriation for the federal Juvenile Justice Delinquency Prevention and Violence Against Women Acts ($8,100 FED annually); and (3) federal Anti-Drug Abuse Act funds ($14,900 FED annually).

Attached Programs

1. BADGER STATE GAMES

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- $100,000	$50,000	- $50,000

Governor: Delete funding of $50,000 annually for the Badger State Games. Current base level funding is $50,000 annually.

Assembly/Legislature: Provide $25,000 annually for support of the Badger State Games.

2. CLAIMS BOARD -- CLAIMS REESTIMATE

	Chg. to Base
GPR	- $1,510,000

Governor/Legislature: Reestimate the claims award appropriation by -$755,000 annually. This reduction represents the removal of a one-time claim of $755,000 paid to the City of Superior in 1995-96 that was included in the claims appropriation base funding. Total estimated expenditures from the sum sufficient claims appropriation in 1997-99 would be $25,000 annually.

3. COLLEGE TUITION PREPAYMENT PROGRAM

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $1,382,400	- 4.00
SEG	1,382,400	4.00
Total	$0	0.00

Governor/Legislature: Delete $691,200 GPR and 4.0 GPR positions and provide $691,200 SEG and 4.0 SEG positions annually for the administration of the college tuition prepayment program. The segregated funds would be derived from the tuition trust fund. Repeal the June 30, 1997 sunset date for GPR funding for administration of the program and change the appropriation from an annual to a continuing appropriation. In addition, increase GPR funding for administration in 1997-98 by an amount equal to the amount lapsed from the appropriation at the end of the 1996-97 fiscal year. Therefore, any GPR funds not expended by the program in 1996-97 (currently estimated by DOA at approximately $250,000) would continue to be available in 1997-98. Under current law, when the Secretary of DOA determines that monies in the tuition trust fund are sufficient, the Secretary is required to transfer from the trust fund to the general fund an amount equal to the amount encumbered from the GPR appropriation in 1996-97. The bill would require the Secretary to repay to the general fund the total amount encumbered from the appropriation, regardless of the fiscal year in which the monies were encumbered.

[Act 27 Sections: 102, 692 and 9201(1)]

4. DIVISION OF HEARINGS AND APPEALS [LFB Paper 825]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$106,000	1.00	$286,400	2.00	- $12,000	0.00	$380,400	3.00
PR	292,500	3.00	0	0.00	- 18,500	0.00	274,000	3.00
SEG	0	0.00	- 286,400	- 2.00	0	0.00	- 286,400	- 2.00
Total	$398,500	4.00	$0	0.00	- $30,500	0.00	$368,000	4.00

Governor: Provide $50,300 GPR and $140,100 PR in 1997-98 and $55,700 GPR and $152,400 PR in 1998-99 and 1.0 GPR and 3.0 PR positions for the Division of Hearings and Appeals, which is a separate unit attached to DOA for administrative purposes. The request is composed of the following: (a) $50,300 GPR in 1997-98 and $55,700 GPR in 1998-99 and 1.0 GPR position (attorney) for increased workload associated with probation and parole revocation hearings; (b) $69,400 PR in 1997-98 and $81,700 PR in 1998-99 and 2.0 PR positions (attorney and program assistant) to conduct hearings for DWD and DHFS associated with overpayment of program benefits and the maintenance of fair hearing case files; and (c) $70,700 PR annually and 1.0 PR position (attorney) associated with hearings held for school districts and DPI associated with special education programs. The monies to support the program revenue supported portions of the request would be provided from fees assessed against either DPI, DWD, DHFS or school districts to conduct any requested hearings.

Also, authorize the Division of Hearings and Appeals to contract with other state agencies to provide contested case hearing services for those agencies. Allow the Division Administrator to establish the fees to be charged for such services and provide that the fees charged must be sufficient to cover the full cost of the services provided to the agency by the Division.

Joint Finance: Modify provision by adding $143,200 GPR annually and 2.0 GPR positions and delete $143,200 SEG annually and 2.0 SEG positions to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Delete the current SEG appropriation in the Division and provide the increased GPR funding in the Division's current GPR appropriation. Specify that an amount equal to the encumbrances or expenditures from these appropriations between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

Assembly/Legislature: Reduce funding by $12,000 GPR and $18,500 PR in 1997-98 to reflect a January 1, 1998, starting date for the new positions, rather than October 1, 1997.

[Act 27 Sections: 685, 685g, 3279, 3279m thru 3281 and 9249(1m)]

5. NATIONAL AND COMMUNITY SERVICE BOARD -- PERMANENT STAFF [LFB Paper 157]

	Chg. to Base Funding	Chg. to Base Positions
FED	$83,200	2.00

Governor: Provide $11,500 in 1997-98 and $71,700 in 1998-99 to allow continuation of 2.0 project positions (program planning analyst and administrative officer) which would end on March 28, 1998, as permanent positions and to authorize another project position (program assistant) which expires in fiscal year 1996-97 as a permanent position for one year (1997-98 only). This would provide an ongoing staff of 2.0 positions for the National and Community Service Board. The Board is responsible for providing an annual plan for the provision of national service programs in this state and for awarding grants (from federal funds received from

the Corporation for National and Community Service) to persons providing national service programs in this state, with priority being given to youth corps programs.

Joint Finance/Legislature: Modify the provision by authorizing a one-year project position in 1997-98 rather than a one-year permanent position.

6. SPECIAL AND EXECUTIVE COMMITTEES APPROPRIATION [LFB Papers 158 and 544]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$54,400	$190,600	$245,000

a. Association Memberships

Governor: Provide $32,100 annually for increased costs of dues and memberships for the following committees or commissions: (a) Educational Compact Commission ($13,300); (b) Great Lakes Compact Commission ($8,300); (c) Great Lakes Governor's Council ($10,000); and (d) Governor's Council of Policy Advisors ($500). The special and executive committees appropriation is used to fund both the costs of special committees created by statute or executive order and also to pay membership dues for state membership in a number of national or regional associations. Base level funding for the special and executive committees dues and memberships appropriation is $186,600, of which $159,100 was allotted to association memberships.

Repeal the separate appropriation for the Midwestern Higher Education Compact, and instead combine the appropriation ($58,000 annually) with the special and executive committees appropriation.

Joint Finance/Legislature: Modify the statutory purposes of DOA's special and executive committees and interstate bodies appropriation and the Legislature's membership in national associations sum sufficient appropriation to reflect the transfer of dues payment responsibilities for the Council of State Governments from the Legislature to DOA. Increase the Department's special and executive committees and interstate bodies appropriation by $102,300 annually to reflect this transfer. A comparable funding reduction is provided under the Legislature's membership in national associations sum sufficient appropriation. In addition, delete $7,000 annually associated with dues previously paid to the Advisory Commission on Intergovernmental Relations.

b. Special and Executive Committees Funding Reduction

Governor/Legislature: Reduce base funding for the special and executive committees by $4,900 annually. Base level funding for special and executive committees is $186,600 of which $27,500 was allotted to Committees.

[Act 27 Sections: 28, 29, 678, 679 and 716p]

7. TAX APPEALS COMMISSION -- FILING FEE [LFB Paper 111]

	Chg. to Base
GPR-REV	$19,000

Governor: Increase, from $5 to $25, the filing fee for appeals to the Tax Appeals Commission, except those related to the Homestead Tax Credit (HTC). The filing fee for appeals related to the HTC would remain at $5. This provision would take effect on the first day of the second month beginning after publication of the bill.

Under current law, a taxpayer or municipality can appeal a determination of the State Board of Assessors or the Department of Revenue by filing a petition with the Tax Appeals Commission. Petitioners are required to pay a $5 filing fee, which is deposited in the general fund. The bill does not include additional revenues associated with the fee increase.

Joint Finance/Legislature: Include provision and estimate filing fee collections to be $9,500 GPR-Earned annually.

[Act 27 Sections: 2354, 2355 and 9443(5)]

8. TAX APPEALS COMMISSION -- SUPPLIES AND SERVICES REDUCTION

	Chg. to Base
GPR	- $20,800

Governor/Legislature: Reduce supplies and services funding for the Commission by $10,400 annually. Base level funding for the Commission is $540,000 annually.

9. WASTE FACILITIES SITING BOARD -- IT INFRASTRUCTURE SUPPORT

	Chg. to Base
PR	$13,800

Governor/Legislature: Provide $6,900 annually for agency information technology infrastructure support. Funding would be for: (a) an increase ($1,800 annually) in the agency's supplies and services budget for the cost of obtaining IT support services from DOA for such items as operating problem resolution, help desk services, user training, data base development and application development and conversion; and (b) payments for information

technology infrastructure upgrades authorized in 1996-97 and purchased under the state master lease program ($5,100 annually). Funding to support the increased spending would be provided from fees paid by generators of solid or hazardous waste to support Waste Facility Siting Board operations.

10. WOMEN'S COUNCIL FUNDING REDUCTION

	Chg. to Base
GPR	- $3,800

Governor/Legislature: Reduce supplies and services funding for the Women's Council by $1,900 annually. Base level funding for the Council is $94,500 annually.

11. ELIMINATION OF STATE GOVERNMENT BOARDS, COUNCILS AND COMMISSIONS

Assembly: Include statutory language repealing the following state agency boards, councils and commissions attached to the Department of Administration, effective on the date indicated under each entity.

Acid Deposition Research Council. Repeal the Acid Deposition Research Council and associated statutory functions on the general effective date of the budget act. The Council consists of seven members: (a) the Secretary of DOA or a designee; (b) the Secretary of DNR or a designee; (c) the Chairperson of the PSC or a designee; and (d) one representative each from the University of Wisconsin System, a major utility, an industry with coverage sulfur dioxide emissions and an environmental organization, all appointed by the Secretary of DOA. The Council makes recommendations on the types and levels of funding for acid deposition research and reviews acid rain research.

Council on Information Technology. Repeal the Council on Information Technology and associated statutory functions on the general effective date of the budget act. The ten-member Council consists of: (a) one member of the majority party and one member of the minority party of each house of the Legislature; (b) two agency heads whose agencies receive services from DOA's Division of Information Technology Services (DITS); (c) two persons with senior level expertise in the management of large computer service centers in the private sector; and (d) two persons with senior level expertise in the management of information technology services in the private sector. The Council advises the Secretary of DOA on the operations and performance of computer services provided by DITS.

Council on State-Local Relations. Repeal the Council on State-Local Relations and associated statutory functions on the effective date of the budget act. The Council is composed of an unspecified number of members, who serve at the pleasure of the Governor. The Council reviews proposed legislation and state agency proposals that affect local government, and recommends policies on other issues important to local governments and state and local relationships.

Depository Selection Board. Repeal the Depository Selection Board and associated statutory functions on the effective date of the budget act and transfer current Board duties to the State Treasurer. Specify that all rules and orders of the Board remain in effect until they expire or are modified by the State Treasurer. Further, specify that any matter currently pending before the Board is transferred to the State Treasurer.

The Board consists of the Secretary of the Department of Administration, the State Treasurer and the Executive Director of the State Investment Board or their designees. The Board establishes procedures to be used by state agencies in the selection of depositories for public funds and in contracting for their banking services. The Board also sets minimum banking operations requirements for these institutions and assists state agencies, upon request, in selecting a depository.

Housing Advisory Council. Repeal the Housing Advisory Council and associated statutory functions on the general effective date of the budget act. The Council is comprised of: (a) the Administrator of the Division of Housing (or designee); (b) four members appointed by the Governor; (c) two members appointed by the President of the Senate; and (d) two members appointed by the Speaker of the Assembly. Members of the Council, except for the Administrator of the Division of Housing, serve four-year terms. Under current law, the Council is required to advise the Division of Housing on all of the following: ways to maximize the receipt of federal housing funds in Wisconsin, ways to maximize local efforts to improve housing available to person or families with low or moderate incomes, development of a five-year state housing strategy plan and implementation the Division's programs.

Senate/Legislature: Include Assembly provisions except delete the repeal of the Acid Deposition Research Council.

Veto by Governor [E-14]: Delete the repeal of the Depository Selection Board.

[Act 27 Sections: 10rm, 53r, 54mf, 54mm, 97m, 102apm, 102rs, 148e and 1346g]

[Act 27 Vetoed Sections: 26m, 50m, 744e, 744m, 744s, 747m, 840m, 1150c, 1150g, 1150L, 1150p, 1150t, 1150x, 4291t, 4677m and 9101(13m)]

ADOLESCENT PREGNANCY PREVENTION AND PREGNANCY SERVICES BOARD

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
GPR	$1,093,800	$0	$1,089,600	$1,089,600	$1,089,600	- $4,200	- 0.4%

FTE Position Summary						
Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	1.50	0.00	1.50	1.50	1.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	- $4,200

Governor/Legislature: Reduce funding for the Board by $2,100 annually to reflect: (a) full funding of salaries and fringe benefits (-$2,200); and (b) full funding of financial services charges assessed by the Department of Administration for the costs of operating WISMART, the state accounting system ($100).

2. CONSOLIDATION OF ADOLESCENT PREGNANCY PREVENTION PROGRAMS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $1,089,600	- 1.50	$1,089,600	1.50	$0	0.00

Governor: Delete $544,800 and 1.5 positions annually to reflect the transfer of all of the Board's staff and funding to DHFS. Transfer the incumbent employes holding positions in the Board

to DHFS on the bill's general effective date and specify that these employes have all the employe rights in DHFS that they enjoyed in the Board immediately before the transfer. However, funding and position authority associated with the Board's operations ($74,400 and 1.5 positions) would be deleted from the DHFS budget in the 1998-99 fiscal year. Specify that, beginning on the bill's general effective date, the Board's operating expenses would be paid from the DHFS Division of Children and Families general program operations appropriation.

As part of this proposal, base level funding of $439,300 in 1997-98 and 1998-99 would be budgeted in DHFS for the Board to distribute as grants to organizations to provide adolescent pregnancy programs and pregnancy services that include health care, education, counseling and vocational training. These are the same purposes for which the Board distributes grants under current law.

Transfer from DHFS to the Board the responsibility of awarding grants for three adolescent pregnancy prevention programs currently administered by DHFS, including: (a) adolescent self-sufficiency grants; (b) adolescent pregnancy prevention services grants; and (c) adolescent choices project grants.

Joint Finance/Legislature: Delete provision.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$48,667,200	$48,148,900	$47,824,000	$50,319,000	$50,319,000	$1,651,800	3.4%
FED	11,780,800	11,559,600	11,559,600	11,559,600	11,559,600	- 221,200	- 1.9
PR	34,940,800	41,102,700	35,957,700	36,067,600	35,867,600	926,800	2.7
SEG	21,052,200	17,368,100	21,256,500	21,556,500	21,556,500	504,300	2.4
TOTAL	$116,441,000	$118,179,300	$116,597,800	$119,502,700	$119,302,700	$2,861,700	2.5%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	307.11	305.61	311.61	311.61	311.61	4.50
FED	68.35	64.35	64.35	64.35	64.35	- 4.00
PR	253.86	259.92	259.92	259.92	259.92	6.06
SEG	69.20	73.70	67.70	67.70	67.70	- 1.50
TOTAL	698.52	703.58	703.58	703.58	703.58	5.06

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Positions
GPR	- $88,200	0.00
FED	- 169,000	- 3.50
PR	196,700	0.00
SEG	233,800	- 1.00
Total	$173,300	- 4.50

Governor/Legislature: Request adjustments to the base budget for: (a) turnover reduction (-$212,100 GPR and -$93,200 PR annually); (b) removal of noncontinuing items(-$16,900 GPR, -$85,200 FED with -3.5 FED positions and -$34,100 SEG from the conservation fund with -1.0 SEG position annually); (c) full funding of salaries and fringe benefits ($80,200 GPR, $127,800 PR, and $82,700 SEG annually); (d) full funding of financial services ($13,300 GPR, $19,400 PR and $14,200 SEG annually); (e) reclassifications ($74,800 GPR and $36,600 PR in 1997-98 and $78,600 GPR and $39,500 PR in 1998-99, and $52,800 SEG annually); and (f) delayed full funding of salaries and fringe benefits ($14,700 GPR, $700 FED, $6,300 PR and $1,300 SEG annually).

2. AGRICHEMICAL CLEANUP GRANTS [LFB Paper 165]

	Chg. to Base
GPR-Lapse	$2,800,000
GPR	- $600,000

Governor/Legislature: Delete $450,000 in 1997-98 and $150,000 in 1998-99 in GPR funding for grants to responsible parties for the cleanup of agricultural chemical discharges. Further, require that the cleanup grants GPR appropriation unencumbered balance on the day before the effective date of the bill lapse to the general fund (estimated at $2.7 million). The bill would also convert the GPR continuing appropriation to a biennial appropriation which would result in the unexpended appropriation balance lapsing to general fund at the end of each biennium (estimated at $100,000 under the bill). Base level GPR funding for the grant program is $2,000,000. Under the bill, in 1998-99 grants would be funded at $1,850,000 GPR (47%) and $2,074,800 SEG (53%), the same percentages as in 1996-97. Segregated funding is provided from pesticide, fertilizer and commercial feed fees.

[Act 27 Sections: 178 and 9204(1)]

3. AGRICHEMICAL MANAGEMENT FUND FEE CHANGES [LFB Papers 165 and 166]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	$820,000	$0	$820,000
PR-REV	$9,000,000	- $9,000,000	$0
SEG-REV	- $16,697,400	$11,727,100	- $4,870,300
PR	$4,477,200	- $4,477,200	$0
SEG	- 4,477,200	4,477,200	0
Total	$0	$0	$0

Governor: Recommend that changes be made to eliminate or temporarily reduce certain agrichemical management fund fees. The proposed fee changes would result in a loss of approximately $6.8 million in fee revenues in the biennium. Agrichemical management fund revenues totalled $7.5 million in 1995-96 (excluding interest earnings).

Base Fees and Agrichemical Cleanup Program Surcharges. Divide the current fees deposited to the agrichemical management fund into base fees and agrichemical cleanup program (ACCP) surcharges. Base fees would consist of those agrichemical fees that existed prior to the creation of the agrichemical cleanup grant program. Conversely, those fees that primarily represent the fees that were added in 1993 to fund the agrichemical cleanup grant program would be called the ACCP surcharges.

Base fee revenues would be deposited to the agrichemical management fund. Revenues received from the ACCP surcharges would no longer be deposited in the agrichemical management fund but rather, would be deposited to a program revenue appropriation to fund agrichemical cleanup grants

(resulting in the base level funding of $2.3 million SEG annually being converted to PR). Further, the bill would make a one-time transfer in 1997-98 of the unexpended revenues (estimated at $8.5 million) associated with ACCP surcharges from SEG to PR. Interest earnings on the program revenue account (estimated at $820,000 in the biennium) would accrue to the general fund rather than to the SEG fund.

The following table shows the current and recommended fee structure for the agrichemical management program:

Fee Structure for ACCP Fees

	Current Fee	Governor "Base Fee"	Governor ACCP Surcharge
Fertilizer License	$25 or $50*	$30**	$0 or $20
Fertilizer Tonnage	$1.00/ton	0.62	0.38
Soil and Plant Additives	.45/tone	0.25	0
Restricted Use Dealer License	$50 or $100*	60**	$0 or $40
Individual Applicator License	60	40	20
Pesticide Business Location License	125	70	55
Nonhousehold Pesticide Registration $0-$25,000 (sales)	325	320	5
Nonhousehold Pesticide Registration $25,000-$75,000	1,060	890	170
Nonhousehold Pesticide Registration $75,000 +	$3,060 + 1.3% of sales	$3,060 + 0.2% of sales	1.1% of sales

*Fee varies based on whether the fertilizer facility is also licensed as a restricted use pesticide dealer or distributor or commercial pesticide applicator.

**Base license fees for those fertilizer facilities that are also licensed as a restricted use pesticide dealer or distributor or a commercial pesticide applicator would increase from $25 to $30. Also, base license fees for restricted use pesticide dealers that are also licensed as a commercial pesticide applicator would increase from $50 to $60.

Temporary Suspension of ACCP Surcharges. Suspend the proposed ACCP surcharges on pesticide and fertilizer products for a two-year period (the effective date of the suspension of the surcharges on fertilizer products would be August 1, 1998). As a result, pesticide manufacturers would not have to pay ACCP surcharges for 1997-98 or 1998-99. Fertilizers manufacturers, due to the annual tonnage fee cycle and the August 1, 1998, effective date for surcharges on these products, would not have to pay ACCP surcharges in 1998-99 or 1999-2000 ($500,000 would be received in 1997-98). This would result in an approximately $4.3 million reduction in revenues during the biennium and approximately $500,000 in the next biennium.

Future ACCP Surcharge Adjustments. Following the two-year suspension of ACCP surcharges, provide the Department the authority to establish future ACCP surcharge levels. The Department could only adjust the surcharge levels as necessary to maintain a $2.0 million to $5.0 million balance

in the segregated agrichemical cleanup grant appropriation. The surcharge levels established by the Department could only range between zero and the maximum levels established under the ACCP fee structure in the bill. Further, the Department would be provided the authority to define the public notice process for adjusting the ACCP surcharge levels.

One-time Base Fee Reduction. Partially reduce the base fees deposited to the agrichemical management fund for a two-year period. The effective date of the fee reduction would be upon enactment of the bill for pesticide products; on February 1, 1998, for commercial feed products; and August 1, 1998, for fertilizer products. Due to the tonnage fee cycle and the August 1, 1998 effective date of the fee change for fertilizer products, the one-time fee reduction would impact 1998-99 fee revenues for these products, with the remaining reduction impacting 1999-2000 revenues. Conversely, the one-time base fee reduction for pesticide and commercial feed products would reduce revenues during the 1997-99 biennium only. The proposed base fees for the two-year period would be as follows:

Two-Year Base Fee Reduction

Fee	Base Fee	Governor Fee Reduction	Estimated 1997-99 Revenue Reduction
Fertilizer Tonnage (per ton)	$0.32	$0.07	$91,000
Feed Tonnage (per ton)	0.25	0.10	460,000
Individual Pest Applicator License	40	$10	112,500
Pesticide Registration $0-25,000 (sales)			
- household	265	50	455,000
- nonhousehold	320	50	300,000
- industrial	315	50	50,000
Pesticide Registration $25,000-75,000 (sales)			
- household	750	100	44,000
- nonhousehold	890	100	36,000
- industrial	860	100	8,000
Pesticide Registration >$75,000 (sales)			
- household	$1,500 ~~+0.2% of sales~~	300	105,000
- nonhousehold	$3,060 + 0.2% of sales	300	132,000
- industrial	$3,060 + ~~0.2% of sales~~	300	36,000
Total			$1,829,500

Liming Material Sellers and Distributors License. The bill would designate that revenues associated with liming material sellers and distributors license fees ($10 annually) be deposited to the agrichemical management fund. Although, the Department is currently depositing the fees to the agrichemical management fund, current law does not specify where the fee revenues (approximately $1,000 annually) are to be deposited.

Industrial Pesticides. Create a new class of pesticide products called industrial pesticides and exempt these products from the ACCP surcharge. An industrial pesticide would be a pesticide that is not considered a household pesticide and is either: (a) solely labeled for use on wood and contains pentachlorophenol, coal tar creosote or inorganic arsenical wood preservatives; or (b) except for products that may also be labeled for use as household, lawn or garden products and sold in ready to use cans of less than one gallon or products used to treat swimming pools, spas, and hot tubs -- products that are solely labeled for use in controlling algae, fungi, bacteria, other microscopic organisms or mollusks in one or more of the following:

a. textiles, paper, leather, plastic, vinyl or other synthetic materials, metal or rubber;
b. paints, varnishes, lubricants, fuels, and industrial fluids, including adhesives, additives and pigments;
c. commercial manufacturing or industrial processes or equipment, devices or other containers other than those used in the production and storage of human food or animal feed;
d. airwashing, cooling or heat transfer systems;
e. medical equipment; or
f. drinking water or wastewater systems.

Under the bill, manufacturers or distributors of industrial pesticides would not pay toward, nor be eligible for, the agrichemical cleanup grant program. However, these manufacturers would continue to pay the base fees to the agrichemical management fund. Currently, some manufacturers of these products do not pay the ACCP surcharges but are eligible for cleanup grants. Conversely, manufacturers or distributors of certain industrial pesticides (pentachlorophenol, inorganic arsenical wood preservatives and coal tar creosote) pay the fees created to fund the agrichemical cleanup program but are not eligible for grants under the program. Exempting these industrial products from the ACCP surcharges would permanently reduce revenues to the program by $331,000 annually. The following table indicates the proposed fee structure for industrial pesticides.

Industrial Pesticide Fees

Pesticide Registration Fee	Current	Governor "Base Fee"	Governor ACCP Surcharge
$0-$25,000 (sales)	$325	$315	$0
$25,000-$75,000	1,060	860	0
$75,000 +	$3,060 + 1.3% of sales	$3,060 + 0.2% of sales	0

Discontinued Pesticide Products. The bill inadvertently reduces the current reporting period used to determine fee payments from the previous 15 months to three months on the sales of pesticide

Approval of Cleanup Workplan. Reduce the threshold of costs for requiring Department approval of agrichemical cleanup workplans from $20,000 to $7,500. Program administrative cost increases are expected to be minimal.

Eligible Costs. Allow that time spent by a responsible party in implementing a cleanup be included as an eligible reimbursable cost. Currently, the cost of a responsible party's time in planning and implementing a cleanup are not reimbursable.

Payment Schedule. Require that the Department make agrichemical cleanup grant payments on a first come, first served basis or as determined by the Department after establishing payment priorities based on the severity of the contamination, time elapsed since cleanup costs were incurred, or other factors. This provision would remove the requirement limiting initial grant payments to responsible parties to $50,000 in the year the first payment is made, or $100,000 in any subsequent year in which other grant payments are made for the same cleanup. Currently, DATCP can only make payments greater than these limits if funds are sufficient on the last day of the year and is required to pay interest costs on unreimbursed claims. Under the bill, interest costs would be reduced (currently representing two to three percent of annual costs).

Fertilizer License Suspension. Under current law, the Department has the authority to immediately revoke, suspend or deny renewal of a license for persons who fail to file annual fertilizer tonnage reports or pay fees based on such reports. The bill would create the following summary procedure by which a license could be suspended for failing to file tonnage reports or pay surcharges: (a) the Department, by written notice, could suspend a license, without prior hearing; (b) the suspension would take place on the date specified in the notice which may be no sooner than 10 days after the date on which the notice is received; (c) the persons whose license is suspended would be allowed to make a written request for a meeting on the suspension and the Department would be required to hold the meeting within 10 days after the request is made; and (d) if the matter remains unresolved after the informal meeting, the person may request a formal administrative hearing on the matter, but the suspension would not be stayed during the hearing.

Penalties. Extend the penalty provisions for the agrichemical cleanup grant program to include violations of the statutes pertaining to the program. Currently, only violations of a Department order issued under the statutes are subject to the program's penalties of not less than $10 nor more than $5,000 for each violation, with each day of continued violation being a separate offense.

Joint Finance: Delete the following provisions: (a) the increase in cost share rates for initial spills, subsequent spills and spills occurring during transport: (b) the decrease in the deductibles for initial spills, subsequent spills and spills occurring during transport; (c) the inclusion of time spent by a responsible party in implementing a cleanup as an eligible reimbursable cost.

Make the following modifications: (a) require that spills occurring during transport be subject to the $400,000 per site lifetime limit; and (b) retain the $100,000 limit for soil contamination cleanup, but provide the Department with the authority to reimburse spills that exceed the limit for

certain large or complex spills if DATCP has approved the reimbursement amount prior to any costs over $100,000 being incurred.

Further, require that claims for reimbursement to be submitted to the Department within three years of the cost being incurred or the effective date of the bill, whichever is later.

Assembly/Legislature: Establish an 80% cost share rate for all eligible reimbursable costs, less the deductibles of $3,000 for farms and small businesses and $7,500 for larger commercial businesses, up to the $400,000 lifetime per discharge site limit (an estimated $370,000 increase in program costs in the biennium funded from existing appropriations). Provide that the deductible be paid on a one-time basis for each discharge site, which would also increase program costs. Further, require that spills occurring during transport be charged against the lifetime cap of the site from which the chemical is being transported if the site is owned or under the control of the person transporting the chemical. Under the Act, a spill would be charged to the seller's site only if the seller is transporting the chemical, while if the buyer is transporting the chemical each spill would be considered a separate "site."

[Act 27 Sections: 2507, 2531 thru 2541 and 2542]

5. DIVISION OF AGRICULTURAL RESOURCE MANAGEMENT

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $182,200	- 1.50
SEG	182,200	1.50
Total	$0	0.00

Governor/Legislature: Convert $91,100 and 1.5 positions annually from GPR to SEG funding as follows: (a) one plant and pest disease manager position to be funded ($70,200 annually) from the forestry account of the conservation fund (from DATCP's gypsy moth control program operations appropriation); and (b) a one-half time agrichemical cleanup program administrative assistant to be funded ($20,900 annually) from the agrichemical management fund.

6. ANIMAL WASTE GRANTS [LFB Paper 169]

Governor/Legislature: Provide the Department authority to award grants to any landowner, regardless of location, that has a received a Department of Natural Resources (DNR) notice of discharge of animal waste from a program revenue appropriation that currently restricts such grants to only those landowners within a state designated priority watershed. The program revenue appropriation, funded from a transfer from the nonpoint account of the environmental fund, is currently estimated at $100,000 annually. Any transfers of funds to the program revenue appropriation must be approved by the Land and Water Conservation Board. Currently, DATCP is also directly appropriated $950,000 SEG annually from the nonpoint account for various soil and

products that have been discontinued by a manufacturer. Department of Administration officials indicate that the change to the reporting period for these products was not intended to be in the bill and should be corrected to retain current law in this area.

Joint Finance: Make the following changes to the Governor's recommendations:

Base Fees and Agrichemical Surcharges. Create a separate agrichemical cleanup segregated fund and deposit the agrichemical surcharges to the newly-created fund (rather than to a program revenue account). As a result, program revenues and funding provided under the Governor's recommendations would be reduced and segregated revenues ($8.5 million) and funding ($4,477,200) would be increased correspondingly. Further, require that the investment earnings on the agrichemical cleanup fund that would otherwise accrue to the newly-created segregated fund, be deposited as GPR-Earned during the 1997-99 biennium only (estimated at $820,000).

Temporary Suspension of ACCP Surcharges. Delay the effective date for the two-year ACCP surcharge reduction for nonhousehold pesticide product registrations by one year to January 1, 1999 (this would allow for the notification of the surcharge reduction to product users). Delaying the surcharge reduction would increase segregated revenues in the biennium by approximately $1.9 million compared with Governor's recommendations and result in a corresponding decrease in the following biennium.

One-time Base Fee Reduction. Delay the two-year base fee reduction for commercial feed and pesticide products to January 1, 1999 (this would allow for the notification of the fee reduction to product users). Delaying the fee reduction would increase revenues by an estimated $869,300 in the biennium compared with the Governor's recommendations and result in a corresponding decrease in the following biennium.

Future ACCP Surcharge Adjustments. Require that if the Department uses the emergency rule process to modify surcharge rates, the Department would be required to receive approval from the Joint Committee on Finance under a 14-day passive review process before the rules are submitted to the Legislative Council.

Industrial Pesticides. Retain the current pesticide surcharges paid by manufacturers of wood preservatives containing pentachlorophenol, coal tar creosote, and inorganic arsenicals and deposit the fees to into the environmental fund ($77,000 of annual revenue to DNR). The surcharge would be equal to 1.1% of annual products sales. Include other coating products and products used in construction to the definition of industrial pesticides that are used in product solely labeled for the use in controlling algae, fungi, bacteria, other microscopic organisms or mollusks.

Discontinued Pesticide Products. Retain the current reporting provision.

Assembly/Legislature: Exempt wood preservatives containing inorganic arsenicals from paying the industrial pesticide surcharge that would be deposited to the environmental management account

of the environmental fund under Joint Finance action. Exempting these wood preservative products would result in approximately a $67,500 annual reduction in revenues to the environmental fund ($135,000 for the biennium).

Veto by Governor [B-2]: Delete the Joint Finance provision that requires that if DATCP uses the emergency rule process to modify surcharge rates, the Department would be required to receive approval from Joint Finance under a 14-day passive review process.

[Act 27 Sections: 179 thru 181g, 274, 831s, 900 thru 905m, 2503 thru 2506, 2508, 2510, 2511, 2513, 2515 thru 2530, 2543, 3614, 9204(2)&(3m) and 9404(1)&(2)]

[Act 27 Vetoed Section: 2543]

4. AGRICHEMICAL CLEANUP PROGRAM CHANGES [LFB Paper 168]

Governor: Make the following changes to the agrichemical cleanup grant program:

Maximum Eligible Reimbursable Costs. Eliminate the maximum reimbursable cost of $100,000 for soil contamination cleanups and $300,000 for cleanups involving groundwater contamination. Rather, set a maximum $400,000 per cleanup site lifetime limit for all initial or subsequent discharges at that site.

Reimbursement For Initial Discharges. Establish an 80% cost share rate for all eligible reimbursable costs, less the deductible (currently $3,000 or $7,500). Currently, the grant program reimburses 75% of the first $100,000 in eligible costs (and 80% thereafter), less the deductible, for initial discharges. Further, make the increase retroactive to include those grants already made to responsible parties. The increased cost share rate is estimated by DOA to require $120,000 in 1997-98 and 150,000 in 1998-99. Also, making the cost share rate increase retroactive would result in an estimated one-time increase of $150,000 during the biennium to be paid to previously closed claims.

Reimbursement For Subsequent Discharges. Eliminate the distinction between initial discharges and subsequent discharges at the same site. This change would eliminate the $15,000 deductible for subsequent discharges and increase the state cost share rate from 50% to 80% of eligible reimbursable costs. Reimbursement for subsequent discharges at the same site would also be limited by the lifetime per site limit of $400,000 in eligible reimbursable costs under the bill.

Reimbursement of Discharges Occurring During Transport. Increase the state cost-share rate for eligible reimbursable costs from 75% to 80% for discharges occurring during the transport of agrichemicals. Further, reduce the deductible for a licensed commercial agrichemical facility from $7,500 to $3,000, the current noncommercial facility deductible level. These discharges would continue to be limited to $50,000 in eligible reimbursable costs.

water resource management programs; approximately $500,000 to $650,000 of which is allocated each year to animal waste grants for NOD recipients.

[Act 27 Section: 2491]

7. NONPOINT SOURCE WATER QUALITY STANDARDS

Joint Finance: Direct DATCP, in consultation with DNR, to establish best management practices and technical standards for nonpoint source agricultural practices and facilities to implement the performance standards and prohibitions promulgated by the DNR. Require DATCP to promulgate rules relating to the conservation practices and a process for the development and dissemination of the technical standards.

Require DATCP to promulgate rules that, at a minimum, establish conservation practices and technical standards for animal waste management, nutrients applied to the soil and cropland sediment delivery that are capable of meeting DNR's nonpoint source performance standards and prohibitions. Direct the DATCP to develop statewide agricultural nutrient management policies. Provide that the policies include components such as technical standards, incentives, educational and outreach strategy, and compliance requirements.

Require that DNR, in consultation with DATCP, establish performance standards for agricultural facilities and practices that are nonpoint sources for the purpose of achieving water quality standards by limiting the nonpoint source water pollution. [See "Natural Resources -- Water Quality" for additional information on DNR and local authority.]

Require that the performance standards and prohibitions for agricultural facilities and practices set by DNR and the conservation practices and technical standards set by DATCP apply to the following: (a) DNR's priority watershed program; (b) the farmland preservation cross-compliance requirements; (c) animal feeding operations and DNR's animal waste regulatory program (NR 243); (d) the county soil erosion control program (renamed the county land and water resource management planning program); and (e) remedies under the right to farm statute. However, require that the standards and prohibitions can only be enforced if cost sharing is available to the facility operator as determined by DNR and DATCP.

Rename the county erosion control planning program the land and water resource management planning program and require that each county submit a land and water resource plan. The plan shall describe all activities of the county land conservation department regarding nonpoint source water pollution and identify the causes, other than soil erosion, of nonpoint source water pollution.

Assembly: Require that any local nonpoint source water quality standard that requires the installation or implementation of a water pollution abatement practice to meet that standard be required to contain a minimum cost share rate of 70% and up 90% in cases of hardship.

Provide DATCP statutory authority to develop administrative rules to improve nutrient management in the state that would be consistent with the rules promulgated by DNR and DATCP related to nonpoint source water quality standards. Require the rules to include incentives, educational and outreach strategy, and compliance requirements.

Senate/Legislature: Delete "forest and game management" and "plant and greenhouse nurseries" from the list of agricultural practices that would define a facility as an agricultural facility. These facilities would not be regulated as agricultural facilities and would not be subject to the water quality standards and prohibitions required of such facilities (promulgated by DATCP and DNR). However, those engaged in "forest and game management" and "plant and greenhouse nursery" activities would be subject to nonpoint water quality standards relating to nonagricultural facilities (promulgated by DNR).

[Act 27 Sections: 766wm, 2488g thru 2488i, 2488s thru 2488u, 2489c thru 2489h, 2489j thru 2489L, 2490g, 2491dg, 2491dr, 2491L and 3487p]

8. WIND EROSION CONTROL AIDS

	Chg. to Base
GPR	- $100,000

Governor/Legislature: Eliminate $50,000 annually and repeal all statutory references to the wind erosion control program. This program is currently scheduled to sunset on June 30, 1997. The program provides grants to counties subject to wind erosion for one or more of the following: (a) property tax credits applied on per acre basis to persons owning land subject to wind erosion; (b) on-farm wind erosion control tillage demonstration projects; and (c) for county administrative costs associated with the program.

[Act 27 Sections: 177, 2369 and 2490]

9. GYPSY MOTH CONTROL PROGRAM STAFF [LFB Paper 170]

	Chg. to Base
SEG	4.00

Governor: Provide 1.0 management information system position and convert 3.0 project positions to permanent status (currently, two of the project positions are federally-funded) to be funded under an annual appropriation from the forestry account of the conservation fund. The positions would be used to continue the gypsy moth trapping program at its current level, assist in administering the program and provide interagency coordination of gypsy moth control efforts. The positions would be paid from the program's base level funding by transferring $148,200 in 1997-98 and $158,000 in 1998-99 of supplies to permanent salaries and fringe benefits. Base level SEG funding is $837,400.

Joint Finance/Legislature: Modify the Governor's proposal by providing the four positions as follows: (a) 2.0 positions from the annual forestry account appropriation (reallocate $63,400 in 1997-

98 and $73,200 in 1998-99 from supplies); and (b) 2.0 positions from the forestry account continuing appropriation (reallocate $84,400 annually from supplies).

10. FOOD INSPECTION PROGRAM [LFB Paper 171]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Net Change
GPR	$100,000	- $100,000	$0
PR	0	- 359,800	- 359,800
Total	$100,000	- $459,800	- $359,800

Governor: Provide $50,000 annually in unallotted reserve for the Department's food inspection program activities. Funding could be released by DOA after reviewing the findings of a study of DATCP's food inspection program which is required under the bill. The Department would be required to study its food inspection programs procedures to: (a) identify areas in the programs that could become more efficient; (b) develop a plan to streamline its food inspection programs; and (c) identify any cost-savings that could be implemented based on the efficiencies and improved procedures. DATCP would submit its findings and plan to the Secretary of DOA by October 1, 1997. The study is intended to address a projected funding shortfall in the food inspection program revenue account that will need to be addressed during the 1997-99 biennium. Program revenues are provided from various fees on food and dairy processors and retail food establishments established by Department rule. The Department's food inspection program is approximately 52% PR funded and 48% GPR funded.

Joint Finance: Allow that $50,000 annually from the Joint Committee on Finance's supplemental appropriation be available for release to the DATCP food safety program. Require that any request for release of the funds be submitted with a study on the Department's food safety program to be completed by October 1, 1997. In addition, delete $179,900 PR annually from unallotted reserve to maintain expenditures within available revenues.

Assembly/Legislature: Require that the efficiency study of DATCP's food safety and inspection program be completed within 60 days after the effective date of the bill rather than by October 1, 1997.

[Act 27 Section: 9104(1)]

11. FOOD PROCESSING REINSPECTION FEES

Governor/Legislature: Restructure the fees assessed when the Department is required to reinspect a food processing plant after a violation has occurred by creating a fee class for plants with less than $25,000 in annual production. Currently, the reinspection fees are based on whether a plant

has $250,000 or less or $250,000 or more in annual production. Under the bill, a new (third) fee category for plants with less than $25,000 in annual production would be created and the fees for those plants would be reduced from: (a) $80 to $40 for those plants that are engaged in the canning or processing of potentially hazardous food products; and (b) $50 to $40 for those plants that are not engaged in the processing or canning of potentially hazardous food products. The reinspection fees for plants with $25,000 to $250,000 in annual production would remain the same. A minimal reduction in revenues would be expected.

[Act 27 Sections: 2545 thru 2547]

12. WEIGHTS AND MEASURES PROGRAM [LFB Paper 172]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Net Change
PR-REV	$194,600	- $25,000	$169,600

Governor: Provide $97,300 annually in additional program revenues by making the following changes to the Department's weights and measures inspection program:

Motor Vehicle Scales. Increase the vehicle scale operator annual license fee from $30 to $60 and increase the surcharge for operating a vehicle scale without a license from $30 to $200. The fee and surcharge changes would generate approximately $54,000 annually. Further, change the date on which annual licenses expire from December 31 to March 31. The Department would continue to have authority to establish a different fee by rule.

Weights and Measures Service Companies. Restructure the licensing of businesses that provide weights and measures inspection services (installing, maintaining, testing and calibrating) from the current annual flat fee of $100. The proposed annual fee would be (a) $100 for those engaged in servicing weights and measures that the license applicant owns; and (b) $200 if the applicant provides weights and measure service for others, plus a $50 fee for each additional business location operated by the applicant. Further, increase the surcharge for operating without a service company license from $100 to $200. The fees would generate approximately $19,100 annually. The Department would continue to have authority to establish a different fee by rule.

Liquid Petroleum Gas Meter Testing Companies Annually, require that all sellers of liquified petroleum gas (those who sell liquid petroleum gas or operate a meter that measures the amount of liquified petroleum gas that person delivers) have their meters tested for accuracy according to Department standards. Testing or service companies would be required to promptly provide a meter inspection report to the seller and file a copy of the inspection report with the Department within 30 days of the inspection. Both the meter testing and service companies and the person whose meters are inspected would be required to have on file at least three years of meter inspection reports and

make them available to DATCP upon request. The Department would bill each meter testing and service company $20, payable by April 1, for each meter that the company has filed an inspection report for during the preceding year.

The Department could promulgate rules on standards for the construction, installation, maintenance, inspection and testing of liquified petroleum gas meters. The Department would also have the authority to inspect or test any meter. The bill would also create the following fees associated with DATCP inspections:

a. A seller would pay a $150 fee if the seller's meter fails a Department inspection or test because the amount of gas delivered is less than the meter indicates;

b. A seller would pay a $150 fee if the seller's meter has not been inspected within 365 days of the Department's inspection (first applies to inspections or testing conducted one year after the effective date of the bill); and

c. A seller would pay a $250 reinspection fee if the Department reinspects a meter that has previously failed a Department inspection and the meter fails a reinspection because the amount of gas delivered is less than the meter indicates. However, if the reinspection is more than 180 days after the Department's initial inspection, the seller would be required to pay only a $150 fee.

The fees would generate approximately $24,200 annually and would be deposited to the weights and measures program revenue account.

Joint Finance: Make the following changes to the bill:

Motor Vehicle Scales. Approve the increase in the annual motor vehicle scale license fee from $30 to $60 for the 1997-99 biennium only.

Liquid Petroleum Meter Testing Companies. Delete provision. Instead, make the following changes:

a. Require DATCP to promulgate rules requiring that all owners of liquified petroleum gas (LPG) meters register their LPG meters. LPG meter owners would be required to submit a $25 one-time registration fee. The registration fee would apply to each meter in operation to be paid within 60 days of the effective date of the rule and to each new meter within 60 days of being installed.

b. Effective January, 1, 1998, require annual testing of each LPG meter by a licensed meter servicing company.

c. Require that, within 30 days after testing the LPG meter, the testing company would be required to send the results to DATCP.

d. Require DATCP to notify the owner if the meter has not been tested, at which time the meter owner would have 30 days to test their meter. If the meter owner fails to comply within 30 days of being notified the Department could assess the meter owner a fee of up to $100 for each meter that remains untested.

e. Allow DATCP, if the LPG meter is not registered, to assess the meter owner a fee of up to $250 per meter. The owner of the meter would have 30 days to comply and pay the fee, or the fee would be increased by $10 per day thereafter until the meter is found in compliance.

f. Require servicing companies that do not report the test result on a meter to DATCP to pay any fees related to that meter until the test is reported.

Assembly/Legislature: Clarify that the meter testing and inspection requirement and associated fees on liquified petroleum gas meters required under the bill would only apply to meters that measure liquified petroleum gas in its liquid form (as opposed to vapor form).

[Act 27 Sections: 170, 2548 thru 2550m, 2551 thru 2568b, 9304(1t)&(2) and 9404(4t)&(4x)]

13. PUBLIC STORAGE WAREHOUSE KEEPERS

	Chg. to Base Funding	Chg. to Base Positions
PR	$46,000	0.58

Governor/Legislature: Provide $21,200 in 1997-98 and $24,800 in 1998-99 with a 0.33 financial specialist position to conduct inspections and investigations and a 0.25 program assistant position. The Department, through on-site and records inspections of public storage warehouse facilities (a business that stores the property of others), is responsible for ensuring that warehouse facilities are adequate and that the facility owner is qualified and has the financial security to conduct business in the state. The program is funded from annual license fees paid by public storage warehouse keepers.

14. GRAIN INSPECTION PROGRAM

	Chg. to Base
PR	$673,200

Governor/Legislature: Provide $336,600 annually for peak season program costs for the Milwaukee and Superior grain inspection programs. The funding would include: (a) $73,500 for additional limited-term employees; and (b) $263,100 annually for overtime costs. Program revenues are provided from fees for the inspection and certification of grain shipped to or from the ports of Milwaukee, Superior and other locations in the state. Fees for grain inspection services are set by the U.S. Department of Agriculture.

15. VEGETABLE INSPECTION PROGRAM

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$135,800	2.40	- $33,900	0.40	$101,900	2.40

Governor: Provide $67,900 annually and 2.4 inspector positions to conduct additional product sampling and inspections and certify product quality. Program revenues are provided from inspection fees paid by the vegetable products industry for which the inspections are conducted.

Assembly/Legislature: Delete $33,900 in 1997-98 associated with the 2.4 fruit and vegetable inspector positions to reflect delayed budget enactment.

16. AGRICULTURE INVESTMENT AIDS -- SUSTAINABLE AGRICULTURE GRANTS

[LFB Paper 173]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$400,000	- $200,000	- $200,000	$200,000	$400,000
SEG	0	200,000	200,000	- 200,000	0
Total	$400,000	$0	$0	$0	$400,000

Governor: Provide $200,000 annually for agricultural research and development and sustainable agriculture grants. The bill would increase funding from $200,000 to $400,000 annually for grants to farmers or other entrepreneurs to develop new agricultural crops and livestock products, value-added and other new uses for existing products and new business ventures. Under the bill, the program would be renamed the "agricultural investment aids program" and would be expanded to allow the Department to make grants to fund sustainable agriculture demonstration projects, although the Department would determine the level of funding allocated to the program. Also, current law requires that DATCP submit a funding report for the sustainable agriculture program to the standing committees on agriculture of each house of the Legislature by June 1, 1996. DATCP complied with the report requirements and the bill repeals the requirement.

Joint Finance: Delete $100,000 GPR annually and instead provide $100,000 SEG from the agrichemical management fund for sustainable agriculture grants. In addition, create a gifts and grants appropriation for moneys received from the agricultural industry for agricultural research and development grants.

Assembly: Delete $100,000 GPR annually for agricultural development and diversification grants. Base level funding of $200,000 GPR annually would remain. The agricultural development and diversification program provides grants to farmers or other entrepreneurs to develop new

agricultural crops and livestock products, value-added and other new uses for existing products and new business ventures.

Senate/Legislature: Delete $100,000 SEG annually from the agrichemical management fund for sustainable agriculture grants, and provide $200,000 GPR annually (for a total of $400,000 each year) for DATCP's agricultural development and diversification (ADD) program. Further, allow sustainable agriculture demonstration projects to be funded from the ADD appropriation (the Department would determine the level of funding allocated for such grants). This provision would restore the Governor's recommendation in this area.

[Act 27 Sections: 172m, 176e, 2500 and 2501]

17. COUNTY AND DISTRICT FAIR AIDS [LFB Paper 174]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $138,700	- $696,900	- $835,600

Governor: Reestimate GPR funding for county and district fair aids by deleting $138,700 in 1997-98 to reflect available pari-mutuel racing revenues, which are used to offset the level of GPR funds available to the program on a dollar-for-dollar basis. Base level GPR funding is provided from a sum sufficient appropriation not to exceed $585,000. However, if revenues are sufficient, up to $650,000 in pari-mutuel revenues could be provided annually.

Joint Finance/Legislature: Further reestimate GPR funding for county and district fair aids by deleting an additional $376,500 in 1997-98 and $320,400 in 1998-99 to reflect current estimates of pari-mutuel racing revenues for the 1997-99 biennium.

18. AIDS FOR FEDERAL DAIRY POLICY REFORM ACTIVITIES [LFB Paper 175]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	$100,000	- $50,000	$50,000	$100,000

Governor: Provide $50,000 each year in a biennial appropriation to establish a grant program to provide assistance to the Department and organizations working to reform federal milk marketing orders for the benefit of state milk producers.

Joint Finance: Delete $50,000 in 1998-99 and repeal the appropriation effective July 1, 1999. The Department would be provided $50,000 in 1997-98 on a one-time basis to provide assistance to organizations to seek federal dairy price reform.

Assembly/Legislature: Provide $50,000 GPR in 1998-99. As a result, $50,000 in each year of the 1997-99 biennium would be provided for federal dairy price reform activities.

[Act 27 Sections: 173, 173b, 2493, 2493b and 9404(2x)]

19. STRAY VOLTAGE PROGRAM

	Governor (Chg. to Base)		Assembly (Chg. to Gov.)		Senate/Leg. (Chg. to Assem.)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$69,400	1.00	- $7,400	0.00	$100,000	0.00	- $100,000	0.00	$62,000	1.00

Governor: Provide $31,200 and 1997-98 and $38,200 1998-99 with 1.0 program assistant position to assist in the administration of the stray voltage program (referred to by the Department as the "rural electric power services program"). The funding would include $10,000 annually for increased travel expenses. The increased funding would be provided as follows: (a) $27,800 or 40% in the biennium with a 0.4 position, funded from revenues provided from new assessments on rural electric cooperatives equal to the funding levels appropriated; and (b) $41,600 or 60% in the biennium with a 0.6 position provided from increases to existing assessments collected by the Public Service Commission on privately-owned utilities. The program's base level funding, provided from existing utility assessments, is $224,600.

Assembly: Delete $7,400 in 1997-98 associated with a program assistant position in the stray voltage program to reflect a three month delay of funding for the position. The reduction would reduce funding by $4,400 associated with the assessments collected by the Public Service Commission on privately-owned utilities and $3,000 associated with the assessments on rural electric cooperatives

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

Veto by Governor [B-1]: Delete the Senate provision to provide $100,000 PR annually for stray voltage research.

[Act 27 Sections: 171 and 2499]

[Act 27 Vetoed Sections: 169 (as it relates to 20.115(3)(je), 170v, 2498v and 3160m]

20. FARM SERVICES CENTER REORGANIZATION

Governor/Legislature: Modify the Department's appropriation structure to reflect the creation a of farm services center. The bill would transfer the appropriations and base level funding for the Department's farm assistance, farmer tuition assistance and stray voltage programs to the Division of Marketing's farm services center. The center would contain other existing farm services programs within the Division (for example, the agriculture development and diversification grant and county and district fair aids programs).

[Act 27 Sections: 174, 183 thru 185, 2502, 3160 and 3161]

21. ANIMAL DISEASE CONTROL

	Chg. to Base
GPR	$33,000

Governor/Legislature: Provide $16,500 annually for supplies and services funding for livestock testing, disease surveillance and support of on-going disease control field activities.

22. COMPUTER INFRASTRUCTURE

	Chg. to Base
FED	$5,000
PR	329,200
SEG	160,800
Total	$495,000

Governor/Legislature: Provide $2,500 FED, $164,600 PR and $80,400 SEG annually to update and periodically replace computers, software, printers, network hardware and software and for computer training. Funding would be provided from the Department's various federal, program revenue and segregated funding sources.

23. INFORMATION TECHNOLOGY PLAN IMPLEMENTATION

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$354,400	3.58	- $48,800	0.00	$305,600	3.58
SEG	164,700	0.00	0	0.00	164,700	0.00
Total	$519,100	3.58	$48,800	0.00	$470,300	3.58

Governor: Provide $146,700 PR with 2.5 PR positions and $98,000 SEG in 1997-98 and $207,700 PR with 3.58 PR management information specialist positions and $66,700 SEG in 1998-99 for technical support to implement the Department's information technology plan. Specifically, staff would conduct programming and develop systems and databases for the Department's programs (for example, staff would develop an animal disease tracking system and electronic licensing database and system). Funding would be provided from the Department's various program revenue and segregated funding sources.

Assembly/Legislature: Delete $48,800 PR in 1997-98 associated with 3.58 PR management information specialists positions to reflect a three month delay of funding for the position.

24. CONSOLIDATION OF COMPUTER STAFF

	Chg. to Base Funding	Chg. to Base Positions
FED	- $57,200	- 0.50
PR	57,200	0.50
Total	$0	0.00

Governor/Legislature: Make the following changes to Department appropriations to reflect the consolidation of information technology and data processing staff within the Department's Division of Management Services Bureau of Information Technology Services: (a) transfer $50,000 and 1.25 management information system positions annually from the Department's Division of Food Safety programs; and (b) convert $28,600 and 0.5 position from FED to PR by transferring a one-half time management information system position from the federally-funded portion of the Department's meat inspection program to PR from chargebacks to the Department's appropriations for computer equipment and related services.

25. LABORATORY SERVICES -- STAFF REDUCTION

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $60,000	0.00
PR	- 200,200	- 2.00
Total	- $260,200	- 2.00

Governor/Legislature: Delete $30,000 GPR and $100,100 PR and 2.0 PR laboratory staff annually. These two positions are funded from assessments for work performed for the Division of Food Safety and Division of Trade and Consumer Protection of which approximately $24,900 annually is provided from the food safety program's GPR funding and $5,100 annually is provided from the trade and consumer protection program's GPR funding.

26. LABORATORY SERVICES

	Chg. to Base
GPR	$17,800
PR	23,000
SEG	51,600
Total	$92,400

Governor/Legislature: Provide $8,900 GPR, $11,500 PR and $25,800 SEG in supplies and services funding for chargebacks to fully fund the staff costs of the Bureau of Laboratory Services (BLS). BLS is funded from assessments of its costs to the various Department programs that use its services. Funding for the staff costs would be provided from the following programs: (a) $7,900 GPR and $8,600 PR annually associated with food inspection program activities; (b) $1,000

GPR annually associated with the meat and poultry inspection program activities; (c) $25,800 SEG annually from the agrichemical management fund; and (d) $2,900 PR annually associated with the milk standards program activities.

27. LEGAL SERVICES CONSOLIDATION

Governor/Legislature: Transfer $64,500 and 1.5 legal staff annually from the Department's Division of Trade and Consumer Protection to the Division of Management services to reflect the consolidation of the Department's legal services staff.

28. COURT ORDERED RESTITUTION

Governor/Legislature: Create an appropriation for the deposit of all moneys received by DATCP pursuant to a court order, for the purpose of providing restitution to victims, or providing payments owed other persons represented by the Department in court proceedings. Further, allow the Department to retain a portion of the revenues, as ordered by the court, as reimbursement of DATCP costs in administering the court-ordered restitution or payments.

[Act 27 Section: 182]

29. CONVERT AUTOMOBILE REGULATION STAFF TO GPR

	Chg. to Base Funding	Chg. to Base Positions
GPR	$722,000	6.00
SEG	- 722,000	- 6.00
Total	$0	0.00

Joint Finance/Legislature: Provide $360,100 GPR in 1997-98 and $361,900 in 1998-99 with 6.0 positions annually and delete an equal amount of SEG to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from these appropriations between July 1, 1997 and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Section: 170m]

30. DIVISION OF ANIMAL HEALTH -- PROGRAM REVENUE ESTIMATES [LFB Paper 176]

	Chg. to Base
PR	- $308,000

Joint Finance/Legislature: Delete $154,000 PR annually from the following program revenue accounts to hold expenditures within available revenues: (a) $100,000 PR annually from the animal health related services appropriation; (b) $34,000 PR annually from the sale of animal health supplies appropriation; and (c) $20,000 PR annually from the dog licenses, rabies control and related services appropriation.

31. SOIL AND WATER RESOURCE MANAGEMENT PROGRAM

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$0	$175,000	$2,000,000	$2,175,000
SEG	- 66,800	500,000	0	433,200
Total	- $66,800	$675,000	$2,000,000	$2,608,200
BR	$0	$2,000,000	$1,000,000	$3,000,000

Joint Finance: Delete $66,800 in 1997-98 from nonpoint account of the environmental fund for the soil and water resource management program to reflect a reestimate of revenues available in the nonpoint account. The segregated funding for DATCP's soil and water resource management (SWRM) program activities is primarily used to provide grants for agricultural shoreland projects and animal waste management grants to landowners.

Assembly: Provide $2.0 million in general fund supported nonpoint source bonding to DATCP to provide cost-sharing to landowners for the installation of nonpoint source pollution abatement practices. It is estimated that the principal and interest costs associated with the bonding would be approximately $175,000 GPR annually (for approximately 20 years) beginning in 1998-99.

Require that $500,000 SEG in 1998-99 provided for DNR's nonpoint source program be transferred to the DATCP soil and water resource management appropriation to provide grants to counties that currently do not have staff funded from the nonpoint source grant program as of June 30, 1997. Funding would be transferred to DATCP on a permanent basis, though staffing expenditures would only be required in 1998-99 by DATCP. DATCP and DNR would submit a plan for distributing the funds to the Land and Water Conservation Board for approval.

Delete the current SWRM program funding priorities. Instead, require that basic allocation grants to counties to administer county SWRM program activities be funded first. Then, from the remaining GPR and SEG funds, require the Department to give priority to cost-sharing grants for NOD recipients over other program activities. Further, require the Department to submit proposed spending levels for each SWRM program activity to the Land and Water Conservation Board (LWCB) for approval. However, if necessary, the LWCB would be allowed to amend the funding

levels for cost share grants to meet NOD program demand during the year. The Department's annual funding allocation plan (which outlines the level of funding to be provided each county and the specific projects to be funded) would be required to be consistent with the funding levels approved by the LWCB.

Under current law, the DATCP is required to fund basic allocation grants, agricultural shoreland grants and NOD requests before other agency priorities (such as nutrient and pesticide management projects). Under the bill, DATCP and the LWCB (with input from DNR) would be required to fund basic allocation grants and consider NOD requests as a funding priority, but would be given greater latitude in determining what projects or activities receive SWRM funding (that is, all NOD grants would not, necessarily, be required to be funded each year before other agency priorities are funded).

Senate/Legislature: Specify that $2.0 million in bonding provided by the Assembly be for DATCP's soil and water resource management (SWRM) program rather than for nonpoint pollution abatement practices. Also, provide an additional $1,000,000 in general fund supported bonding ($3.0 million in total) for SWRM. Finally, provide $2,000,000 GPR in 1997-98 for grants under the soil and water resource management program.

[Act 27 Sections: 178e, 726, 727, 735ag, 2490n, 2490p, 2490qb, 2490r, 2490tm, 2491cm, 2491d, 2491h and 9104(1h)]

32. SOIL AND WATER RESOURCE MANAGEMENT ACTIVITIES

Joint Finance\Legislature: Rename activities referred to in the statutes as "soil and water resource management activities" to "land and water resource management activities."

[Act 27 Sections: 2490L thru 2490n, 2490qb thru 2490s, 2491cm, 2491e, 4307e and 4307g]

33. WEIGHTS AND MEASURES PROGRAM -- MUNICIPAL CONTRACTS

Joint Finance/Legislature: Specify that municipalities contracting with DATCP to provide weights and measures inspections be allowed to charge businesses within their municipality to cover the actual costs of the DATCP inspections. Under current law, any municipality with a population of 5,000 or more is required to establish a municipal department of weights and measures. Municipalities can contract with the Department to conduct the inspection activities (93 municipalities are currently under contract) and DATCP may assess the municipality a fee to recover its costs. Current law does not specify whether the municipalities may pass on costs to regulated businesses.

[Act 27 Sections: 2548 thru 2550m]

34. PESTICIDE LABELERS FEE TRANSFER TO ENVIRONMENTAL FUND [LFB Paper 620]

	Chg. to Base
SEG-REV	- $252,000

Joint Finance/Legislature: Increase the transfer of revenues from the pesticide labelers fee assessed by DATCP and currently deposited in the environmental management account of the environmental fund by $14 per household pesticide product and by $14 per nonhousehold pesticide product. Revenues of approximately $252,000 ($126,000 annually) would be deposited in the environmental management account during 1997-99. There would be a corresponding decrease in agrichemical management fund revenues.

[Act 27 Section: 2519]

35. COMMERCIAL PESTICIDE APPLICATORS CERTIFICATIONS

Assembly/Legislature: Allow the Department to provide a one-year extension on commercial pesticide applicator certifications, scheduled to expire in 1998 without re-testing for applicators certified in forest pest control, ornamental and turf pest control or right-of-way pest control. Approximately 700 certified applicators could receive a one-year extension of their certifications.

[Act 27 Sections: 9104(2w)]

36. REGULATION OF PRIVATE FISH FARMING

Joint Finance: Provide DATCP regulatory oversight authority for fish farming and repeal provisions related to the regulation of private fish hatcheries by the Department of Natural Resources. The provisions would be effective January 1, 1998.

Fish farms would be defined as facilities at which a person hatches fish eggs or rears fish for the purpose of introduction into the waters of the state, permitting fishing, use as bait or human or animal consumption or for sale to another person to rear for one of those purposes. No person would be able to bring any fish or fish eggs into the state for the purpose of introduction into the waters of the state, for use as bait or for rearing in a fish farm without an annual permit from DATCP and a health certificate for the fish or fish eggs issued by DATCP, another state or a licensed veterinarian. A person who operates a fish farm would be required to obtain a health certificate from DATCP for any fish eggs present or any fish reared on the farm. DATCP would be able to inspect fish and fish eggs in accordance with these permit and certificate requirements to ensure the health of fish and fish eggs. DATCP would specify in rule the fees for these permits and certificates. These fees would be used for animal health inspection and testing and for enforcement of animal health laws by DATCP.

DNR would continue to issue permits for the introduction or stocking of fish in the waters of the state. In addition to a DNR permit, a person would have to be in compliance with DATCP

permitting and certificate requirements. When issuing permits, DNR would be required to accept the DATCP health certificate and may not require any additional testing, inspection or investigation be performed concerning the health of the fish. DNR would have to be in compliance with the health requirement of DATCP, although no DATCP permit would be required.

Assembly\Legislature: Make the following changes to the assignment of regulatory oversight of fish farming to DATCP:

Fish Health and Importation. Require persons bringing fish or fish eggs into the state for the purpose of: (a) introduction into the waters of the state; (b) use as bait; or (c) rearing in a fish farm to have an annual permit from DATCP. Prohibit any person from bringing fish or fish eggs of the family salmonidae into the state for the purpose of introduction into the waters of the state unless the fish are certified in a manner provided in rules from diseases specified in rule. Allow DATCP to require a person who is subject to the permit or certification requirements to notify the Department before bringing fish or fish eggs into the state. Exempt DNR from the annual permit requirement.

Require a person who operates a fish farm to obtain an annual health certificate from a licensed veterinarian or from a person who is qualified under rule to issue fish health certificates for any fish eggs present or any fish reared on the fish farm. Require a person who operates a fish farm to annually register the fish farm with DATCP. Require the person registering the fish farm to provide evidence of any required health certificate and to identify the activities that will be engaged in, the species of fish that will be used and the facilities that will be used on the fish farm.

Require DATCP to maintain a registry of fish farms. Require DATCP to inspect a fish farm upon initial registration of the farm. Allow DATCP to inspect the fish farm at any other time. Allow DATCP to inspect fish or fish eggs subject to the permit or certification requirements or other rules to ensure the health of the fish and fish eggs. Allow such inspection to include removal of reasonable samples of the fish and fish eggs for biological examination. Require a person who operated a fish farm to keep records on purchases, sales and production of fish and fish eggs and any other records required by DATCP by rule. Allow DATCP to inspect these records upon request.

Require DATCP, in consultation with DNR, to promulgate rules specifying: (a) requirements for the labeling and identification, in commerce, of fish reared in fish farms; (b) fish health standards and requirements for certifying that fish meet those standards for organizations publicly showing, exhibiting, giving demonstrations or providing fishing of fish; (c) qualifications that a person who is not a veterinarian must satisfy in order to issue fish health certificates; and (d) diseases and requirements for certifying fish or fish eggs of the family salmonidae. In addition, require DATCP to specify, by rule, the fees for permits, certificates, registration and inspections. Grant DATCP emergency rule-making authority without the finding of an emergency to implement these provisions.

Require any person bringing into the state any fish or fish eggs of a species that is not native to the state for: (a) introduction into the waters of the state; (b) use as bait; or (c) rearing in a fish farm to have a permit issued by DNR. Require a person applying for a permit to submit a written

application to DNR. Prohibit DNR from requiring that any testing, inspection or investigation be performed concerning the health of the fish in the issuance of these permits.

Fish Farming in Natural Waters. Prohibit any person from using a natural body of water as a fish farm or as part of a fish farm unless all of the following apply: (a) the land that is riparian to the body of water is owned, leased or controlled by the owners of the fish farm; (b) none of the owners of the fish farm or of the riparian land provides access to the body of water to the public by means of an easement or by means of a business open to the public except to allow fishing by the public for a fee; (c) the body of water is a freeze-out pond (defined as a natural, self-contained body of water in which freezing or anoxic conditions prevent the body of water from naturally sustaining a fish population at least twice every five years) or a preexisting fish rearing facility that is barrier equipped (a body of water that is a fish farm or part of a fish farm and that is not a self-contained body of water but was licensed as a private fish hatchery or as part of a private fish hatchery as of January 1, 1998, and has been continuously used to rear fish since that date and is equipped to prevent the passage of fish between the body of water and the other waters of the state).

Require DNR to issue a permit for a freeze-out pond if DNR determines that no substantial public interest exists in the body of water and that no public or private rights in the body of water will be damaged. Provide that for a freeze-out pond or a preexisting fish rearing facility that is barrier equipped licensed as a private fish hatchery on January 1, 1998, DNR shall issue the initial permit without making such a determination. Provide that such permits are valid for 10 years after that date of issuance. Require DNR to renew a permit unless the Department determines that there has been a substantial change in circumstances that is related to a determination. Allow a person to apply for renewal of a permit issued under this subsection within the 16 months before the permit expires. Require DNR to renew the permit or deny the renewal within three months after the date on which DNR receives the renewal application. Allow DNR to delay the renewal or denial until the May 31 immediately following the date on which the Department receives the renewal application if ice conditions prevent DNR from inspecting the body of water for purposes of renewal within a reasonable time after receiving the application. Require that, if DNR denies a permit, that the Department issue written findings supporting the reason for denial based on criteria set in rule.

Allow DNR to suspend a permit for a preexisting fish rearing facility that is barrier equipped for 90 days if DNR finds that the permit holder has failed to adequately maintain the fish barriers. Allow DNR to revoke the permit if DNR determines that the failure to adequately maintain the barriers has not been corrected within the 90-day period.

Require DNR to promulgate rules to establish fees, criteria and procedures to be used for issuing permits for fish farms on natural waters. Require DNR to consult with the Aquaculture Industry Advisory Council and the Wisconsin Aquaculture Association in promulgating these rules. Require DNR to submit the rules to the Legislative Council by August 1, 1998.

Self-contained and Preexisting Fish Rearing Facilities. Provide that the operator of a self-contained fish-rearing facility (an artificial, self-contained body of water that is a fish farm or part

of a fish farm or a freeze-out pond) is not required to obtain a DNR fish stocking permit prior to placing fish in such a fish farm. Provide that DNR may not remove fish or fish eggs from a self-contained or preexisting fish rearing facility under its general power to remove fish for health or ecological reasons unless DATCP has requested DNR to remove the fish or fish eggs to address a problem affecting fish health. Provide that DNR may not remove fish or fish eggs under its general power to remove detrimental fish unless: (a) DATCP has requested DNR to remove the fish or fish eggs to address a problem affecting fish health; or (b) the fish are not native to the state and the DNR finds that the presence of the fish in the particular facility poses a risk of being detrimental to the waters of the state.

Provide that toxicants may be placed in the waters of a preexisting fish rearing facility that is an artificial body of water if the toxicants are necessary to the operation of the fish farm and DNR has issued a water pollution permit for the facility. Provide that toxicants may be applied in the waters of a self-contained fish rearing facility or a state or municipal fish hatchery if the application is necessary to the operation of the farm or hatchery.

Private Fishing Preserves. Allow a "single person" (one licenseholder in the state is intended) to register a natural, navigable, self-contained body of water as a private fishing preserve with DNR if: (a) all of the use and occupancy rights in the land that is riparian to the body of water are owned or leased by the registrant; and (b) the registrant and any owner of riparian land do not provide access to the public by means of an easement or of a business open to the public. Prohibit a lake association, corporation or other association from registering a private fishing preserve. Provide that such a registration is valid for one year. Exempt a person fishing in a private fishing preserve from having any sport-fishing approval issued by DNR. Prohibit any person from selling or trading fish caught in a private fishing preserve. Prohibit any person from charging a fee for fishing in a private fishing preserve.

Other Provisions. Generally, exempt farm-raised fish (fish kept on a fish farm for propagation purposes or reared on a fish farm and that have not been introduced, stocked or planted into waters outside a fish farm or that have not escaped from a fish farm) from statutes regulating the taking and possessing of wild fish.

Require DNR and DATCP to enter into a memorandum of understanding relating to the transfer of the regulation of fish farming between the Departments.

Prohibit persons holding a commercial fishing license from DNR from operating a fish farm that contains a species of fish that the holder of the license is authorized to catch under the conditions of the license.

Prohibit the rearing of lake sturgeon in a fish farm. Exempt DNR from this prohibition. Require DATCP, in consultation with DNR, to study regulatory options that would enable the commercial rearing of lake sturgeon while protecting the wild lake sturgeon population. Require

DATCP to submit the results of the study to the appropriate standing committees of the Legislature no later than December 31, 2000.

[Act 27 Sections: 170r, 762b, 960mn thru 960r, 967n, 996m thru 996t, 1000g thru 1000L, 1034m, 1040h, 1059d, 1103m, 1103p thru 1105m, 1108m, 1111m, 1111r, 1115m, 1118m, 1119k thru 1139e, 1139s thru 1139w, 2543sm, 5227g, 5339j, 9104(3xr)&(3xs), 9137(12m) and 9437(6gs)]

37. AQUACULTURE STUDY

	Chg. to Base
GPR	$70,000

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

[Act 27 Section: 9104(1g)]

38. ADDITIONAL DATCP BOARD MEMBER

Assembly/Legislature: Increase the number of Board members from eight to nine by adding a member with an agricultural background to be appointed to the Board by the Governor. The Board currently has eight members, including six with an agricultural background and two consumer representatives. The appointment could be made on or after the effective date of the bill.

[Act 27 Section: 56m]

39. DEFICIENCY JUDGEMENTS ON AGRICULTURAL REAL ESTATE FORECLOSURES

Assembly/Legislature: Reduce from 20 years to 10 years the time limit for enforcing a deficiency judgement entered on or after January 1, 1990, related to a foreclosure action on agricultural real estate. Further, any deficiency judgement related to a foreclosure action on agricultural real estate that was ordered before January 1, 1990, would expire two years after the effective date of the bill. Under current law, deficiency judgements related to foreclosures on all types of real estate must be acted upon within 20 years of the judgement or be barred. This provision would create an exception for agricultural real estate and reduce the amount of time one could act on a deficiency judgement.

Any defendant in an agricultural deficiency judgement that exists on the effective date of the bill would be responsible for informing the County Clerk of Courts that the judgement against them is an agricultural deficiency judgement and of the corresponding time limit remaining on that judgement. Upon notification by the defendant, for judgements ordered prior to 1990, within 22 months of enactment, require the clerk of court to notify the judgement holders by certified mail and to place a notification in the official newspaper of the county in which the judgement was obtained that the judgement holder has 2 years after enactment to commence an action on an agricultural real estate foreclosure deficiency judgement or be barred. A defendant in an agricultural deficiency judgement would be responsible for the costs incurred by the County Clerk of Courts in notifying the judgement holder of an expiring judgement and providing public notice of the expiring judgement. Further, judgements under this provision filed after the effective date of the bill would be required to be recorded as an agricultural deficiency judgement.

Agricultural real estate would be defined the same as under the farmland preservation program. That is, agricultural real estate would be used to engage in the following agricultural practices: beekeeping; commercial feedlots; dairying; egg production; floriculture; fish or fur farming; forest and game management; grazing; livestock raising; orchards; plant greenhouses and nurseries; poultry raising; raising of grain, grass, mint and seed crops; raising of fruits, nuts and berries; sod farming; placing land in a federal program in return for payments in kind; or owning land, at least 35 acres of which is enrolled in the federal conservation reserve program.

[Act 27 Sections: 5200f thru 5200h and 5217g]

40. AGENCY BUDGET REDUCTIONS

	Chg. to Base
GPR-Lapse	$342,600

Assembly/Legislature: Require that the Secretary of DOA allocate annually reductions of $171,300 to DATCP's sum certain GPR state operations appropriations to be achieved by requiring DATCP to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

41. ELIMINATION OF CERTAIN DATCP BOARDS AND COUNCILS

Assembly/Legislature: Repeal the following DATCP boards and councils:

Agricultural Chemical Cleanup Council. Repeal the Agricultural Chemical Cleanup Council effective January 1, 1999. The Council consists of seven members appointed by the DATCP Secretary to four year terms. The Council members include two members representing agricultural chemical manufacturers and wholesalers, two members representing farmers, two members representing retail fertilizer and pesticide dealers and applicators and one member representing environmental interests. The Council advises the Secretary on rules and policy alternatives relating to, and the fees necessary to fund, the agrichemical cleanup program.

Animal Health & Disease Research Board and Council. Repeal both the Animal Health and Disease Research Board and the Animal Health and Disease Research Council on the effective date of the budget act. The Board is made up of four members, including the Dean of the School of Veterinary Medicine, the Director of the University of Wisconsin-Madison agricultural experiment station, DATCP's chief veterinarian, and one public member appointed by the Governor to a three-year term. The Board's primary responsibilities are to determine the priorities of animal health and disease research in the state and select the highest priority projects to be funded. The Board makes these determinations based on the recommendations of the Animal Health and Disease Research Council which is responsible for reviewing and evaluating problems of animal health and disease currently or potentially present in farm poultry, farm animals and fur-bearing animals in the state and identifying those, within available funding, that are of highest priority.

The Animal Health and Disease Research Council is also responsible for evaluating the progress of animal disease research projects and recommending potential changes to projects. The Council consists of the Director of the University of Wisconsin-Madison agricultural experiment station and DATCP's chief veterinarian or their designees and seven public members appointed by the Governor to three-year terms. The public members include a veterinarian that practices on large animals, a dairy farmer, a family farmer and a meat producer.

Farm Mediation and Arbitration Board. Repeal the Farm Mediation and Arbitration Board, which administers a program that helps farmers resolve financial disputes with creditors and disputes over environmental issues, and transfer the Board's functions to DATCP on the general effective date of the budget act. The three-member Board consists of the DATCP Secretary, the Commissioner of Insurance and a public member appointed by the Governor. The Board selects mediators or arbitrators to resolve disputes, develops administrative forms and promulgates rules related to the mediation and arbitration process including the kinds of disputes eligible for mediation and arbitration.

Pesticide Review Board. Repeal the Pesticide Review Board and associated statutory functions in the Department of Health and Family Services (DHFS) on the general effective date of the budget act. The three-member Board is comprised of the Secretaries of DHFS, the Department of Natural Resources (DNR) and the Department of Agriculture, Trade and Consumer Protection (DATCP) or their designated representatives. Under current law, the Board collects and analyzes information and recommends rules to DNR and DATCP. Rules promulgated by the two Departments related to pesticides are not effective until approved by the Board. The Board also reports to the Governor and Legislature on matters that may require government action.

Transfer to DATCP the Pesticide Review Board's authority to authorize the use of a pesticide in accordance with the Department's rules on an individual bat colony that has been determined to be responsible for the outbreak of rabies or another situation where the existence of a colony of bats threatens the health or welfare of any person.

Further, transfer to DATCP the Pesticide Review Board's authority to authorize the use of DDT for the following: (a) controlling an epidemic disease of humans or animals spread by insects; (b) controlling an outbreak of a epidemic which threatens a significant portion of the affected crop and is caused or spread by insects; and (c) for specified research by educational institutions if it finds that no ecologically significant residues of DDT, or its isomers or metabolites, are allowed to escape into the environment.

Delete the Pesticide Review Council that assists the Board in obtaining scientific data and coordinating the regulatory enforcement, research and educational efforts related to pesticide use in the state. The Council consists of nine members including six members with technical or professional expertise appointed by the Board. The Council members appointed by the Board include one representative each from DHFS, DATCP, DNR, and the University of Wisconsin College of Agricultural and Life Sciences, Water Resources Center and School of Natural Resources. The remaining three Council members are public members, appointed by the Governor and confirmed by the Senate. The public Council members are required to be technical or professional experts and consist of one representative each from the pesticide industry, the agricultural industry and a member with experience in conservation and the wise use of natural resources.

[Act 27 Sections: 57c, 57e, 57j, 57k, 2501e thru 2501L, 2521m, 2528g, 2530r, 2541m, 2543, 2543j, 2910e, 2910m, 2910r, 9104(2m) and 9404(1m)]

42. GPR DEBT SERVICE APPROPRIATION

Building Commission/Legislature: Create a sum sufficient GPR debt service appropriation under DATCP for the payment of principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement of Department facilities and to make payments determined by the Building Commission to comply with federal arbitrage requirements. DATCP currently leases its central office facility from DOA and makes no direct debt service payments associated with the Department's facilities.

[Act 27 Sections: 170p, 726 and 727]

ARTS BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$5,116,400	$5,040,100	$5,040,100	$5,040,100	$5,040,100	- $76,300	- 1.5%
FED	1,600,600	1,707,200	1,707,200	1,707,200	1,707,200	106,600	6.7
PR	110,200	143,200	143,200	36,000	36,000	- 74,200	- 67.3
SEG	0	0	884,200	0	0	0	0.0
TOTAL	$6,827,200	$6,890,500	$7,774,700	$6,783,300	$6,783,300	- $43,900	- 0.6%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	5.00	5.00	5.00	5.00	5.00	0.00
FED	6.00	6.00	6.00	6.00	6.00	0.00
PR	1.00	1.00	1.00	0.00	1.00	0.00
TOTAL	12.00	12.00	12.00	11.00	12.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$26,100
FED	88,400
PR	400
Total	$114,900

Governor/Legislature: Adjust the base budget for: (a) full funding of salaries and fringe benefits ($9,400 GPR, $44,500 FED and -$400 PR annually); (b) full funding of financial services charges ($600 GPR and -$800 FED annually); (c) reclassification of positions ($800 GPR in 1997-98 and $900 GPR in 1998-99); (d) fifth week vacation as cash ($900 GPR annually); and (e) delayed pay adjustments ($1,300 GPR, $500 FED and $600 PR annually).

2. ARTS CHALLENGE INITIATIVE GRANTS

	Chg. to Base
GPR	- $61,400

Governor/Legislature: Reduce funding for the agency's arts challenge initiative grant program by $30,700 annually below the base

level of $850,500. Under this program, grants are awarded to nonprofit arts organizations based on private funds raised by the organizations.

3. FUNDING REDUCTION [LFB Paper 180]

	Chg. to Base
GPR	- $41,000

Governor: Reduce funding for the state aid for the arts appropriation by $20,500 annually. Require the Board to submit a report to the Governor and the Joint Committee on Finance by October 1, 1997, concerning the agency's preference for allocating this reduction among the Board's sum certain GPR appropriations. The sum of the reductions under this item and the arts challenge initiative (Item #2) equals 2%, annually, of the agency's base, GPR budget.

Joint Finance: Modify provision by requiring that the Board's report on the proposed allocation of the reduction, and any related transfer among appropriations, be subject to the approval of the Joint Committee on Finance under a 14-day passive review process. Require the Board to submit the report by September 1, 1997, rather than October 1, 1997.

Assembly/Legislature: Modify the Joint Finance provision by requiring that the Board submit its report to JFC within 30 days after the effective date of the budget.

[Act 27 Section: 9105(1x)]

4. GPR FUNDING TRANSFER TO ENDOWMENT FUND

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG	$884,200	- $663,200	- $221,000	$0

Joint Finance: Establish a segregated state endowment fund for the Arts Board and authorize the fund to receive gifts and grants. Reduce the amount of funding in each of the Board's GPR appropriations for grant programs by 20% annually and transfer these funds to a newly-created, separate GPR appropriation. The amount transferred to the new appropriation would be $442,100 GPR annually. Provide that these funds would be transferred to the endowment fund annually on January 15. Create a continuing segregated appropriation from the endowment fund from which the Board could make loans to any of the individuals or entities that are eligible for grants under the Board's current programs. Provide that all repayments of loans would be deposited in the endowment fund.

Assembly: Modify the Joint Finance provision by reducing the Board's grant appropriations by 5%, rather than 20%. As a result, $110,500 GPR annually, rather than $442,100 GPR, of the Board's grant funds would be transferred to the endowment fund. Reduce funding by $331,600 SEG

annually, which would represent the corresponding reduction in expenditure authority from the endowment fund.

Senate/Legislature: Delete provision.

5. PERCENT-FOR-ART PROGRAM

	Assembly/Leg. (Chg. to Base)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $107,200	- 1.00	$0	1.00	- $107,200	0.00

Assembly/Legislature: Eliminate the percent-for-art program and delete $53,600 annually and 1.0 position beginning in 1997-98 related to the program. Under the program, at least two-tenths of one percent of the cost of new state building projects exceeding $250,000 must be used to purchase original works of art to be incorporated into the structure of the building project or for display in or around the project and to pay for the program's administrative costs. Generally, building projects are funded through general obligation bonds issued by the State Building Commission.

Veto by Governor [A-1]: Restore the percent-for-art program and the associated position authority. However, the veto could not restore the reduction in funding.

[Act 27 Vetoed Sections: 9hm, 233rb, 233re, 1346sf thru 1346wg and 9105(1g)]

6. PROGRAM REVENUE REESTIMATE

	Chg. to Base
PR	$28,000

Governor/Legislature: Provide $14,000 annually to reflect an increase in program revenues due to a change in the fees charged to organizations for advertising in the agency's annual arts and crafts fair directory. The directory provides information on arts and craft fairs to be held in the state. Rather than charging a $25 fee for each entry in the directory, the Board now charges a fee, ranging from $25 to $200, based on the amount charged to exhibitors by the sponsoring organization and the number of exhibitors participating in the fair.

7. SMALL AGENCY INFRASTRUCTURE SUPPORT

	Chg. to Base
FED	$18,200
PR	4,600
Total	$22,800

Governor/Legislature: Increase the Board's expenditure authority by $9,100 FED and $2,300 PR annually for computer hardware master lease payments and support costs. In 1996-97, the Board received a $12,800 grant from the DOA's information technology investment fund for the first year of what was

indicated at that time would be a three-year grant to pay the master lease cost used to finance the upgrade of its computer hardware and software. Of the total amount provided in the bill, $5,100 FED and $1,300 PR annually would be used to pay a portion of the continued master lease payments for capital equipment, in place of monies from the fund. It is anticipated that the remaining $6,400 annually needed for the master lease payments would be provided through the fund. The additional $4,000 FED and $1,000 PR in expenditure authority would be provided annually to pay the costs of support services provided by DOA including installation of hardware and software, on-site training in response to user questions and help desk operations.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
FED	$0	$105,400	$105,400	$105,400	$105,400	$105,400	N.A.
PR	0	1,946,100	1,983,700	1,983,700	1,983,700	1,983,700	N.A.
TOTAL	$0	$2,051,500	$2,089,100	$2,089,100	$2,089,100	$2,089,100	N.A.

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
PR	0.00	9.50	9.00	9.00	9.00	9.00

Budget Change Item

1. TRANSFER OF THE DIVISION OF TRUST LANDS AND INVESTMENTS FROM THE OFFICE OF THE STATE TREASURER

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov.) Funding	Jt. Finance/Leg. (Chg. to Gov.) Positions	Net Change Funding	Net Change Positions
FED	$105,400	0.00	$0	0.00	$105,400	0.00
PR	1,946,100	9.50	37,600	- 0.50	1,983,700	9.00
Total	$2,051,500	9.50	$37,600	- 0.50	$2,089,100	9.00

Governor: Create a separate, department-level appropriation structure for the Board of Commissioners of Public Lands to fund the trust lands and investments operations of the Board. Provide $1,127,300 PR and $52,700 FED in 1997-98 and $818,800 PR and $52,700 FED in 1998-99 and authorize 1.0 PR unclassified and 8.5 PR classified positions under this new appropriations structure to reflect the transfer of the Division of Trust Lands and Investments and its appropriations from the Office of the State Treasurer. Attach the Division for limited administrative purposes to DOA.

Although the Division is currently attached for limited administrative purposes to the State Treasurer, it is under the direction and supervision of the Board, which is comprised of the Secretary of State, State Treasurer and the Attorney General. An Executive Secretary is appointed by the Board outside the classified service to manage the day-to-day operations of the Division. Under the direction of the Board, the Division is responsible for: (a) the management and sale of public lands granted to the state by the federal government; and (b) the operation of the state trust fund loan program.

Provide that the Division's incumbent employes under the Office of the State Treasurer, as identified by the Secretary of DOA, would be transferred to DOA. Stipulate that all transferred employes would continue to have the same rights and status as they had prior to the transfer and would not have to serve any new probationary period as a result of the transfer. Provide that the Division's assets and liabilities, tangible personal property, records, contracts and all pending matters would be transferred from the Office of the State Treasurer to DOA on the effective date of the bill. All promulgated rules and orders relating to the Division would remain in effect until their specified expiration dates or until modified or rescinded by DOA.

When the Division was first created by Chapter 75, Laws of 1967, to staff the Board it was attached administratively to the DNR. Chapter 34, Laws of 1979, attached the Division to the Department of Justice. Provisions of 1993 Wisconsin Act 16 attached the Division to DOA. Provisions of 1995 Wisconsin Act 27 attached the Division to the Office of the State Treasurer.

Joint Finance/Legislature: Adjust the Division's funding and position authority to be transferred to DOA to reflect the effect of Joint Finance modifications to the Division's budget as described under "State Treasurer." As a result of Joint Finance actions, a total of $1,170,300 PR and $52,700 FED in 1997-98 and $813,400 PR and $52,700 FED in 1998-99 and 9.0 PR positions would be transferred to DOA.

[Act 27 Sections: 25, 26, 693, 708 thru 711 and 9150(1)]

BOARD ON AGING AND LONG-TERM CARE

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$1,090,000	$1,087,600	$1,241,600	$1,305,500	$1,191,200	$101,200	9.3%
PR	664,600	698,800	824,600	698,800	698,800	34,200	5.2
TOTAL	$1,754,600	$1,786,400	$2,066,200	$2,004,300	$1,890,000	$135,400	7.7%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	8.45	10.45	12.45	14.45	12.45	4.00
PR	6.45	6.45	8.45	6.45	6.45	0.00
TOTAL	14.90	16.90	20.90	20.90	18.90	4.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	- $2,400
PR	- 5,600
Total	- $8,000

Governor/Legislature: Reduce the Board's base budget by $1,200 GPR and $2,800 PR annually to reflect: (a) removal of noncontinuing items (-$20,000 PR); (b) full funding of salaries and fringe benefits (-$1,200 GPR and $15,100 PR); (c) full funding of financial service charges ($1,800 PR); and (d) full funding of lease costs ($300 PR).

2. MISCELLANEOUS ADJUSTMENTS

	Chg. to Base
PR	$19,400

Governor/Legislature: Increase the Board's base budget by $6,300 in 1997-98 and $13,100 in 1998-99 to reflect: (a) funding of pay plan increases ($5,300 in 1997-98 and $10,600 in 1998-99); and (b) funding of health insurance premiums ($1,000 in 1997-98 and $2,500 in 1998-99).

3. INFORMATION TECHNOLOGY

	Chg. to Base
PR	$20,400

Governor/Legislature: Provide $10,200 annually to fund computer hardware master-lease payments ($6,500) and information technology infrastructure support ($3,700) under the Department of Administration's small agency infrastructure support initiative. Under this initiative, DOA contracts for the provision of computer-related services to small agencies, including the installation of hardware and software, trouble-shooting, on-site training in response to user questions, and designing networks and databases.

4. REGIONAL OMBUDSMAN POSITIONS [LFB Paper 190]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	2.00	$57,200	1.00	- $34,300	0.00	$22,900	3.00

Governor: Provide 2.0 positions in 1997-98 to increase staff for the regional ombudsman program. Funding to support these positions ($55,800 in 1997-98 and $74,300 in 1998-99) would be reallocated from the Board's supplies and services base budget. Provisions of 1995 Wisconsin Act 464 authorized $91,500 in 1996-97 for the Board to contract for ombudsman services.

The ombudsman program primarily investigates resident complaints about care provided in nursing homes and community-based residential facilities (CBRFs) but also responds to complaints made by persons living in the community receiving care through the community options program (COP). In addition, the program provides information and counseling services to individuals or groups regarding any aspect of the state's long-term care system, including consumer rights, alternative services available in the community, and the laws and regulations governing long-term care.

Joint Finance: Provide $11,400 in 1997-98 and $45,800 in 1998-99 to: (a) support 1.0 additional ombudsman position, beginning in 1997-98 ($34,300 in 1997-98 and $45,800 in 1998-99); and (b) delete $22,900 in 1997-98 for the two additional ombudsmen positions recommended by the Governor to reflect that only nine months of funding is necessary to support these positions, based on a projected starting date of October 1, 1997.

Assembly/Legislature: Reduce funding by $34,300 in 1997-98 to reflect a January 1, 1998, starting date for the three new regional ombudsman positions rather than October 1, 1997.

5. VOLUNTEER COORDINATOR [LFB Paper 190]

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$96,800	1.00	- $16,100	0.00	$80,700	1.00

Joint Finance: Provide $48,400 annually to support 1.0 volunteer coordinator position, beginning in 1997-98. In 1996-97, the Board supported a full-time volunteer coordinator from a grant from the Helen Bader Foundation. The grant expired at the end of the 1996-97 fiscal year.

The volunteer program began in August, 1994, with 14 volunteers visiting 23 nursing homes in Monroe and Milwaukee Counties, and has expanded, as of April, 1997, to 70 ombudsmen volunteers in four counties (Monroe, Milwaukee, Dane and Rock). A volunteer is expected to visit his or her assigned facility at least once a week for a minimum of three hours.

Assembly/Legislature: Reduce funding by $16,100 in 1997-98 to reflect a January 1, 1998, starting date for the volunteer coordinator position, rather than October 1, 1997.

6. EXPANSION OF OMBUDSMAN PROGRAM TO RESIDENTIAL CARE APARTMENT COMPLEXES

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	$114,300	2.00	- $114,300	- 2.00	$0	0.00
PR	125,800	2.00	- 125,800	- 2.00	0	0.00	0	0.00
Total	$125,800	2.00	- $11,500	0.00	- $114,300	- 2.00	$0	0.00

Joint Finance: Provide $34,300 in 1997-98 and $91,500 in 1998-99 to fund 1.0 ombudsman position in 1997-98 and 2.0 ombudsman positions in 1998-99 to provide ombudsman services for persons residing in residential care apartment complexes (formerly known as assisted living facilities). These positions would be supported by additional fees assessed to residential care apartment complexes, as described under "DHFS -- Children and Family Services and Supportive Living."

Authorize the Board to expand the ombudsman program to include providing services to persons in residential care apartment complexes. Require all certified or registered residential care apartment complexes to post, in a conspicuous location in each wing or unit and on each floor of the assisted living facility, a notice, provided by the Board, of the name, address and telephone number of the Board's long-term care ombudsman program.

Assembly/Legislature: Provide $22,800 GPR in 1997-98 and $91,500 GPR in 1998-99 and 1.0 GPR position in 1997-98 and 2.0 GPR positions in 1998-99 and reduce PR funding by $34,300 in 1997-98 and $91,500 in 1998-99 and position authority by corresponding amounts to support additional ombudsman positions for residential care apartment complexes with GPR, rather than program revenue and to reflect a three-month delay in the starting date of the position in 1997-98. In addition, delete all provisions relating to establishment of an annual bed fee for residential care apartment complexes. Since the annual bed fee would have been collected by the Department of Health and Family Services, the reduction in PR-revenues is reflected under "DHFS -- Children and Family Services and Supported Living."

Veto by Governor [C-1]: Delete all of the funding, positions and statutory provisions relating to expansion of the ombudsman program to residential care apartment complexes.

[Act 27 Vetoed Sections: 169 (as it relates to s. 20.432(1)(a)), 96m and 2046m]

BONDING AUTHORIZATION

1. 1997-99 GENERAL OBLIGATION BONDING AUTHORIZATIONS

Governor/Legislature: Update a summary schedule relating to general obligation bonding and debt service for informational purposes. A comparative summary of the bonding amounts follows:

[Act 27 Section: 168]

Agency/Purpose	Governor/ Building Commission	Jt. Finance	Assembly	Senate/ Legislature	Act 27
Administration					
Black Point Estate	$0	$1,600,000	$1,600,000	$1,600,000	$1,600,000
Agriculture, Trade and Consumer Protection					
Nonpoint Source Grants	0	0	2,000,000	0	0
Soil and Water	0	0	0	3,000,000	3,000,000
Building Commission					
Other Public Purposes	184,500,000	182,510,000	182,510,000	182,510,000	182,510,000
Housing State Agencies	24,742,000	40,202,000	40,202,000	40,202,000	40,202,000
Project Contingencies	8,650,200	8,574,200	8,574,200	8,574,200	8,574,200
Capital Equipment Acquisitions	6,000,000	17,182,300	17,182,300	17,182,300	17,182,300
Refunding Building Corporation Debt	0	-746,600	-746,600	-746,600	-746,600
Previous Lease Rental Authority	0	-100,000	-100,000	-100,000	-100,000
Clean Water Fund					
Clean Water Fund Program	-8,363,600	-8,363,600	-450,800	-450,800	-450,800
Safe Drinking Water Loan Program	22,000,000	12,130,000	12,130,000	12,130,000	12,130,000
Corrections					
Correctional Facilities	113,803,000	114,593,000	114,593,000	114,593,000	114,593,000
Juvenile Correctional Facilities	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000
Self-Amortizing Facilities	1,227,000	1,227,000	1,227,000	1,227,000	1,227,000
Educational Communications Board					
Educational Communications Facilities	807,700	807,700	807,700	924,500	924,500
Historical Society					
Historic Sites	100,000	100,000	100,000	100,000	100,000
Military Affairs					
Armories and Military Facilities	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000

Agency/Purpose	Governor/ Building Commission	Jt. Finance	Assembly	Senate/ Legislature	Act 27
Natural Resources					
Nonpoint Source Grants	$12,363,600	$12,363,600	$12,363,600	$14,363,600	$14,363,600
Nonpoint Source Compliance	0	2,000,000	2,000,000	2,000,000	2,000,000
Environmental Repair	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
GPR Supported Administrative Facilities	1,562,300	1,562,300	1,562,300	1,562,300	1,562,300
SEG Supported Facilities	3,636,700	3,996,700	3,996,700	3,996,700	3,996,700
SEG Supported Administrative Facilities	145,000	145,000	145,000	145,000	145,000
SEG Supported Dam Maintenance	0	2,350,000	2,350,000	2,350,000	2,350,000
State Fair Park					
Board Facilities	1,168,500	2,000,000	2,000,000	2,000,000	2,000,000
Housing Facilities	-2,000,000	-2,000,000	-2,000,000	-2,000,000	-2,000,000
Self-Amortizing Facilities	4,292,500	-1,463,000	-1,463,000	-1,463,000	0
TEACH					
School Districts	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Public Libraries	0	10,000,000	10,000,000	10,000,000	10,000,000
Transportation					
Rail Improvements	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Rail Acquisition and Improvements	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
University of Wisconsin System					
Academic Facilities	22,012,800	22,012,800	22,012,800	22,012,800	22,012,800
Self-Amortizing Facilities	64,467,000	64,467,000	64,467,000	64,467,000	64,467,000
Veterans Affairs					
Mortgage Loans Self Amortizing	0	146,500,000	146,500,000	146,500,000	146,500,000
Refunding Bonds	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Veterans Home	100,000	100,000	100,000	100,000	100,000
Self-Amortizing Housing Facilities	402,500	402,500	402,500	402,500	402,500
TOTAL	$618,992,200	$791,527,900	$801,440,700	$804,557,500	$806,020,500

2. TRANSPORTATION REVENUE BONDING AUTHORIZATIONS

Governor/Legislature: Update a summary schedule relating to state-issued revenue bonding for informational purposes. A comparative summary of the bonding amounts follows:

[Act 27 Section: 168]

Agency/Purpose	Governor	Jt. Finance	Assembly/ Legislature	Act 27
Transportation				
Major Highway Program	$139,158,900	$156,438,900	$174,158,900	$174,158,900
Infrastructure Bank	100	100	100	100
Reserve Requirements and Issuance Costs	627,800	47,781,100	50,261,900	50,261,900
TOTAL	$139,786,800	$204,220,100	$224,420,900	$224,420,900

BUILDING COMMISSION

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$59,018,600	$51,171,300	$51,171,300	$51,171,300	$51,171,300	- $7,847,300	- 13.3%
SEG	2,048,400	2,048,400	2,048,400	2,048,400	2,048,400	0	0.0
TOTAL	$61,067,000	$53,219,700	$53,219,700	$53,219,700	$53,219,700	- $7,847,300	- 12.9%

FTE Position Summary

There are no positions authorized for the Building Commission.

Budget Change Items

1. DEBT SERVICE REESTIMATE [LFB Paper 216]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $7,847,300	$0	- $7,847,300
GPR-Lapse	$0	$5,000,000	$5,000,000

Governor: Reduce funding by $8,497,600 in 1997-98 and increase funding by $650,300 in 1998-99 to reestimate debt service. Reestimates are associated with the following: (a) -$9,580,700 in 1997-98 and -$2,051,500 for debt service on borrowing not initially allocated to specific programs; and (b) $1,083,100 in 1997-98 and $2,701,800 for debt service for capitol and executive residence projects.

Joint Finance/Legislature: Reestimate the amount of GPR debt service required in the 1997-99 biennium by -$1.5 million in 1997-98 and -$3.5 million in 1998-99, which would be reflected as an increase in GPR-Lapse amounts in the general fund condition statement. This modification is attributable to a reestimate of payments from GPR debt service appropriations on a statewide basis.

2. ENERGY CONSERVATION PROJECTS EXEMPTION FROM PROJECT ENUMERATION

Governor/Legislature: Exempt certain energy conservation projects that would be authorized under the bill from the current law requirement that building projects of more than $250,000 must be enumerated in the authorized state building program. The Department of Administration (DOA) would implement these projects under the bill, subject to the current law requirement for Building Commission approval for projects over $100,000. [See "Administration" for information about these energy conservation projects.]

Under current law, state building projects costing in excess of $250,000 must be specifically enumerated by the Legislature in the authorized state building program, with the exception of all-agency projects, which are enumerated in broad categories. In the current 1995-97 building program, there are seven categories of all-agency projects, including the Wisconsin energy initiative, which is enumerated with a total budget of $10 million for energy projects.

[Act 27 Sections: 126 thru 130, 131 and 759]

3. LAKE SUPERIOR HARBOR PROJECT EXEMPTION FROM PROJECT ENUMERATION

Governor/Legislature: Exempt a project that would be authorized under the bill for the construction of a harbor of refuge along the Lake Superior shoreline, from current law governing building program execution, including the requirement that building projects or land acquisition costing more than $250,000 must be enumerated in the state building program. [See "Natural Resources--Fish, Wildlife and Recreational Aids" for more information about this project.]

[Act 27 Section: 760]

BUILDING PROGRAM

Budget Change Items

1. 1997-99 ENUMERATED PROJECTS

	Bldg. Comm. (Chg. to Base)	Jt. Finance (Chg. to B.C.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
All Funds	$641,307,100	$18,765,300	$8,000,000	$116,800	$668,189,200

Building Commission: Provide $641,307,100 from all funding sources of enumerated 1997-99 financing authority for: (a) specific enumerated projects ($483,583,100); and (b) all agency projects ($157,724,000).

Specify that funding for these projects be drawn from the following sources: (a) $413,943,200 from new general obligation bonding authority; (b) $65,897,300 from general obligation bonding authority that is currently authorized; (c) $5,510,700 of new revenue bonding authority; (d) $900,000 of existing revenue bonding authority; (e) $9,669,300 from agency operating funds; (f) $7,776,500 from federal funds; and (g) $137,610,100 from agency gifts, grants and other receipts.

The funding source for the 1997-99 enumerated project authority by agency is shown in Table 1 which follows. A listing of individual major agency projects, as recommended by the Building Commission, is provided in Table 5.

Joint Finance: Delete the Nash automobile museum project totalling $8,000,000 and the perimeter fence at the Thompson Correctional Institution for $200,000. Add or otherwise increase the following projects: Capitol restoration project, $9,860,000; Capitol South Wing restoration, $800,000 (total enumeration $7,700,000); WISTAR and Healthstar, net change $5,000,000; Waukesha State Office Building expansion, $4,800,000; Black Point Estate site improvement, $1,600,000; moveable equipment purchases (shown under individual agency project), $11,182,300; Crex Meadows wildlife education area, $1,000,000; Sandhill Wildlife Area skills center dormitory, $360,000; Henry Aaron State Park trail, $290,000.

Further, delete $7,927,000 associated with the UW-Platteville Russell Hall project. Rather, increase the existing project enumeration for the project in the 1995-97 state building program by $630,000. Also, enumerate the Ethan Allen Gatehouse project under the Department of Corrections rather than under Building Commission "All Agency" facilities repair and renovation funds as recommended by the Building Commission. The funding source for the 1997-99 enumerated project

authority by agency is shown in Table 2 which follows. A listing of individual major agency projects, as recommended by the Joint Committee on Finance, is provided in Table 5.

Assembly: Enumerate the Nash Auto Museum Project with $1 million in existing general fund supported borrowing and $7 million gifts, grants and other receipts funding. The funding sources for the 1997-99 enumerated project authority is shown in Table 3 which follows. A listing of individual major agency projects, as recommended by the Legislature, is provided in Table 5.

Senate/Legislature: Provide $116,800 of general obligation bonding for the construction of an emergency weather warning system transmitter in the Crandon area. The funding sources for the 1997-99 enumerated project authority is shown in Table 4 which follows. A listing of individual major agency projects, as recommended by the Legislature, is provided in Table 5.

TABLE 1

Building Commission Recommended Financing Sources for the 1997-99 Enumerated Projects

	New General Obligation Bonds			Revenue	Existing Gen. Obligation	Agency Operating	Gifts, Grants	Federal	
	GPR	PR	SEG	Bonds	Bonds	Funds	& Other	Funds	Total
Agency Specific Projects									
Administration	$0	$3,580,000	$0	$1,240,000	$0	$0	$0	$0	$4,820,000
Corrections	117,950,000	728,000	0	0	10,200,000	0	0	0	128,878,000
Education Communication Board	868,000	0	0	150,000	155,000	0	0	0	1,173,000
Legislature	6,900,000	0	0	0	0	0	0	0	6,900,000
Military Affairs	1,375,000	0	0	0	0	0	0	1,732,000	3,107,000
Natural Resources	1,629,000	0	3,581,700	0	2,323,300	1,246,300	484,100	0	9,264,400
State Fair Park	1,244,500	4,292,500	0	0	0	0	0	0	5,537,000
Transportation	0	0	0	4,120,700	0	0	900,000*	0	5,020,700
University of Wisconsin	23,313,000	22,970,000	0	0	7,297,000	802,000	9,751,000	0	64,133,000
Veterans Affairs	100,000	402,500	0	0	0	0	0	3,747,500	4,250,000
WISTAR	0	0	0	0	17,500,000	0	0	0	17,500,000
Healthstar	64,500,000**	18,000,000	0	0	22,500,000	0	120,000,000	0	225,000,000
Other Projects	1,000,000	0	0	0	0	0	7,000,000	0	8,000,000
Subtotal	$218,879,500	$49,973,000	$3,581,700	$5,510,700	$59,975,300	$2,048,300	$138,135,100	$5,479,500	$483,583,100
All Agency Projects									
Facilities Repair and Renovation	$44,000,000	$26,737,000	$0	$0	$2,655,000	$1,693,000	$375,000	$728,000	$76,188,000
Utilities Repair and Renovation	25,000,000	5,378,000	0	0	3,145,000	4,739,000	0	331,000	38,593,000
Health, Safety and Environment	25,000,000	2,194,000	200,000	0	122,000	1,189,000	0	1,238,000	29,943,000
Preventive Maintenance Program	5,000,000	0	0	0	0	0	0	0	5,000,000
Capital Equipment Acquisition	6,000,000	0	0	0	0	0	0	0	6,000,000
Land and Property Acquisition	0	2,000,000	0	0	0	0	0	0	2,000,000
Subtotal	$105,000,000	$36,309,000	$200,000	$0	$5,922,000	$7,621,000	$375,000	$2,297,000	$157,724,000
TOTAL	$323,879,500	$86,282,000	$3,781,700	$5,510,700	$65,897,300	$9,669,300	$138,510,100	$7,776,500	$641,307,100

*Existing revenue bonds.
**Of this amount, $50,000,000 can only be issued after the 1997-99 biennium.

TABLE 2

Joint Finance Committee Recommended Financing Sources for the 1997-99 Enumerated Projects

	New General Obligation Bonds			Revenue	Existing Gen. Obligation	Agency Operating	Gifts, Grants	Federal	
	GPR	PR	SEG	Bonds	Bonds	Funds	& Other	Funds	Total
Agency Specific Projects									
Administration	$1,600,000	$8,380,000	$0	$1,240,000	$0	$0	$0	$0	$11,220,000
Corrections	127,440,000	728,000	0	0	10,200,000	0	0	0	138,368,000
Education Communication Board	868,000	0	0	150,000	155,000	0	0	0	1,173,000
Legislature	17,560,000	0	0	0	0	0	0	0	17,560,000
Military Affairs	1,375,000	0	0	0	0	0	0	1,732,000	3,107,000
Natural Resources	1,629,000	0	4,099,500	0	2,863,300	1,246,300	1,234,100	0	11,072,200
State Fair Park	2,000,000	3,537,000	0	0	0	0	0	0	5,537,000
Transportation	0	0	0	4,120,700	0	0	900,000*	0	5,020,700
Veterans Affairs	100,000	402,500	0	0	0	0	0	3,747,500	4,250,000
University of Wisconsin	25,007,500	22,970,000	0	0	0	802,000	9,751,000	0	58,530,500
WISTAR	12,500,000**	0	0	0	0	0	25,000,000	0	37,500,000
Healthstar	72,000,000***	18,000,000	0	0	0	0	120,000,000	0	210,000,000
Subtotal	$262,079,500	$54,017,500	$4,099,500	$5,510,700	$13,218,300	$2,048,300	$156,885,100	$5,479,500	$503,338,400
All agency									
Facilities Repair and Renovation	$43,010,000	$26,737,000	$0	$0	$2,655,000	$1,693,000	$375,000	$728,000	$75,198,000
Utilities Repair and Renovation	25,000,000	5,378,000	0	0	3,145,000	4,739,000	0	331,000	38,593,000
Health, Safety and Environment	25,000,000	2,194,000	200,000	0	122,000	1,189,000	0	1,238,000	29,943,000
Preventive Maintenance	5,000,000	0	0	0	0	0	0	0	5,000,000
Capital Equipment	6,000,000	0	0	0	0	0	0	0	6,000,000
Land and Property Acquisition	0	2,000,000	0	0	0	0	0	0	2,000,000
Subtotal	$104,010,000	$36,309,000	$200,000	$0	$5,922,000	$7,621,000	$375,000	$2,297,000	$156,734,000
TOTAL	$366,089,500	$90,326,500	$4,299,500	$5,510,700	$19,140,300	$9,669,300	$157,260,100	$7,776,500	$660,072,400

*Existing revenue bonds.
**This bonding can only be issued after the 1997-99 biennium.
***Of this amount, $57,500,000 can only be issued after the 1997-99 biennium.

TABLE 3

Assembly Recommended Financing Sources for the 1997-99 Enumerated Projects

	New General Obligation Bonds			Revenue	Existing Gen. Obligation	Agency Operating	Gifts, Grants	Federal	
	GPR	PR	SEG	Bonds	Bonds	Funds	& Other	Funds	Total
Agency Specific Projects									
Administration	$1,600,000	$8,380,000	$0	$1,240,000	$0	$0	$0	$0	$11,220,000
Corrections	127,440,000	728,000	0	0	10,200,000	0	0	0	138,368,000
Education Communication Board	868,000	0	0	150,000	155,000	0	0	0	1,173,000
Legislature	17,560,000	0	0	0	0	0	0	0	17,560,000
Military Affairs	1,375,000	0	0	0	0	0	0	1,732,000	3,107,000
Natural Resources	1,629,000	0	4,099,500	0	2,863,300	1,246,300	1,234,100	0	11,072,200
State Fair Park	2,000,000	3,537,000	0	0	0	0	0	0	5,537,000
Transportation	0	0	0	4,120,700	0	0	900,000*	0	5,020,700
Veterans Affairs	100,000	402,500	0	0	0	0	0	3,747,500	4,250,000
University of Wisconsin	25,007,500	22,970,000	0	0	0	802,000	9,751,000	0	58,530,500
WISTAR	12,500,000**	0	0	0	0	0	25,000,000	0	37,500,000
Healthstar	72,000,000***	18,000,000	0	0	0	0	120,000,000	0	210,000,000
Other Projects	0	0	0	0	1,000,000	0	7,000,000	0	8,000,000
Subtotal	$262,079,500	$54,017,500	$4,099,500	$5,510,700	$14,218,300	$2,048,300	$163,885,100	$5,479,500	$511,338,400
All agency									
Facilities Repair and Renovation	$43,010,000	$26,737,000	$0	$0	$2,655,000	$1,693,000	$375,000	$728,000	$75,198,000
Utilities Repair and Renovation	25,000,000	5,378,000	0	0	3,145,000	4,739,000	0	331,000	38,593,000
Health, Safety and Environment	25,000,000	2,194,000	200,000	0	122,000	1,189,000	0	1,238,000	29,943,000
Preventive Maintenance	5,000,000	0	0	0	0	0	0	0	5,000,000
Capital Equipment	6,000,000	0	0	0	0	0	0	0	6,000,000
Land and Property Acquisition	0	2,000,000	0	0	0	0	0	0	2,000,000
Subtotal	$104,010,000	$36,309,000	$200,000	$0	$5,922,000	$7,621,000	$375,000	$2,297,000	$156,734,000
TOTAL	$366,089,500	$90,326,500	$4,299,500	$5,510,700	$20,140,300	$9,669,300	$164,260,100	$7,776,500	$668,072,400

*Existing revenue bonds.

**This bonding can only be issued after the 1997-99 biennium.

***Of this amount, $57,500,000 can only be issued after the 1997-99 biennium.

TABLE 4

Senate/Legislature Recommended Financing Sources for the 1997-99 Enumerated Projects

	New General Obligation Bonds			Revenue	Existing Gen. Obligation	Agency Operating	Gifts, Grants	Federal	
	GPR	PR	SEG	Bonds	Bonds	Funds	& Other	Funds	Total
Agency Specific Projects									
Administration	$1,600,000	$8,380,000	$0	$1,240,000	$0	$0	$0	$0	$11,220,000
Corrections	127,440,000	728,000	0	0	10,200,000	0	0	0	138,368,000
Education Communication Board	984,800	0	0	150,000	155,000	0	0	0	1,289,800
Legislature	17,560,000	0	0	0	0	0	0	0	17,560,000
Military Affairs	1,375,000	0	0	0	0	0	0	1,732,000	3,107,000
Natural Resources	1,629,000	0	4,099,500	0	2,863,300	1,246,300	1,234,100	0	11,072,200
State Fair Park	2,000,000	3,537,000	0	0	0	0	0	0	5,537,000
Transportation	0	0	0	4,120,700	0	0	900,000*	0	5,020,700
Veterans Affairs	100,000	402,500	0	0	0	0	0	3,747,500	4,250,000
University of Wisconsin	25,007,500	22,970,000	0	0	0	802,000	9,751,000	0	58,530,500
WISTAR	12,500,000**	0	0	0	0	0	25,000,000	0	37,500,000
Healthstar	72,000,000***	18,000,000	0	0	0	0	120,000,000	0	210,000,000
Other Projects	0	0	0	0	1,000,000	0	7,000,000	0	8,000,000
Subtotal	$262,196,300	$54,017,500	$4,099,500	$5,510,700	$14,218,300	$2,048,300	$163,885,100	$5,479,500	$511,455,200
All agency									
Facilities Repair and Renovation	$43,010,000	$26,737,000	$0	$0	$2,655,000	$1,693,000	$375,000	$728,000	$75,198,000
Utilities Repair and Renovation	25,000,000	5,378,000	0	0	3,145,000	4,739,000	0	331,000	38,593,000
Health, Safety and Environment	25,000,000	2,194,000	200,000	0	122,000	1,189,000	0	1,238,000	29,943,000
Preventive Maintenance	5,000,000	0	0	0	0	0	0	0	5,000,000
Capital Equipment	6,000,000	0	0	0	0	0	0	0	6,000,000
Land and Property Acquisition	0	2,000,000	0	0	0	0	0	0	2,000,000
Subtotal	$104,010,000	$36,309,000	$200,000	$0	$5,922,000	$7,621,000	$375,000	$2,297,000	$156,734,000
TOTAL	$366,206,300	$90,326,500	$4,299,500	$5,510,700	$20,140,300	$9,669,300	$164,260,100	$7,776,500	$668,189,200

*Existing revenue bonds.
**This bonding can only be issued after the 1997-99 biennium.
***Of this amount, $57,500,000 can only be issued after the 1997-99 biennium.

TABLE 5

State Agency 1997-99 Enumerated Major Projects
Total Project Authority (All Funding Sources)

	Building Commission	Joint Finance	Assembly	Senate/ Legislature
Administration				
Hill Farms Telecommunications Cabling -- Madison	$1,700,000	$1,700,000	$1,700,000	$1,700,000
Justice Building Telecommunications Cabling -- Madison	520,000	520,000	520,000	520,000
Day Care Building Purchase -- Madison	2,600,000	2,600,000	2,600,000	2,600,000
Waukesha State Office Building Expansion	0	4,800,000	4,800,000	4,800,000
Black Point Estate Site Improvement	0	1,600,000	1,600,000	1,600,000
	$4,820,000	$11,220,000	$11,220,000	$11,220,000
Corrections				
P & P Holding Facility/AODA Facility 600 Beds in SE Wisconsin	$46,600,000	$49,800,000	$49,800,000	$49,800,000
Medium Security Correctional Facility or Facilities 1,000 Beds	79,500,000	85,000,000	85,000,000	85,000,000
Green Bay Correctional Institution--Segregation Unit 42 Cells	500,000	500,000	500,000	500,000
Perimeter Security at Maximum Security Institution	750,000	750,000	750,000	750,000
Thompson and Oakhill Perimeter Security Improvements	800,000	600,000	600,000	600,000
Oakhill - - Industries Building	728,000	728,000	728,000	728,000
Ethan Allen Gatehouse	0	990,000	990,000	990,000
	$128,878,000	$138,368,000	$138,368,000	$138,368,000
Educational Communications Board				
Lapham Peak Tower Relocation	$864,400	$864,400	$864,400	$864,400
Emergency Weather Warning System	308,600	308,600	308,600	425,400
	$1,173,000	$1,173,000	$1,173,000	$1,289,800
Legislature				
Capitol South Wing Renovation and Restoration	$6,900,000	$7,700,000	$7,700,000	$7,700,000
Capitol Restoration Project	0	9,860,000	9,860,000	9,860,000
	$6,900,000	$17,560,000	$17,560,000	$17,560,000
Military Affairs				
Hardwood Range Land Acquisition (Adams County)	$1,375,000	$1,375,000	$1,375,000	$1,375,000
Unheated Storage Building -- West Bend	580,000	580,000	580,000	580,000
Shop Addition and Upgrade -- Eau Claire	435,600	435,600	435,600	435,600
Shop Addition and Upgrade -- Oshkosh	716,400	716,400	716,400	716,400
	$3,107,000	$3,107,000	$3,107,000	$3,107,000
Natural Resources				
Antigo Office and Ranger Station	$1,864,000	$1,911,800	$1,911,800	$1,911,800
Winnebago County/Oshkosh Cooperative Service Center	1,090,000	1,200,000	1,200,000	1,200,000
Ranger Stations -- Woodruff and Wausaukee	1,246,300	1,246,300	1,246,300	1,246,300
Darwin Road Warehouse Purchase -- Madison	1,200,000	1,200,000	1,200,000	1,200,000
Statewide Storage and Maintenance Facilities	806,700	806,700	806,700	806,700
Statewide Toilet/Shower Buildings	2,323,300	2,323,300	2,323,300	2,323,300
Peninsula State Park Golf Course Irrigation System	734,100	734,100	734,100	734,100
Sandhill Wildlife Area Skills Center Dormitory	0	360,000	360,000	360,000
Henry Aaron State Park Trail	0	290,000	290,000	290,000
Crex Meadows Wildlife Area Education Center	0	1,000,000	1,000,000	1,000,000
	$9,264,400	$11,072,200	$11,072,200	$11,072,200

	Building Commission	Joint Finance	Assembly	Senate/ Legislature
State Fair Park				
Utility Improvements	$2,489,000	$2,489,000	$2,489,000	$2,489,000
Racetrack Improvements	3,048,000	3,048,000	3,048,000	3,048,000
	$5,537,000	$5,537,000	$5,537,000	$5,537,000
Transportation				
Beaver Dam Service Center Renovation	$105,000	$105,000	$105,000	$105,000
Fond du Lac County Tower and Building Replacement	272,000	272,000	272,000	272,000
Waukesha State Patrol Headquarters Expansion	2,019,400	2,019,400	2,019,400	2,019,400
Waukesha Sign Shop Renovation	263,700	263,700	263,700	263,700
Green Bay District Headquarters Renovation	780,000	780,000	780,000	780,000
Advanced Learning Systems Building Purchase - - Wisconsin Rapids	1,580,600	1,580,600	1,580,600	1,580,600
	$5,020,700	$5,020,700	$5,020,700	$5,020,700
Veterans Affairs				
Garner and Beck Halls Renovation	$1,150,000	$1,150,000	$1,150,000	$1,150,000
Veterans Museum Expansion	100,000	100,000	100,000	100,000
Northwestern Veterans Cemetery	3,000,000	3,000,000	3,000,000	3,000,000
	$4,250,000	$4,250,000	$4,250,000	$4,250,000
University of Wisconsin System				
Eau Claire Student Residence Hall	$10,000,000	$10,000,000	$10,000,000	$10,000,000
Eau Claire Crest Wellness Center Remodeling	557,000	557,000	557,000	557,000
Green Bay Housing Service Center Addition	500,000	500,000	500,000	500,000
La Crosse Student Life Center Addition	2,949,000	2,949,000	2,949,000	2,949,000
La Crosse Whitney Center Dining Room Remodeling	1,287,000	1,287,000	1,287,000	1,287,000
La Crosse Parking Lot C7 Improvements	478,000	478,000	478,000	478,000
Madison Crew House, Humphrey Hall Renovation and Addition	1,100,000	1,100,000	1,100,000	1,100,000
Madison Softball Grandstand Facility	3,043,000	3,043,000	3,043,000	3,043,000
Madison Psychiatric Institute/Clinics Remodeling - - Phase 2	700,000	700,000	700,000	700,000
Madison Eagle Heights Community Center Addition	1,847,000	1,847,000	1,847,000	1,847,000
Madison CSC Parking Ramp Addition	3,426,000	3,426,000	3,426,000	3,426,000
Madison Arlington Swine Research Facility Replacement	3,006,000	3,006,000	3,006,000	3,006,000
Milwaukee Sabin Hall Remodeling	6,073,000	6,662,000	6,662,000	6,662,000
Parkside Physical Education Addition - - Phase 2	6,000,000	6,013,500	6,013,500	6,013,500
Platteville Auxiliary Services Storage/Maintenance Facility	772,000	772,000	772,000	772,000
Platteville Russell Hall Remodeling	7,927,000	0	0	0
Stout Communication Center Replacement	5,810,000	7,532,000	7,532,000	7,532,000
Whitewater Esker Dining Hall Remodeling	2,000,000	2,000,000	2,000,000	2,000,000
Whitewater Campus Information Center and Site Development	658,000	658,000	658,000	658,000
System Classroom Renovation/Instructional Technology Improvements	6,000,000	6,000,000	6,000,000	6,000,000
Wistar Program	17,500,000	37,500,000	37,500,000	37,500,000
Healthstar Program	225,000,000	210,000,000	210,000,000	210,000,000
	$306,633,000	$306,030,500	$306,030,500	$306,030,500
All Agency Project Funding				
Facilities Repair and Renovation	$76,188,000	$75,198,000	$75,198,000	$75,198,000
Utilities Repair and Renovation	38,593,000	38,593,000	38,593,000	38,593,000
Health, Safety and Environment	29,943,000	29,943,000	29,943,000	29,943,000
Preventive Maintenance	5,000,000	5,000,000	5,000,000	5,000,000
Capital Equipment Acquisition	6,000,000	6,000,000	6,000,000	6,000,000
Land and Property Acquisition	2,000,000	2,000,000	2,000,000	2,000,000
	$157,724,000	$156,734,000	$156,734,000	$156,734,000
Other Projects				
Nash Auto Museum	$8,000,000	$0	$8,000,000	$8,000,000
Total - - All Categories	$641,307,100	$660,072,400	$668,072,400	$668,189,200

2. 1997-99 BUILDING PROGRAM BONDING AUTHORIZATION

	Bldg. Comm. (Chg. to Base)	Jt. Finance (Chg. to B.C.)	Senate/Leg. (Chg. to JFC)	Veto (Chg. to Leg.)	Net Change
BR	$433,992,200	$22,402,300	$116,800	$1,463,000	$457,974,300

Building Commission: Provide $433,992,300 in increased bonding authority to assist in funding the 1997-99 building program project enumerations.

Joint Finance: Increase overall bonding authority by $22,402,300 to reflect the changes to the various project enumerations listed in the previous table for a total increase of $456,394,400.

Senate/Legislature: Increase overall bonding authority by $116,800 for emergency weather warning system under the Educational Communication Board for a total increase of $456,511,300.

Veto by Governor [E-10]: Increase bonding authority by $1,463,000 to reflect the Governor's partial veto which reinstates State Fair Park Board's self ammortizing facilities bonding authority at $27,850,000.

The bonding authority for various purposes is shown in the following table.

Purpose	Building Commission	Jt. Finance	Senate/ Legislature	Act 27
Administration				
Black Point Estate	$0	$1,600,000	$1,600,000	$1,600,000
Building Commission				
Other Public Purposes	184,500,000	182,510,000	182,510,000	182,510,000
Housing State Agencies	24,742,000	40,202,000	40,202,000	40,202,000
Project Contingencies	8,650,200	8,574,200	8,574,200	8,574,200
Capital Equipment Acquisitions	6,000,000	17,182,300	17,182,300	17,182,300
Corrections				
Correctional Facilities	113,803,000	114,593,000	114,593,000	114,593,000
Juvenile Correctional Facilities	-3,000,000	-3,000,000	-3,000,000	-3,000,000
Self-Amortizing Facilities	1,227,000	1,227,000	1,227,000	1,227,000
Educational Communications Board				
Educational Communications Facilities	807,700	807,700	924,500	924,500
Historical Society				
Historic Sites	100,000	100,000	100,000	100,000
Military Affairs				
Armories and Military Facilities	1,375,000	1,375,000	1,375,000	1,375,000

Purpose	Building Commission	Jt. Finance	Senate/ Legislature	Act 27
Natural Resources				
GPR Supported Administrative Facilities	$1,562,300	$1,562,300	$1,562,300	$1,562,300
SEG Supported Facilities	3,636,700	3,996,700	3,996,700	3,996,700
SEG Supported Administrative Facilities	145,000	145,000	145,000	145,000
State Fair Park				
Board Facilities	1,168,500	2,000,000	2,000,000	2,000,000
Housing Facilities	-2,000,000	-2,000,000	-2,000,000	-2,000,000
Self-Amortizing Facilities	4,292,500	-1,463,000	-1,463,000	0
University of Wisconsin				
Academic Facilities	22,012,800	22,012,800	22,012,800	22,012,800
Self-Amortizing Facilities	64,467,000	64,467,000	64,467,000	64,467,000
Veterans Affairs				
Veterans Home	100,000	100,000	100,000	100,000
Self-Amortizing Housing Facilities	402,500	402,500	402,500	402,500
Total	$433,992,200	$456,394,500	$456,511,300	$457,974,300

[Act 27 Sections: 727g, 727r, 731g, 731r, 731t, 734e, 734m, 735, 735am, 735d, 735h, 735j, 735k, 737d, 737m, 739e, 739m, 740be, 740bk and 740bm]

[Act 27 Vetoed Section: 740bs]

3. 1999-2001 ENUMERATED PROJECTS [LFB Papers 197 and 198]

	Chg. to Base
All Funds	$59,885,000

Building Commission: Provide $59,885,000 from all funding sources of enumerated 1999-2001 financing authority for specific enumerated projects.

The project funding source for 1999-2001 and beyond is shown in Part A of the table which follows. A listing of individual major agency projects for the 1999-2001 biennium, as recommended by the Building Commission, is provided in Part B of the table.

Part A -- Funding Source of 1999-2001 Projects

	General Obligation Bonds--GPR Supported	Gifts, Grants and Other	Total
Building Commission	$30,000,000	$0	$30,000,000
University of Wisconsin	27,885,000	2,000,000	29,885,000
Total	$57,885,000	$2,000,000	$59,885,000

Part B -- 1999-2001 Enumerated Projects -- All Funding Sources

	Total Project Authority
Building Commission	
Secure Treatment Center	$30,000,000
University of Wisconsin	
Green Bay Academic Building	16,000,000
Oshkosh Halsey Science Center	13,885,000
Total	$59,885,000

Joint Finance: Enumerate the Secure Treatment Center under Department of Health and Family Services rather than under Building Commission and adjust the bonding authorizations accordingly.

Assembly/Legislature: Increase the project enumeration for a UW-Green Bay academic building that would be enumerated in the 1999-2001 biennium for $16 million to, instead, be enumerated for $17 million.

[Act 27 Sections: 9107(2)(a),(b)&(c)]

4. 1999-2001 BUILDING PROGRAM BONDING AUTHORIZATION [LFB Papers 197 and 198]

Building Commission: Provide $58,885,000 in new general obligation bonding authority in 1999-2001 as shown in the following table.

Purpose	Net Change
Building Commission	
Housing State Agencies	$30,000,000
University of Wisconsin	
Academic Facilities	28,885,000
Total	$58,885,000

Joint Finance: Adjust the bonding authorizations under the Building Commission and the Department of Health and Family Services by $30,000,000 to reflect the Committee's decision to enumerate the Secure Treatment Center facility as a Department of Health and Family Services project. In addition, delete $1 million of excess bonding under UW academic facilities.

Assembly/Legislature: Provide an additional $1 million of bonding for UW academic facilities, effective July 1, 1999 to reflect the increase in the project enumeration in 1997-99 for a UW-Green Bay academic building to $17 million.

[Act 27 Sections: 727m, 734s, 9107(2)(a),(b)&(c) and 9407(1m)&(1n)]

5. WISTAR FUNDING [LFB Paper 200]

Building Commission: Decrease the amount of general fund supported borrowing authorized for the Wisconsin Initiative for Technology and Applied Research (WISTAR) program prior to July 1, 1998, from $150 million to $130 million. Restore the amount of bonding authorized for the WISTAR program to $150 million between July, 1 1998 and June 30, 1999, and increase the WISTAR bonding to $170 million thereafter. Currently, $150 million in bonding is available for the program as of July 1, 1997, and thereafter. The overall amount authorized for the program would be increased by $20 million to $170 million. The fiscal effect on this increased bonding is shown in Item #2.

Specify that the general fund borrowing authorized ($170 million after July 1, 1999) could be used for either WISTAR or the proposed Healthstar program. Further, provide that the Building Commission could authorize projects under WISTAR without specific enumeration in the state building program.

Provide that the Building Commission could adjust the amount enumerated for any WISTAR project listed in 1991 Act 39, provided the total amount of general fund supported borrowing for all WISTAR projects does not exceed the authorized amount. Further, require the Building Commission to determine, before authorizing any WISTAR project, that there are sufficient gifts, grants and other receipts received for the project so that those receipts account for at least 50% of the total funding for all WISTAR projects enumerated as partially funded from gifts and grants.

Joint Finance: Delete provision and, instead, decrease the amount of bonding prior to July 1, 1998, from $150 million to $130 million and restore this bonding on July 1, 1998. Provide an additional $12.5 million of bonding for WISTAR on July 1, 1999, which would increase total bonding for the program to $162.5 million. Enumerate this additional $12.5 million of bonding as well as $25 million of gifts and grants funding, to provide a total additional project enumeration of $37.5 million for this category of projects.

Assembly/Legislature: Delete the Building Commission recommendation and Joint Finance provision that would: (a) decrease the amount of general fund supported borrowing authorized for the WISTAR program prior to July 1, 1998, from $150 million to $130 million; and (b) restore the

amount of bonding for WISTAR to $150 million effective July 1, 1998. Instead, the current law bonding amount of $150 million would remain unchanged for the 1997-99 biennium.

[Act 27 Sections: 735k, 735p, 735s, 735wm, 9107(1)(k) and 9107(11)]

6. HEALTHSTAR FUNDING [LFB Paper 201]

Building Commission: Create a Healthstar program for the purpose of providing financial support to attract federal and private funds to construct health science facilities to spur interdisciplinary education and research activities at UW-Madison. Projects financed under the program would have to be designed to provide interdisciplinary health sciences and research facilities, ancillary systems and supporting infrastructure. Provide $64.5 million in general obligation bonding under the Building Commission's other public purposes bonding authorization. The debt authorization would not be allowed to exceed the following amounts on the following dates:

a. $14.5 million through the 1997-99 biennium;
b. $49.5 million through the 1999-2001 biennium; and
c. $64.5 million on July 1, 2001, or thereafter.

The fiscal effect on this bonding is shown under Item #2.

Further, allow that the general fund borrowing authorized for the WISTAR program ($170 million after July 1, 1999) to be used for either WISTAR or the proposed Healthstar program.

Allow the Building Commission to authorize projects under Healthstar without specific enumeration in the state building program. Require that projects funded under the Healthstar program include a pharmacy building, health sciences learning center, interdisciplinary research center, parking ramps, related utility expansions, ancillary systems and supporting infrastructure projects at the UW-Madison.

The Building Commission would be allowed to authorize changes in the sources of funds for Healthstar projects if all of the following conditions are met: (a) the total adjusted cost of Healthstar would not exceed $87 million for general fund supported borrowing; and (b) the Building Commission determines that the total project funding from gifts, grants, and other receipts for all Healthstar projects to be at least $120 million.

Joint Finance: Modify the provision to provide an additional $7.5 million of bonding, which would be authorized on July 1, 1999. Delete the provision that would allow bonding to used for either WISTAR or Healthstar projects as well as allow the Building Commission to authorize projects under Healthstar without specific enumeration in the state building program. Specify that the Commission could change the sources of funds for Healthstar projects if bonding would not exceed $72 million and if other receipts would total at least $120 million. Provide that the UW-Madison--School of

Pharmacy project enumerated as part of the 1995-97 building program would be considered part of the Healthstar project, although its project enumeration would not count against the amounts enumerated in the 1997-99 building program.

Assembly/Legislature: Authorize an additional $7.5 million in general obligation bonding for the UW Healthstar program on July 1, 1997, rather than July 1, 1999. The Joint Committee on Finance version of the budget would provide $14.5 million of bonding for these health science facilities at UW-Madison in the 1997-99 biennium, an additional $42.5 million in the 1999-2001 biennium and an additional $15 million of bonding in the 2001-03 biennium, for a total of $72 million in bonding. This modification would shift $7.5 million from the 1999-2001 biennium to the 1997-99 biennium.

[Act 27 Sections: 9s, 735k, 735y and 9107(1)(L)]

7. NASH AUTO MUSEUM [LFB Paper 208]

Building Commission: Require the Building Commission, if it approves the Nash Auto Museum project (enumerated under the recommendation with $1 million in general fund supported borrowing and $7 million gifts, grants and other receipts funding) to authorize the bonding and make payments to the Kenosha Historical Society for the maintenance, storage and display of its collection of Nash automobiles and other historical materials. The Building Commission would be required to determine the total amount of payment, which would not be allowed to exceed the lesser the $1 million in bonding enumerated in the building program or 12.5% of the total project cost. The Building Commission would not be allowed to make payments to the Kenosha Historical Society unless the DOA has reviewed and approved the plans for the project; however, DOA would be prohibited from supervising any services or work or contracting for the project. Further, the Governor or the DOA Secretary would not have to approve any contract for work on the project. The fiscal effect on this bonding is shown under Item #2.

Joint Finance: Delete provision.

Assembly/Legislature: Enumerate the Nash Auto Museum Project with $1 million in existing general fund supported borrowing and $7 million gifts, grants and other receipts funding rather than with $1 million in new general fund supported borrowing. The project would be have to the same requirements that were recommended by the Building Commission. Specify that the Commission, after funding all other enumerated projects funded from the Commission's "other public purposes" bonding appropriation, would have to give priority to the Nash project, before funding unenumerated minor projects.

Veto by Governor [E-11]: Delete the Assembly provision that requires that the Building Commission, after funding all other enumerated projects funded from the Commission's "other public purposes" bonding appropriation, to give priority to the Nash project, before funding minor projects

that are not enumerated. As a result, non-enumerated minor projects could be funded from the Commission's "other public purposes" bonding appropriation prior to the Commission funding the Nash Auto Museum project.

Further, the partial veto would do the following: (a) delete the requirement that the Building Commission may only use the bonding proceeds to make a payment to the Kenosha Historical Society for the project; (b) delete the provision that allows the use of bonding proceeds for a facility that would be used for the maintenance of Nash automobiles; (c) delete the provision that restricts the use of the bonding proceeds to a facility that would store and display the collection of Nash automobiles belonging to the Museum only; (d) modify the requirement that DOA review and approve the plans for the Museum project to, instead, require DOA to review and approve the project; and (e) delete the provisions that prohibit DOA from supervising any services or work or contracting for the project and the provision that exempts the project from having to obtain the Governor's or the DOA Secretary's approval on any contract for work on the project.

[Act 27 Sections: 9107(1)(m) and 9107(12zt)

[Act 27 Vetoed Section: 9107(12zt)]

8. ARLINGTON SWINE RESEARCH FACILITY

Building Commission/Legislature: Specify that the Commission could supplement the project budget for the replacement of the Arlington swine research facility from UW System funds. The project would be enumerated in the 1997-99 building program with a project budget of $3,006,000 of gifts, grants or other receipts.

[Act 27 Section: 9107(10)]

9. FUNDING FOR PLANNING AND DESIGN OF PROJECTS [LFB Paper 199]

	Bldg. Comm. (Chg. to Base)	Jt. Finance/Leg. (Chg. to B.C.)	Net Change
GPR	$390,000	- $390,000	$0

Building Commission: Provide $390,000 GPR in 1997-98 in an annual GPR appropriation that would be created for this purpose for transfer to the building trust fund. Modify an existing continuing SEG appropriation from the building trust fund to specify that the GPR funds transferred could be used for the advanced planning, preliminary studies and design or be transferred to other accounts within the building trust fund.

Joint Finance/Legislature: Delete provision.

10. 1995-97 PRISON EXPANSION ENUMERATION

Building Commission/Legislature: Increase the enumeration of the Department of Corrections prison expansion facility (Super Maximum) enumerated in the 1995-97 state building program by $2,700,000 to be funded from federal funds.

[Act 27 Section: 9107(3)(b)]

11. 1993-95 STATE LABORATORY OF HYGIENE BUILDING ENUMERATION

Building Commission/Legislature: Modify the 1993-95 state building program enumeration of the State Laboratory of Hygiene building from $8,383,000 in program revenue supported borrowing, $7,383,000 in general fund supported borrowing and $1,000,000 in existing general fund supported borrowing, to instead be entirely program revenue supported borrowing under the Department of Administration. The building would be built as a Department of Administration facility and leased back to the State Laboratory of Hygiene. Program revenues from rent paid by the Laboratory would be used for principal and interest payments associated with the debt on the building.

[Act 27 Section: 9107(3)(a)]

12. DEPARTMENT OF TRANSPORTATION MINOR CONSTRUCTION PROJECTS [LFB Paper 195]

Building Commission/Legislature: Create a session law provision prohibiting the Department of Transportation from using more than $2,177,300 in segregated fund supported revenue bonds for minor building or maintenance projects during the 1997-99 biennium. Further, increase the size of project that could be funded from an appropriation for Department of Transportation minor projects from $250,000 to $500,000. Under current law, the total construction cost of any project funded from this appropriation cannot exceed $250,000.

[Act 27 Sections: 495m and 9107(13)]

13. INCREASE PROJECT ENUMERATION THRESHOLD TO $500,000 [LFB Paper 195]

Building Commission/Legislature: Increase the threshold for project enumeration from $250,000 to $500,000. Under current law, the Commission can build projects costing up to $250,000 without legislative approval, but projects costing more than $250,000 must be enumerated (listed in a nonstatutory provision) by the Legislature. This enumeration requirement applies to the design and construction of any building, structure or facility as well as to the acquisition of land or repair,

remodeling or improvement to any existing building, structure or facility. Under this provision, the Commission could build any project costing up to $500,000 without approval by the Legislature.

[Act 27 Sections: 9e, 758m thru 759 and 9407(1pz)]

14. EXCEPTION TO ENUMERATION REQUIREMENT -- REPLACEMENT OR REPAIR OF FACILITIES DESTROYED BY NATURAL DISASTER [LFB Paper 196]

Building Commission: Eliminate the $250,000 threshold for project enumeration for the replacement or repair of a building, structure or facility that has been destroyed by fire, flood, windstorm or other natural disaster. The project would have to be approved by the Joint Committee on Finance.

Under current law, the Commission can build projects costing up to $250,000 without legislative approval, but projects costing more than $250,000 must be enumerated (listed in a nonstatutory provision) by the Legislature. This enumeration requirement applies to the design and construction of any building, structure or facility as well as to the acquisition of land or repair, remodeling or improvement to any existing building, structure or facility. Under this provision, the Commission could replace or repair a building, structure or facility destroyed by natural disaster without the approval of the full Legislature.

Joint Finance/Legislature: Delete provision.

15. EXCEPTION TO ENUMERATION REQUIREMENT -- FEDERAL ISTEA FUNDED PROJECTS [LFB Paper 196]

Building Commission: Establish a session law provision creating an exception for certain projects from the requirement that projects costing more than $250,000 (which would be increased to $500,000 in the building program recommendations) be enumerated by the Legislature. Under this provision, the Commission could approve any project, without enumeration, if the project is financed from federal funding received under the Federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), as amended, together with any special assessments or other matching funding as may be available for the project. A project could include: (a) site development; (b) improvements to land or facilities; and (c) other elements eligible for funding under the Act.

Joint Finance/Legislature: Delete provision.

16. EXCEPTION TO ENUMERATION REQUIREMENT -- PROJECTS 50% FUNDED FROM FEDERAL OR GIFT AND GRANTS FUNDS [LFB Paper 196]

Building Commission: Create an exception to the requirement that projects costing more than $250,000 be enumerated by the Legislature. The exception would apply to a project if at least 50% of the project funding is derived from federal funds, gifts or grants, or both. The Building Commission would have to determine that the project is in the best interest of the state and the Joint Committee on Finance would have to approve the project.

Under current law, the Commission can build projects costing up to $250,000 without legislative approval, but projects costing more than $250,000 must be enumerated (listed in a nonstatutory provision) by the Legislature. This enumeration requirement applies to the design and construction of any building, structure or facility as well as to the acquisition of land or repair, remodeling or improvement to any existing building, structure or facility. Under this provision, the Commission could build any project for which at least 50% of the project funding is derived from federal funds, gifts or grants, or both without approval by the full Legislature.

Joint Finance/Legislature: Delete provision.

17. STATE FAIR PARK PRIVATELY OWNED OR OPERATED FACILITIES [LFB Paper 195]

Building Commission/Legislature: Increase the threshold for Commission approval from $250,000 to $500,000 of State Fair Park projects that would involve a privately-owned or operated facility being constructed on state-owned land. Under current law, a privately-owned or operated facility costing up to $250,000 can be built by or for the State Fair Park Board on state land without Commission approval, while all other state agencies have to receive Commission approval for such projects. Under this provision, the Board could build any such project costing up to $500,000 without Commission approval.

[Act 27 Section: 9m]

18. STATE FAIR PARK BOARD FACILITIES BONDING AND GPR DEBT SERVICE APPROPRIATION

Building Commission: Create an authorization for general obligation bonding and provide $1,168,500 BR in general fund supported borrowing for State Fair Park Board facilities. Create a sum sufficient GPR debt service appropriation under the State Fair Park Board for the payment of principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement of Board facilities and to make payments determined by the Building Commission to comply with federal arbitrage requirements. Currently, all the funding provided for

administrative facilities is program revenue supported borrowing. The State Fair Park Board currently has a general fund supported borrowing debt service appropriation related to the housing facility at the Park. The fiscal effect of this increase in bonding is shown in Item #2.

Joint Finance/Legislature: Modify provision to provide $2,000,000 of bonding in this new authorization, rather than $1,168,500.

[Act 27 Sections: 224p, 726, 727 and 9107(1)(g)]

19. VETERAN'S AFFAIRS HOMES AND CEMETERIES

Building Commission/Legislature: Permit the general fund supported and self amortizing bonding authorized for Veteran's Affairs Wisconsin's veteran's home facilities to be used for more than one facility or home. Currently, the bonding can only be used for the Veteran's Home at King. Further, allow the Veteran's Affairs general fund supported borrowing to be used for veteran's cemetery and museum facilities.

[Act 27 Sections: 739m, 740be and 9107(1)(i)]

20. BID REQUIREMENTS FOR PROJECTS LESS THAN $100,000 [LFB Paper 205]

Building Commission: Provide that projects that cost between $30,000 and $100,000 would be exempt from the lowest qualified responsible bidder and public notice contracting requirements if the project would be constructed in accordance with procedures established by the Building Commission. Also exempt such projects from other contracting requirements such as: (a) the requirement that DOA attempt the ensure that 5% of the total amount of expended for contract be awarded to minority contractors; (b) the requirement that contractors report to DOA on the amount of any contracted that was subcontracted to a minority business; (c) the requirement that DOA maintain and annually publish data on contracts awarded to minority businesses; (d) the requirement that DOA approve all subcontractors in writing; and (e) the requirement that DOA ensure that the specification of each construction project require the use of recovered or recycled materials to the extent to which is technically and economically feasible.

Provide that the Building Commission could prescribe simplified construction contract policies and procedures, in lieu of the statutory requirements, for projects that do not exceed $100,000. Under current law the statutory requirements related to construction contracts apply to all construction contracts that exceed $30,000.

Joint Finance/Legislature: Modify the provision to specify that the current law reporting and contracting requirements relating to minority contracts would continue to apply to this category of

projects. Further, require that if the Building Commission waives the reporting and contracting requirements, it would have to post those projects on a publicly accessible computer site.

[Act 27 Sections: 10d and 130g]

21. PERCENT-FOR-ART PROGRAM [LFB Paper 206]

Building Commission: Modify statutory language regarding the percent-for-art program as follows:

a. Provide that the percent-for-art program would not apply to: (a) state building projects for which enumeration would not be required (under the Commission's recommendations, projects with a total cost of $500,000 or less); (b) storage facilities, stockrooms, toilet and shower facilities, sidewalks and parking lots or ramps; (c) farms operated by the Board of Regents of the UW System or the Department of Corrections; (d) correctional facilities, and secure military facilities to which the general public has limited or no access; and (e) projects needed for repair, maintenance or utility purposes, except any project that is specifically approved by the Building Commission as subject to the requirements under the percent for art program.

b. Specify that amounts appropriated for storage space would not be included in the calculation of the minimum expenditure amount required for the acquisition of a work, or works, of art and related administrative costs.

c. Clarify that funds set aside for the percent-for-art program for a state building may be applied to the acquisition of a work, or works, of art, including associated administrative costs, to be incorporated into a contiguous state building.

d. Specify that "work of art" may include any distinctive architectural features containing artistic value.

e. Allow the Arts Board, prior to convening an advisory committee to review and recommend works of art, to select the artist for a project in coordination with selection of the architect if the work of art will be incorporated into the design of the project and the total cost of the project is $10,000,000 or more.

f. Provide that, if a work of art is removed from a building, the Arts Board would not have to loan the work of art to a museum or an educational or other appropriate public institution if the work of art consists of distinctive architectural features and its removal makes such a loan impossible or impracticable.

g. Change the number of advisory board members from at least five members to not more than seven members and require that the advisory board include at least one person who is a resident

of the area in which the work of art will be located, to represent the interests of the public in that area.

Provide that these modifications would first apply to advisory committees that are convened on the effective date of the bill.

Under the current law percent-for-art program, at least two-tenths of one percent of the cost of new state building projects exceeding $250,000 must be used to purchase original works of art for display in or around the project and to pay for the program's administrative costs. Excluded from this program are projects costing under $250,000, sheds, warehouses, highways, streets, buildings not open to the general public, game farms and other production facilities of the Department of Natural Resources. The Arts Board is responsible for convening an advisory committee to recommend the selection of art work, making the final selection of art work, and contracting with the artist or present owner of the art work.

Joint Finance: Modify the provision by specifying that the architect and the artist selected for a percent-for-art project could not be the same person. In addition, delete the current law provision which requires that the advisory committee be convened after selection of the architect for a project. Rather than convening an advisory committee for each project costing $10 million or more, permit the Arts Board to convene an advisory committee for the purpose of recommending a pool of artists whose work is determined to be appropriate for integration into a state building and who would be willing to work collaboratively with an architect. As under current law, the Board would make the final selection of the artist.

In addition, specify that after acquisition of a work of art, the Board would be required to transfer any funds which were received for the project but were not expended or encumbered to the fund from which the monies were appropriated.

Assembly/Legislature: Repeal the percent-for-art program and eliminate associated funding and position at the Arts Board.

Veto by Governor: [A-1] Delete Assembly provision. As a result, the current law percent-for-art program and the associated position at the Arts Board are retained. However, the veto could not restore the reduction in funding.

[Act 27 Vetoed Sections: 9hm, 233rb, 233re, 1346sf thru 1346wg and 9105(1g)]

22. DIGITAL SIGNATURES ON BIDS

Building Commission/Legislature: Allow the Department of Administration the authority to accept digital signatures in connection with any bid or proposal submitted or construction project contract. Specify that a digital signature would mean an electronic identifier that is used in a

computer communication and that is intended to have the same effect as a manual signature. Further, the Department would be required to promulgate rules governing the use of digital signatures and establishing procedures for verification. A digital signature would have to meet all of the following requirements: (a) the signature is unique to the person using it; (b) the signature is under the sole control of the person using it; (c) the signature is linked to data in such a manner that if any of the data is changed, the signature is invalid; (d) the signature is capable of verification; and (e) the signature conforms to Department rules.

[Act 27 Section: 130r]

23. CONSTRUCTION CONTRACT BIDS [LFB Paper 204]

Building Commission: Delete the current requirement that the Department of Administration obtain the approval of the Attorney General before settling cases relating to bid guarantee settlements when a bid contains and error, omission or mistake, if the settlement amount is less than $100,000. For settlements in excess of $100,000, DOA would still have to obtain the Attorney General's approval to settle a bid error. Under current law, DOA must obtain the Attorney General's approval for all settlements related to construction contract bid errors.

Joint Finance/Legislature: Delete provision.

24. DEBT SERVICE ON UW-MADISON ATHLETIC FACILITIES MAINTENANCE [LFB Paper 213]

Building Commission: Decrease the GPR share of debt service associated with maintenance of UW-Madison athletic facilities from 80% to 70% and make a corresponding increase in the program revenue share of debt service from 20% to 30%, effective July 1, 1998. Under current law, the debt service split associated with the maintenance of UW-Madison athletic facilities is 80% GPR and 20% PR. Staff from DOA indicate that the amendment does not fully capture the intent of the Building Commission, which is that the 70/30 debt service split on maintenance of UW-Madison athletic facilities would be effective only on those maintenance projects approved by the Commission after July 1, 1998. As drafted, the share of debt service would change for all projects, effective July 1, 1998.

Joint Finance/Legislature: Require that the 70/30 debt service split apply only to UW-Madison athletic facilities maintenance projects that are authorized for construction by the Building Commission after July 1, 1998.

[Act 27 Sections: 272m, 276m and 9453(1)]

25. DNR FACILITIES BONDING AND ENVIRONMENTAL FUND DEBT SERVICE APPROPRIATION

Building Commission/Legislature: Create an authorization for general obligation bonding and provide $145,000 BR in segregated fund supported borrowing for the Department of Natural Resources (DNR) administrative office, laboratory equipment storage or maintenance facilities. Create a sum sufficient SEG debt service appropriation from the environmental fund under DNR for the payment of principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement Department facilities and to make payments determined by the Building Commission to comply with federal arbitrage requirements. The fiscal effect of this increase in bonding is shown in Item #2.

[Act 27 Sections: 414m, 726, 727, 731g and 9107(1)(f)]

26. DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION DEBT SERVICE APPROPRIATION

Building Commission/Legislature: Create a sum sufficient GPR debt service appropriation under the Department of Agriculture, Trade and Consumer Protection (DATCP) for the payment of principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement of Department facilities and to make payments determined by the Building Commission to comply with federal arbitrage requirements. DATCP currently leases its central office facility from DOA and makes no direct debt service payments associated with the Department's facilities.

[Act 27 Sections: 170p, 726 and 727]

27. PROJECT LOANS

Building Commission/Legislature: Authorize the Commission, during the 1997-99 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for any 1997-99 building program projects funded from non-GPR sources.

[Act 27 Section: 9107(5)]

28. PROJECT CONTINGENCY FUNDING RESERVE

Building Commission/Legislature: Specify that the Commission could, during the 1997-99 biennium, use bonding provided for project contingencies for any project in the building program.

Generally, projects include an allowance of 5% to 7% of the total budget to cover unanticipated costs during construction.

[Act 27 Section: 9107(6)]

29. CAPITAL EQUIPMENT ACQUISITION BONDING

Building Commission/Legislature: Authorize the Building Commission during the 1997-99 biennium to use bonding that is provided for capital equipment acquisition for: (a) capital equipment acquisition for any project in the building program; and (b) acquiring other priority capital equipment for any office, department or independent agency in the executive and legislative branch or the courts.

[Act 27 Section: 9107(7)]

30. STATEMENT OF BUILDING PROGRAM CONTINUATION

Building Commission/Legislature: Continue the building and financing authority enumerated under all previous building programs into the 1997-99 biennium. Each building program is approved only for the current biennium; this provision would continue all past building programs into the 1997-99 biennium.

[Act 27 Section: 9107(4)]

31. SURETY BONDS FOR PUBLIC WORKS CONTRACTS

Building Commission: Create an exception to the requirement that prime contractors for public works contracts be required to submit a surety bond issued by a surety company licensed to do business in the state, for contracts of $100,000 or less. Further, allow the Department of Natural Resources for its construction contracts, DOA for other state contracts and the public board or body authorized to enter into such contracts, to waive the surety bond requirement if the contract provides a guarantee or warranty considered adequate by the relevant Department or authorized board.

Under current law, prime contractors on contracts exceeding $2,500 with the state or $500 for all other contracts, must provide a surety bond.

Joint Finance/Legislature: Delete provision. Instead, establish the following criteria for performance bonds for prime contractors for state and local public works contracts:

a. no bond would be required for state or local units of government projects under $10,000.

b. allow the state or a local unit of government authority to waive the bond requirement for projects between $10,000 and $25,000, if the state or local unit of government has developed written criteria as to what projects would require a bond to be submitted and the state or local unit of government guarantees payment to any subcontractors on the project and all those who have claims for labor on the project.

c. a bond would be required for state and local projects in excess of $25,000.

d. bond requirements would not apply to the contract for the direct purchase of material by the state or a local unit of government.

Veto by Governor [E-13]: Delete the requirement that state or local projects must be less than $25,000 in order for the performance bond requirements to be waived. As a result, the performance bond requirement could be waived for any state or local public works contract, if the contract meets the written standards established by the state agency or local unit of government for a waiver. Further, the partial veto would delete the condition that the state or local units of government must guarantee payment to any subcontractors on the project and to all those who have claims for labor on the project before the department, board or body could waive the bonding requirements on a state or local contract.

[Act 27 Sections: 5163e, 5163m and 5163s]

[Act 27 Vetoed Sections: 5163e and 5163m]

32. LOCAL INDUCEMENTS FOR STATE BUILDING PROJECTS [LFB Paper 203]

Building Commission: Delete the current municipal law provision that prohibits any town, village, or city from making an appropriation or bonus, incurring a liability or levying a tax, in order to provide a consideration or make an inducement to the state to locate a public educational, charitable, reformatory or penal institution.

Joint Finance/Legislature: Restore the current law prohibition on local inducements, except allow for the donation of land to the state.

Veto by Governor [E-9]: Allow donations of any kind to be made as consideration or inducement to the state to locate a public educational, charitable, reformatory or penal institution. However, local units of government would continue to be prohibited from making an appropriation or bonus, incurring a liability or levying a tax, as inducement to the state to locate a state project.

[Act 27 Section: 2198m]

[Act 27 Vetoed Section: 2198m]

33. UW-PLATTEVILLE RUSSELL HALL ENUMERATION [LFB Paper 212]

Joint Finance/Legislature: Modify the 1995-97 building program to increase the project enumeration for the UW-Platteville Russell Hall remodeling project by $630,000, rather than creating a new enumeration in the 1997-99 building program. The UW-Platteville Russell Hall Remodeling project was enumerated in 1995 Act 27 (the 1995-97 budget) with a project budget of $7,297,000. Past practice when adjusting the enumeration for a project in a previous building program is to amend the previous building program, rather than creating a new enumeration and leaving the old enumeration still in effect.

[Act 27 Section: 9107(3)(c)]

34. BUILDING COMMISSION RESIDUAL BONDING [LFB Paper 215]

	Chg. to Base
BR	- $846,600

Joint Finance/Legislature: Decrease existing bonding authorized to refund debt issued by the old Building Corporations by $746,600. Delete $100,000 of existing bonding authorized to fund the transition from using the old Building Corporations for state capital finance to direct state bonding.

[Act 27 Sections: 735b and 735c]

35. UW-CENTER MOVEABLE EQUIPMENT ACQUISITION [LFB Paper 202]

Joint Finance/Legislature: Provide that the Department of Administration (DOA) could not require the UW to acquire moveable equipment for the UW Centers (two year campuses) through DOA's master lease equipment acquisition program.

Veto by Governor [E-12] Delete provision.

[Act 27 Vetoed Section: 123m]

36. STATE FAIR PARK COLISEUM FACILITY [LFB Paper 207]

Joint Finance/Legislature: Delete the enumeration for a $5 million project for the renovation and enclosure of the coliseum facility at State Fair Park that was included in the 1995-97 state building program.

[Act 27 Section: 9107(3)(d)]

37. BUILDING PROGRAM SUBMISSION DATE [LFB Paper 211]

Joint Finance/Legislature: Provide that the building program be submitted no later than the first Tuesday in April of each odd-numbered year, unless the Building Commission requests, and the Joint Committee on Finance approves, a later date.

[Act 27 Section: 9g]

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
FED	$867,800	$917,000	$917,000	$917,000	$917,000	$49,200	5.7%
PR	3,622,400	3,523,200	3,523,200	3,523,200	3,523,200	- 99,200	- 2.7
SEG	85,000	60,000	60,000	60,000	60,000	- 25,000	- 29.4
TOTAL	$4,575,200	$4,500,200	$4,500,200	$4,500,200	$4,500,200	- $75,000	- 1.6%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
PR	4.00	4.00	4.00	4.00	4.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	- $29,400

Governor/Legislature: Reduce the Board's base budget by $14,900 in 1997-98 and $14,500 in 1998-99 to reflect: (a) the removal of noncontinuing items (-$16,900 annually); (b) full funding of salaries and fringe benefits (-$1,000 annually); (c) reclassification of positions ($2,000 annually); and (d) office space rental increases $1,000 in 1997-98 and $1,400 in 1998-99).

2. MISCELLANEOUS ADJUSTMENTS

	Chg. to Base
PR	$12,200

Governor/Legislature: Provide $4,000 in 1997-98 and $8,200 in 1998-99 in unallotted reserve to fund: (a) pay plan increases ($3,500 in 1997-98 and $6,900 in 1998-99); and (b) health insurance premium increases ($500 in 1997-98 and $1,300 in 1998-99) for current positions.

3. PROGRAM REVENUE AND SEGREGATED REVENUE REESTIMATES

	Chg. to Base
PR	- $110,000
SEG	- 25,000
Total	- $135,000

Governor/Legislature: Reduce funding by $67,500 (all funds) annually to reflect reestimates of: (a) revenue from fees for duplicate birth certificates collected by state and local registrars (-$55,000 PR annually); and (b) private donations to the Children's Trust Fund (-$12,500 SEG annually) that are used to support the operations of the Board. Under the bill, $1,759,300 PR and $30,000 SEG in 1997-98 and $1,763,900 PR and $30,000 SEG in 1998-99 would be budgeted from these sources to fund the Board.

4. FEDERAL REVENUE REESTIMATES

	Chg. to Base
FED	$49,200

Governor/Legislature: Provide $24,600 annually to reflect reestimates of federal funds the agency will receive under the federal Child Abuse Prevention and Treatment Act in the 1997-99 biennium. These funds are used to support community-based family resource programs. Under the bill, the Board would be budgeted a total of $458,500 annually from this source.

5. INFORMATION TECHNOLOGY

	Chg. to Base
PR	$28,000

Governor/Legislature: Provide $14,000 annually to fund computer hardware master-lease payments ($10,000 annually) and information technology infrastructure support ($4,000 annually) under the Department of Administration's small agency infrastructure support initiative. Under this initiative, DOA contracts for the provision of computer-related services to small agencies, including the installation of hardware and software, trouble-shooting, on-site training in response to user questions, and designing networks and databases.

6. CHILDREN FIRST LICENSE PLATE

Joint Finance/Legislature: Require the Department of Transportation to issue a "Children First" special license plate for persons interested in expressing support for the prevention of child abuse and neglect beginning January 1, 1999. All revenues received, less initial costs of data processing, would be deposited in the Children's Trust Fund and would accumulate indefinitely. A detailed summary of this provision is provided under "Transportation -- Motor Vehicles."

CIRCUIT COURTS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$130,799,200	$128,649,200	$128,752,300	$130,665,000	$130,665,000	- $134,200	- 0.1%
PR	320,000	320,000	410,000	410,000	410,000	90,000	28.1
TOTAL	$131,119,200	$128,969,200	$129,162,300	$131,075,000	$131,075,000	- $44,200	0.0%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	494.00	494.00	494.00	496.00	496.00	2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	- $388,600

Governor/Legislature: Reduce funding by $194,300 annually for the following adjustments: (a) full funding of salary and fringe benefit costs (-$227,300 annually); (b) full funding of financial services charges ($9,100 annually); and (c) cash payments in lieu of a fifth week of vacation for certain long-term employes ($23,900 annually).

2. UNSPECIFIED BUDGET REDUCTION

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- $1,761,400	$1,761,400	$0
GPR-Lapse	$0	$1,761,400	$1,761,400

Governor: Delete $880,700 annually from the Courts' general operations, sum sufficient appropriation. The reduction equals 2%, annually, of the Court's $44,037,400 base appropriation level.

Assembly/Legislature: Provide $880,700 annually to eliminate the unspecified budget reduction. Instead, require the Supreme Court to endeavor to ensure that a total of at least $1,175,000 GPR annually be lapsed from a combination of lapses from the Circuit Court, Supreme Court and Court of Appeals.

[Act 27 Section: 9146(1)]

3. INTERPRETER REIMBURSEMENT [LFB Paper 225]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$0	$103,100	$103,100
PR	0	90,000	90,000
Total	$0	$193,100	$193,100

Governor: Modify the appropriation for interpreter reimbursements from a sum certain annual appropriation to a sum sufficient appropriation. Counties are reimbursed by the state $35 per half day of in-court services provided by court interpreters for certain persons who are charged with criminal offenses, subject to protective services or mental health proceedings, or who are witnesses to such proceedings and who the court determines are unable to speak or understand English or have a hearing or speech impairment. It should be noted that the bill does not include an adjustment in interpreter expenditure authority. However, based on past years' expenses, reimbursements in the next biennium are likely to exceed base budget levels ($134,100 annually).

Joint Finance/Legislature: Eliminate the Governor's recommendation for a sum sufficient appropriation. Provide $48,400 GPR in 1997-98 and $54,700 GPR in 1998-99 for interpreter reimbursements. In addition, create a program revenue appropriation, funded at $45,000 PR annually, to supplement GPR funding for interpreter reimbursements. Revenue would come from justice information fee revenue deposited to the circuit court automation project, under the Supreme Court. Funding would be expected to cover the anticipated shortfall of $31,000 in 1996-97, in addition to projected 1997-99 expenditures.

[Act 27 Sections: 712d and 712m]

4. ADDITIONAL JUDGESHIP

	Chg. to Base Funding	Positions
GPR	$151,300	2.00

Assembly/Legislature: Provide $151,300 GPR and 2.0 GPR positions in 1998-99 to create an additional judgeship in Oconto County beginning August 1, 1998. Oconto County currently has one circuit court branch. Funding includes salaries and fringe benefits for a judge and a court reporter.

[Act 27 Sections: 4948m and 9109(1ttg),(1tug)&(1tvg)]

5. MUNICIPAL COURT FEE

Assembly/Legislature: Allow municipal courts to increase the municipal court fee from the current $15 fee to up to $23. Currently, $5 of the $15 fee is deposited to the general fund. This would remain the same regardless of whether a municipality increases the fee. Therefore, any increase in the fee would be deposited to the municipality.

[Act 27 Section: 5194m]

6. JUDGMENT AND LIEN DOCKET

Assembly/Legislature: Clarify current statutes to provide that a clerk shall enter a judgment in the judgment and lien docket only upon receiving payment of the exact amount of the judgment docket fee (currently $5). In addition, eliminate current provisions which provide that clerks who enter an inaccurate date or time into the judgment and lien docket or neglect to enter the information at the proper time are liable for treble damages. Clerks would be liable only for the amount of actual damages.

[Act 27 Sections: 5165y, 5175g and 5175m]

7. MUNICIPAL COURT COMMISSIONERS

Assembly/Legislature: Allow first class cities (currently, only the city of Milwaukee) to create offices of municipal court commissioners. Require municipal court commissioners to be attorneys licensed to practice law in Wisconsin and to have completed the annual educational credit requirements required of municipal judges. Allow the common council to establish the number of positions, terms, additional qualifications and the compensation for the office. Provide that the presiding judge of the municipal court be the appointing and supervisory authority over the office. Authorize the commissioners, under the supervision of a municipal judge, to do all of the following: (a) conduct certain initial appearances, receive noncontested forfeiture pleas, order revocation or suspension of driving privileges and impose forfeitures, impose community service or restitution, and

issue certain other dispositional and sanction orders; (b) issue warrants for nonappearance; (c) conduct hearings on warrant returns; (d) schedule indigency hearings; (e) make indigency findings of defendants; (f) enforce alternative judgments for failure to comply with court orders; and (g) conduct court proceedings and exercise any powers authorized by statute. Require any motion for a new hearing or appeal of a contested ruling by a municipal court commissioner to be filed no later than 20 days after the ruling, and to be heard by the presiding municipal judge. Prohibit any municipal court commissioner to act or take part in any matter in which he or she may be an interested party. Any violation of the prohibition would result in a $25 forfeiture and removal from office.

In addition, provide that a municipal judge may have an office and hold court in any adequate facility provided by the governing body of the city, village or town. Under current law, the judge must have an office and hold court in the municipal hall. If room is not available in the municipal hall, the governing body may authorize the judge to temporarily have an office and temporarily hold court elsewhere in the municipality.

[Act 27 Sections: 4950g, 4950m and 4950r]

8. DEFICIENCY JUDGMENTS ON AGRICULTURAL REAL ESTATE FORECLOSURES

Assembly/Legislature: Reduce from 20 years to 10 years the time limit for enforcing a deficiency judgment entered on or after January 1, 1990, related to a foreclosure action on agricultural real estate. Further, any deficiency judgment related to a foreclosure action on agricultural real estate that was ordered before January 1, 1990, would expire two years after the effective date of the bill. Under current law, deficiency judgments related to foreclosures on all types of real estate must be acted upon within 20 years of the judgment or be barred. This provision would create an exception for agricultural real estate and reduce the amount of time one could act on a deficiency judgment.

Any defendant in an agricultural deficiency judgment that exists on the effective date of the bill would be responsible for informing the County Clerk of Courts that the judgment against them is an agricultural deficiency judgment and of the corresponding time limit remaining on that judgment. Upon notification by the defendant, for judgments ordered prior to 1990, within 22 months of enactment, require the clerk of court to notify the judgment holders by certified mail and to place a notification in the official newspaper of the county in which the judgment was obtained that the judgment holder has two years after enactment to commence an action on an agricultural real estate foreclosure deficiency judgment or be barred. A defendant in an agricultural deficiency judgment would be responsible for the costs incurred by the County Clerk of Courts in notifying the judgment holder of an expiring judgment and providing public notice of the expiring judgment. Further, judgments under this provision filed after the effective date of the bill would be required to be recorded as an agricultural deficiency judgment.

Agricultural real estate would be defined the same as under the farmland preservation program. That is, agricultural real estate would be used to engage in the following agricultural practices:

beekeeping; commercial feedlots; dairying; egg production; floriculture; fish or fur farming; forest and game management; grazing; livestock raising; orchards; plant greenhouses and nurseries; poultry raising; raising of grain, grass, mint and seed crops; raising of fruits, nuts and berries; sod farming; placing land in a federal program in return for payments in kind; or owning land, at least 35 acres of which is enrolled in the federal conservation reserve program.

[Act 27 Sections: 5200f thru 5200h and 5217g]

CLEAN WATER FUND

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$42,531,600	$51,873,500	$51,873,500	$52,155,400	$52,155,400	$9,623,800	22.6%
SEG	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	0	0.0
TOTAL	$50,531,600	$59,873,500	$59,873,500	$60,155,400	$60,155,400	$9,623,800	19.0%
BR		$13,636,400	$3,766,400	$11,679,200	$11,679,200		

FTE Position Summary

Positions for the Clean Water Fund Program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

1. ENVIRONMENTAL IMPROVEMENT FUND

Governor/Legislature: Rename the Clean Water Fund the "Environmental Improvement Fund," to be comprised of three separate programs: (a) the existing clean water fund program; (b) a new safe drinking water loan program; and (c) a new land recycling (brownfields) loan program. One biennial finance plan would be required to cover all three programs. Change existing references to the clean water fund to "environmental improvement fund" if intended to cover the expanded fund or to the "clean water fund program" if intended to cover the clean water fund program within the environmental improvement fund. Create a federal appropriation for clean water fund financial assistance. Many of the application procedures for the new safe drinking water loan program and new land recycling loan program would be established to parallel those under the existing clean water

fund program. Following are summaries of the provisions for the three programs within the environmental improvement fund.

[Act 27 Sections: 10, 154, 155, 287 thru 293, 295 thru 297, 354, 357, 408, 409, 433, 675, 676, 699, 835, 856, 858, 860 thru 863, 865, 867, 868, 870, 2214, 3496, 3497, 3498 thru 3509, 3513, 3515 thru 3523, 3528, 3529 thru 3533, 3535, 3537, 3538, 3541 thru 3545, 3551, 3556, 3557, 3559, 3562 thru 3564 and 3566]

2. BIENNIAL FINANCE PLAN [LFB Paper 230]

Governor: Make modifications to the requirements that DNR and DOA prepare a biennial finance plan for the clean water fund program. Currently, DNR and DOA are required to submit the biennial finance plan by October 1 of every even-numbered year (followed by amendments reflecting the Governor's biennial budget bill) to the State Building Commission, the Joint Committee on Finance and standing committees of the Legislature having jurisdiction over natural resources matters. No later than 30 days after the Governor signs the biennial budget act, the plan, updated with any modifications, must be submitted to the legislative committees and the Building Commission. The Building Commission has the authority to approve or disapprove any part of the plan other than the subsidy and bonding authorizations approved by the Legislature.

The bill would:

a. Direct that the biennial finance plan include information related to the three programs within the environmental improvement fund (clean water fund, safe drinking water loan program and land recycling loan program).

b. Eliminate the requirement that the biennial finance plan include information about the extent to which the clean water fund will be maintained in perpetuity. Instead, require that the plan include a chart showing detailed projected sources and uses of funds for eligible projects in the three programs during the next biennium.

c. Reduce the requirement that the biennial finance plan include an estimate of wastewater treatment needs of the state for the following four fiscal years to two years. Require that the projections also include an estimate of the safe drinking water and land recycling project needs in the state during the next biennium.

d. Direct that the biennial finance plan include the most recent available audited financial statements of the clean water fund program, the safe drinking water loan program and the land recycling loan program. Eliminate the requirements that the plan include audited financial statements of the past operations and activities of the clean water fund program, the estimated fund capital available in each of the next four fiscal years, and the projected clean water fund balance for each of the next 20 years given existing obligations and financial conditions.

e. Modify the requirement that the biennial finance plan include the estimated spending level and percentage of market interest rate for the types of allowable new or changed limits or compliance maintenance clean water fund projects. Instead, specify that the plan must include the percentage of market interest rates for the estimated wastewater treatment, safe drinking water and land recycling project needs of the state.

f. Direct that the biennial finance plan include information about the amount and description of any fee expected to be charged during the next biennium under the environmental improvement fund. Currently, the plan must include information about the amount of any service fee expected to be charged during the next biennium to a clean water fund applicant.

Joint Finance/Legislature: Modify the Governor's recommendation to require that: (a) program needs and funding for the clean water fund, safe drinking water loan program and land recycling loan program be projected for the following four fiscal years; (b) the plan include projected fund balances for the clean water fund and safe drinking water loan program for the next 20 years; and (c) the plan contain information about the extent to which the clean water fund and safe drinking water loan program will be maintained in perpetuity.

[Act 27 Sections: 10, 3546 thru 3550 and 3555]

3. CLEAN WATER FUND BONDING

	Chg. to Base
BR	- $8,363,600

Governor/Legislature: Decrease by $8,363,600 the general obligation bonding authority for the clean water fund. General obligation bonding for the program would decrease from $553,194,000 to $544,830,400. General obligation bonding is used by the program to finance eligible projects, including planning, designing, constructing or replacing a municipal wastewater treatment facility or urban stormwater runoff control project. General obligation bonds finance: (a) a reserve fund to leverage program revenue bond issuances; (b) matching requirements to federal construction grants; (c) subsidies of interest rates; and (d) direct grants. Administration officials indicate remaining authority is expected to be sufficient to fund all eligible projects in 1997-99. The program has issued $260 million in general obligation bonds as of January 1, 1997.

[Act 27 Section: 728]

4. CLEAN WATER FUND DEBT SERVICE

	Chg. to Base
GPR	$9,341,900

Governor/Legislature: Provide $1,253,400 in 1997-98 and $8,088,500 in 1998-99 for estimated increases in debt service costs of general obligation bonds. Total general fund debt service is estimated to be $22.5 million in 1997-98 and $29.4 million in 1998-99.

5. CLEAN WATER FUND PRESENT VALUE SUBSIDY LIMIT

Governor/Legislature: Provide a "present value subsidy limit" of $82.4 million in the 1997-99 biennium for the clean water fund program ($83.4 million was authorized in the 1995-97 biennium). The program provides low-interest loans for planning, designing, constructing or replacing municipal wastewater treatment facilities or urban stormwater runoff control projects. The subsidy limit represents the estimated state cost, in 1996 dollars, to fund all of the clean water fund grants and loans expected to be made during 1997-99 for eligible wastewater treatment projects listed in the biennial needs list prepared by DNR. Statutorily, 15% of the present value subsidy limit is available for financial hardship assistance, which provides a combination of grants and low-interest loans to municipalities that meet certain criteria related to income and residential wastewater user charges.

[Act 27 Section: 3557]

6. CLEAN WATER FUND STATUTORY CHANGES [LFB Paper 231]

Governor: Provide the following statutory changes to the clean water fund program:

Interest Rates. Establish four clean water fund loan interest rates for eligible projects: (a) 55% of the market interest rate; (b) 65% of market rate; (c) 70% of market rate; and (d) market rate. Currently, DNR establishes interest rates in administrative rules, and has established rates at 55%, 70% and 100% of market rate. Retain the current authorization for DNR and DOA to request the Joint Committee on Finance to modify the percentage of market interest rates.

Retain the same percentage of market interest rate specified in current administrative rules for all types of projects except for projects for the treatment of nonpoint source pollution and urban stormwater runoff. Increase the state subsidy level for projects for the treatment of nonpoint source pollution and urban stormwater runoff to the new 65% of market rate loans from the current 70%.

Direct DNR and DOA to attempt to ensure that: (a) increases in all state water pollution abatement general obligation debt service costs do not exceed 4% annually (currently, the requirement is 4% annually in the year in which the percentage of market interest rates are established and the following fiscal year); and (b) that state water pollution abatement general obligation debt service costs are not greater than 50% of all general obligation debt service costs in any fiscal year (currently, the requirement is the year in which the percentage of market interest rates are established and in any of the following three fiscal years).

Notice of Intent to Apply. Require a municipality to submit a notice to DNR of its intent to apply for financial assistance at least six months before the beginning of the fiscal biennium in which it will request to receive financial assistance. Currently, a municipality must submit a notice no later than December 31 of the year preceding the calendar year in which it will request financial assistance.

Number of Applications. Modify the limit on the number of applications for financial assistance that a municipality may file from one in any 12-month period to one for any single project in any 12-month period.

Projects Not on the Priority List. Allow DNR to approve applications for financial assistance for projects that are not on the priority list if DNR has granted a waiver for the project to the requirements related to submittal of a notice of intent to apply. Currently, DNR may not approve applications for projects that are not on the priority list ranking of projects.

Joint Finance/Legislature: Approve the Governor's recommendation as modified to: (a) require a municipality to submit a notice to DNR of its intent to apply for financial assistance at least six months before the fiscal year (instead of the biennium) in which it will receive financial assistance; and (b) delete the authorization for DNR to approve applications for financial assistance for projects that are not on the priority list.

[Act 27 Sections: 3510 thru 3512, 3514 and 3524 thru 3527]

7. LAND RECYCLING LOAN PROGRAM (BROWNFIELDS) [LFB Paper 232]

Governor: Create a land recycling loan program within the environmental improvement fund. Provide loans at subsidized rates to municipalities for the investigation and remediation of certain contaminated properties. Many program and application requirements would be similar to the clean water fund program and include the following:

Eligible Projects. Provide financial assistance to local governments (including cities, villages, towns or counties) for projects at sites or facilities owned by the local government to remedy environmental contamination that has affected, or threatens to affect, groundwater or surface water. Define sites or facilities to include approved and nonapproved solid or hazardous waste disposal facilities, approved mining facilities, waste sites or sites where a hazardous substance is discharged on or after May 21, 1978.

Funding Source. Create a SEG sum sufficient appropriation, not to exceed $20 million, to fund the program. The source of the $20 million would be repayments of clean water fund loans made with the proceeds of federal grants to the clean water fund. Payments used under the bill for the land recycling loan program are currently used for clean water fund loans to upgrade or replace wastewater treatment plants to meet state and federal requirements. Expand use of the DNR and DOA, SEG environmental improvement fund administrative appropriations to include administration of the land recycling loan program. Provide DNR with 1.0 SEG position to administer the program (shown under "Natural Resources").

Present Value Subsidy. Provide a "present value subsidy limit" of $4.5 million in the 1997-99 biennium for the land recycling loan program. The subsidy limit would represent the estimated state cost, in 1996 dollars, to fund all loans to be made during 1997-99 under the program. Direct DOA

to calculate the present value of the actual subsidy of each land recycling loan made during the biennium, discounted at a rate of 7% per year to the first day of that biennium.

Types of Financial Assistance. Authorize the land recycling loan program to use the following methods to provide financial assistance: (a) make loans with an interest rate of 55% of market interest rate; (b) purchase or refinance the debt obligation of a local government incurred after May 17, 1988, if the debt was incurred to finance the cost of a currently eligible project; (c) guarantee or purchase insurance for obligations incurred to finance the cost of eligible projects if the guarantee or insurance would provide credit market access or reduce interest rates; and (d) make payments to the Board of Commissioners of Public Lands to reduce principal or interest payments, or both, on loans made to local governments for projects that are eligible for financial assistance under the land recycling loan program.

Application Procedures. Require that a local government submit notice of its intent to apply for financial assistance under the land recycling loan program at least six months before the beginning of the fiscal biennium in which it will request to receive funding. Authorize DNR to waive this requirement upon written request by the local government. Require that a local government submit an application for financial assistance under the program to DNR by the April 30 preceding the fiscal year in which the applicant is requesting to receive financial assistance. Limit applicants to one application per project per year.

Priority List. Require that DNR establish a priority list that ranks each land recycling loan program project. Direct DNR to promulgate rules for determining project rankings based on the potential of projects to reduce environmental pollution and threats to human health and, for sites and facilities that are not landfills, the extent to which projects will make land available for redevelopment after a cleanup is conducted rather than develop undeveloped land (such as agricultural cropland or green spaces). Direct DNR to consider the recommendations of DOA and Commerce before DNR establishes the priority list.

Approval of Applications. Direct DNR to approve applications for financial assistance after: (a) the project is ranked on the priority list; (b) DNR determines that the project meets eligibility requirements; (c) DOA determines that the project has pledged any required security, demonstrated the financial capacity to operate and maintain the project and demonstrated the ability to repay the loan; and (d) the Legislature has approved an amount of present value subsidy limit for the biennium.

Funding List. Direct DNR to establish a funding list in each fiscal year that ranks approvable applications in the same order that they appear on the priority list. If available funds are not sufficient to fund all approved applications, require DOA to allocate funding to projects in the order that they appear on the funding list, except that: (a) DOA would not be allowed to allocate more than 40% of the available funds in each fiscal year to landfill remediation projects; and (b) no local government could receive more than 25% of the present value subsidy limit for the biennium.

Finalizing Financial Assistance Agreements. Require that local governments, as a condition of receiving financial assistance under the program: (a) establish a dedicated source of revenue to

repay the financial assistance; (b) comply with applicable federal and state statutes and rules; and (c) allow DNR access to the property to make inspections. Authorize DNR and DOA to, at the request of an applicant, issue a notice of financial assistance commitment after the application has been approved and funding has been allocated for the project. Direct that the commitment shall specify the conditions that the applicant must meet to secure financial assistance and include the estimated repayment schedules and other terms of financial assistance. If a loan is not closed before April 30 of the year following the year in which funding is allocated, require DOA to release the funding allocated to the project.

Service Fees. Require DNR and DOA to jointly charge and collect an annual service fee for reviewing and acting upon land recycling loan program applications and servicing financial assistance agreements. The fee would be in addition to required interest payments. Specify that the fee for 1997-99 would be 0.5% of the loan balance. Direct that the fee for subsequent biennia be established in the biennial finance plan for the environmental improvement program. Direct DNR and DOA to specify a fee in the biennial finance plan that is designed to cover the costs of reviewing and acting upon land recycling loan program applications and servicing financial assistance agreements.

Sale of Sites Remediated Under the Program. Specify that a local government must sell a site or facility remediated under the program for not less than fair market value if the loan is outstanding. Require that a local government that sells a site or facility remediated under the program must apply the sales proceeds first toward any state land recycling loan balance, then toward the cost of the land plus the cost of remediation, third toward any state subsidy and finally any remaining funds would be retained by the municipality. If the sale price would be less than or equal to the cost of the land plus the cost of remediation, the sale proceeds would have to be applied to the remaining land recycling loan balance until the remaining balance is fully paid. If the sale price would exceed the cost of the land plus the cost of remediation, 75% of the excess would have to be used to repay the subsidy until the subsidy is fully repaid. Any sale proceeds remaining after the subsidy is fully paid would belong entirely to the municipality.

Duties of DNR. Require DNR to perform the following duties: (a) seek federal Environmental Protection Agency (EPA) approval for the use of clean water fund loan repayments for the land recycling loan program; (b) promulgate rules establishing eligibility criteria for applicants and projects; (c) promulgate other necessary rules related to administration of the program; (d) cooperate with DOA to administer the program; (e) submit a biennial budget request for the program; (f) have the lead role with EPA concerning the program; (g) have the lead role with local governments in providing program information and cooperate with DOA in doing so; (h) periodically inspect program projects to determine compliance with program requirements; (i) by May 1 of each even-numbered year, prepare and submit to DOA a biennial needs list that includes a list of program projects that DNR estimates will apply for financial assistance under the program during the next biennium, the estimated cost and construction schedule of each project on the list and the estimated rank of each project on the priority list.

Project Audit. Authorize DOA to audit or contract for audit of projects that receive assistance under the program. DOA is currently authorized this power for clean water fund projects.

Emergency Rules. Authorize DNR to promulgate emergency administrative rules, without a finding of emergency, for the program before July 1, 1998.

Eliminate Grant Program. Repeal the existing grant program under which DNR is authorized to use the proceeds of general obligation bonds to make grants to local governments for a portion of the costs of investigations and cleanups of contaminated sites owned by local governments. No grants have been awarded under the current program.

Joint Finance/Legislature: Approve the Governor's recommendations as modified to: (a) require a municipality to submit a notice to DNR of its intent to apply for financial assistance at least six months before the fiscal year (instead of the biennium) in which it will request to receive financial assistance; (b) expand eligibility for financial assistance to include individuals, corporations, partnerships, associations and commissions; and (c) delete the authorization for promulgation of emergency rules without a finding of emergency.

Veto by Governor [B-13]: Delete the eligibility of individuals, corporations, partnerships, associations and commissions.

[Act 27 Sections: 10, 294, 354, 408, 675, 699, 864, 870, 889, 3525, 3534, 3537, 3539, 3540, 3546, 3549b, 3552, 3554, 3555, 3558, 3560, 3564, 3565, 3567 thru 3569, 3649, 3684, 3690, 3716 and 3721]

[Act 27 Vetoed Section: 3569]

8. SAFE DRINKING WATER LOAN PROGRAM [LFB Paper 233]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
BR	$22,000,000	- $9,870,000	$12,130,000

Governor: Create a safe drinking water loan program within the environmental improvement fund to provide assistance primarily to local governments for eligible projects to protect or improve drinking water quality. Many program and application requirements would be similar to the clean water fund program and include the following:

Funding Sources and Appropriations. Authorize DNR to enter into an agreement under the Safe Drinking Water Act with the federal Environmental Protection Agency (EPA) to receive a capitalization grant for the program. Authorize $22.0 million in general obligation bonding authority (this would provide the required state match of 20% of the federal grant estimated at $110 million through September 30, 1999, under the bill). Deposit all capitalization grants and general obligation bond proceeds in to the environmental improvement fund for use by the safe drinking water loan program. Create a GPR sum sufficient appropriation in the environmental improvement fund for

repayment of principal and interest on general obligation bonds issued for the program. Create SEG and FED appropriations for financial assistance. Expand use of the DNR and DOA, SEG environmental improvement fund administrative appropriations to include administration of the safe drinking water loan program. DNR would be provided with 3.0 FED positions to administer the program (shown under "Natural Resources").

Present Value Subsidy. Provide a "present value subsidy limit" of $18.0 million in the 1997-99 biennium for the safe drinking water loan program. The subsidy limit would represent the estimated state cost, in 1996 dollars, to fund all loans to be made during 1997-99 under the program. Direct DOA to calculate the present value of the actual subsidy of each safe drinking water loan made during the biennium, discounted at a rate of 7% per year to the first day of that biennium.

Eligible Projects. Provide financial assistance to local governments (including cities, villages, towns, counties, town sanitary districts, public inland lake protection and rehabilitation districts and municipal water districts) for projects to plan, design, construct or modify public water systems, if the projects will facilitate compliance with national primary drinking water regulations under the federal Safe Drinking Water Act or otherwise significantly further the health protection objectives of the Act. Define "public water system" as a water system providing piped water to the public for human consumption if the water system has at least 15 service connections or regularly serves an average of at least 25 individuals for at least 60 days each year.

Ineligible Projects. Specify that a local government would be ineligible for financial assistance under the program if: (a) it does not have the technical, managerial or financial capacity to ensure compliance with the federal Safe Drinking Water Act; or (b) the public water system operated by the local government is in significant noncompliance with any requirement of a federal primary drinking water regulation or variance, unless the assistance will ensure compliance with the Safe Drinking Water Act.

Types of Financial Assistance. Authorize the safe drinking water loan program to use the following methods to provide financial assistance: (a) make loans with an interest rate of 55% of market interest rate for local governments that do not meet financial need criteria established in DNR administrative rules; (b) make loans with an interest rate of 33% of market interest rate for local governments that meet financial need criteria established in DNR rules; (c) purchase or refinance the debt obligation of a local government incurred after July 1, 1993, if the debt was incurred to finance costs of currently eligible projects; (d) guarantee or purchase insurance for obligations incurred to finance the cost of eligible projects if the guarantee or insurance will provide credit market access or reduce interest rates; and (e) make payments to the Board of Commissioners of Public Lands to reduce principal or interest payments, or both, on loans made to local governments for projects that are eligible for financial assistance under the safe drinking water loan program. Authorize DNR and DOA to jointly request the Joint Committee on Finance to modify the percentage of market interest rate for loans.

Other Eligible Activities. Authorize DNR to spend, with DOA approval, up to a total of 15% of the federal capitalization grant in any fiscal year for the following five activities authorized by the

federal Safe Drinking Water Act (but not more than 10% of the federal capitalization grant for any one):

a. Provide a loan to the owner (whether or not a local government) of a community water system or a nonprofit noncommunity water system to acquire land or a conservation easement from a willing seller or grantor to protect the source of the water system from contamination and to ensure compliance with national primary drinking water regulations. Define "community water system" as a public water system that serves at least 15 service connections used by year-round residents of the area served by the public water system or that regularly serves at least 25 year-round residents. Define "noncommunity water system" as a public water system that is not a community water system.

b. Provide a loan to the owner of a community water system to: (1) implement voluntary source water protection measures in order to facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of the Safe Drinking Water Act; or (2) to implement a program for source water quality protection partnerships.

c. Assist the owner of a public water system to develop the technical, managerial and financial capacity to comply with national primary drinking water regulations.

d. Delineate or assess source water protection areas.

e. Protect wellhead areas from contamination.

Authorize DNR to spend, with DOA approval, up to a total of 10% of the federal capitalization grant in any fiscal year for the following four activities authorized by the federal Safe Drinking Water Act: (a) public water system supervision; (b) technical assistance concerning source water protection; (c) development and implementation of a capacity development strategy required by the Act; and (d) operator certification required by the Act.

Authorize DNR to spend, with DOA approval, up to a total of 2% of the federal capitalization grant in any fiscal year for technical assistance to public water systems serving 10,000 or fewer persons.

Application Procedures. Require that a local government submit a notice of its intent to apply for financial assistance under the safe drinking water loan program at least six months before the beginning of the fiscal biennium in which it will request to receive funding. Authorize DNR to waive this requirement upon written request by the local government. Require that if a local government does not apply for financial assistance by April 30 of the second year following the year in which it submitted the notice of intent to apply, it must submit a new notice. Provide that DNR rules require that an applicant must submit an engineering report. Require that after DNR approves the local government's engineering report, the local government must submit an application for financial assistance under the program to DNR by the April 30 preceding the fiscal year in which the applicant is requesting to receive financial assistance. Limit applicants to one application per project per year.

Priority List. Require that DNR establish a priority list that ranks each safe drinking water loan program project. Direct DNR to promulgate rules for determining project rankings that, to the extent possible, give priority to projects that address the most serious risks to human health, that are necessary to ensure compliance with the federal Safe Drinking Water Act, and that assist local governments that are most in need on a per household basis, according to affordability criteria specified in the rules.

Approval of Applications. Direct DNR to approve applications for financial assistance after: (a) the project is ranked on the priority list; (b) DNR determines that the project meets eligibility requirements; (c) DOA determines that the project has pledged any required security, demonstrated the financial capacity to operate and maintain the project and demonstrated the ability to repay the loan; and (d) the Legislature has approved an amount of present value subsidy limit for the biennium.

Funding List. Direct DNR to establish a funding list in each fiscal year that ranks approvable applications in the same order that they appear on the priority list. If available funds are not sufficient to fund all approved applications, require DOA to allocate funding to projects in the order that they appear on the funding list, except that: (a) up to 15% of the available funds in each fiscal year would be reserved for projects for public water systems that regularly serve fewer than 10,000 persons; and (b) no local government could receive more than 25% of the present value subsidy limit for the biennium.

Finalizing Financial Assistance Agreements. Require that local governments, as a condition of receiving financial assistance under the program: (a) establish a dedicated source of revenue to repay the financial assistance; (b) comply with applicable federal and state statutes and rules; and (c) develop and adopt a program of water conservation as required by DNR; (d) develop and adopt a program of systemwide operation and maintenance of the public water system, including the training of personnel, as required by DNR; and (e) develop and adopt a user fee system. Authorize DNR and DOA to, at the request of an applicant, issue a notice of financial assistance commitment after the application has been approved and funding has been allocated for the project. Direct that the commitment shall specify the conditions that the applicant must meet to secure financial assistance and include the estimated repayment schedules and other terms of financial assistance. If a loan is not closed before April 30 of the year following the year in which funding is allocated, require DOA to release the funding allocated to the project.

Duties of DNR. Require DNR to perform the following duties: (a) promulgate rules establishing eligibility criteria for applicants and projects; (b) promulgate other necessary rules related to administration of the program; (c) cooperate with DOA to administer the program; (d) by May 1 of each even-numbered year, prepare and submit to DOA a biennial needs list that includes a list of drinking water projects that DNR estimates will apply for financial assistance under the program during the next biennium, the estimated cost and construction schedule of each project on the list and the estimated rank of each project on the priority list; (e) submit a biennial budget request for the program; (f) have the lead role with EPA concerning the program; (g) have the lead role with local governments in providing program information and cooperate with DOA in doing so; (h) periodically

inspect program projects to determine compliance with construction plans and specifications approved by DNR and safe drinking water loan program requirements.

Project Audit. Authorize DOA to audit or contract for audit of projects that receive assistance under the program. DOA is currently authorized this power for clean water fund projects.

Transfers Between Safe Drinking Water Loan and Clean Water Fund Programs. As allowed under federal law, authorize the Governor to transfer up to 33% of the federal capitalization grant received for the safe drinking water loan program to the clean water fund program, or to transfer an amount equal to up to 33% of the federal capitalization grant received for the safe drinking water loan program from the clean water fund program to the safe drinking water loan program.

Joint Finance/Legislature: Approve the Governor's recommendation. In addition: (a) provide $12,130,000 in general obligation bonding authority (rather than $22 million) to reflect current estimates of the federal capitalization grant for federal fiscal years 1997 through 1999; (b) provide a present value subsidy limit of $21,000,000 (rather than $18 million) in 1997-99 (this includes $2,400,000 for the grant program created in the following paragraph); (c) require a municipality to submit a notice to DNR of its intent to apply for financial assistance at least six months before the fiscal year (instead of the biennium) in which it will receive financial assistance; and (d) in order to obtain federal funds, authorize DNR to promulgate emergency rules for the program without a finding of emergency.

Create a grant program under the safe drinking water loan program, as follows:

a. Provide up to 5% of the available funds in each fiscal year for grants to local governments. (This would provide up to approximately $3.6 million in 1997-99.)

b. Direct that a municipality would be eligible for a grant equal to up to 20% of the costs to plan, design, construct or modify public water systems to comply with the federal Safe Drinking Water Act if both of the following conditions apply: (1) the project is for a public water system that regularly serves fewer than 10,000 persons; and (2) the municipality meets the criteria for disadvantaged communities that DNR would promulgate in administrative rules under the bill. For remaining project costs, the municipality would be eligible for a loan at an interest rate of 33% of the market rate.

c. Maintain the requirement that DNR and DOA fund projects in the order that they appear on the funding list. Direct that if a project is allocated funding and meets the two grant eligibility criteria, then DOA shall allocate grant funds to the project, up to 20% of the project costs, but not to exceed the 5% of available funds for the fiscal year.

Veto by Governor [B-14]: Delete the grant program under the safe drinking water loan program.

[Act 27 Sections: 7, 10, 298, 354, 376, 408, 453, 675, 677, 699, 729, 857, 859, 863, 865, 866, 869, 870, 3375, 3536 thru 3540, 3546, 3549b, 3553 thru 3555, 3558, 3561, 3564, 3565, 3567, 3568, 3570 thru 3572 and 9137(3x)]

[Act 27 Vetoed Sections: 3537e, 3553, 3561 and 3570]

9. DRINKING WATER LOAN GUARANTEE PROGRAM [LFB Paper 940]

Governor: Create a program in WHEDA (shown under "WHEDA") to guarantee drinking water loans to borrowers who are not local governments and who meet certain conditions. Direct DNR: (a) in consultation with DOA, to promulgate rules, consistent with the Safe Drinking Water Act, for determining whether a loan is eligible for a guarantee; (b) to determine which loans would be eligible for a guarantee; and (c) with the approval of DOA, to transfer funds from the SEG and FED safe drinking water loan program appropriations for financial assistance to the WHEDA drinking water reserve fund (no estimate of the fund transfer is included in the bill).

Direct DNR to determine that a loan is eligible for the loan guarantee program if the loan: (a) will facilitate compliance with national primary drinking water standards or significantly further the health protection objectives of the federal Safe Drinking Water Act; and (b) complies with DNR administrative rules for determining whether a loan is eligible for a guarantee (a technical amendment would be required to accomplish this).

Joint Finance/Legislature: In addition, provide DNR with $100,000 FED in 1997-98 (shown under DNR) to contract with WHEDA to establish and administer a safe drinking water loan guarantee program.

[Act 27 Sections: 298, 453, 3375, 3387 and 3572]

10. WISCONSIN FUND FINANCIAL ASSISTANCE (LAKE TOMAHAWK)

Joint Finance: Provide a loan at a 0% interest rate of $1.3 million from the Wisconsin Fund to a municipality for the modification or replacement of a failed innovative or alternative technology point source pollution abatement facility that received written approval of eligibility under 40 CFR 35.2032 from the DNR dated prior to December 10, 1996, and that requires additional construction to eliminate groundwater discharge of effluent and to establish a new surface water outfall. Prohibit DNR from charging any interest on the loan or requiring the municipality to repay the loan until the municipality receives a grant from the U.S. EPA for the project. If EPA provides the grant, the project shall repay the loan to the state. If the project does not receive the EPA grant, the loan would be forgiven.

Direct DNR to provide the financial assistance from the Wisconsin Fund if there is sufficient general obligation bonding authority. If there is not sufficient general obligation bonding authority in the Wisconsin Fund, DNR and DOA would be directed to use general obligation bonding authority from the Clean Water Fund. (The Wisconsin Fund is expected to have sufficient funds.) It is believed that the provision would only apply to the Lake Tomahawk Sanitary District.

Assembly/Legislature: Specify that the $1.3 million forgivable loan provided to the Lake Tomahawk Sanitary District would include all planning, design and construction costs incurred since July 1, 1995.

[Act 27 Sections: 728, 731k and 3495m]

11. CLEAN WATER FUND ELIGIBILITY

Joint Finance: Make the following changes to the clean water fund:

a. Change the definition of median household income for a sanitary district that: (1) has boundaries that are not contiguous with a town, village or city; and (2) indicates on its clean water fund application that it has a population of 2,500 or less. For sanitary districts that meet these two criteria, specify that DNR may not use U.S. Census information when the Department determines the median household income, but rather, must use non-Census data submitted by the sanitary district with its application that the sanitary district has obtained from a third party. Currently, DNR is required to use census tract data, as updated by DOA, to determine the median household income for all projects.

b. Direct that DNR promulgate administrative rules to give higher priority than under the current rules to projects serving more than one municipality if all of the following are met: (1) each municipality served by the project has a population of 2,500 or less; (2) at least one of the municipalities has a wastewater treatment system that can not be used because of existing failures of the system; (3) the municipalities served by the project are submitting an application for a new joint venture system that would serve the municipalities; and (4) at least one of the municipalities served by the project has been ordered to upgrade a current system.

Assembly/Legislature: Delay, until July 1, 2001, the effective date of the requirement that DNR promulgate administrative rules to give higher priority to certain projects serving more than one municipality. Modify the requirement for certain small sanitary districts, so that the district may elect to either: (a) use U.S. Census information, as calculated by DNR, to determine median household income; or (b) submit non-Census data that the sanitary district has obtained from a third party.

Veto by Governor [B-14]: Delete the change in the definition of median household income and the requirement that DNR must use non-Census data submitted by the sanitary district to determine the median household income.

[Act 27 Sections: 3497e, 3509m, 3528m and 9437(7f)]

[Act 27 Vetoed Sections: 3497e and 3528m]

12. CLEAN WATER FUND LIMIT ON SUBSIDIZED LOAN

Joint Finance/Legislature: Prohibit DNR and DOA from providing clean water fund financial assistance, except for a loan at the market interest rate, to a community with a population under 2,500 located on Highway 42 and on an outlaying water for a project for wastewater treatment expansion and sewer extension or interception over one mile in length during the 1997-99 biennium. The provision is expected to apply to a proposed condominium development in the community of Fish Creek in Door County.

[Act 27 Section: 9137(7x)]

13. CLEAN WATER FUND HARDSHIP ASSISTANCE

	Chg. to Base
BR	$7,800,000
GPR	$271,900

Assembly/Legislature: Increase the clean water fund present value subsidy limit for financial hardship assistance by $7,800,000 from $12.36 million to $20.16 million in 1997-99 (rather than the statutory set-aside of 15% of the $90.2 million present value subsidy limit). Increase general obligation bonding authority by $7,800,000. Provide $271,900 GPR in 1998-99 for estimated increases in general fund debt service costs for the additional hardship assistance. Annualized debt service costs would be approximately $694,000 GPR for 20 years after the entire $7,800,000 is disbursed for hardship projects. Require DNR to allocate hardship assistance present value subsidy limit for the 1997-99 biennium in 1997-98 in an amount sufficient to fund the Pell Lake and Lake Como Beach Sanitary District projects in Walworth County (any remaining present value subsidy limit would be available in 1998-99).

Further, specify that a town sanitary district be allowed to submit a complete application for inclusion on the 1997-98 financial hardship assistance funding list, if certain conditions are met and the application is submitted by the effective date of the bill, notwithstanding the requirements that a municipality submit a complete application by June 30 of the preceding fiscal year and that a municipality have an approved facility plan before submitting an application for clean water fund assistance. The required conditions would be: (a) the project is for the construction of a new wastewater treatment plant; (b) the town sanitary district is located on U.S. Highway 45, north of STH 64; and (c) the town sanitary district had 197 connections on December 31, 1996, of which 161

were residential connections. It is anticipated that the Elcho Sanitary District (Langlade County) would be the only eligible sanitary district.

[Act 27 Sections: 728, 3557 and 9137(2hg)&(8c)]

14. CLEAN WATER FUND ASSISTANCE FOR THE VILLAGE OF WHEELER

	Chg. to Base
BR	$112,800
GPR	$10,000

Assembly/Legislature: Increase clean water fund general obligation bonding authority by $112,800 and convert a $213,000 no-interest loan awarded to the Village of Wheeler under the clean water fund financial hardship assistance program into a grant. Debt service costs for the bonds would equal approximately $10,000 GPR annually (beginning in 1998-99) for 20 years. Specify that the limits for the total amount of present value subsidy and the amount of financial hardship assistance present value subsidy may be exceeded by the amount necessary to fund the grant.

[Act 27 Sections: 728 and 9137(8m)]

COMMERCE

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$45,223,000	$44,041,300	$55,122,400	$47,422,400	$47,422,400	$2,199,400	4.9%
FED	72,643,200	72,664,600	72,664,600	72,664,600	72,664,600	21,400	0.0
PR	50,193,800	56,081,200	58,877,000	58,853,000	58,853,000	8,659,200	17.3
SEG	185,888,600	229,241,900	213,490,800	216,812,600	216,812,600	30,924,000	16.6
TOTAL	$353,948,600	$402,029,000	$400,154,800	$395,752,600	$395,752,600	$41,804,000	11.8%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	97.95	85.85	84.85	84.85	84.85	- 13.10
FED	27.35	27.35	27.35	27.35	27.35	0.00
PR	229.85	236.45	236.45	236.45	236.45	6.60
SEG	90.20	94.20	94.20	94.20	94.20	4.00
TOTAL	445.35	443.85	442.85	442.85	442.85	- 2.50

Budget Change Items

Departmentwide and Economic Development

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$163,600
FED	2,600
PR	- 792,400
SEG	- 233,400
Total	- $859,600

Governor/Legislature: Provide adjustments of $81,800 GPR, -$396,200 PR, -$116,700 SEG and $1,300 FED annually as follows: (a) turnover reductions (-$71,700 GPR, -$219,900 PR and -$57,000 SEG); (b) removal of noncontinuing funding (-$383,000 PR and -$85,500 SEG); (c) full funding of continuing position salaries and fringe benefits ($133,400 GPR, $133,400 PR, $4,600 SEG and -$3,000 FED); (d) full funding of financial services costs ($39,500 PR and $4,900 SEG); (e) reclassifications ($1,300 GPR); (f) risk management costs ($300 GPR, $4,300 PR, $10,000 SEG and $500 FED); (g) fifth week vacation as cash ($9,900 GPR, $24,600 PR, $3,200 SEG and $3,700 FED); and (h) full funding of delayed pay adjustments ($8,600

GPR, $4,900 PR, $3,100 SEG and $100 FED). In total, changes due to standard budget adjustments would reduce funding by $429,800 annually.

2. RURAL ECONOMIC DEVELOPMENT PROGRAM -- FUNDING ADJUSTMENTS

[LFB Paper 241]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$957,000	- $607,200	$349,800
PR	473,500	0	473,500
Total	$1,430,500	- $607,200	$823,300

Governor: Adjust funding for the Rural Economic Development Program (RED) as follows:

a. Increase the GPR appropriation for the RED by $478,500 annually to reflect the transfer of funding from the Wisconsin Development Fund (WDF).

b. Increase expenditure authority for the Department's program revenue gifts and grants appropriation by $200,000 PR annually to reflect anticipated private sector donations related to agribusiness development. Gifts and donations are placed in this appropriation and the funding may be used for the purpose for which the gifts or donations were made.

c. Increase expenditure authority for the RED repayments appropriation by $82,900 PR in 1997-98 and decrease expenditure authority by $9,400 PR in 1998-99 to reflect the estimated level of loan repayments.

d. Change the GPR appropriation for the RED from biennial to continuing.

Under these provisions, total GPR funding for the RED would be $750,000 each year. Expenditure authority for the program revenue repayments appropriation would be $162,400 in 1997-98 and $70,100 in 1998-99. Including the $200,000 that would be anticipated each year through the gifts and grants appropriation, total funding available for the RED would be $1,112,400 in 1997-98 and $1,020,100 in 1998-99.

The rural economic development program provides grants and loans for professional services and loans for working capital and fixed asset financing in starting or expanding a business. Similar to the WDF programs, loans and grants are made from both a GPR biennial appropriation, as well as from a program revenue repayment appropriation. The GPR appropriation is the primary source of funding for the program. Because the GPR appropriation is currently a biennial appropriation, funds that are not encumbered at the end of the biennium lapse to the general fund. Under the bill, as a continuing appropriation, no lapses would occur.

The program revenue repayments appropriation was established to operate similar to a revolving loan fund. Amounts received from RED loan repayments are credited to the repayments appropriation and these monies can be used to fund RED grants and loans. The program revenue repayments appropriation is a continuing appropriation and, consequently, unappropriated and unexpended amounts remain in the appropriation balance and can be used to fund future grants and loans. Funding was first appropriated during the 1993-95 biennium.

Joint Finance/Legislature: Include provisions with the following modifications: (a) transfer $200,000 GPR annually (rather than $478,500) from the WDF to the RED and delete $278,500 GPR annually from the WDF; (b) delete RED funding of $35,200 GPR in 1997-98 and $15,000 GPR in 1998-99; (c) specify that the $200,000 PR in annual expenditure authority to reflect anticipated private sector donations related to agribusiness development be the sole source of funding for the new grant program for farm start-ups, modernization and expansions; and (d) maintain the GPR appropriation as a biennial appropriation.

Under these provisions, GPR funding for the RED would be $436,300 in 1997-98 and $456,500 in 1998-99. Expenditure authority for the program revenue repayments appropriation would remain $162,400 in 1997-98 and $70,100 in 1998-99. Including the $200,000 anticipated in gifts, total funding available for the RED would be $798,700 in 1997-98 and $726,600 in 1998-99.

[Act 27 Section: 4383n]

3. RURAL ECONOMIC DEVELOPMENT PROGRAM -- GENERAL PROGRAM MODIFICATIONS [LFB Paper 241]

Governor: Modify provisions which generally apply to grants and loans for professional services and loans for working capital and fixed asset financing under the RED program as follows:

a. The definition of rural municipality would be modified to include a city, town or village with a population of up to 6,000, rather than the current law requirement that the municipality have a population of 4,000 or less. An eligible business would be a business that, together with any affiliate, subsidiary or parent entity, has fewer than 100 employees. The current limit on employees is 25. The definition of "job" for WDF programs would be cross-referenced. As a result, a job would be defined as a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays. A job would not be initial training before an employment position begins. The current definition of job does not specify the number of hours that must be worked in a year.

b. The Rural Economic Development Board would be required to award from 25% to 50% of the total amount awarded in a fiscal biennium for purposes related to an agricultural business under both the professional services grant and loan and working capital and fixed asset financing loan subprograms. The Board would be required to give priority to grants and loans that would be used

for purposes related to a dairy farm, as defined under the statutes. In addition, the Departments of Commerce and Agriculture, Trade and Consumer Protection (DATCP) would be required to designate staff to evaluate applications for grants and loans for purposes related to agricultural businesses and to make recommendations and assist the Board in reviewing the applications.

c. The Board would be required to give priority to grants and loans related to brownfields redevelopment. The definition of brownfields would be cross referenced to that used for WDF programs. Consequently, brownfields would mean abandoned, idle or underused industrial or commercial facilities, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

The Rural Economic Development program provides grants and loans for professional services and loans for working capital and fixed asset financing in starting or expanding a business. Similar to the WDF programs, loans and grants are made from both a GPR appropriation, as well as from a program revenue repayment appropriation.

A nine-member, Rural Economic Development Board makes the grants and loans. The Board consists of the Secretaries of Commerce and DATCP (or designees); one Senator and one Representative from each party representing rural districts; and three public members appointed by the Governor for staggered, three-year terms. The gubernatorial appointees are required to have experience operating a business in a rural municipality, and one member must have experience operating a cooperative in a rural municipality.

Currently, eligible applicants for RED grants and loans are businesses that meet the following criteria: (a) employ fewer than 25 persons; (2) are located in a rural municipality (a city, village or town with a population of 4,000 or less or a municipality located in a county with a population density less than 150 persons per square mile); and (3) are starting or expanding operations.

Joint Finance/Legislature: Include provision but modify the definition of eligible business under the program to be a business that, together with any affiliate, subsidiary or parent entity, has fewer than 50, rather than 25 employes.

[Act 27 Sections: 4381 thru 4383, 4384, 4386, 4391, 4395, 4400, 4402 thru 4404 and 9310(3)]

4. RURAL ECONOMIC DEVELOPMENT PROGRAM -- MODIFICATIONS TO PROFESSIONAL SERVICES GRANTS AND LOANS

Governor/Legislature: Reduce the maximum amount of a RED award for professional services or management assistance from $30,000 to $15,000. The bill would also provide that awards could only be made as grants. Finally, in addition to other criteria that must be considered in making an award, the Rural Economic Development Board would have to consider the number of existing

jobs that would be retained if a grant was awarded and the number that would not be retained if a grant was not awarded.

The Rural Economic Development program provides grants and loans to fund professional services related to starting or expanding a business or for management assistance continuing after the start-up or expansion. Services which may be funded include: preparation of preliminary feasibility studies, feasibility studies or business or financial plans, providing a financial package, engineering studies, appraisals or marketing assistance and related legal, accounting or managerial services. Awards may be in the form of grants or loans and may not exceed $30,000. A cash or in-kind match of at least 25% of the funds received is required.

Before making an award, the Rural Economic Development Board must consider all of the following: (1) the extent to which the project will create jobs; (2) the economic condition of the municipality; (3) the number of jobs to be created in relation to the award amount; (4) the degree to which the new or expanded business operation will provide beneficial services to the municipality; (5) whether financing is available from other sources; and (6) whether the business could start or expand its operations without the grant or loan.

[Act 27 Sections: 4384, 4385, 4387, 4387m, 4388, 4389, 4390, 4392 and 9310(3)]

5. RURAL ECONOMIC DEVELOPMENT PROGRAM -- MODIFICATIONS TO LOANS FOR WORKING CAPITAL AND FIXED ASSET FINANCING

Governor/Legislature: Increase the maximum award that could be provided for working capital or fixed asset financing from $25,000 to $100,000. Under the bill, grants could be awarded as well as the current loans. In order to receive a grant or loan, an applicant would be required to contribute an amount of cash, from a source other than the state, that would equal at least 25% of the project cost. The bill would repeal the statutory provision which establishes a maximum of 20% of total RED funding in a biennium can be used for these loans. The bill would also modify the current requirement that, in order to receive an award, a business must have received a RED professional services or management assistance grant or loan and have used the proceeds to demonstrate its feasibility. Instead, the business would have to successfully demonstrate the feasibility of the project for which it receives funding.

The Rural Economic Development Program awards loans to provide working capital or fixed asset financing for starting or expanding a business in a rural area or to fund employe relocation costs. Eligible Applicants are businesses which meet the following criteria: (1) have received a Rural Economic Development grant or loan for professional services; (2) successfully demonstrate the feasibility of the business; and (3) are unable to obtain financing from other sources in reasonably equivalent terms.

Before making a loan the Rural Economic Development Board must consider: (1) the viability of the proposed business startup or expansion; (2) the technical and management capabilities of the applicant; and (3) the availability of adequate financial resources to successfully complete the startup or expansion, including the amount directly provided by the applicant.

Currently, the maximum loan amount is $25,000. A cash or in-kind match of at least 50% of the loan is required. A maximum of 20% of available funding in a biennium may be used for these loans.

[Act 27 Sections: 4394, 4396 thru 4399, 4401 and 9310(3)]

6. RURAL ECONOMIC DEVELOPMENT PROGRAM -- CREATE GRANT PROGRAM FOR FARM START-UPS, EXPANSIONS AND MODERNIZATION [LFB Paper 241]

Governor: Create a new grant program under the RED that would provide grants to a person or business that proposes to start-up, modernize or expand a dairy farm (as defined in the statutes) or other agricultural business in the state. In order to receive a grant, the person or business would have to own, either currently or in the future, the dairy farm or other agricultural business. Also, it would have to be likely that the grant would result in the start-up, modernization or expansion of the dairy farm or other agricultural business. Grant proceeds could be used to pay for services related to the start-up, modernization or expansion of the dairy farm or other agricultural business or for management assistance which would continue after completion of the start-up, modernization or expansion. Management assistance would include engineering and legal services and professional assistance in establishing or improving management systems, policies or procedures in such management concerns as financial planning, personnel, inventory control, production planning, purchasing, bookkeeping, record keeping and marketing. The maximum grant that could be awarded under the program would be $50,000. The total amount of grants awarded under the program could not exceed $200,000 for a fiscal year.

Joint Finance/Legislature: Include provisions except decrease, from $50,000 to $15,000, the maximum grant that could be awarded under the program. In addition, specify that the Department's program revenue gifts and grants appropriation be the sole source of funding for the new grant program for farm start-ups, modernization and expansions to reflect anticipated private sector donations related to agribusiness development.

Veto by Governor [B-6]: Delete provisions which limit the maximum grant to $15,000 and require that the Department's program revenue gifts and grants appropriation be the sole source of funding for the new grant program.

[Act 27 Sections: 4393 and 9310(3)]

[Act 27 Vetoed Sections: 4383n and 4393]

7. FUNDING FOR FORWARD WISCONSIN [LFB Paper 242]

	Chg. to Base
GPR	$500,000

Governor/Legislature: Provide $250,000 annually in funding for Forward Wisconsin from the WDF. Commerce provides funding to Forward Wisconsin to establish and implement a nationwide business development campaign. State funds may be used for advertising, marketing and promotional activities within the U.S. and for salary, travel, and other expenses directly incurred by the organization in its economic development activities. Base level funding provided for Forward Wisconsin is $250,000 GPR. Consequently, under the bill, total GPR funding for Forward Wisconsin would be $500,000 annually.

8. MOVING COSTS [LFB Paper 243]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$317,200	- $20,100	$297,100
PR	1,296,800	- 83,500	1,213,300
SEG	848,300	- 54,100	794,200
Total	$2,462,300	- $157,700	$2,304,600

Governor: Provide $148,800 GPR, $598,300 PR and $395,000 SEG in 1997-98 and $168,400 GPR, $698,500 PR and $453,300 SEG in 1998-99 to fund costs related to the Department's move into the new Wisconsin Housing and Economic Development Authority (WHEDA) building on September 1, 1997. The funding would be used for rent, furniture and moving costs.

Joint Finance/Legislature: Delete $8,000 GPR, $33,200 PR and $21,500 SEG in 1997-98 and $12,100 GPR, $50,300 PR and $32,600 SEG in 1998-99 to reflect lease costs authorized by the Building Commission.

9. ECONOMIC DEVELOPMENT PROMOTION FUNDING [LFB Paper 244]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$80,000	- $40,000	$40,000

Governor: Provide $40,000 GPR annually to the economic development promotion appropriation to reflect the transfer of funding from the WDF ($15,000 annually), community-based economic development programs ($20,000 annually) and economic and community development general program operations ($5,000 annually) GPR appropriations. Economic development promotion funds are generally used for a number of purposes including advertising, printing various publications and promotions and for public relations. Under the bill, a total of $160,000 GPR would be available annually for economic development promotion activities.

The bill would also modify the economic development promotion appropriation to provide that it could be used to fund plans and studies. The plans and studies would include reports associated with the Department's responsibilities related to: business and industrial development; economic development promotion, planning and research; cooperation with other entities; and technology-based economic development.

Joint Finance/Legislature: Modify the Governor's recommendation to transfer $40,000 GPR only in 1997-98 to the economic development promotion appropriation.

[Act 27 Section: 186]

10. WISCONSIN DEVELOPMENT FUND -- FUNDING ADJUSTMENTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $1,487,000	$1,905,000	$418,000
PR	3,004,400	0	3,004,400
Total	$1,517,400	$1,905,000	$3,422,400

Governor: Adjust funding for the Wisconsin Development Fund GPR and program revenue repayments appropriations as follows:

a. Decrease the appropriation for the WDF by $478,500 GPR annually to provide funding for the RED program.

b. Decrease the appropriation for the WDF by $250,000 GPR annually to provide funding for Forward Wisconsin.

c. Decrease the appropriation for the WDF by $15,000 GPR annually to provide funding for economic development promotion.

d. Require that $50,000 GPR of WDF funding be allocated to provide assistance to a nonprofit organization that provides assistance to organizations and individuals in urban areas in fiscal years 1997-98, 1998-99 and 1999-2000. (The funding is intended for Reggie White's Wisconsin Urban Hope Initiative which provides entrepreneurial opportunities for individuals in Wisconsin's central cities. State funding would be matched by private funds.) The Department of Commerce would be required to enter into a memorandum of understanding with DOA that specifies how Commerce may use the monies allocated for assistance.

e. Require that $125,000 GPR of WDF funding be allocated for technology development grants and loans in each of four consecutive fiscal years, beginning with fiscal year 1998-99. The funding would be provided to the Wisconsin Small Engine Consortium (see Item #12).

f. Change the GPR appropriation for the WDF from biennial to continuing.

g. Increase expenditure authority for the WDF repayments appropriation by $1,866,900 PR in 1997-98 and $1,137,500 PR in 1998-99.

Under these provisions, total GPR funding for WDF programs would be $7,488,800 in each year. Expenditure authority for the program revenue repayments appropriation would be $2,532,400 in 1997-98 and $1,803,000 in 1998-99. As a result, total funding available for WDF programs would be $10,021,200 in 1997-98 and $9,291,800 in 1998-99.

The Wisconsin Development Fund consists of six programs: (1) technology development grants and loans; (2) customized labor training grants and loans; (3) research grants and loans (small business innovation research (SBIR) bridge financing); (4) major economic development grants and loans; (5) Wisconsin trade project; and (6) employe ownership assistance loans. The WDF is funded through both a general purpose revenue (GPR) and a program revenue (PR) appropriation. The GPR appropriation is the primary source of funding for the WDF program. Because the GPR appropriation is currently a biennial appropriation, funds that are not encumbered at the end of the biennium lapse to the general fund.

The program revenue repayments appropriation was established to operate similar to a revolving loan fund. Amounts received from WDF loan repayments are credited to the repayments appropriation and these monies can be used to fund WDF grants and loans. The program revenue repayments appropriation is a continuing appropriation and, consequently, unappropriated and unexpended amounts remain in the appropriation balance and can be used to fund future grants and loans. Funding was first appropriated during the 1993-95 biennium.

Joint Finance: Modify provisions as follows: (a) provide an additional $1,890,000 GPR in 1997-98; (b) transfer $200,000 GPR annually from the WDF to the RED (rather than $478,500) and delete $278,500 GPR annually from the WDF; (c) provide $15,000 from the WDF for economic development promotion only in 1997-98; (d) maintain the GPR appropriation as a biennial appropriation.

Authorize the Department of Commerce to make a grant of not more than $100,000 from the Wisconsin Development Fund to the private industry council serving Ozaukee County to fund a labor training and employment services program to provide employes of Garden Way, Inc., who are being laid off from the company's facilities in Port Washington, with job training and related employment services, if all of the following apply: (a) the labor training and employment services are not eligible for funding under the federal job training partnership act, or any other federal or state job training program; (b) the private industry council submits a plan to the Department of Commerce detailing the proposed use of the grant and the Secretary of Commerce approves the plan; (c) the private industry council enters into a written agreement with the Department of Commerce that specifies the conditions for use of the grant proceeds, including training, reporting and auditing requirements; and (d) the private industry council agrees in writing to submit to the Department of Commerce, within

six months after the grant proceeds are spent, a report detailing how the grant proceeds were used. Specify that no grant payments could be made by the Department after July 31, 1998.

Under these provisions, total GPR funding for WDF program would be $9,378,800 in 1997-98 and $7,503,800 in 1998-99. Expenditure authority for the program revenue repayments appropriation would be $2,532,400 in 1997-98 and $1,803,000 in 1998-99. As a result, total funding available for WDF programs would be $11,911,200 in 1997-98 and $9,306,800 in 1998-99.

Assembly/Legislature: Authorize the Department of Commerce to make a grant or loan of not more than $1.2 million from the Wisconsin Development Fund to a person for a project that would include construction of a pedestrian bridge if all of the following apply: (a) the project would be in the City of Madison and bounded by N. Murray St., W. Dayton St., N. Francis St., W. Washington St., Francis Court and Regent St.; (b) the person submits a plan to the Department detailing the proposed use of the grant or loan and the Secretary of Commerce approves the plan; (c) the person signs a written agreement with the Department that specifies the grant or loan terms and the conditions for the use of the grant or loan proceeds, including reporting and auditing requirements; and (d) the person agrees to submit in writing to the Department, within six months after spending the full amount of the grant or loan, a report detailing how the proceeds were used. No grant or loan payments could be made for this purpose after January 1, 1999.

Veto by Governor [B-4]: Delete provisions which authorize Commerce to award a grant for a pedestrian bridge project and which would limit the location of eligible projects to a specified section of the City of Madison. Under the Act, Commerce may make a loan of up to $1.2 million, through January 1, 1999, for a pedestrian bridge project anywhere in the state.

[Act 27 Sections: 187, 197, 4346 and 9110(6g)&(7f)]

[Act 27 Vetoed Sections: 187, 197 and 9110(7f)]

11. WISCONSIN DEVELOPMENT FUND -- GENERAL ADMINISTRATIVE PROVISIONS

[LFB Paper 245]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	- $96,600	- 1.00	$0	0.00	- $96,600	- 1.00
PR	102,600	1.00	96,600	1.00	- 10,600	0.00	188,600	2.00
Total	$102,600	1.00	$0	0.00	- $10,600	0.00	$92,000	1.00

Governor: Make the following modifications to Wisconsin Development Fund (WDF) general administrative provisions:

a. Provide $50,200 PR in 1997-98 and $52,400 PR in 1998-99 and 1.0 PR position beginning in 1997-98 to administer WDF programs and for the costs of underwriting grants and loans awarded from the WDF. A separate, continuing program revenue appropriation would be created to fund the position and related expenses. A grant or loan origination fee would be established to provide revenue for the new program revenue administration appropriation. The fee would equal up to 1.5% of a grant or loan in excess of $200,000 awarded as a WDF customized labor and training or major economic development grant or loan.

b. A number of definitions used for grant and loan criteria would be modified. The definition of "job" would be modified to mean a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays. The current definition of job does not specify the number of hours that must be worked in a year. The definition of "eligible recipient" would be modified to mean a governing body or a person who would be eligible to receive a grant under the new manufacturing assessment grant program or who would be eligible to receive a grant or loan under the technology development, customized labor training or technology and pollution abatement grant and loan programs. Entities which are eligible for grants or loans under one or more of these programs include: businesses; consortia; municipalities and other public entities; nonprofit organizations; and entities organized by group of eligible recipients. The definition of "consortium" would be modified to delete an association of a business and the Great Lakes Composites Consortium (an association of a business and a higher educational institution under current law would be retained).

c. The Development Finance Board would be required to give priority to projects related to brownfields redevelopment in awarding WDF grants and loans. "Brownfields" would be defined as abandoned, idle or underused industrial or commercial facilities, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

Under current law, a nine-member Development Finance Board, which is attached to Commerce, awards WDF grants and loans. The Board consists of the Secretaries of Commerce and the Department of Workforce Development (or designees), the Director of the Wisconsin Technical College System (or designee), and six members appointed by the Governor for two-year terms representing the scientific, technical, labor, small business, minority business and financial communities in the state.

In making awards, the Board must review each proposed project to determine that seven statutory criteria have been met. These seven criteria apply to projects under any of the WDF programs:

(1) the project serves a public purpose;
(2) the project will retain or increase employment in the state;
(3) the project is unlikely to occur without the grant or loan;
(4) financing is unavailable elsewhere on reasonably equivalent terms;

(5) recipients will provide nonstate funds equal to at least 25% of the cost of the project (50% for customized labor training);
(6) no portion of the award will be used to pay overhead costs or to replace other funds; and
(7) the project will not displace any workers in the state.

There are additional criteria that the Board must consider and requirements that projects must meet in order to be awarded funds under a specific program.

Joint Finance: Approve the Governor's recommendation. In addition, convert $48,300 annually and 1.0 position from GPR to PR. This would provide an additional position and convert the funding source for an existing position from GPR to PR.

Assembly/Legislature: Decrease funding by $10,600 PR in 1997-98 to reflect the delay from October, 1997, to January, 1998, in hiring a position to administer WDF programs.

[Act 27 Sections: 196, 4478 thru 4481, 4489 and 4499]

12. WISCONSIN DEVELOPMENT FUND -- TECHNOLOGY DEVELOPMENT GRANT AND LOAN PROGRAM MODIFICATIONS

Governor/Legislature: Modify the WDF Technology Development Grant and Loan program as follows:

a. Require that $125,000 of WDF funding be allocated to technology development grants and loans in each of four consecutive years, beginning with fiscal year 1998-99. The funds would be used to support the Wisconsin Small Engine Consortium. The state funds would be matched by private monies. The consortium consists of several Wisconsin small engine manufacturers and would use the funds for research related to improving small engine performance as it relates to the environment and competitiveness with overseas manufacturers.

b. Delete the requirement that WDF funds expended and encumbered in any fiscal year for technology development grants and loans may not exceed 40% of the total budgets of all technical research projects awarded grants or loans for the fiscal year.

c. Modify the eligibility criteria for grants or loans for working capital or fixed asset financing to eliminate the provision which requires an applicant to have received a technology development grant or loan and that the research that was funded by the award must have resulted in the development of a new, or in the improvement of an existing, industrial product or process.

d. Modify the definition of consortium to eliminate an association of a business and the Great Lakes Composites Consortium.

The technology development grant and loan program provides awards to fund technical research by businesses or consortia to develop new, or improve existing, industrial products or processes and to assist businesses in infrastructure development and commercialization of a new product or process. Eligible applicants are businesses or consortia and, for certain projects, a technology based nonprofit institution. A consortium is an association of a business and institution of higher learning or the Great Lakes Composites Consortium. Awards can be granted for the following purposes:

(1) A technology development grant or loan to a business or consortium to fund technical research to develop new, or to improve existing, industrial products or processes.

(2) A technology development loan to a business to provide working capital or fixed asset financing to develop the infrastructure of the business or for the initial commercialization of the new industrial product or process. The business must have received a technology grant or loan and the research that was funded by the award must have resulted in the development of a new, or in the improvement of an existing, industrial product or process. The loan proceeds can only be used to pay costs related to the production, marketing or sales of the new or improved product or process;

(3) A technology development grant to a consortium, a higher educational institution or a technology-based nonprofit organization to provide matching funds to establish a manufacturing extension center that will promote technology transfer to businesses in this state. The proceeds of the grant may only be used to pay for fixed-asset costs related to the project and for costs directly related to technology transfer activity between the manufacturing extension center and a business. The grant cannot be used to fund common overhead expenses or other administrative expenses.

Funds awarded to projects in a fiscal year may not exceed 40% of the combined cost of all technology development projects funded in that year, excluding targeted area projects. Under this program, the Development Finance Board may award up to 1% of the WDF appropriation for: (1) evaluations of proposed technical research projects; and (2) grants to small businesses to prepare proposals for the federal small business innovation research program.

[Act 27 Sections: 187, 4479, 4493 and 4494]

13. WISCONSIN DEVELOPMENT FUND -- MODIFICATIONS TO THE CUSTOMIZED LABOR TRAINING GRANTS AND LOANS PROGRAM

Governor/Legislature: Modify the WDF customized labor training grants and loans (CLT) program as follows:

a. Modify the type of labor training program that must be provided by award recipients to be a program that would provide job training in technology, industrial skills or manufacturing processes that are new to the business and in which advances have been made or a training program with job training in other employment-related skills or techniques in which advances have been made.

Current law requires that the labor training program provide job training in new technology, industrial skills or manufacturing processes or other employment-related skills or techniques in which advances have been made. In addition, under the bill, the Development Finance Board could not award a grant or loan if the training for which the award was requested would be fairly readily available, as determined by the Board, through existing federal, state or local resources. Current law provides that the training not be available through existing federal, state or local resources.

b. Repeal the requirement that recipients of customized labor training grants and loans must provide matching funding equal to at least 50% of the project costs. Consequently, recipients of CLT grants and loans would be required to provide matching funding of 25% of project costs, which is the general requirement for recipients of other WDF grants and loans.

Under current law, customized labor training grants provide funding for labor training programs which provide state residents with job training in new technology, industrial skills or manufacturing processes or other employment related skills or techniques in which advances have been made in order to meet the staffing needs of state businesses. Eligible applicants are businesses that have made firm commitments to locate in Wisconsin that are upgrading a product, process or service that requires training employes in new technology and industrial skills.

Training must not be available through existing federal, state or local resources, must occur in an instructional setting, and must be new or relatively new to the industry or business. Recipients must also guarantee jobs in Wisconsin to all persons successfully completing the training program. Recipients must also match 50% of project costs (except for recipients of funds for projects located in targeted areas). The contribution may be cash or in-kind. Up to 20% of the contribution may be funding received by a business under the federal Job Training Partnership Act.

The statutes permit grants or loans; however, current Development Finance Board policy provides that all awards are made as grants.

Grant funds may be used to pay base wages of trainees and associated instructional costs, except for the following costs incurred by a technical college or public secondary or post-secondary institution: (1) recruiting instructors before the training program begins; (2) developing program curricula; (3) recruiting, screening and counseling program trainees; (4) financial audit costs; and (5) renting instructional equipment and training facilities owned or leased by the district or institution unless rented only for the training program.

[Act 27 Sections: 4482, 4483, 4496 and 4497]

14. WISCONSIN DEVELOPMENT FUND -- CREATE MANUFACTURING ASSESSMENT GRANT PROGRAM [LFB Paper 246]

Governor: Create a manufacturing assessment grant program under the WDF. Eligible applicants would be businesses operating for profit, with 500 or fewer employes, including employes of any subsidiary or affiliated organization. The program would provide grants to fund management assessments and plans if all of the following applied: (a) the manufacturing assessment and plan would be likely to assist the business in adopting and implementing readily available and reasonably standardized new manufacturing processes and technologies; (b) the manufacturing assessment and plan would be likely to help make the business more competitive; and (c) the business would commit to adopting and implementing the manufacturing and technological changes that would be recommended as a result of the manufacturing assessment and plan. The maximum grant amount would be $2,500 and the total amount of manufacturing assessment grants that could be awarded would be $750,000 in a fiscal biennium. Recipients of grants would be required to provide matching funds equal to at least 50% of the cost of the management assessment and plan.

Joint Finance: Delete provision.

Assembly/Legislature: Restore the manufacturing assessment grant program under the WDF.

[Act 27 Sections: 187, 4480, 4482, 4483m, 4485 thru 4488, 4490, 4492c and 4498]

15. WISCONSIN DEVELOPMENT FUND -- REPEAL RESEARCH GRANT AND LOAN PROGRAM

Governor/Legislature: Repeal the small business innovation research (SBIR) bridge grants and loans program.

Under current law, the SBIR bridge loans and grants program provides research grants or loans to small businesses to fund innovative and advanced research having a potential commercial application. Funding is provided to firms participating in the federal SBIR program to bridge the typical six- to 12-month funding gap between program phases.

Eligible applicants are small, for-profit businesses which must: (1) have 250 or fewer employes; (2) have completed required research under the federal SBIR program and submitted a required proposal; (3) have Wisconsin as their major place of business; and (4) intend to perform the research primarily in Wisconsin.

Up to a maximum of $40,000 in a year can be awarded to fund salaries of research personnel and other direct expenditures which support continued SBIR-related research by the firm. Total awards made under this program may not exceed $300,000 in any fiscal year.

[Act 27 Sections: 187, 4485 thru 4488, 4490, 4495 and 4498]

16. WISCONSIN DEVELOPMENT FUND -- EMPLOYE OWNERSHIP ASSISTANCE LOAN PROGRAM MODIFICATIONS

Governor/Legislature: Modify the WDF employe ownership assistance loan program as follows:

a. Change the type of financial assistance that is provided through the program from loans to grants.

b. Limit the maximum amount of a grant to $15,000.

c. Provide that any contract for any feasibility study or professional services that are financed by a grant through the program would be subject to approval of the Department of Commerce, rather than the Development Finance Board.

d. Delete a statutory provision which requires that certain information must be included in a feasibility study. Instead, the provision would be modified to provide that a feasibility study may include the information.

e. Eliminate authority for the Joint Committee on Finance to approve an award in excess of $25,000 under s. 13.10 authority.

Under current law, the employe ownership assistance loan program provides loans to fund feasibility studies of employe buy-outs of businesses and related professional services. Eligible applicants are groups formed by, or on behalf of, current or former employes of existing businesses that are considering or have experienced layoffs or closings. The maximum loan is $25,000 (unless a higher loan amount is approved by the Joint Committee on Finance). Repayment terms are determined by the Development Finance Board.

Loans can be used to fund expenditures for feasibility studies to investigate the reorganization or new incorporation of an existing business as an employe-owned business and for professional services to implement the study. Professional services include accounting services, engineering studies, design assistance, architectural services, appraisal services, marketing assistance, attorney services, financial packaging and employe relations services.

Any feasibility study of an existing business must include information regarding the following: (1) the financial condition of the business; (2) number and type of jobs to be created or retained; (3) production costs of the business; (4) market value and demand for any product produced; (5) reasons for the actual or proposed closing of the business; (6) appraised fair market value of the business' assets; (7) projected business plan of the proposed business; and (8) plan to implement the feasibility study if it is concluded that employe ownership is feasible.

[Act 27 Sections: 4, 187, 197, 4363 thru 4379 and 4491]

17. POSITION FUNDING SOURCE CONVERSION

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $993,800	- 7.50
PR	993,800	7.50
Total	$0	0.00

Governor/Legislature: Convert $496,900 and 7.5 positions from GPR to the Department's program revenue administrative services appropriation. The conversion would reflect reorganization of the Department which requires staff to administer programs that are funded by PR and SEG appropriations. The funding source conversion would permit the Department to charge the costs of the positions to the program for which staff support is provided. Costs would be charged to the related appropriation through an administrative overhead rate.

18. TRANSFER MUNICIPAL BOUNDARY REVIEW TO DOA

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $208,200	- 2.00

Governor/Legislature: Delete $104,100 GPR and 2.0 GPR positions annually to transfer responsibility for review of town incorporations, consolidations and annexations from Commerce to the Department of Administration (DOA). The bill would transfer to DOA the current Commerce employees (incumbent employees would be transferred and would have the same rights and status and would not serve a probationary period), program assets and liabilities, contracts, tangible personal property and pending matters primarily related to municipal boundary review.

Statutory responsibility for municipal boundary review was transferred from DOA to Commerce under 1995 Wisconsin Act 27 (the 1995-97 biennial budget). However, the Department of Revenue (DOR) is currently administering the program under a memorandum of understanding (MOU) between both agencies. Under the MOU, the administrative positions and funding for municipal boundary review are provided through Commerce; however, the administrative activities are performed under the direction of DOR.

Under current law, most towns may incorporate as a city or village only after following certain procedures and after receiving approval for the incorporation from a circuit court and from Commerce (or DOR under the terms of the MOU). Further, if a town wishes to consolidate with another

contiguous city, village or town, the consolidation may not take effect unless a circuit court and Commerce (or DOR acting under the MOU) find that the proposed consolidation is in the public interest. Town territory that is contiguous to any city or village may be annexed to that city or village under several methods, including direct annexation and annexation by referendum. Under both of these methods, in a county with a population of at least 50,000, Commerce (or DOR under the MOU) is authorized to advise whether the proposed annexation is against the public interest. Upon receiving notice, the annexing municipality is required to review the advice before final action is taken.

[Act 27 Sections: 2186 thru 2188, 2190 thru 2194 and 9110(1)]

19. TRANSFER PLAT REVIEW TO DOA

	Chg. to Base Funding	Chg. to Base Positions
PR	- $671,200	- 5.50

Governor/Legislature: Delete $335,600 PR and 5.5 PR positions annually to transfer certain plat review functions from Commerce to the Department of Administration (DOA). The bill would transfer to DOA the current Commerce employes (incumbent employes would be transferred and would have the same rights and status and would not serve a probationary period), program assets and liabilities, contracts, tangible personal property and pending matters primarily related to plat review. A program revenue appropriation used to fund Commerce's plat review activities would be renumbered under DOA. Program revenues would continue to be provided from plat review fees. The bill would also make technical modifications to the operations appropriation of the Division of Buildings and Safety in Commerce to reflect the Division's statutory plat review responsibilities relating to plats of subdivisions using private sewage systems. Similarly, a provision is included to clarify that certain plats must continue to be filed with Commerce.

Statutory plat review functions were transferred from the Department of Agriculture Trade and Consumer Protection (DATCP) to Commerce under 1995 Wisconsin Act 27 (the 1995-97 biennial budget). However, the Department of Revenue (DOR) is currently administering the program under a memorandum of understanding (MOU) between both agencies. Under the MOU, the positions and funding for plat review are provided through Commerce; however, the activities are performed under the direction of DOR.

Current law requires anyone subdividing a parcel of land into five or more lots of one-half acre or less to have the land surveyed and the plat of land approved and recorded by the required local and state agencies. Commerce (or DOR under the terms of the MOU) currently receives subdivision plats and reviews the plats to determine whether they comply with state requirements, including those concerning surveying, lot size, street width and format. No plat may be given approval by a local governing body until Commerce (or DOR acting under the MOU) certifies on the original that it complies with state requirements. Fees are charged to recover the costs of reviewing subdivision and

assessor plats for state certification. The fees are placed in program revenue appropriation used to fund plat review administrative costs.

[Act 27 Sections: 199, 206, 2235, 2236, 3391 thru 3393 and 9110(1)]

20. ELIMINATE DIVISION OF INTERNATIONAL AND EXPORT SERVICES POSITIONS

[LFB Paper 246]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $267,600	- 2.00	$108,000	1.00	- $159,600	- 1.00

Governor: Delete $133,800 GPR and 2.0 GPR positions annually to eliminate the Bureau of International Development director and another position in the Division of International and Export Services.

Joint Finance/Legislature: Restore $54,000 and 1.0 GPR position annually to reflect a technical correction. The position was inadvertently deleted instead of a vacant position in the manufacturing assessment center.

21. INTERNATIONAL TRADE AND EXPORT ACTIVITIES

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $93,900	1.00	$0	0.00	- $93,900	1.00
PR	93,900	1.00	- 13,400	0.00	80,500	1.00
Total	$0	2.00	- $13,400	0.00	- $13,400	2.00

Governor: Convert $40,200 in 1997-98 and $53,700 in 1998-99 and 1.0 position beginning in 1997-98 from GPR to PR for a regional outreach specialist position. Authorize the Division of International and Export Services to charge fees for services it provides to cover the related costs incurred by the Division. Fees collected for the services provided would be placed in the Department's program revenue gifts, grants and proceeds appropriation. Further, provide 2.0 GPR positions, including 1.0 trade show specialist position and 1.0 regional outreach specialist position, beginning in 1997-98. Funding for the positions would be reallocated GPR. These funds would be available because the Division has substituted personal service contracts with local representatives for foreign trade offices in Hong Kong and Japan.

The trade show specialist position would be responsible for organizing and coordinating trade missions and trade shows, implementing standard procedures for handling registrations and payments, and working with staff in recruiting companies that are best prepared for such events. The regional trade representative would work directly with companies seeking new markets or facing problems in existing markets. The representative's activities would include assisting in developing marketing plans, conducting export readiness assessments and providing information useful to exporters.

Assembly/Legislature: Decrease funding by $13,400 PR in 1997-98 to reflect the delay in hiring a regional outreach specialist in the Division of International and Export Services from October, 1997, to January, 1998.

[Act 27 Section: 4380]

22. INDUSTRIAL REVENUE BOND FEES AND RULES

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $70,400	- 0.60
PR	79,800	0.60
Total	$9,400	0.00

Governor/Legislature: Delete $35,200 GPR and 0.6 GPR position and provide expenditure authority of $39,900 PR and 0.6 PR position annually to convert the funding source for a position which performs administrative activities related to the allocation of the volume cap on industrial revenue bonds (IRB). The position would administer the allocation system, conduct related studies and provide technical information and assistance. The source of program revenue would be the administrative services fee which is authorized under the Department's administrative rules. The fee is equal to .03% of the amount of obligations that are issued pursuant to the volume cap and amounts collected are placed in the Department's program revenue appropriation. In addition, the bill would repeal a provision that requires the Department to promulgate a rule for establishing and administering the volume cap on an annual basis.

[Act 27 Section: 4339]

23. COMMUNITY-BASED ECONOMIC DEVELOPMENT PROGRAM MODIFICATIONS

[LFB Paper 247]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $40,000	- $65,000	- $105,000

Governor: Modify provisions related to the Community-Based Economic Development (CBED) program as follows:

a. Decrease the appropriation for community-based economic development programs by $20,000 annually to provide funding for economic development promotion. Under the bill, $777,100 GPR would annually be provided to fund community-based economic development programs.

b. Change the GPR appropriation used to fund the community-based economic development programs from annual to continuing.

c. Modify a provision related to eligibility for economic diversification grants to permit the Department to make grants to a political subdivision or a community-based organization to develop a plan for diversifying the local or regional economy, attracting new businesses and jobs and promoting economic development.

d. Increase to $30,000 the maximum grant that could be awarded for the following: (1) grants to political subdivisions or community-based organizations for economic diversification plans; (2) grants to community-based organizations to provide assistance to small businesses or entrepreneurs; and (3) grants to community-based organizations to conduct local economic development projects.

e. Create a new program under which the Department could make a grant to a community-based organization or private nonprofit organization for a venture capital development project that would assist entrepreneurs or businesses in the state in obtaining capital for the start-up or development of a business. The Department would have to determine that the project would likely stimulate investment, promote economic development or create or retain jobs in the state. The applicant would be required to submit, and the Secretary of Commerce would have to approve, a plan that would describe: (1) the proposed activity: (2) how the activity would meet award criteria; (3) how the grant would be administered; (4) how the grant proceeds would be used to support the activity; and (5) how the activity would be coordinated with other venture capital development projects, including any of the Department's projects or programs. A 50% minimum match would be required and total grants could not exceed $75,000 in any fiscal year.

f. Require the Department to give priority to community-based economic development grants and loans for projects related to brownfields redevelopment. Brownfields would be defined as abandoned, idle or underused industrial or commercial facilities, the expansion or redevelopment of which is adversely affected by actual or perceived environmental pollution.

Under current law, the CBED program provides grants to community-based organizations, business incubator grants, economic diversification grants and regional economic development grants.

Grants to community-based organizations are used to provide assistance to small businesses and entrepreneurs and to conduct economic development projects. The maximum grant amount is the lesser of $20,000 or 75% of the cost of the project.

Grants made to provide assistance to a small business planning a start-up or an expansion project may be used for: (1) production of a feasibility study, financial plan, a financial projection, or a business plan; (2) assistance with preparing a loan application or with reviewing in-house operating procedures; and (3) entrepreneurship and management training.

Grants made to assist a local economic development project may be made for: (1) development of a project-specific plan for an industrial park, for a downtown business district or for a public infrastructure object focusing on water, sewer or transportation; (2) implementation of a training program for local economic development professionals; and (3) development or implementation of a plan which supports local economic development.

The CBED program also provides grants to political subdivisions to allow them to develop plans for diversifying their economies. Eligible applicants are counties, cities, villages and towns. The maximum grant amount is the lesser of $10,000 or 75% of the cost of the project.

A plan is defined as a document that is adopted by resolution of the governing body of an area and which documents input from area residents, identifies the economic development needs of the area, sets the goals, objectives and activities that address those needs and identifies the resources needed to implement the activities and attain the goals and objectives.

Joint Finance/Legislature: Modify the Governor's recommendations as follows:

a. Delete an additional $50,000 GPR in 1997-98 and $35,000 GPR in 1998-99 from the CBED appropriation;

b. Retain $20,000 in 1998-99 that would have been transferred to provide funding for economic development promotion;

c. Maintain the GPR appropriation as an annual appropriation;

d. Approve the Governor's recommendation to create a new CBED program. However, modify provisions to allow the Department to make a grant to a community-based organization or private nonprofit organization for a venture capital development conference, rather than project, that would assist entrepreneurs or businesses in the state in obtaining capital for the start-up or development of a business. A 50% minimum match would be required and total grants could not exceed $75,000 in any fiscal year;

e. Authorize the Department to award grants through the Community-Based Economic Development program to the National Foundation for Teaching Entrepreneurship and similar organizations or foundations that teach business skills to disadvantaged and at-risk children. Require that the grants be used to fund costs associated with the teaching of skills and business knowledge necessary to found and maintain an enterprise.

f. Authorize the Department to make grants to community-based organizations to create revolving loan funds for loans to small businesses. Define small business to be a business that employes fewer than 100 persons. Grant Commerce authority to promulgate rules that would be necessary to administer the program.

g. Authorize the Department to make a grant of up to $125,000 annually from the Community-Based Economic Development program appropriation to the Women's Business Initiative Corporation if all of the following apply: (a) the Women's Business Initiative Corporation submits a plan to the Department detailing the proposed use of the grant and the Secretary of Commerce approve the plan; (b) the Women's Business Initiative Corporation agrees in a written agreement with the Department that specifies the conditions for the use of grant proceeds, including reporting and auditing requirements; (c) the Women's Business Initiative Corporation agrees in writing to provide services to individuals throughout the state; (d) the Women's Business Initiative Corporation agrees in writing to submit to the Department, within six months after spending the full amount of the grant, a report detailing how the proceeds were used.

[Act 27 Sections: 4341c, 4353, 4353m, 4354 thru 4357, 4357m, 4357r, 4358, 4359, 4359m, 4360 and 9310(2)]

24. INFORMATION TECHNOLOGY FUNDING

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $28,600	- 1.00
FED	11,600	0.00
PR	260,200	0.00
SEG	176,000	0.00
Total	$419,200	- 1.00

Governor/Legislature: Provide $130,100 PR, $88,000 SEG, and $5,800 FED annually and delete $5,000 GPR in 1997-98 and $23,600 GPR in 1998-99 to reflect funding provided to support the Department's information technology (IT) needs. The additional funding would be allocated as follows:

a. Provide $49,500 GPR, $52,600 PR, $65,200 SEG and $5,800 FED annually to establish an information technology infrastructure in the Department. The funding would be used to purchase computer equipment, software and related components.

b. Provide $72,500 PR and $22,800 SEG annually to fund equipment upgrades and replacements in the Divisions of Safety and Buildings and Environmental and Regulatory Services.

c. Provide $20,000 GPR in 1997-98 to purchase telephone equipment and to purchase and install a new paging system.

d. Provide $5,000 PR annually to purchase technical process software to assist staff in reviewing engineering designs.

e. Provide $1,400 GPR in 1998-99 to maintain computer links with outstate offices.

f. Delete $74,500 GPR and 1.0 GPR position annually to offset $69,500 GPR in 1997-98 and $50,900 GPR in 1998-99 in funding for the Department's GPR information technology expenses.

25. GPR TRANSFER TO ECONOMIC DEVELOPMENT PROMOTION [LFB Paper 244]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $10,000	$5,000	- $5,000

Governor: Delete $5,000 GPR annually from the Department's economic and community development general program operations appropriation (under the bill this funding is used for economic development promotion).

Joint Finance/Legislature: Modify provision to delete $5,000 GPR only in 1997-98 for economic development promotion.

26. MINORITY BUSINESS DEVELOPMENT FINANCE PROGRAM MODIFICATIONS [LFB Paper 248]

	Chg. to Base
PR	$256,000

Governor: Modify provisions of the Minority Business Development Finance (MBDF) program as follows:

a. Increase expenditure authority for the MBDF program revenue repayments appropriation by $291,100 in 1997-98 and decrease expenditure authority by $35,100 in 1998-99. Total expenditure authority for the repayments appropriation would be $493,400 in 1997-98 and $167,200 in 1998-99. Base level GPR funding of $429,200 would be provided in each year. Consequently, total funding available for the MBDF would be $922,600 in 1997-98 and $596,400 in 1998-99.

b. Increase, from 10% to 25%, the maximum amount of total MBDF funding that could be awarded as minority business early planning grants. Also, the definition of job used in minority business early planning grant criteria would be modified to mean a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including leave and holidays. A job would not include initial training before an employment position began.

c. Authorize the Minority Business Development Board to award business development grants or loans to a local development corporation to create, expand or continue a revolving fund program that would be operated by the local development corporation and that would benefit, currently or in the future, minority businesses or minority group members who were residents of the state. To receive a grant or loan to fund a revolving fund project, the local development corporation would be required to provide a cash contribution of at least 50% of the cost of the project. The

maximum amount of MBDF business development grants or loans that could be made to a local development corporation for a revolving fund would be $200,000. Under the bill, the maximum grant or loan that a local development corporation could make to eligible recipients to fund eligible project costs from grant or loan proceeds received through the MBDF would be decreased from $100,000 to $50,000.

Currently, the Board must use certain criteria to review development projects for which a local development corporation intends to make an award or grant before the Board can award a grant or loan to the local development corporation. The bill would eliminate this provision and, instead, require the local development corporation to use most of those criteria to make determinations concerning the projects before awarding grants or loans.

d. Repeal statutory provisions which establish minority business, nonprofit corporation and business incubator grants. The statutes provide that grants cannot be made from these programs after June 31, 1995.

The minority business development finance (MBDF) program consists of minority business early planning grants, which are awarded by Commerce, and minority business development grants and loans, which are awarded by the Minority Business Development Board. Similar to the WDF (and the Business Development Initiative and Rural Economic Development programs), the Minority Business Development Finance program is funded through both a GPR appropriation and a program revenue repayments appropriation. The GPR appropriation is the primary source of funding for the MBDF. The appropriation is a biennial one and, consequently, funds that are not encumbered at the end of the biennium lapse to the general fund. Loan repayments are placed in the program revenue appropriation and used to fund MBDF program activities. Funding for the MBDF was first provided from the program revenue repayments appropriation in the 1993-95 biennium.

The Board consists of five persons appointed by the Governor for two-year terms. In making awards from the minority business development fund, Commerce or the Board must determine that all of the following criteria have been met:

(1) the project serves a public purpose;
(2) the project will retain or increase employment in Wisconsin;
(3) the project is not likely to occur without the grant or loan;
(4) financing is unavailable from any other source on reasonably equivalent terms;
(5) the recipient of the grant or loan will contribute, from nonstate funds, matching funds of 25% of the cost of a project;
(6) grant or loan funds will not be used to replace funds from any other source;
(7) the project will not displace workers in the state;
(8) the project has sufficient potential to be profitable; and
(9) if a development project, state funds will not be used to refinance existing debt.

The following additional criteria must be considered by Commerce or the Board before awarding an early planning grant or a minority business development grant or loan:

(1) the extent to which the project will retain or increase employment in Wisconsin, benefit minority group members, and be located or attract capital into locations where unemployment exceeds the statewide average or per capita income is below the statewide average;
(2) if a development project, whether it will be located in an area of high unemployment or below average income or a development zone, enterprise development zone or development opportunity zone;
(3) the likelihood that the project will be successful; and
(4) if a development project, the financial soundness of the minority business involved and the commitment of the recipient to repay the state funds.

As noted, MBDF provides both early planning grants and business development grants and loans.

Minority business early planning grants fund projects that consist of the preliminary stages of considering and planning the start-up or expansion of a business that will be a minority business. Eligible applicants are individuals who are both minority group members and state residents. Minority group members include Blacks, Hispanics, American Indians, Eskimos, Aleuts, native Hawaiians, Asian-Indians, and persons of Asian-Pacific origin. Commerce may not award more than $15,000 in a biennium to any one person or for any one project. The total amount of MBF funds that can be awarded for early planning grants are limited to 10% of the amount appropriated for the biennium. Grant recipients may use the funds to perform a business feasibility study and prepare marketing and business plans.

Minority business development grants and loans fund development projects undertaken by minority businesses and provide funding to local development corporations that agree to use the proceeds to make grants or loans to minority group members who are residents of this state. Eligible applicants are minority group members who are residents of this state, minority businesses, and local development corporations. The Minority Business Development Board makes all determinations of funding under this program. The Board may make awards to local development corporations if all of the following apply:

(1) Corporations agree to use the funds for grants or loans to eligible recipients to fund eligible project development costs;
(2) Board determines that the projects to be funded by the corporations meet the general criteria for minority business grants and loans;
(3) Board considers the general points that must be considered for minority business grants and loans; and
(4) Recipient will contribute matching funds equalling at least 25% of project costs.

The Board or a local development corporation may not award more than $100,000 in a biennium to any one person or for any one project. Recipients may use awards for working capital, machinery, equipment, land and buildings, to acquire existing businesses and for related expenses.

Joint Finance: Include provisions. In addition, the following programs would be created under the MBDF program.

Minority Nonprofit Corporation Grants and Business Incubator Grants

Authorize Commerce to make grants of up to $100,000 to a nonprofit corporation or to a business incubator if all of the following applied:

a. if a nonprofit corporation, it owns and operates a business incubator.
b. provides services primarily to minority group members or minority businesses.
c. submits a plan to the Department detailing the project and the proposed use of the grant.
d. if the grant is part of a project that is also funded by contributions from other sources, provides the Department with the amount of those contributions or pledges for contributions that the nonprofit corporation received before the grant is made.
e. the Secretary approves the plan before awarding the grant.
f. agrees not to use the proceeds of the grant for salaries or other administrative costs.
g. agrees to use the grant to build or rehabilitate the premises of the business incubator and to try to ensure that at least 50% of the proceeds of the grant will go to contractors that are minority businesses.
h. agrees to submit to the Department, within 90 days after spending the full amount of the grant, a report detailing the actual use of the proceeds of the grant.

"Business incubator" would mean a facility designed to encourage the growth of new businesses, if at least two of the following applied:

a. space in the facility is rented at a rate lower than the market rate in the community.
b. shared business services are provided in the facility.
c. management and technical assistance are available at the facility.
d. businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

A total of $100,000 in annual MBDF funding could be allocated to each program.

Minority Nonprofit Organization Incubator Pilot Program

A pilot program would be created during the 1997-99 biennium that would provide MBDF grants of up to $100,000 to a nonprofit organization incubator if all of the following applied:

a. a nonprofit organization owns and operates the incubator.

b. the incubator provides services primarily to minority group members or minority organizations.

c. the nonprofit organization submits a plan to the Department detailing the project and the proposed use of the grant.

d. the grant is part of a project that is also funded by contributions from other sources, the nonprofit organization provides the Department with the amount of those contributions or pledges for contributions that the nonprofit corporation received before the grant is made.

e. the Secretary approves the plan before awarding the grant.

f. the nonprofit organization agrees to submit to the Department, within 90 days after spending the full amount of the grant, a report detailing the actual use of the proceeds of the grant.

The definition of business incubator would be the same as that used for minority nonprofit corporation grants and business incubator grants.

Nonprofit Financial Institution Grants

A MBDF grant program would be established that would provide funding to private nonprofit financial institutions to make working capital microloans to minority group members and minority businesses. The MBDF funds be used by the financial institution to make loans for working capital could not to exceed $5,000.

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

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

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

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

In addition, provisions governing the minority business development grant and loan program would be modified as follows:

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

b. A local development corporation would be required to operate primarily (rather than entirely) within specific geographic boundaries, to promote employment opportunities for minority

group members or minority businesses (in addition to economic development) and to demonstrate commitment to or experience in promoting employment opportunities (as well as economic development) for minority group members or minority businesses.

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

d. Eliminate the exclusion of entertainment expenses or expenses incurred before the Minority Business Development Finance Board approves a grant or loan from eligible project costs.

Veto by Governor [B-8]: Delete the provision which would have repealed the exclusion from eligible project costs of entertainment expenses and pre-approval expenses. Consequently, such expenses would continue to be excluded from the definition of eligible project costs.

[Act 27 Sections: 194, 199n, 4339c, 4342c, 4342j, 4342m, 4343c, 4343j, 4343m, 4532b, 4532c, 4532p, 4532r, 4533, 4533c, 4533d, 4533e, 4534, 4534m, 4535 thru 4542, 4543p, 4544 thru 4546, 4546c, 4546e, 4546f, 4547 and 4547m]

[Act 27 Vetoed Sections: 4532g and 4532m]

27. POSITION TRANSFER TO ADMINISTRATIVE SERVICES

	Chg. to Base Funding	Chg. to Base Positions
PR	$184,800	1.00
SEG	0	- 1.00
Total	$184,800	0.00

Governor/Legislature: Provide $92,400 PR and 2.0 PR positions and delete 1.0 SEG position and 1.0 PR position to reflect the transfer of the positions to the Department's program revenue administrative services charge-back appropriation.

28. BUSINESS DEVELOPMENT INITIATIVE PROGRAM FUNDING

	Chg. to Base
PR	$94,600

Governor/Legislature: Increase expenditure authority for the Business Development Initiative (BDI) program revenue repayments appropriation by $47,300 PR annually. Total expenditure authority for the repayments appropriation would be $60,000 PR annually. Base level GPR funding of $150,000 would be provided in each year. Consequently, total funding available for the BDI would be $210,000 in each year of the biennium.

The BDI program is designed to help create employment opportunities for persons with severe disabilities by starting or expanding for-profit businesses. Like the WDF and MBF programs, BDI is funded by both a GPR and program revenue repayments appropriation.

The program has four components: (1) direct technical assistance provided by Commerce staff to individuals, small businesses, or nonprofit organizations; (2) technical assistance grants to those entities; (3) technical assistance self-employment grants to disabled individuals; and (4) management assistance grants and loans to individuals, small businesses or nonprofit organizations.

29. MANUFACTURING ASSESSMENT CENTER ADMINISTRATIVE STAFF [LFB Paper 246]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	- $108,000	- 1.00	- $108,000	- 1.00
PR	82,300	1.00	- 82,300	- 1.00	0	0.00
Total	$82,300	1.00	- $190,300	- 2.00	- $108,000	- 1.00

Governor: Provide $40,200 in 1997-98 and $42,100 and 1.0 program assistant position beginning in 1997-98, to provide additional administrative staff for the manufacturing assessment center. The source of funding for the program revenue position would be provided by the sale of assessment tools, including products for performing team-based assessments and conducting employee surveys. Monies collected from the sale of assessment tools would be placed in the Department's program revenue appropriation. The program assistant would respond to requests for information, perform clerical duties, and market and sell the assessment tools.

The Manufacturing Assessment Center assists small manufacturing businesses (businesses with 500 or fewer employes) that are located in this state in adopting readily available and reasonably standardized new manufacturing processes and techniques.

The Center works in partnership with Wisconsin's university, technical college and other resources to: help a company define a basic course of action; conduct assessment interviews and on-site review; generate recommendations for strategies and improvements; and identify resources to assist in implementation of actions.

Three positions staff the Center: (1) a manufacturing engineer supervisor; (2) a manufacturing engineer; and (3) a program and planning analyst.

Joint Finance/Legislature: Delete provisions. In addition, delete $54,000 GPR and 1.0 GPR position annually to eliminate a vacant position to correct a technical error. An export services position which was inadvertently deleted has been restored.

30. OVERHEAD COST ALLOCATION

	Chg. to Base
FED	$7,200
PR	68,300
SEG	29,900
Total	$105,400

Governor/Legislature: Provide $21,900 PR, $9,600 SEG and $2,300 FED in 1997-98 and $46,400 PR, $20,300 SEG and $4,900 FED in 1998-99 to fund increased overhead cost allocations. This provision would increase expenditure authority for the various programs to pay increased charges for services provided through the Department's program revenue administrative services appropriation. The increased costs would be primarily related to increases in salaries for administrative services staff.

31. BROWNFIELDS GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	$0	$10,000,000	- $7,700,000	$2,300,000
SEG	20,000,000	- 15,000,000	2,700,000	7,700,000
Total	$20,000,000	- $5,000,000	- $5,000,000	$10,000,000

Governor: Provide $20,000,000 in recycling fund SEG in 1997-98 in a continuing appropriation to create a brownfields grant program administered by the Department of Commerce. The Department would be authorized to make a grant to a person if the following conditions are met:

a. The person would use the grant proceeds for brownfields redevelopment and associated environmental remediation activities.

b. The party that was responsible for the actual or perceived environmental contamination of the facility or site that would be the subject of the project was unknown or could not be located.

c. The person would contribute a required proportional share of the cost of the project in the form of cash or in-kind contributions in the form of actual remediation services. Cash contributions could include public funds, except for grants or loans obtained through the Wisconsin Development Fund, Rural Economic Development, or Minority Business Development Finance grant and loan programs. The proportional share of project cost that would have to be provided by a recipient would depend upon the size of the grant received as follows: (a) a minimum of 20% for grants that do not exceed $300,000; (b) 35% for grants exceeding $300,000 up to $700,000; and (c) 50% for grants exceeding $700,000 up to $5,000,000.

The Department would be required to award: (1) a total of $3,000,000 in grants that did not exceed $300,000; (2) a total of $7,000,000 in grants that would be greater than $300,000, but did not exceed $700,000; and (3) a total of $10,000,000 in grants that would be greater than $700,000, but did not exceed $5,000,000. The maximum grant that could be awarded would be $5,000,000. The

Department would also be required to award at least seven grants for projects that would be located in municipalities with a population of less than 30,000.

The Department of Commerce would administer the program; however, it would be required to consider the recommendations of the Department of Administration (DOA) and the Department of Natural Resources (DNR) before awarding grants. Grants would be awarded based on the following criteria:

a. The potential of the project to promote economic development in the area. If possible, a weight of 50% would be placed on this criterion in making a determination for an award.

b. Whether the project would have a positive effect on the environment. A weight of 25%, if possible, would be accorded this criterion.

c. The amount and quality of the person's contribution to the project. The weight that would be accorded this criterion in determining awards would be 15%.

d. The innovativeness of the person's proposal for remediation and redevelopment. The desired weight to be accorded this criterion would be 10%.

Commerce would be required to promulgate rules that would establish, within the statutory guidelines established in the bill, criteria for awarding grants. The criteria would include circumstances under which the grant proceeds could be used for assessment services. The Department would be required to submit the rules to the administrative rules clearinghouse of the Legislative Council by December 31, 1997. Commerce would also be authorized to promulgate the initial rules for awarding brownfields grants as emergency rules. The emergency rules could be promulgated prior to the effective date of the permanent rules and could remain in effect for a period not exceeding the current statutory limit on emergency rules. (Emergency rules remain in effect only for a period of 150 days but may be extended upon petition to the Joint Committee for Review of Administrative Rules for a period of 60 days. Any number of additional extensions may be granted, but the total period for all extensions may not exceed 120 days.) Commerce would not have to provide evidence of the necessity of preservation of the public peace, health, safety or welfare in order to promulgate these emergency rules. Beginning on or before December 31, 1998, and annually thereafter, the Department would have to submit, to the Legislature, Governor and DOA, a report on the effectiveness of the program.

Under the program, brownfields would be defined as abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which was adversely affected by actual or perceived environmental contamination. "Person" (eligible applicant) would mean an individual, partnership, corporation, limited liability company (LLC), association, organization or municipality. "Municipality" would mean a city, village, town or county.

Under the bill, DOA, DNR and Commerce would be required to enter into a memorandum of understanding (MOU) by December 31, 1997. The MOU would have to address the following:

a. Providing advice and guidance to the Governor and state agencies on issues related to brownfields.

b. Criteria priorities, within statutory guidelines, for awarding grants and loans under brownfields redevelopment programs.

c. Procedures for each of the departments to follow in making recommendations to another department on awarding grants or loans under a brownfields development program.

d. Remediation activities that would qualify as in-kind contributions to project costs.

e. A mechanism for resolving conflicts and disagreements among DOA, DNR and Commerce related to brownfields issues.

Joint Finance: Modify the brownfields grant program as follows:

Delete $15,000,000 recycling SEG from brownfields grant program ($5 million would remain for grants).

Provide one-time funding of $5 million GPR in each year to establish a brownfields loan program which would provide loans to persons, municipalities or local development corporations for brownfields redevelopment, environmental audits or associated environmental remediation activities subject to brownfields grant program provisions relating to cash and in-kind matches, award criteria, the amount and distribution of awards, coordination with DOA and DNR, promulgation of rules for administering the programs and providing an annual report. Create a program revenue loan repayment appropriation to fund future loans and grants. In addition, establish the following provisions which would apply to both the grant and loan programs.

Authorize Commerce to make a grant or loan if all of the following applied:

a. The person uses the loan for brownfields redevelopment, an environmental audit, or associated environmental remediation activities.

b. The party responsible for the actual or perceived environmental contamination of the facility or site that is the subject of the project is unknown, cannot be located, or is financially unable to pay the costs of brownfields redevelopment, an environmental audit, or associated environmental remediation activities.

c. If the award was a loan, the municipality, or local development corporation will pursue recovery of the costs of brownfields redevelopment, an environmental audit, or associated

environmental remediation activities from the party responsible for the actual or perceived environmental contamination, and the municipality or local development corporation will repay the department a proportionate amount of the costs actually recovered.

d. The person contributes to the cost of the project in-kind or cash.

In addition, the matching requirements and grant and loan, award criteria would be modified to reflect the reduction in funding.

The person would contribute a required proportional share of the cost of the project in the form of cash or in-kind contributions in the form of actual remediation services. Cash contributions could include public funds, except for grants or loans obtained through the Wisconsin Development Fund, Rural Economic Development, or Minority Business Development Finance grant and loan programs. The proportional share of project cost that would have to be provided by a recipient under the grant or loan programs would depend upon the size of the grant received as follows: (a) a minimum of 20% for grants that do not exceed $300,000; (b) 35% for grants exceeding $300,000 up to $700,000; and (c) 50% for grants exceeding $700,000 up to $1,250,000.

The Department would be required to award: (1) a total of $750,000 that did not exceed $300,000; (2) a total of $1,750,000 that would be greater than $300,000, but did not exceed $700,000; and (3) a total of $2,500,000 that would be greater than $700,000, but did not exceed $1,250,000. These limits would apply to the grant program for the biennium ($5 million available) and for loan awards each year ($5 million available each year). The maximum grant or loan that could be awarded would be $1,250,000. The Department would also be required to award at least seven grants or loans for projects that would be located in municipalities with a population of less than 30,000. In addition, 75% of the amount appropriated for grants (but not loans) would be required to be awarded for remediation and redevelopment projects located in municipalities and counties with populations of less than 500,000.

Brownfields redevelopment would be defined to mean any work or undertaking by a person, municipality or local development corporation to acquire a brownfields facility or site, to conduct an environmental audit, to engage in environmental remediation, and to raze, demolish, remove, reconstruct, renovate or rehabilitate existing buildings, structures or other improvements to promote use of the brownfields facility or site for commercial industrial, residential or other purposes.

"Environmental audit" would means an investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environment pollution.

"Environmental remediation activities" would mean abating, removing or containing environmental pollution at a brownfields facility or site, or restoring soil or groundwater at a brownfields facility or site.

"Local development corporation" would mean a nonprofit corporation organized under ch. 181 of the statutes that does all of the following:

1. Operates within specific geographic boundaries;

2. Promotes economic development with a specific geographic area.;

3. Demonstrates a commitment to or experience in redevelopment of brownfields.

"Municipality" would mean a city, village, town or county.

"Person" would mean an individual, partnership, corporation, limited liability company, or limited liability partnership.

Assembly/Legislature: Make the following modifications to the brownfields grant and loan programs:

a. Delete provisions which create a brownfields loan program.

b. Delete $5 million in recycling fund SEG for the brownfields grant program. Deleting the funding would also eliminate the requirement that 75% of the grants made with recycling fund monies would be for projects located in the municipalities with populations of less than 500,000.

c. Delete $2,700,000 GPR in 1997-98 and $5,000,000 GPR in 1998-99 and provide an equivalent amount of SEG from the environmental management account of the environmental fund. Under this provision, the Commerce brownfields grant program would be funded at $10 million in the 1997-99 biennium ($2.3 million GPR and $7.7 million environmental fund SEG, including $5.0 million in ongoing base funds).

d. Provide that eligible brownfields redevelopment costs do not include the costs of construction of new facilities for any purpose other than environmental remediation activities (however, acquiring a brownfields facility or site, and razing, demolishing, removing, reconstructing, renovating or rehabilitating existing facilities would be allowed). Rather than allowing grants to fund "environmental audits," the definition of eligible environmental remediation activities would be expanded to include investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution.

e. Specify that a property owner would be eligible for a grant if the person who controlled the hazardous substance prior to its discharge (in addition to the party who caused the spill) is unknown or unable to pay for the cleanup.

f. Eliminate the requirement that the grant recipient must make an attempt to recover costs from the responsible party, before a grant could be received.

[Act 27 Sections: 186c, 202m, 4351 and 9110(2),(3)&(4)]

32. CDBG PRIORITY FOR BROWNFIELDS REDEVELOPMENT

Governor/Joint Finance: Include a statutory provision which would require that, to the extent that would be allowed under federal law or regulation, the Department should give priority to projects related to the redevelopment of brownfields in awarding grants under the Community Development Block Grant (CDBG) program. Brownfields would be defined as abandoned, idle or underused industrial or commercial facilities, the expansion of which is adversely affected by actual or perceived environmental contamination.

[Act 27 Section: 4344]

33. ESTABLISH BUSINESS DEVELOPMENT ASSISTANCE CENTER [LFB Paper 606]

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$517,100	2.00	- $25,200	0.00	$491,900	2.00

Governor: Expand the responsibilities of the existing Bureau of Permit and Business Assistance and change the name to the "Business Development Assistance Center." The bill would provide $250,400 in 1997-98 and $266,700 in 1998-99 from the petroleum inspection fund and 2.0 positions beginning in 1997-98 to support the additional responsibilities. Of the total amounts appropriated, $150,000 would be provided annually to fund development of internet links and geographic information system databases. The remaining $100,400 in 1997-98 and $116,700 in 1998-99 would fund the two positions.

The new Business Development Assistance Center would be required to provide information about the permit guarantee program which, under the bill, is required to be established by rule by the Department of Natural Resources (DNR). The center would have to make information available about the time limits that would apply to determinations on applications for licenses, permits and other approvals under the DNR program. The Center would also be authorized to make information available about the timeliness of DNR determinations on applications for the licenses, permits and other approvals. The bill would require DNR to establish a program, by rule, which would specify the allowable limits for DNR approval of certain licenses, permits or other approvals and to refund fees paid by applicants if DNR failed to approve an application prior to the established time limit. (Shown under "Natural Resources -- Water Quality.")

The Business Development Assessment Center would be required to act as an ombudsman for brownfields redevelopment projects. As ombudsman the center would have to:

a. Promote brownfields redevelopment projects and related educational efforts.

b. Coordinate interagency activities and responsibilities related to brownfields redevelopment projects.

c. Coordinate, with the Department of Workforce Development (DWD), training programs or activities for unemployed persons who reside in the vicinity of a brownfields redevelopment project.

The Center would also be required to assist in administering the brownfields grant program that the bill would create under the Department of Commerce.

The Center would be authorized to charge for services provided. Any amount charged could not exceed the actual cost of the services, unless a specific charge for the service or method of calculating the charge was provided by law. Amounts received for services provided would be deposited in a newly created program revenue continuing appropriation. The bill also includes a provision which would require regulatory agencies to provide the center with written notification of a change to a permit along with a copy of the new or revised permit, before the effective date of the change.

For the purpose of the Center's administrative responsibilities, "brownfields" would be defined as abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

The Bureau of Permit and Business Assistance was created from the Permit Information Center by 1995 Wisconsin Act 27 (the 1995-97 biennial budget). The Bureau's responsibilities include: (a) serving as a state clearinghouse for information on state permits; (b) acting to expedite the process of permit application, review and issuance; (c) monitoring the status of permit applications and agreements reached in preapplication meetings; (d) providing advocacy services before regulatory agencies on behalf of permit applicants and advocating relevant legislative changes; and (e) providing mediation or dispute resolution services related to permit applications. The Bureau is currently prohibited from charging for services it provides and is primarily funded by GPR from the Department's economic and community development general program operations appropriation. Two positions that perform activities related to compliance with the federal Clean Air Act are funded by program revenue.

Joint Finance: Include provisions and modify appropriation language to clarify that the newly created SEG appropriation could be used to fund Center activities in addition to staff.

Assembly/Legislature: Decrease funding by $25,200 petroleum inspection fund SEG in 1997-98 to reflect the delay in hiring 2.0 positions to support additional brownfields related responsibilities in the Business Development Assistance Center.

[Act 27 Sections: 59, 195, 202, 3277, 3278, 4337, 4443 thru 4462 and 4464 thru 4477]

34. CREATE A MINING ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM [LFB Paper 249]

	Chg. to Base
SEG	$200,000

Governor: Repeal the Badger Fund and Badger Board and related statutory provisions. As a result, the Badger Fund's recreational grant program and the use of monies for general equalization school aids would be eliminated. All future mining tax revenues would be placed in the Investment and Local Impact Fund (ILIF). (Shown under "Revenue.")

The bill would create a mining economic development grant and loan program that would be administered by Commerce. Under the program, the Development Finance Board would be authorized to make grants or loans to specified entities, up to a maximum amount for each purpose as follows:

a. To a business, to finance costs associated with start-up, maintenance or expansion in an area affected by mining. The maximum grant or loan that could be awarded for this purpose would be $100,000.

b. To a city, village, town or county, to develop an economic diversification plan. The maximum grant or loan that could be awarded for this purpose would be $100,000.

c. To a city, village, town, county, community-based organization or local development corporation, to establish a local revolving fund to finance businesses that would create long-term employment opportunities. The maximum grant or loan that could be awarded for this purpose would be $200,000.

d. To a community-based organization or local development corporation to conduct a local economic development project that would create long-term employment opportunities and that would provide assistance to businesses or entrepreneurs. The maximum grant or loan that could be awarded for this purpose would be $100,000.

e. To a business, to obtain professional services that would be related to the start-up, maintenance or expansion of the business, including assistance with feasibility studies or financial marketing plans and managerial assistance after start-up or expansion. The maximum grant or loan that could be awarded for this purpose would be $15,000.

The Board could not award a grant or loan if the proceeds would be used to establish or expand a business that would be solely dependent on mining activity. In making awards, the Board would be required to consider both the general and targeted area criteria considered in making awards for WDF programs. The Board would also have to consider the extent to which the business or other entity that would be assisted by the project would be likely to provide stable, long-term employment opportunities that would reduce the dependence of the area on mining.

Two separate appropriations would be created under Commerce for the program. A continuing, segregated appropriation, funded by amounts transferred from the ILIF, would be created to fund the mining economic development grants and loans. A total of $200,000 SEG would be provided from the ILIF in 1997-98 to fund the grants and loans. The bill would also create a separate program revenue appropriation for repayments of grants and loans. Repayments received in this appropriation could also be used to fund mining economic development grants and loans.

Commerce, with the approval of the Board, would be required to promulgate rules which would establish standards and policies for awarding mining grants and loans that would be consistent with policies and standards established by rule for awarding WDF grants and loans. The Department would also be required to promulgate rules that would govern the application processes for mining economic development grants and loans and for grants and loans made from local revolving funds that would be established with grant or loan monies.

Under the program, an area affected by mining would mean an area in which all of the following would apply: (a) public and private infrastructure is or was provided to support mining activity; (b) public funds are or were expended for costs associated with mining activity; and (c) construction of a mine has begun and economic diversification would be necessary to reduce dependence on mining activity for the long-term economic growth and stability of the area. Business would mean a company located in the state, a company that has made a firm commitment to locate a facility in the state or a group of companies of which at least 80% are located in the state. Community-based organization would mean an organization that is involved in economic development and helps businesses that are likely to employ persons. A local development corporation would be defined to mean the elected governing body of a federally recognized American Indian tribe or band in the state or any business created by the elected governing body. A local development corporation would also be a nonprofit business organized under state law that operated within specific geographic boundaries and that promoted the economic development within the specific geographic area. Mining would mean metallic mining.

Under current law, Wisconsin imposes a net proceeds tax on metalliferous mining operations, in lieu of local property taxation. Revenues from the net proceeds tax are placed in the ILIF which is administered by the Investment and Local Impact Fund Board (ILIFB). The Board, which is attached to DOR, makes various required and discretionary payments from the fund to compensate counties, municipalities and Native American communities for the costs associated with mining.

Revenues that accrue above certain statutory amounts are deposited in the Badger Fund. When net proceeds tax revenues are sufficient, 40% of total collections are transferred to the Badger Fund. In addition, any balance in the ILIF in excess of $20 million is also transferred to the Badger Fund and placed in a separate account. The Badger Fund is administered by the Badger Board which is composed of the Governor or a designee and the Secretaries of Revenue, Development and Natural Resources and the Board of Commissioners of Public Lands.

Interest on the balance in the Badger Fund is required to be used for two purposes:

a. Fifty percent must be used to make grants to counties, cities, villages and towns to fund the capital costs of recreational facilities. The Badger Board may award grants to municipalities for the capital costs, but not the operating or maintenance costs, of recreational facilities including picnic and camping grounds, hiking trails, trail-side campsites and shelters, cross-country ski trails, bridle trails, nature trails, snowmobile trails and areas, beaches and bath houses, toilets, shelters, wells and pumps, fireplaces, tennis courts, softball diamonds, baseball diamonds, soccer fields, playgrounds and playground equipment and for purchases of land for those purposes.

b. The other fifty percent is required to be used for state general equalization aids for school districts.

Under the provisions of 1995 Wisconsin Act 27 (the 1995-97 biennial budget), the June 30, 1997, balance in the Badger Fund (an estimated $5.9 million) will be transferred to the general fund.

Joint Finance/Legislature: Include provision, but require that the amount transferred from the ILIF include the balance in the reserve. Also, direct the Investment and Local Impact Fund Board to make a grant of $480,000 to the City of Ladysmith from the balance in the Investment and Local Impact Fund.

Veto by Governor [B-9]: Delete the provision which directs the Investment and Local Impact Fund Board to make a $480,000 grant to the City of Ladysmith.

[Act 27 Sections: 84, 198, 203, 265, 379, 704, 832, 843, 2237 thru 2251, 2685, 4352 and 9110(3g)]

[Act 27 Vetoed Section: 9143(2n)]

35. INTERNAL REORGANIZATION

Governor/Legislature: Transfer 6.0 GPR positions between appropriations to reflect the internal reorganization of the Department. This would transfer the funding source for the positions to the division for which they perform administrative activities.

36. MINOR TRANSFERS BETWEEN APPROPRIATIONS

Governor/Legislature: Transfer the spending authority for 2.0 GPR positions from the regulation of industry, safety and buildings general program operations appropriation to the economic and community development general program operations appropriation to align the funding with administrative responsibilities.

37. MODIFICATIONS TO PHYSICIAN AND HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAMS [LFB Paper 250]

Governor: Modify the Physician Loan Assistance (PLAP) and the Health Care Provider Loan Assistance (HCPLAP) programs as follows:

a. The definition of an eligible practice area under both programs would be modified to be a primary care shortage area, an American Indian reservation or trust lands of an American Indian tribe. An eligible practice area would no longer include an obstetric shortage area, a state or federal prison or an area health education center established under federal law. Consequently, the definition of obstetric shortage area would be deleted. For the PLAP, mental health shortage area would be substituted for the current psychiatric shortage area that is included in the definition of eligible practice area. A mental health shortage area would have the same definition as a psychiatric shortage area except the area would have to have a shortage of psychiatric professionals rather than manpower and it would exclude a state or federal prison or state or county mental hospital.

b. The definition of primary care shortage area would be modified to be a primary care health professional shortage area as determined under federal law, excluding a state or federal prison. The current definition does not exclude state or federal prisons. Delete the current provision that a primary care shortage area could be established by the Department based on the advice of the Rural Health Council in an area in which the ratio of the population to the number of physicians who provide primary care is more than 2,500 to one.

c. The loan repayment agreement between the Department and the physician or the health care provider would require the physician or health care provider to practice at least 32 clinic hours per week in one or more eligible practice areas in the state. Clinic hours would mean hours spent working with patients in a clinic.

d. The period over which loans would be repaid by the state would be reduced from five to three years for both programs. Under the PLAP, loans would be repaid at the following rate: (1) 40% of the principal of the loan up to $20,000 during the first year of participation in the program; (2) an additional 40% of the principal of the loan up to $20,000 during the second year of participation; and (3) an additional 20% of the principal of the loan up to $10,000 during the third year of participation. HCPLAP loans would be repaid according to the following schedule: (1) 40% of the principal of the loan up to $10,000 during the first year of participation in the program; (2) an

additional 40% of the principal of the loan up to $10,000 during the second year of participation; and (3) an additional 20% of the principal of the loan up to $5,000 during the third year of participation. The maximum amount of a loan that could be repaid over the three years would remain $50,000 for the PLAP and $25,000 for HCPLAP.

e. Commerce would be required to establish penalties, by rule, that would be assessed against physicians and health care providers who breached a loan repayment agreement. The rules would be required to: (1) specify what actions would constitute a breach of the agreement; (2) provide specific penalty amounts for specific breaches; and (3) provide exceptions for certain actions, including breaches of agreements resulting from death or disability.

f. Funding for the PLAP, HCPLAP and the contract with the University of Wisconsin Office of Rural Health would be consolidated into a new separate, GPR continuing appropriation. A total of $388,700 GPR would be provided annually. The current appropriations that are used to provide funding for the PLAP, HCPLAP and contract would be repealed. Base level funding for each appropriation is as follows: (1) $53,000 GPR for the HCPLAP; (2) $317,200 GPR for the PLAP; and (3) $18,500 GPR for the contract. The current PLAP and HCPLAP appropriations are continuing appropriations; the appropriation used to fund the contract is biennial.

g. The current requirement that the Department, with the advice of the Rural Health Council, establish primary care and obstetric shortage areas would be repealed. Similarly, the requirement that the Office of Rural Health provide recommendations to the Department and Rural Health Council regarding establishment of such shortage areas would also be repealed. The definition of primary care under the PLAP would be repealed and incorporated into the definition of physician. Physician would be an M.D. or D.O. who specialized in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry. Finally, a provision related to reimbursement for certain obstetric and gynecological care under medical assistance would be modified to reference the definition of primary care shortage area included in the bill.

The PLAP is a program that repays loans for physicians who agree to practice primary care (including family medicine, general internal medicine and pediatrics) in an eligible practice area. An eligible practice area includes a primary care shortage area, an obstetric shortage area, a psychiatric shortage area, a state or federal prison, an area health education center program or an Indian reservation in Wisconsin. The Department may also enter into agreements with physicians who will practice psychiatry or obstetrics in shortage areas. A primary care shortage area is an area in which the ratio of the population to the number of physicians who provide primary care is more than 2,500 to one or an area that is in a primary health care professional shortage area as determined under federal law. Through PLAP Commerce may repay, on behalf of the physician, up to $50,000 over a five-year period in educational loans obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for post-graduate medical training. The loans are repaid according to the following schedule: (1) 10% of the principal up to $5,000 in the first year; (2) an additional 12.5% of the principal up to $6,250 in the second year; (3) an additional 15% of the principal up to $7,500 in the third year; (4) an additional 20% of the principal up to

$10,000 in the fourth year; and (5) an additional 42.5% of the principal up to $21,250 in the fifth year. The PLAP is funded by a separate GPR continuing appropriation. Base level funding is $317,200.

The HCPLAP is a program that repays loans of primary health providers (physician assistants, nurse-midwives and nurse practitioners) who agree to practice in areas that are underserved by primary care providers. Eligible practice areas and primary care shortage areas are defined the same under HCPLAP as under PLAP except psychiatric shortage areas are excluded. Commerce may repay, on behalf of health care providers, up to $25,000 over a five-year period in educational loans obtained from a public or private lending institution for education related to the health care provider's field of practice. The loans are repaid according to the following schedule: (1) 10% of the principal up to $2,500 in the first year; (2) an additional 12.5% of the principal up to $3,125 in the second year; (3) an additional 15% of the principal up to $3,750 in the third year; (4) an additional 20% of the principal up to $5,000 in the fourth year; and (5) an additional 42.5% of the principal up to $10,625 in the fifth year. The HCPLAP is funded by a separate GPR, continuing appropriation. Base level funding is $53,000.

Joint Finance/Legislature: Make technical modifications that would include defining expanded physician and health care provider loan assistance programs to mean programs funded through federal and state matching funds. Also, Department authority to repay eligible loans of eligible physicians or health care providers would have to include those who were qualified under current law provisions and who also met the following criteria: (a) agreed to accept medicare assignment; (b) agreed to use a sliding fee scale or a comparable method of determining payment arrangements for patients who are not eligible for medicare or medical assistance and who are unable to pay the customary fee for physician's or health care provider's services; (c) agreed to practice at a public or non-profit entity in a health professional shortage area; (d) was a U.S. citizen; and (e) did not have a judgement lien against his or her property for a debt to the U.S.

[Act 27 Sections: 189 thru 192, 1942, 4405 thru 4407, 4407j, 4408 thru 4421, 4421b, 4421c, 4421d, 4421e, 4421f, 4422 thru 4426, 4426n, 4427 thru 4429, 4429p, 4430 thru 4439, 4439b, 4439c, 4439d, 4439e, 4439f, 4440, 4441, 4441n, 4442 and 9310(1)]

38. DEVELOPMENT ZONES PROGRAM CHANGES [LFB Paper 251]

Governor: Modify the state development zones program as follows:

a. Increase the statewide total amount of credits that could be claimed by $5 million to a total of $33.155 million.

b. Authorize the Department of Commerce to increase the established limit for tax benefits for all current development zones.

c. Authorize local governing bodies to apply to the Department of Commerce for up to five twelve-month extensions (rather than three extensions currently) of the designation of an area as a development zone.

d. Provide that, if an area that is nominated or designated as a development zone includes one or more entire counties, then any city, village or town that was partially located in the area would have to be entirely included in the area that was nominated for designation or designated as a development zone.

e. Eliminate the current development zones tax credits from the definition of tax benefits that are provided through the state development zone, development opportunity zone and enterprise development zone programs, starting with tax years that begin on January 1, 1998. To replace the current development zone credits, a new consolidated development zone credit, based on amounts spent on environmental remediation and the number of new jobs created or retained would be provided. (Shown under "General Fund Taxes".)

The development zone program was created by 1987 Wisconsin Act 328. Under the provisions of Act 328, the Department of Commerce (at that time, the Department of Development) was given authority to designate eight development zones throughout the state and a total of $14 million was authorized for tax credits over the life of the program. Since it was first established in 1987, the development zone program has been expanded three times. In 1990, the development zone program was expanded to allow for designation of four additional zones and an additional $4.155 million in total tax credits. In 1993 Wisconsin Act 16 (the 1993-95 budget), the program was further expanded to increase by two, to a total of 14 zones, the total number of development zones that could be designated. The total amount of tax credits that could be allocated was increased by $3 million to $21.155 million. Finally, 1995 Wisconsin Act 209 increased the number of development zones that could be designated from 14 to 18 and the total amount of statewide credits was increased by $7 million, to a total of $28.155 million.

The Department of Commerce allocates the total statewide authorization of development zone credits (currently $28.155 million) to each of the eighteen development zones. In addition, the 14 zones that were designated before April 25, 1996, are eligible for an additional allocation of $500,000 in tax benefits. A development zone designation expires 90 days after the day on which the Department determines that foregone tax revenues will equal or exceed the total credit allocation for the zone.

Businesses which locate, expand, invest and conduct certain economic activities in the zones are eligible to claim the development zone tax credits. The Department certifies each business as eligible for tax benefits and assigns credits to the certified businesses based on plans submitted by the business and recommendations by local officials. Commerce is also responsible for monitoring and evaluating implementation of the program, applying for available federal assistance for the program and providing technical assistance both to local governments in preparing applications and plans and to persons applying for tax benefits.

To be designated as a development zone, an area must have certain required characteristics related to a high level of unemployment or poverty and decreasing property values. An area that is designated a development zone is subject to certain property value and population limits. A development zone cannot include more than 10% of the property value of the city, village or town in which it is located. Also, a development zone in a first class city must contain a population of at least 4,000 up to a maximum of 10% of the total population of the city. In other cities, villages or towns, a development zone must include a population of between 1,000 and 10,000. A development zone is required to have a contiguous border following natural or man-made boundaries and consist of contiguous blocks, census blocks or similar units. An entire county (or counties) can be designated as a development zone if the total population is less than 75,000. In a first class city, up to eight separate areas can be designated as a single development zone. Two separate areas in other municipalities may be designated a development zone, if certain requirements are met. Four separate areas may be designated a zone in a county.

Based on its evaluation of nomination applications and project plans, Commerce designates an area as a development zone. Designation as a development zone is effective for seven years (84 months). The local governing body can apply to Commerce for up to three, one-year extensions of the designation.

Assembly/Legislature: Authorize Commerce to designate four new development zones. As a result, the number of authorized development zones would increase from 18 to 22.

[Act 27 Sections: 4504j, 4507 thru 4511 and 9310(10)]

39. DEVELOPMENT FINANCE BOARD

Joint Finance/Legislature: Require the Development Finance Board to include one majority and minority party Senator and Assembly Representative. The legislators would be appointed in the same manner as are members of the standing committees of the respective houses of the Legislature. In addition, require that, at least 10 days before a Wisconsin Development Fund grant or loan is made, Commerce would be required to notify the Senator and Assembly Representative for the district in which the loan or grant recipient is located of the date, time and location that the grant or loan will be presented to the recipient.

Veto by Governor [B-5]: Delete provision.

[Act 27 Vetoed Sections: 59c and 4499e]

40. FORESTRY EDUCATION GRANT PROGRAM

	Chg. to Base
SEG	$200,000

Joint Finance/Legislature: Create a forestry education grant program administered by the Department of Commerce. Authorize the Department to make grants to nonprofit organizations to fund forestry education programs and instructional materials for K-12 classroom education in public schools. Require that the instructional materials be developed by the grant recipients and be approved by Commerce and the University of Wisconsin-Stevens Point College of Natural Resources, Timber Management Program. Further, make dispersal of funding contingent on the signing of a memorandum of understanding between Commerce, UW-Stevens Point and the grant recipient. Provide annual funding of $100,000 SEG in a continuing appropriation from the forestry account of the conservation fund.

[Act 27 Sections: 204m and 4404m]

41. STUDY ON HOME-BASED BUSINESS

Joint Finance/Legislature: Require the Department of Commerce to conduct a study on the barriers to starting and operating home-based businesses and on encouraging further development of home-based businesses in the state and to deliver the study to the appropriate standing committees of the Legislature on or before January 1, 1998.

[Act 27 Section: 9110(6h)]

42. DOWNTOWN WISCONSIN FUND STUDY

Joint Finance/Legislature: Require the Department of Commerce to study the possibility of creating a "Downtown Wisconsin" fund to provide financial assistance to small- and medium-sized municipalities to assist in making downtown commercial districts vibrant and economically healthy, preserve farmland and prevent urban sprawl. Require the study to include the potential for coordinating assistance through the current heritage tourism and main street programs. Direct the Department to report to the Joint Committee on Finance at its second quarterly meeting under s. 13.10 in 1997-98 (December, 1997).

Veto by Governor [B-7]: Delete provision.

[Act 27 Vetoed Section: 9110(6n)]

43. MINORITY BUSINESS DEVELOPMENT AND TRAINING PROGRAM

Joint Finance: Transfer authority to administer the minority business development and training program from the Milwaukee Metropolitan Sewerage District (MMSD) to the Department of Commerce. Remaining Clean Water Fund bonding authority of about $4.6 million to fund the program would also be transferred. The minority business and training program is designed to provide on-the-job training to minority individuals and contractors that participate in MMSD construction projects.

Assembly/Legislature: Delete provision.

44. AGENCY BUDGET REDUCTIONS

	Chg. to Base
GPR-Lapse	$71,800

Assembly/Legislature: Require that the Secretary of DOA annually allocate reductions of $35,900 to Commerce's sum certain GPR state operations appropriations to be achieved by requiring Commerce to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

45. ELIMINATION OF HAZARDOUS POLLUTION PREVENTION COUNCIL

Assembly/Legislature: Repeal the Hazardous Pollution Prevention Council in the Department of Commerce on the general effective date of the budget act. The Council consists of seven members appointed by the Governor for three-year terms. The Council is required to: (a) monitor and make recommendations to the Department of Commerce and other state agencies concerning pollution prevention activities in the state; (b) advise Commerce and other state agencies on the promotion of hazardous pollution prevention; (c) recommend educational priorities to the UW-Extension for its hazardous pollution prevention program; and (d) with the assistance of Commerce, DNR and the UW-Extension prepare and submit to the Governor and Legislature, by February 15, of each odd-numbered year, a report on the Extension's hazardous pollution program, state hazardous pollution prevention activities and the hazardous pollution prevention activities of Commerce and other state agencies.

[Act 27 Sections: 59e, 1167b, 3786f, 3786h, 3786j, 3786L, 4442c, 4442e, 4442g, 4442i, 4442k and 4442m]

Building and Environmental Regulation

1. RECYCLING MARKET DEVELOPMENT PROGRAM [LFB Paper 591]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	0.00	$3,000,000	0.00	$0	0.00	$3,000,000	0.00
SEG	5,635,700	4.00	- 647,000	0.00	647,000	0.00	5,635,700	4.00
Total	$5,635,700	4.00	$2,353,000	0.00	$647,000	0.00	$8,635,700	4.00

Governor: Provide $2,817,600 in 1997-98 and $2,818,100 in 1998-99 and 4.0 positions from the recycling fund to implement current law requirements that transfer the Recycling Market Development Board (RMDB) from UW-Extension to Commerce. 1995 Act 27 transferred the attachment of the RMDB from DOA to UW-Extension. Act 27 also transfers the RMDB from UW-Extension to Commerce on the later of July 1, 1997, or the effective date of the 1997-99 biennial budget act. (Current funding for the RMDB of $8,660,200 SEG annually with 4.0 positions is deleted under UW-Extension.)

Funding would include $2,500,000 in each year for financial assistance and $317,600 in 1997-98 and $318,100 in 1998-99 and 4.0 positions annually for program operations. The bill would not transfer the incumbents holding the 4.0 RMDB positions at UW-Extension to Commerce.

Make the following changes to the RMDB: (a) decrease funding for financial assistance from $8,343,000 in 1996-97 to $2,500,000 annually; (b) remove authorization for an unclassified executive director; (c) provide that the Secretary of Commerce or his or her designated representative serve as chairperson of the RMDB (rather than the current annual election of a member as chair by the Board); (d) provide that Commerce, rather than the RMDB, provide 4.0 staff positions for the RMDB; (e) provide that all financial assistance provided by the RMDB continue to be awarded by the RMDB but paid by Commerce; (f) delete the requirement that the RMDB consult with the Council on Recycling when the RMDB annually establishes a list of materials recovered from solid waste for which the RMDB may award financial assistance; (g) specify that Commerce shall utilize the financial assistance appropriation to provide financial assistance awarded by the RMDB and to pay contracts entered into by the RMDB with other persons to accomplish the powers and duties of the RMDB; (h) repeal the requirement that the RMDB contract with UW-Extension for administrative staff services; and (i) repeal the requirement that UW-Extension conduct a study of the future of the RMDB and submit it to the Governor and Legislature by October 1, 1996 (UW-Extension submitted the report on November 15, 1996).

Joint Finance: Modify the Governor's recommendation as follows: (a) provide $1,500,000 PR annually from loan repayments for financial assistance; (b) decrease funding for financial assistance by $323,500 SEG annually from $2,500,000 to $2,176,500 ($7,353,000 would be available in the biennium including revenues from loan repayments); (c) provide the 4.0 positions as project instead of permanent; (d) retain authorization of the executive director as an unclassified position but specify that the position would be appointed by the Secretary of Commerce rather than the Governor; (e) maintain the current requirement that the RMDB annually elect a member to be chair of the RMDB; (f) maintain the current requirement that the RMDB consult with the Council on Recycling when the RMDB annually establishes a list of materials recovered from solid waste for which the RMDB may award financial assistance; (g) specify that the RMDB's programs focus on the reuse of materials recovered from solid waste as well as on the recycling of these materials; (h) require the RMDB's priority list of materials for which the RMDB may provide assistance give priority to recyclable materials that are banned from landfills and that would support community recycling efforts; (i) provide a sunset date of June 30, 2001, for the Board; and (j) retain the PR loan repayments appropriation and authorize Commerce to utilize the appropriation after the sunset date to provide financial assistance for recycling market development.

Assembly/Legislature: Make the following changes: (a) provide $323,500 SEG annually from the recycling fund to increase RMDB financial assistance from $2,176,500 to $2,500,000 annually (a total of $8 million would be available in the biennium); (b) specify that the four incumbent staff to the RMDB be transferred from the University of Wisconsin-Extension, with any rights and benefits previously earned, to fill four project positions in Commerce (rather than not transfer the incumbents); (c) direct Commerce to use the RMDB's existing strategic plan to guide the activities of the RMDB; and (d) expand the duties of the RMDB to include to contract with, and provide sufficient funding for, an existing materials exchange program to operate a statewide materials exchange program until December 31, 1999. (A materials exchange is a service which provides information regarding wastes available for reuse and helps to connect waste generators with parties that can use the waste being generated.)

[Act 27 Sections: 44d, 59d, 119d, 200, 200d, 204, 204d, 205, 205d, 750, 1167d, 3620m, 3620s, 3621 thru 3632, 4338c thru 4338i, 4349d, 4497d, 9153(3g) and 9410(5g)]

2. PECFA AWARDS [LFB Paper 265]

	Chg. to Base
SEG	$14,200,000

Governor/Legislature: Provide $7,100,000 annually from the petroleum inspection fund to increase funding for awards under the Petroleum Environmental Cleanup Fund Award (PECFA) program from the base level of $84,031,700 to $91,131,700 per year in a biennial appropriation.

3. PECFA DATABASE

	Chg. to Base
SEG	$485,300

Governor/Legislature: Provide $285,000 in 1997-98 and $200,300 in 1998-99 (on a one-time basis for the 1997-99 biennium) from the petroleum inspection fund to develop a database for the Petroleum Environmental Cleanup Fund Award (PECFA) program. The database would provide an automated tracking system for PECFA sites, including information about the status of claims and site cleanup. The funds would be used to contract with a computer programmer to develop the database.

4. PECFA -- EXPERT WITNESS COSTS [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	$300,000	- $250,000	$50,000

Governor: Provide $150,000 annually from the petroleum inspection fund for expert witness expenses in legal matters under the PECFA program. Place the funds in unallotted reserve to be released upon approval by DOA.

Joint Finance/Legislature: Provide $25,000 annually instead of $150,000 annually.

5. PECFA -- HOME HEATING OIL AWARD SET-ASIDE [LFB Paper 267]

Governor: Eliminate the $500,000 annual maximum allocation for home heating oil tank awards. Instead, specify that the current set-aside of 5% of the PECFA awards appropriation for public school district heating oil tanks would also include home heating oil tanks.

Joint Finance/Legislature: Delete the Governor's recommendation and the current $500,000 cap. Rather, specify that home heating oil tank claims shall be reviewed and paid as soon as they are received.

[Act 27 Section: 2595b]

6. PECFA -- CHANGE IN REMEDIATION ACTIVITIES [LFB Paper 268]

Governor: Authorize Commerce to make additional PECFA payments for costs to enhance the approved remedial action activities or implement new remedial action activities if the originally approved remedial action activities failed to remedy the discharge. The total amount of the original award plus additional PECFA payments would be subject to the current maximum award limits.

Under current administrative rule interpretations, Commerce does not provide PECFA reimbursement for these expenses.

Joint Finance/Legislature: Approve the Governor's recommendation, but authorize payment only for changes the Department determines will remedy the discharge without increasing the overall costs of the cleanup.

[Act 27 Section: 2597]

7. PECFA -- INTEREST COST REIMBURSEMENT [LFB Paper 269]

Governor: Require that PECFA reimbursement for interest costs incurred by a PECFA claimant may not exceed the prime rate. Direct Commerce to promulgate emergency rules to implement the provision. The provision would first apply to interest costs incurred on the first day of the fifth month after the effective date of the budget act. Currently, there is no statutory limit on PECFA reimbursement for interest costs.

Current administrative rules limit reimbursable interest rates for loans secured after January 31, 1993, to no more than 2% above the prime rate. Rules also allow reimbursement of loan origination fees at no more than two points of the loan principal and reimbursement of loan renewal fees at no more than 1% of the unreimbursed amount and remaining available loan balance (the bill would not affect these provisions).

Joint Finance: Specify that on the effective date of the budget act: (a) the limitation of interest costs to the prime rate would first apply to loans secured (instead of to interest costs incurred); (b) loan origination fees would be limited to no more than one point (rather than two) of the loan principal; and (c) reimbursement of loan renewal fees would be eliminated.

Assembly/Legislature: Modify PECFA reimbursement for loans secured on the effective date of the budget act as follows: (a) limit interest costs to the prime rate plus 1%; (b) statutorily limit reimbursement of loan origination fees to no more than 2% of the loan principal; and (c) statutorily limit reimbursement of loan renewal fees to no more than 1% of the principal amount of the loan.

Veto by Governor [B-3]: Delete the statutory limit on reimbursement of loan renewal fees. Administrative rules would continue to limit reimbursement of loan renewal fees to no more than 1% of the unreimbursed amount and remaining available loan balance.

[Act 27 Sections: 2598 thru 2598f, 9110(5) and 9310(5m)]

[Act 27 Vetoed Sections: 2598f and 9310(5m)]

8. PECFA -- SERVICE PROVIDERS [LFB Paper 270]

Governor: Authorize Commerce to promulgate administrative rules to deny reimbursement of costs incurred for a specific service (specified in the rule) if the owner or operator of the PECFA site did not use the same service provider approved by Commerce.

Further, authorize Commerce to promulgate administrative rules under which the Department would select service providers to provide investigation or remedial action services in specified areas. Allow Commerce to: (a) deny PECFA reimbursement to an owner or operator who uses a service provider other than the one approved by Commerce for the area; or (b) limit PECFA reimbursement to the amount that the selected service provider would have charged for the service. Current administrative rules authorize, but do not require, owners or operators with commingled contamination to voluntarily combine, or "bundle" sites into one project.

Joint Finance/Legislature: Delete the first paragraph above which would authorize Commerce to deny reimbursement of costs incurred for a specific service if an owner or operator does not use an approved provider. Further, direct Commerce to update, on a regular basis, the list of service providers that it selects to provide services in specified areas.

[Act 27 Section: 2599]

9. PECFA -- INELIGIBLE COSTS [LFB Paper 271]

Governor: Require that if a claimant submits a PECFA claim that includes certain ineligible costs, as identified in administrative rule, the amount of the PECFA award paid to the claimant would be reduced by subtracting the ineligible costs from the amount of eligible costs as a penalty. The provision would first apply to claims submitted on the first day of the third month beginning after the effective date of the bill.

Joint Finance/Legislature: Modify the Governor's recommendation to: (a) subtract an amount equal to half (rather than all) of the ineligible costs from the eligible costs when paying a PECFA award; (b) require that if a consultant prepares a PECFA claim for an owner or operator, that the consultant pay an amount equal to half of the ineligible costs; (c) prohibit the consultant from charging the owner or operator for the penalty; (d) delay the effective date of the provision by four months to the first day of the seventh month beginning after the effective date of the budget act; and (e) authorize Commerce to promulgate emergency rules to implement the provision.

[Act 27 Sections: 906, 2602, 9110(4m), 9310(4) and 9410(1m)]

10. PECFA -- SALE OF REMEDIAL EQUIPMENT

Governor/Legislature: Require that when a person sells any remedial equipment or supplies that were purchased with PECFA funds, the person must pay the proceeds of the sale to Commerce. Direct Commerce to deposit the proceeds into the petroleum inspection fund. If the person fails to pay the proceeds of the sale to the state, direct the Attorney General to take action to recover the moneys. The amount of any proceeds of the sale of equipment would not change the reimbursement entitlement amount to an owner, operator or home heating oil tank owner.

[Act 27 Sections: 906 and 2603 thru 2607]

11. PECFA -- ABOVEGROUND TANK ELIGIBILITY [LFB Paper 272]

Governor: Eliminate PECFA eligibility for aboveground petroleum storage tank systems: (a) after they meet state standards for upgrading an existing system; or (b) are new, aboveground systems that meet state performance standards and that are installed after April 30, 1991. Sites with upgraded or new aboveground systems would remain eligible for PECFA, if they are located on a site on which a petroleum product discharge is confirmed before the upgrading requirements are met or a new system is installed. The eligibility would continue until the earlier of May 1, 2001, or until the 91st day after DNR issues a case closure letter to approve the cleanup of the discharge that occurred before: (a) the upgrading requirements were met; or (b) the new system was installed. The provision would take effect on the first day of the seventh month beginning after the effective date of the bill. Currently, federally-regulated underground petroleum storage tanks are not eligible for PECFA after they meet federal requirements for upgrading or for new systems but there is no parallel requirement for aboveground petroleum storage tanks.

Joint Finance: Approve the Governor's recommendation, but move up the effective date by three months from the first day of the seventh month to the first day of the fourth month after the effective date of the budget act.

Assembly/Legislature: Delete the elimination of PECFA eligibility for aboveground petroleum storage tank systems: (a) after they meet state standards for upgrading an existing system; and (b) if they are new, aboveground systems that meet state performance standards and that are installed after April 30, 1991. Instead, provide eligibility for new and upgraded aboveground tanks until December 22, 2001.

[Act 27 Sections: 2583, 2586, 2589, 2590 and 2591]

12. PECFA -- ELIGIBILITY FOR NON-UPGRADED TANKS [LFB Paper 273]

Governor/Legislature: Repeal a current statutory provision that denied PECFA eligibility for sites with previous PECFA awards. The repeal would provide continued PECFA eligibility for sites that have been cleaned up until they meet federal and state upgrading standards.

[Act 27 Section: 2592]

13. PECFA -- DEDUCTIBLE FOR INTERMINGLED CONTAMINATION

Governor/Legislature: Require that when there is an intermingled plume of contamination that contains discharges from both aboveground and underground petroleum storage tank systems, Commerce calculate the deductible under the PECFA program according to the predominant method of storage at the site, measured in gallons. For example, if the site primarily used aboveground petroleum storage tank systems, then the deductible for aboveground systems would apply. Underground tank sites and farm sites (excluding school districts and technical colleges) have a deductible of $2,500 plus 5% of eligible costs, but not more than $7,500 per occurrence. Aboveground sites have a deductible of $15,000 plus 2% of eligible costs over $200,000 (or plus 5% for eligible costs over $200,000 for terminals).

[Act 27 Section: 2600]

14. PECFA -- DISCHARGES CAUSED BY SERVICE PROVIDERS

Governor/Legislature: Deny PECFA eligibility for discharges that are caused by individuals or organizations who provided services or products to the current or prior owner or operator of the site. Currently, deliveries by contractors, tank installers and other non-owners or non-operators which result in releases to the environment are eligible for PECFA reimbursement. The provision would first apply to discharges caused by providers on or after the effective date of the bill.

[Act 27 Sections: 2601 and 9337(2)]

15. PECFA -- PRIORITY FOR BROWNFIELDS [LFB Paper 274]

Governor: Require Commerce to give priority in paying PECFA awards to claims for cleanups at brownfields. Define "brownfields" to mean abandoned, idle or under used industrial or commercial facilities or sites, where expansion or redevelopment is adversely affected by

environmental contamination. Under current administrative rules, Commerce generally pays claims in the order received.

Joint Finance/Legislature: Delete provision.

16. PECFA -- THIRD PARTY COMPENSATION

Governor/Legislature: Specify that, for third party compensation under the PECFA program, the definition of "property damage" does not include the loss of fair market value resulting from the contamination. Currently, costs of compensation for bodily injury or property damage to third parties caused by a petroleum products discharge at a site with an underground petroleum storage tank are eligible costs under the PECFA program. To date, Commerce has not compensated third parties for the loss of fair market value.

[Act 27 Section: 2582]

17. PETROLEUM LABORATORY IMPROVEMENTS

	Chg. to Base
SEG	$719,400

Governor/Legislature: Provide $719,400 in 1997-98 from the petroleum inspection fund to remodel and upgrade the remaining eight petroleum laboratories to comply with building code correction orders, make health and safety improvements and comply with Americans With Disabilities Act requirements. The Department was authorized $692,700 in 1995-97 for facility design services and construction costs at six laboratories and for health and safety improvements that included chemical hygiene training and flame proof clothing at all 14 labs.

18. PETROLEUM LABORATORY OPERATIONS

	Chg. to Base
SEG	$294,000

Governor/Legislature: Provide $147,000 annually from the petroleum inspection fund to increase base funding for operating costs for equipment purchased during 1995-97 for 14 petroleum laboratories throughout the state. Funding would be used for annual maintenance contracts, repair costs, test supplies, replacement parts and calibration samples. The Department is authorized $769,600 in 1995-97 for laboratory equipment, which included purchase of 14 fuel analyzers, seven sulphur analyzers, 16 automatic distillation units, eight vapor pressure units and 16 fume hoods. New computerized equipment is used in the laboratories to test petroleum products for sulfur, lead, benzene, oxygen content, aromatics, olefin levels, reformulated gasoline content, vapor pressure and potential contamination.

19. PETROLEUM LABORATORY RENT

	Chg. to Base
SEG	$90,000

Governor/Legislature: Provide $35,700 in 1997-98 and $54,300 in 1998-99 from the petroleum inspection fund for estimated rent increases resulting from upgrading 14 petroleum inspection laboratories. Funding would include: (a) $17,600 annually for estimated rent increases associated with six laboratories being upgraded during 1996-97; and (b) $18,100 in 1997-98 and $36,800 in 1998-99 for rent increases associated with eight laboratories which would be upgraded in 1997-98.

20. PETROLEUM INSPECTION POSITION REDUCTION

	Chg. to Base	
	Funding	Positions
SEG	- $54,000	- 1.00

Governor/Legislature: Delete $27,000 and 1.0 program assistant position annually in the petroleum inspection program.

21. AVIATION FUEL PETROLEUM INSPECTION FEE ALLOWANCE [LFB Paper 275]

Governor/Legislature: Make purchasers of aviation fuel on which the petroleum inspection fee has been imposed eligible for reimbursement of two cents for each gallon of aviation fuel purchased in excess of one million gallons per month (while not specified in the bill, DOA indicates that Midwest Express is the only purchaser currently meeting these criteria). Purchasers of aviation fuel for resale would not be eligible for the allowance. Purchasers would be eligible for the allowance for purchases made on or after the effective date of the budget bill. Currently, a petroleum inspection fee of three cents per gallon is imposed on petroleum products brought in to the state, and is collected by DOR at the same time it collects the motor vehicle fuel tax at petroleum company terminals.

To receive an allowance, eligible purchasers would have to file a claim with DOR within 12 months of the purchase of the aviation fuel. DOR would be required to allow or deny the claim within 60 days after the filing of the claim. If DOR does not pay the allowance within 90 days after the purchaser files the claim, DOR would pay interest beginning on the 90th day, at the rate of 9% per year.

Create a sum sufficient appropriation, estimated at $400,000 annually, from the petroleum inspection fund for DOR payment of the allowances (shown under "Miscellaneous Appropriations").

If a purchaser negligently files an inaccurate claim, DOR would be required to take one of the following actions: (a) if DOR has not paid the claim but has allowed a portion of the claim, to reduce the allowance by 25%; or (b) if DOR has paid the claim, require the purchaser to repay the portion of the claim to which the purchaser is not entitled, plus a penalty equal to 25% of the allowance, plus interest on the sum of the unpaid penalty and the amount required to be refunded, accruing from the date that the penalty is imposed, at the rate of 12% per year. DOR would be required to give notice

to the purchaser of imposing a penalty and requiring a refund within four years after the claim was filed.

If a purchaser files a fraudulent claim, DOR would be required to take one of the following actions: (a) if DOR has not paid the claim and does not allow any of the claim, require the purchaser to pay a penalty equal to 50% of the amount claimed, plus interest on the unpaid penalty, accruing from the date that the penalty is issued, at the rate of 12% per year; (b) if DOR has not paid the claim and DOR allows a portion of the claim, to reduce the allowance by 50%; or (c) if DOR has paid the claim, require the purchaser to repay the portion of the amount paid that DOR determines was fraudulently obtained, plus a penalty equal to 50% of the amount claimed by the purchaser, plus interest on the sum of the unpaid penalty and the amount required to be refunded, accruing from the date that the penalty is imposed, at the rate of 12% per year. DOR would be authorized to impose a penalty and require a refund when DOR discovers the fraud committed. Any repayments by purchasers under the provisions for inaccurate or fraudulent claims would be deposited in the general fund. No estimate of revenue is included.

Persons who knowingly sign or verify a fraudulent claim, or who knowingly aid, abet or assist another in making a fraudulent claim or in signing or verifying a fraudulent claim, could be fined not more than $500 or imprisoned for not more than 30 days or both.

[Act 27 Sections: 720, 3118, 3119, 3120, 3121 and 9310(7)]

22. ATTORNEY SERVICES

	Chg. to Base
PR	$17,800
SEG	140,600
Total	$158,400

Governor/Legislature: Provide $8,900 PR from Safety and Buildings program revenue and $70,300 SEG from the petroleum inspection fund annually to support an existing attorney position and to purchase administrative hearing services from the Department of Workforce Development (DWD). The current attorney devotes a majority of time to PECFA activities, with a portion of time devoted to Safety and Building Division and Environmental and Regulatory Services Division personnel actions. The SEG funding would include: (a) $50,300 annually in permanent salaries and fringe benefits to fund the salary of the individual performing PECFA activities; and (b) $20,000 annually to purchase hearing services from DWD. Commerce and DWD have an inter-agency agreement through which DWD's Unemployment Insurance Division provides hearing examiner services to the PECFA program, as was done when the PECFA program was a part of the former Department of Industry, Labor and Human Relations. The $8,900 PR annual funding would be used for Safety and Buildings Division personnel actions.

23. COMPUTER PROGRAMMER AND ANALYST SUPPORT

	Chg. to Base
PR	$13,200
SEG	4,400
Total	$17,600

Governor/Legislature: Provide $4,400 PR and $1,500 SEG in 1997-98 and $8,800 PR and $2,900 SEG in 1998-99 in supplies and services to pay for hourly increases for programmer and analyst support for the Safety and Buildings Division and Environmental and Regulatory Services Division. Programmer and analyst hours are billed to the programs. Program revenue would be provided from current licensing, inspection, plan review and permit fees. Segregated revenue would be provided from the petroleum inspection fund.

24. SAFETY AND BUILDINGS OVERTIME

	Chg. to Base
PR	$194,000

Governor/Legislature: Provide $97,000 annually for approximately 4,100 hours of overtime for building inspections and commercial building plan reviews. Program revenue would be provided from commercial building plan review and inspection fees.

25. PRIVATE SEWAGE SYSTEM TRAINING CENTER

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$135,000	- $135,000	$0

Governor: Provide $45,000 in 1997-98 and $90,000 in 1998-99 as one-time financing to provide funds to the University of Wisconsin - Small Scale Waste Management Project, to construct a private sewage system training center at the UW - Arlington Farm facility. The proposed facility would provide opportunities for plumbing inspectors, plumbers and others to learn about the design, installation, operation and maintenance of private sewage system devices and components. Program revenue would be provided from current Safety and Buildings plumbing and private sewage system licensing and plan review fees.

Joint Finance/Legislature: Delete provision.

26. PECFA -- MAXIMUM AWARD EXTENSION

Joint Finance/Legislature: Extend the date on which the current maximum PECFA award ($1,000,000 or $500,000) decreases to $190,000 by approximately three and one-half years from July 1, 1998, to December 22, 2001.

[Act 27 Sections: 2599g, 2599r and 2600e]

27. IDENTIFICATION OF OXYGENATES IN REFORMULATED GASOLINE

Joint Finance/Legislature: Make the following modifications to labeling of devices that dispense, for sale at retail, reformulated gasoline:

a. Require that the label on the dispensing device shall be marked with the identity of the oxygenate or oxygenates contained in the fuel and delete the specific references to "methyl tertiary butyl ether (MTBE)" and "ethyl tertiary butyl ether (ETBE)."

b. Direct Commerce to review the administrative rules for labeling and consider incorporating the uniform laws and regulations in the areas of legal metrology and engine fuel quality, as adopted by the National Conference on Weights and Measures.

c. Direct Commerce to submit revised rules to the Legislative Council staff no later than the first day of the seventh month beginning after the effective date of the biennial budget act.

d. Specify that the change in labeling requirements would take effect on the first day of the 13th month beginning after the effective date of the biennial budget act.

[Act 27 Sections: 3119m, 9110(6m) and 9410(5m)]

28. PECFA -- ELIGIBILITY FOR CONTAMINATION IDENTIFIED PRIOR TO 1996

Assembly/Legislature: Provide PECFA eligibility for new and upgraded underground petroleum product storage tanks for contamination identified by January 1, 1996. Currently, these tank systems are eligible for PECFA only if cleanup was begun by January 1, 1996. No estimate of costs is available.

[Act 27 Sections: 2588b, 2588d and 2590 thru 2590g]

29. ELIMINATION OF FIRE PREVENTION COUNCIL

Assembly/Legislature: Repeal the Fire Prevention Council and associated statutory functions on the effective date of the budget act. While the statutes do not specify how many or what type of members be appointed to the Council, it was comprised of twelve members appointed by the Secretary of Commerce. The Council was required to review and recommend changes in fire prevention rules.

[Act 27 Sections: 59f, 2580m and 2611m]

COMPENSATION RESERVES

Budget Change Items

1. COMPENSATION RESERVES

Governor: Provide, in the 1997-99 general fund condition statement, $32,307,900 in 1997-98 and $63,730,700 in 1998-99 as GPR compensation reserves for state employes. Total compensation reserve amounts from all fund sources are shown below:

Fund Source	1997-98	1998-99
General Purpose Revenue	$32,307,900	$63,730,700
Federal Revenue	9,183,500	18,154,200
Program Revenue	24,772,800	48,971,500
Segregated Revenue	5,768,000	11,402,400
Total	$72,032,200	$142,258,800

Joint Finance/Legislature: Modify provision to include the transfer of $2,607,700 GPR annually, provided for the increased costs of CY 97 employe health insurance premiums to GPR funded agencies, from program supplements appropriation to compensation reserves. The revised total compensation reserve amounts are shown below:

Fund Source	1997-98	1998-99
General Purpose Revenue	$34,915,600	$66,338,400
Federal Revenue	9,183,500	18,154,200
Program Revenue	24,772,800	48,971,500
Segregated Revenue	5,768,000	11,402,400
Total	$74,639,900	$144,866,500

2. JOINT FINANCE COMMITTEE PAY PLAN RESERVES

Assembly: Provide $7,326,000 GPR in 1997-98 and $14,674,000 GPR in 1998-99 in the Joint Committee on Finance's supplemental GPR appropriation. [The fiscal effect of this action is shown under Program Supplements.] The monies would be reserved for release to the compensation reserves account upon the request of the Secretary of the Department of Administration in the event that the amounts budgeted in compensation reserves are insufficient to meet the costs of nonrepresented pay plans and represented collective bargaining agreements for 1997-99 as approved by the Joint Committee on Employment Relations and the Legislature. Stipulate that the Secretary of DOA may submit a request for the lapsing of these funds for credit to the compensation reserve account to the Joint Finance Committee for approval under a 14-day passive review process.

Senate/Legislature: Modify the Assembly provision by reducing the additional funding provided by $6,000,000 GPR in 1997-98 and by $14,000,000 GPR in 1998-99 (leaving a total of $2,000,000 GPR in the Joint Finance Committee appropriation for this purpose). In addition, create a session law provision requiring that the Legislative Fiscal Bureau certify the estimated net balance of the general fund for 1997-98 and 1998-99 to the Joint Committee on Finance by January 31, 1998, for approval under a 14-day passive review process. Specify that if the estimated 1997-98 net balance, as approved by the Committee, exceeds the amount of the estimated net balance of the general fund for that year as shown in the general fund condition statement of the 1997-99 biennial budget bill, any amount in excess of the balance amount shown in the bill, up to a maximum of $20 million, shall be deposited in the Joint Finance Committee's supplemental GPR appropriation and reserved for lapsing of these funds for credit to the compensation reserve account. Further, specify that if the estimated 1998-99 net balance, as approved by the Committee, exceeds the amount of the estimated net balance of the general fund for that year as shown in the biennial budget general fund condition statement, any amount in excess of the balance amount shown in the bill, up to a maximum of $20 million, less any amount certified for deposit into the Committee's supplemental GPR appropriation for 1997-98, shall be deposited in the Committee's supplemental GPR appropriation and reserved for lapsing of these funds for credit to the compensation reserve account.

[Act 27 Sections: 9101(13n) and 9256(3x)]

CORRECTIONS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$983,265,600	$1,101,494,300	$1,121,230,100	$1,124,902,800	$1,124,902,800	$141,637,200	14.4%
FED	5,559,600	62,000	62,000	62,000	62,000	- 5,497,600	- 98.8
PR	232,918,400	255,917,900	234,198,100	241,327,000	241,327,000	8,408,600	3.6
TOTAL	$1,221,743,600	$1,357,474,200	$1,355,490,200	$1,366,291,800	$1,366,291,800	$144,548,200	11.8%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1998-99 Base
GPR	6,278.47	7,119.91	7,136.45	7,102.75	7,102.75	824.28
PR	1,417.42	1,491.77	1,479.27	1,479.27	1,479.27	61.85
TOTAL	7,695.89	8,611.68	8,615.72	8,582.02	8,582.02	886.13

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Chg. to Base Positions
GPR	$10,228,500	- 11.16
FED	800	0.00
PR	- 2,321,300	0.00
Total	$7,908,000	- 11.16

Governor/Legislature: Provide $5,093,400 GPR and -9.16 GPR positions, $400 FED and -$1,184,200 PR in 1997-98 and $5,135,100 GPR and -11.16 GPR positions, $400 FED and -$1,137,100 PR in 1998-99 for the following adjustments to the base budget: (a) turnover reductions of -$4,341,900 GPR and -$783,300 PR annually; (b) removal of non-continuing items of -$2,186,900 GPR and -9.16 GPR positions in 1997-98 and -$2,314,500 GPR and -11.16 GPR positions in 1998-99 and -$3,902,600 PR annually; (c) full-funding of salaries and fringe benefits of -$3,213,800 GPR, $400 FED and $215,500 PR annually; (d) full-funding of financial service charges of $149,700 GPR and $208,200 PR annually; (e) reclassifications of $5,200 GPR annually; (f) risk management costs of $23,400 GPR

and $800 PR annually; (g) overtime funding of $8,524,000 GPR and $1,831,200 PR in 1997-98 and $8,690,800 GPR and $1,867,500 PR in 1998-99; (h) night and weekend pay rate differential of $3,060,500 GPR and $725,500 PR annually; (i) fifth week of vacation as cash for certain long-term employes of $117,400 GPR and $12,900 PR in 1997-98 and $119,900 GPR and $13,200 PR in 1998-99; (j) full-funding of lease costs and directed moves of $48,400 GPR annually; and (k) delayed full funding adjustments of $2,907,400 GPR annually and $507,600 PR in 1997-98 and $518,100 PR in 1998-99.

2. DEBT SERVICE AND FUEL AND UTILITY REESTIMATES

	Chg. to Base
GPR	$7,173,800
PR	699,600
Total	$7,873,400

Governor/Legislature: Provide $329,800 GPR and $240,900 PR in 1997-98 and $6,844,000 GPR and $458,700 PR in 1998-99 to reflect reestimates of debt service and fuel and utility costs as follows:

Debt Service Costs. Provide $39,600 GPR and $64,900 PR in 1997-98 and $6,066,400 GPR and $161,700 PR in 1998-99 for debt service costs associated with adult corrections. Provide $405,100 GPR in 1997-98 and $727,600 GPR in 1998-99 for debt service costs associated with juvenile corrections.

Fuel and Utility Costs. Provide -$114,900 GPR in 1997-98 and $50,000 GPR in 1998-99 for fuel and utility costs associated with adult corrections. Provide $176,000 PR in 1997-98 and $297,000 PR in 1998-99 for fuel and utility costs associated with juvenile corrections.

3. FULL-FUNDING OF NON-SALARY COSTS

	Chg. to Base
GPR	$1,693,100
PR	244,400
Total	$1,937,500

Governor/Legislature: Provide $846,100 GPR in 1997-98 and $847,000 GPR in 1998-99, and $122,200 PR in each year to annualize non-salary costs, including rent, supplies, services and internal service charges associated with positions created for only a portion of a year in 1995 Wisconsin Act 27. Funding would be provided as follows: (a) $169,400 GPR in 1997-98 and $169,500 GPR in 1998-99 for the Division of Management Services; (b) $177,300 GPR annually for the Division of Adult Institutions; (c) $111,700 GPR annually for the Division of Program Planning and Movement; (d) $387,700 GPR in 1997-98 and $388,500 GPR in 1998-99 for the Division of Community Corrections; and (e) $122,200 PR annually for the Division of Juvenile Corrections.

4. RENT [LFB Paper 290]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$1,113,200	- $776,500	$336,700
PR	- 154,600	- 111,000	- 265,600
Total	$958,600	- $887,500	$71,100

Governor: Provide $462,500 GPR and -$85,100 PR in 1997-98 and $650,700 GPR and -$69,500 PR in 1998-99 for rental costs on a departmentwide basis. The request would be divided as follows: (a) Division of Management Services, $188,900 GPR and -$1,000 PR in 1997-98 and $230,600 GPR in 1998-99; (b) Division of Adult Institutions, $21,300 PR in 1997-98 and $31,600 PR in 1998-99; (c) Division of Community Corrections, $293,800 GPR in 1997-98 and $440,300 GPR in 1998-99; and (d) Division of Juvenile Corrections, -$20,200 GPR and -$105,400 PR in 1997-98 and -$20,200 GPR and -$101,100 PR in 1998-99. The funding provided is associated with increased private lease costs as the result of DOA-directed moves.

Joint Finance/Legislature: Reestimate rental costs as follows: (a) adult correctional services, -$327,900 GPR and -$84,000 PR in 1997-98 and -$451,800 GPR and -$86,500 PR in 1998-99; (b) Parole Commission, $5,600 GPR in 1997-98 and $7,600 GPR in 1998-99; and (c) juvenile corrections, -$5,000 GPR annually and $30,000 PR in 1997-98 and $29,500 PR in 1998-99.

5. PROGRAM REVENUE EMPLOYE COMPENSATION

	Chg. to Base
PR	$3,154,000

Governor/Legislature: Provide $1,072,500 in 1997-98 and $2,081,500 in 1998-99 for employe compensation as follows:

a. *Length of Service Payments.* $84,400 in 1997-98 and $86,000 in 1998-99 for salaries and fringe benefits associated with length of service payments.

b. *Compensation Reserves.* $988,100 in 1997-98 and $1,995,500 in 1998-99 for estimated pay plan for employes (2% annual increase plus fringe benefits). Compensation reserves would be divided between: (a) adult corrections ($127,200 in 1997-98 and $256,900 in 1998-99); and (b) juvenile corrections ($860,900 in 1997-98 and $1,738,600 in 1998-99).

6. ENVIRONMENTAL CLEANUPS

	Chg. to Base
GPR	$299,300

Governor/Legislature: Provide $151,400 in 1997-98 and $147,900 in 1998-99 for environmental cleanups at the following locations: (a) Fox Lake Correctional Institution--the removal of gasoline and diesel fuel in the groundwater and soil under the Institution ($78,600 in 1997-98 and $75,100 in 1998-99); (b) the

Waupun Farm--the removal of hazardous organic chemicals in the groundwater and soil at a former dump site ($47,800 annually); and (c) Black River Correctional Center--the removal of fuel oil from groundwater and soil under the Center ($25,000 annually). Funding will support a contract with a hydrologist for the installation and operation of remediation equipment, laboratory analyses and the preparation of quarterly reports to the Department of Natural Resources.

7. PAYMENTS FOR MUNICIPAL SERVICES

	Chg. to Base
PR	$290,800

Governor/Legislature: Provide $141,200 in 1997-98 and $149,600 in 1998-99 for payments for municipal services associated with the following: (a) Waupun central warehouse, $9,500 in 1997-98 and $10,100 in 1998-99; (b) Badger State Industries, $23,600 in 1997-98 and $25,000 in 1998-99; (c) correctional farms, $4,600 in 1997-98 and $4,900 in 1998-99; (d) Waupun central generating plant, $3,000 in 1997-98 and $3,200 in 1998-99; (e) juvenile correctional services, $700 annually; (f) Ethan Allen School, $28,800 in 1997-98 and $30,500 in 1998-99; (g) Lincoln Hills School, $70,500 in 1997-98 and $74,700 in 1998-99; and (h) Southern Oaks Girls School, $500 annually.

8. RISK MANAGEMENT POSITION CONVERSION

Governor/Legislature: Convert 1.0 risk management administrative assistant position from project status to permanent status. The position, created in 1995 Act 27, is scheduled to end on June 30, 1997. Funding ($33,400 annually) and position authority were not removed as a standard budget adjustment. Instead, the bill converts the position and maintains base funding.

9. INFORMATION TECHNOLOGY -- STAFF SUPPORT AND NETWORK MANAGEMENT [LFB Paper 291]

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$4,053,200	3.00	- $41,600	0.00	$4,011,600	3.00
PR	303,300	0.00	0	0.00	303,300	0.00
Total	$4,356,500	3.00	- $41,600	0.00	$4,314,900	3.00

Governor: Provide $1,993,100 GPR in 1997-98 and $2,060,100 GPR and $303,300 PR in 1998-99 with 3.0 GPR positions annually associated with the following: (a) network management staff, $124,800 GPR in 1997-98 and $165,500 GPR in 1998-99 with 3.0 GPR positions annually; and (b) $1,868,300 GPR in 1997-98 and $1,894,600 GPR and $303,300 PR in 1998-99 to contract for network management services to install, support and manage information technology network infrastructure. Program revenue funding would come from federal anti-drug and matching penalty assessment funds through the Office of Justice Assistance.

Assembly/Legislature: Reduce funding by $41,600 GPR in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997.

10. INFORMATION TECHNOLOGY -- COMMUNITY CORRECTIONS INFORMATION SYSTEM [LFB Paper 291]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$574,200	- $155,100	$419,100
PR	1,296,700	0	1,296,700
Total	$1,870,900	- $155,100	$1,715,800

Governor: Provide $574,200 GPR in 1997-98 and $1,296,700 PR in 1998-99 on a one-time basis for the purchase of computer hardware, software and network file servers for the Division of Community Corrections. Program revenue funding would come from federal anti-drug and matching penalty assessment funds through the Office of Justice Assistance.

Joint Finance/Legislature: Modify provision to delete $155,100 GPR in 1997-98 for personal computers for probation and parole agents.

11. INFORMATION TECHNOLOGY -- DEPARTMENTAL INFORMATION SYSTEMS [LFB Paper 291]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$300,000	- $150,000	$150,000
PR	200,000	0	200,000
Total	$500,000	- $150,000	$350,000

Governor: Provide $300,000 GPR in 1997-98 and $200,000 PR in 1998-99 to contract for the reengineering of existing information systems. The executive budget book indicates that the reengineering process would not only redesign information systems, but would identify positions that may be reallocated or retrained to provide support for existing and new technologies. Program revenue funding would come from federal anti-drug and matching penalty assessment funds through the Office of Justice Assistance.

Joint Finance/Legislature: Modify provision to delete $150,000 GPR in 1997-98. In addition, create nonstatutory language requiring DOA and Corrections to submit the results of any

consultant's study on reengineering of information systems in Corrections to the Joint Committee on Information Policy for approval before any of the consultant's recommendations may be implemented.

Veto by Governor [D-1]: Delete the requirement that DOA and Corrections submit any consultant's report to the Joint Committee on Information Policy for approval.

[Act 27 Vetoed Section: 9132(1k)]

12. INFORMATION TECHNOLOGY -- MEDICAL SERVICES PROJECT

	Chg. to Base
GPR	$111,500

Governor/Legislature: Provide $52,600 in 1997-98 and $58,900 in 1998-99 to begin an electronic medical services project which would use information technology to improve the delivery of services in state medical facilities, including medical services provided for prison inmates. The executive budget book indicates the project would be conducted in conjunction with the Departments of Health and Family Services, Veteran's Affairs, and other agencies. The project would be coordinated by the Department of Administration.

13. INFORMATION TECHNOLOGY -- VICTIM NOTIFICATION SYSTEM

	Chg. to Base
GPR	$108,600

Governor/Legislature: Provide $54,300 annually for a contracted victim notification system. In 1996-97, the Victim Information and Notification Everyday (VINE) system was funded by a $52,000 grant from DOA's information technology investment fund. The system provides a victim with offender location, parole eligibility date and mandatory release date information. It also notifies victims of an offender's release from prison.

14. CORRECTIONAL TRAINING CENTER [LFB Paper 292]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$126,600	1.50	$0	0.00	- $12,000	0.00	$114,600	1.50
PR	421,100	2.50	- 362,300	- 1.50	- 7,600	0.00	51,200	1.00
Total	$547,700	4.00	- $362,300	- 1.50	- $19,600	0.00	$165,800	2.50

Governor: Provide $73,600 GPR and $206,400 PR in 1997-98 and $53,000 GPR and $214,700 PR in 1998-99 and 1.5 GPR and 2.5 PR positions annually for the correctional training center. The GPR portion of the request would support 1.0 program assistant to address increased workload at the training center in Madison, 0.5 communications technician to support training delivered through distance education, and one-time costs for expansion of the Madison distance

education studio and a computer training center. The program revenue portion of the request is funded from: (a) the penalty assessment fund ($27,800 PR in 1997-98 and $31,000 in 1998-99 and 1.0 PR position annually) which would provide increased administrative support at the training center in Oshkosh; and (b) a program revenue appropriation related to the operations of juvenile secured correctional facilities, primarily funded from county youth aids allocations ($178,600 PR in 1997-98 and $183,700 PR in 1998-99 and 1.5 PR position annually) which would support training for youth counselors. Funding for youth counselor training includes: (a) staffing costs, $46,200 PR in 1997-98 and $61,600 PR in 1998-99; (b) one-time costs, $20,300 PR in 1997-98; (c) increased space lease costs, $30,000 PR in 1997-98 and $40,000 PR in 1998-99; and (d) $82,100 PR annually for training supplies and services costs.

Joint Finance: Delete $178,600 PR and 1.5 PR positions in 1997-98 and $183,700 PR in 1998-99 for juvenile correctional training. Instead, transfer the following from the appropriation for juvenile operations of correctional services to provide training for the community supervision of juveniles: (a) $114,100 PR and 1.0 PR position in 1997-98 and $119,900 PR in 1998-99 to the corrective sanctions program appropriation; and (b) $64,500 PR and 0.5 PR position in 1997-98 and $63,800 PR in 1998-99 to the juvenile aftercare appropriation.

Assembly/Legislature: Reduce funding by $12,000 GPR and $7,600 PR in 1997-98 to reflect a delay in the starting date for the correctional training positions to January 1, 1998.

15. REORGANIZATION OF DEPARTMENT

Governor/Legislature: Repeal the current, separate purchase of services appropriation for halfway houses and combine that appropriation with the appropriation for purchase of services for offenders. Repeal the current, separate appropriation for the intensive sanctions and community residential confinement programs and combine that appropriation with the appropriation for probation and parole. Modify the probation and parole appropriation to specify that the appropriation may also be used for intensive sanctions, community residential confinement and the minimum-security correctional centers. Transfer funding and positions between divisions to account for a recent reorganization of the Department.

During the 1995-97 biennium, the Governor approved a series of reorganizations for the Department of Corrections. Under Corrections' current administrative structure, the Division of Adult Institutions is responsible for maximum- and medium-security institutions, including employment programs, Badger State Industries, medical and dental services and education. The new Division of Community Corrections is a combination of the former Divisions of Probation and Parole and Intensive Sanctions, and also includes the minimum-security correctional centers previously administered by the Division of Adult Institutions. The reorganizations also created the Division of Program Planning and Movement, which is responsible for classification and assessment of inmates, transportation, jail contracts, purchase of services and program coordination across functions. Under 1995 Act 27, responsibility for juvenile corrections was transferred from the Department of Health

and Social Services to Corrections, as of July 1, 1996, into the newly-created Division of Juvenile Corrections.

[Act 27 Sections: 503 thru 507 and 3817]

16. COMMUNITY CONFINEMENT AND CONTROL PILOT [LFB Paper 293]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$11,963,100	68.50	$0	33.25	- $4,718,500	- 37.70	$7,244,600	64.05

Governor: Provide $5,526,300 in 1997-98 and $6,436,800 in 1998-99 and 68.5 positions annually in the Department of Corrections to pilot test a community confinement and control program at the Thompson Correctional Center at Deerfield. This pilot would study the feasibility of implementing a portion of the recommendations of the Governor's Task Force on Corrections, using the authority granted Corrections under the current community residential confinement (CRC) statutes, with some modifications.

The Task Force proposed creating a new sentencing disposition, community confinement and control (CCC), which would consist of two parts: (a) confinement (in a jail, community correctional center, halfway house or transitional living unit), including electronic monitoring, urine screenings, 18 to 20 contacts a month with the offender or other persons (such as an employer), mandatory school, work or community service, and a supervision ratio of one agent for every 17 offenders; and (b) control, which would be identical to the confinement portion except the inmate would live in a residence. In general, under the Task Force's recommendations, judges could sentence a person to prison, or to either the confinement or control portion of CCC. Persons sentenced to prison would have to go through CCC before being released on parole. Any offender sentenced to prison that violated a condition of CCC or parole could be returned to prison or CCC. Persons sentenced to CCC who violated a condition of CCC could also be returned to a more secure CCC setting or prison.

Under the bill, sentencing options for judges would not be modified. Instead, the bill would make some minor modifications in the statutory language concerning the CRC program, and provide funding and positions to allow Corrections to operate a CCC pilot, using Corrections' existing CRC program authority.

Corrections is currently required to establish and operate a CRC program under which prisoners are confined in their places of residence or other places designated by the Department. The program is considered a correctional institution. As a result, prisoners in CRC are: (a) considered inmates (as opposed to probationers or parolees); (b) subject to the rules and discipline of an institution; and (c) subject to all laws pertaining to inmates of other correctional institutions. Courts may not directly commit persons to CRC; Corrections determines who will be placed in the program. Current law,

however, specifies that a prisoner is eligible for CRC only under all of the following conditions: (a) the prisoner is not serving a life sentence; and (b) the prisoner is eligible for parole or is serving a sentence that is not longer than three years. Corrections is currently required to use electronic monitoring for all CRC prisoners or confine the prisoner in supervised places designated by Corrections. The Department may, however, permit an inmate to leave confinement for employment, education or other rehabilitative activities. There are no inmates in CRC, as of March, 1997.

The bill provides $2,067,900 in 1997-98 and $2,631,200 in 1998-99 for the following staffing for the CCC pilot: (a) 29.0 probation and parole agents; (b) 16.0 correctional officers, including 5.0 for work crews at Thompson and 1.0 supervising officer; (c) 11.5 clerical positions; (d) 3.0 probation and parole supervisors; (e) 4.0 positions for the business and records office; (f) 2.5 program assistants in the monitoring center; (g) 1.5 administrative support positions; and (h) 1.0 management information specialist. In addition, the bill provides: (a) $681,300 in 1997-98 for one-time funding for staffing and institutional start-up; (b) $415,900 in 1997-98 and $753,700 in 1998-99 for electronic monitoring; (c) institutional supplies $28,600 in 1997-98 and $38,100 in 1998-99; (d) $410,600 in 1997-98 and $547,500 in 1998-99 for temporary lockup of inmates in county jails; and (e) $1,922,000 in 1997-98 and $2,466,300 in 1998-99 for the purchase of services for offenders.

The bill also modifies statutory language concerning CRC to allow the Department to sanction prisoners in CRC who violate the rules and conditions of confinement. Specify that one of the sanctions may be the performance of community service. Further, allow Corrections to use any method it considers appropriate to monitor inmates in CRC.

Joint Finance: Delete provision. Instead, provide $3,026,300 in 1997-98 and $3,936,800 in 1998-99 and 101.75 positions annually for increased probation and parole staffing in southern Wisconsin. Provide $2,500,000 annually for the purchase of services for offenders. Funding would support: (a) 73.0 probation and parole agents; (b) 6.0 field supervisors; (c) 19.75 program assistants; and (d) 3.0 program assistant supervisors. Staffing and purchase of services funding would provide services to 1,250 offenders, with an agent to offender ratio of 17:1.

Assembly/Legislature: Reduce funding for additional probation and parole staffing in southern Wisconsin by $2,365,000 in 1997-98 and $2,353,500 in 1998-99 with 37.7 positions annually. This includes -$360,000 in 1997-98 to reflect a delay in the starting date for the new positions to January 1, 1998.

Adult Institutions

1. INMATE POPULATION ADJUSTMENTS [LFB Paper 300]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$6,668,600	$4,674,500	$11,343,100

Governor:

a. Population Adjustments. Provide $1,867,900 in 1997-98 and $7,400,700 in 1998-99 for food, health care, clothing, laundry, inmate wages and other supplies for prisoners in facilities operated by the Division of Adult Institutions and the Division of Community Corrections. Prison populations are projected to average 15,308 in 1997-98 and 17,873 in 1998-99. The actual prison population on February 28, 1997, was 13,125.

b. Contracting for Food Services. Reduce funding for inmate food costs by $100,000 annually to reflect the contracting out of food services.

c. Inmate Health Costs. Reduce funding for inmate health care costs by $500,000 in 1997-98 and $1,900,000 in 1998-99 to reflect the use of managed health care. Create nonstatutory language requiring Corrections to use $60,000 in 1997-98 from the Department's general program operations appropriation to contract with a consulting firm to study the most cost-effective method to distribute medication to prisoners and the feasibility of contracting with a private health care organization for managed health care services for prisoners.

Joint Finance: Increase funding associated with inmate populations by $1,704,100 in 1997-98 and $2,270,400 in 1998-99. Average daily prison populations are estimated to be 14,759 in 1997-98 and 16,720 in 1998-99. Eliminate the reduction associated with contracting for food services ($100,000 GPR annually). Eliminate the reduction in 1997-98 ($500,000) associated with the use of managed health care services for prisoners.

Assembly/Legislature: Delete the provision requiring Corrections to use $60,000 in 1997-98 to contract with a consulting firm to study inmate health care costs.

2. STAFFING INCREASES ASSOCIATED WITH PRISON EXPANSIONS [LFB Papers 301, 303, 304, 305 and 455]

Governor: The bill provides GPR funding and positions over the 1997-99 biennium associated with the operation of an additional 2,436 beds. Of the total number of beds, 500 beds are related to contracts with private out-of-state facilities proposed under the bill and the remaining 1,936 beds are from previously approved building projects. The following table identifies the institution, the number of additional beds and the operational and staffing increases provided in the bill. [Each provision is described in greater detail following this summary.]

Institution	Additional Beds	1997-98 Amount	1997-98 Positions	1998-99 Amount	1998-99 Positions
Private Out-of-State Contract Facilities	500	$8,212,500	0.00	$8,212,500	0.00
Racine Youthful Offender Correctional Facility	400	8,121,900	220.00	10,938,300	220.00
Taycheedah Correctional Institution	150	615,100	18.79	615,100	18.79
Fox Lake Correctional Institution	150	703,100	22.04	703,100	22.04
Columbia Correctional Institution	150	789,500	25.09	789,500	25.09
Dodge Correctional Institution	300	1,233,000	37.58	1,233,000	37.58
Racine Correctional Institution[1]	180	954,000	29.69	970,900	29.69
Jackson County Correctional Institution	150	564,800	17.29	564,800	17.29
Wisconsin Resource Center[2]	300	815,300	33.00	925,500	33.00
Green Bay Correctional Institution[3]	108	0	0.00	1,234,100	36.65
Oakhill Correctional Institution[3]	48	0	0.00	613,700	19.40
Total	2,436	$22,009,200	403.48	$26,800,500	459.53

[1] Includes funding for a net 30-bed expansion.

[2] Includes funding for security staff only. Program staff are provided by the Department of Health and Family Services.

[3] Increased bed capacity is associated with a segregation unit.

Joint Finance: Modify the Governor's provision as follows: (a) adjust funding provided for private contract facilities to reflect the phased-in utilization of private facilities and adjust the estimated number of beds which could be purchased with the funds provided; (b) provide funding for the purchase of federal contract beds; (c) include the temporary use of the Prairie du Chien Young Adult Correctional Facility as an adult facility for the 1997-99 biennium, rather than for 1997-98 only; (d) convert the generalist counselor positions at the Racine Youthful Offender Correctional Facility to correctional officer positions; and (e) adjust funding and positions at the Racine Youthful Offender Facility, the Wisconsin Resource Center, the Green Bay Correctional Institution, the Racine Correctional Institution and the Oakhill Correctional Institution. Provide funding and positions as follows for the staffing of prison expansions:

Institution	Additional Beds	1997-98 Amount	1997-98 Positions	1998-99 Amount	1998-99 Positions
Private Out-of-State Contract Facilities	409	$6,651,700	0.00	$8,212,500	0.00
Federal Contract Beds	330	4,942,100	0.00	4,942,100	0.00
Prairie du Chien Young Adult Correctional Facility [1]	277	745,800	4.00	1,337,200	5.00
Racine Youthful Offender Correctional Facility	400	8,580,400	226.00	10,964,500	226.00
Taycheedah Correctional Institution	150	615,100	18.79	615,100	18.79
Fox Lake Correctional Institution	150	703,100	22.04	703,100	22.04
Columbia Correctional Institution	150	789,500	25.09	789,500	25.09
Dodge Correctional Institution	300	1,233,000	37.58	1,233,000	37.58
Racine Correctional Institution[2]	180	850,100	29.64	968,900	29.64
Jackson County Correctional Institution	150	564,800	17.29	564,800	17.29
Wisconsin Resource Center[3]	300	661,200	33.00	925,500	33.00
Green Bay Correctional Institution[4]	108	0	0.00	818,000	36.09
Oakhill Correctional Institution[4]	48	0	0.00	429,900	18.80
Total	2,952	$26,336,800	413.43	$32,504,100	469.32

[1] The Prairie du Chien juvenile correctional facility would be utilized, until July 1, 1999, as a prison for young adult offenders. The funding provided in each year of the 1997-99 biennium is in addition to base funding of $5,984,800 PR. Prairie du Chien funding, then, would total $6,730,600 PR in 1997-98 and $7,322,000 PR in 1998-99. While base position authority totals 165.02 PR positions, the funding is intended to support 146.5 positions in 1997-98 and 147.5 positions in 1998-99. The GPR funding to reimburse the program revenue account would be provided from the appropriation for contract prison beds. No additional funding for this purpose, however, is provided.

[2] Includes funding for a net 30-bed expansion.

[3] Includes funding for security staff only. Program staff are provided by the Department of Health and Family Services.

[4] Increased bed capacity is associated with a segregation unit.

Assembly: Reduce funding to reflect delayed starting dates of positions at the Prairie du Chien Young Adult Correctional Facility and the Racine Youthful Offender Correctional Facility. Provide funding and positions as follows for the staffing of prison expansions.

Institution	Additional Beds	1997-98 Amount	1997-98 Positions	1998-99 Amount	1998-99 Positions
Private Out-of-State Contract Facilities	409	$6,651,700	0.00	$8,212,500	0.00
Federal Contract Beds	330	4,942,100	0.00	4,942,100	0.00
Prairie du Chien Young Adult Correctional Facility [1]	277	664,000	4.00	1,337,200	5.00
Racine Youthful Offender Correctional Facility	400	7,988,400	226.00	10,964,500	226.00
Taycheedah Correctional Institution	150	615,100	18.79	615,100	18.79
Fox Lake Correctional Institution	150	703,100	22.04	703,100	22.04
Columbia Correctional Institution	150	789,500	25.09	789,500	25.09
Dodge Correctional Institution	300	1,233,000	37.58	1,233,000	37.58
Racine Correctional Institution[2]	180	850,100	29.64	968,900	29.64
Jackson County Correctional Institution	150	564,800	17.29	564,800	17.29
Wisconsin Resource Center[3]	300	661,200	33.00	925,500	33.00
Green Bay Correctional Institution[4]	108	0	0.00	818,000	36.09
Oakhill Correctional Institution[4]	48	0	0.00	429,900	18.80
Total	2,952	$25,663,000	413.43	$32,504,100	468.32

[1] The Prairie du Chien juvenile correctional facility would be utilized, until July 1, 1999, as a prison for young adult offenders. The funding provided in each year of the 1997-99 biennium is in addition to base funding of $5,984,800 PR. Prairie du Chien funding, then, would total $6,730,600 PR in 1997-98 and $7,322,000 PR in 1998-99. While base position authority totals 165.02 PR positions, the funding is intended to support 146.5 positions in 1997-98 and 147.5 positions in 1998-99. The GPR funding to reimburse the program revenue account would be provided from the appropriation for contract prison beds. No additional funding for this purpose, however, is provided.

[2] Includes funding for a net 30-bed expansion.

[3] Includes funding for security staff only. Program staff are provided by the Department of Health and Family Services.

[4] Increased bed capacity is associated with a segregation unit.

Senate/Legislature: Provide generalist counselor positions at the Racine Youthful Offender Correctional Facility rather than correctional officer positions. Provide funding and positions as follows for the staffing of prison expansions.

Institution	Additional Beds	1997-98 Amount	1997-98 Positions	1998-99 Amount	1998-99 Positions
Private Out-of-State Contract Facilities	409	$6,651,700	0.00	$8,212,500	0.00
Federal Contract Beds	330	4,942,100	0.00	4,942,100	0.00
Prairie du Chien Young Adult Correctional Facility [1]	277	664,000	4.00	1,337,200	5.00
Racine Youthful Offender Correctional Facility	400	7,967,100	226.00	11,177,300	226.00
Taycheedah Correctional Institution	150	615,100	18.79	615,100	18.79
Fox Lake Correctional Institution	150	703,100	22.04	703,100	22.04
Columbia Correctional Institution	150	789,500	25.09	789,500	25.09
Dodge Correctional Institution	300	1,233,000	37.58	1,233,000	37.58
Racine Correctional Institution[2]	180	850,100	29.64	968,900	29.64
Jackson County Correctional Institution	150	564,800	17.29	564,800	17.29
Wisconsin Resource Center[3]	300	661,200	33.00	925,500	33.00
Green Bay Correctional Institution[4]	108	0	0.00	818,000	36.09
Oakhill Correctional Institution[4]	48	0	0.00	429,900	18.80
Total	2,952	$25,641,700	413.43	$32,716,900	468.32

[1] The Prairie du Chien juvenile correctional facility would be utilized, until July 1, 1999, as a prison for young adult offenders. The funding provided in each year of the 1997-99 biennium is in addition to base funding of $5,984,800 PR. Prairie du Chien funding, then, would total $6,730,600 PR in 1997-98 and $7,322,000 PR in 1998-99. While base position authority totals 165.02 PR positions, the funding is intended to support 146.5 positions in 1997-98 and 147.5 positions in 1998-99. The GPR funding to reimburse the program revenue account would be provided from the appropriation for contract prison beds. No additional funding for this purpose, however, is provided.

[2] Includes funding for a net 30-bed expansion.

[3] Includes funding for security staff only. Program staff are provided by the Department of Health and Family Services.

[4] Increased bed capacity is associated with a segregation unit.

3. ANNUALIZED COSTS FOR PRISON STAFFING AND TEXAS COUNTY JAIL CONTRACTS

	Chg. to Base Funding	Chg. to Base Positions
GPR	$25,610,000	60.17

Governor/Legislature: Provide $12,803,100 in 1997-98 and $12,806,900 in 1998-99 with 60.17 positions in both years to annualize the costs of a September 26, 1996, s. 13.10 request to the Joint Committee on Finance for additional prison staff and funding to contract for jail beds in Texas counties.

4. SUPPLIES AND SERVICES -- 1995 ACT 27 REDUCTION OFFSET [LFB Paper 302]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$5,380,800	$0	$5,380,800
PR	0	- 5,380,800	- 5,380,800
Total	$5,380,800	- $5,380,800	$0

Governor: Provide $2,690,400 GPR annually for supplies and services in the adult correctional institutions to offset funding reductions made in the 1995-97 biennial budget. In 1995 Act 27, program revenue funding of $3.2 million was provided in 1996-97 for supplies and services, with a corresponding decrease of $3.2 million GPR. Program revenue is generated through the private industry/prison employment program. Corrections now estimates that the program will generate $509,600 PR annually. The recommended funding would provide the difference in funding between anticipated revenues and $3.2 million.

Joint Finance/Legislature: Remove $2,690,400 PR annually associated with the 1995 Act 27 GPR supplies and services reduction.

5. CONTRACT FOR PRIVATE PRISON SPACE IN OTHER STATES [LFB Paper 304]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$16,425,000	0.00	- $1,012,500	1.00	- $12,400	0.00	$15,400,100	1.00

Governor: Provide $8,212,500 annually to allow Corrections to contract with private providers for prison beds in other states. Funding assumes that 500 beds will be purchased for a full year at $45 per day per bed.

Create statutory language allowing Corrections to contract with a private corporation for prison beds in other states. Specify that the Department may enter into one or more contracts and that any contract contain all of the following provisions: (a) a termination date; (b) the costs of prisoner maintenance, extraordinary medical and dental expenses and any participation in rehabilitative or correctional services, facilities, programs or treatment; (c) specifications regarding any participation in programs of prisoner employment, the disposition or crediting of any payments received by prisoners, and the crediting of proceeds from any products resulting from employment; (d) specifications regarding the delivery and retaking of prisoners; (e) regular reporting procedures concerning prisoners by the private corporation; (f) procedures for probation, parole, community supervision and discharge; (g) the use of the same standards of reasonable and humane care as the prisoners would receive in a Wisconsin institution; and (h) any other matters determined to be

necessary and appropriate regarding the obligations, responsibilities and rights of Wisconsin and the private company.

Specify that while in a private contract facility in another state, Wisconsin prisoners would be subject to all provisions of law and regulation concerning the confinement of persons in that institution under the laws of the state where the private institution is located. Further, any parole hearing for a prisoner confined under a contract would be conducted by the Wisconsin Parole Commission. Specify that the provisions of any contract would be severable and that if any provision in a contract is invalid, or if the application of a provision of the contract to any person or circumstance is invalid, the invalidity would not affect other provisions or applications in the contract.

Specify that contracts with private companies for prison beds would not have to follow current state procurement requirements or current Corrections standards for the purchase of services for offenders.

Under current law, Corrections may contract with other states or political subdivisions of other states for the transfer and confinement of Wisconsin prisoners in facilities that are publicly owned and operated. This provision would allow for the placement of Wisconsin prisoners in private, out-of-state facilities.

Currently, if the contract involves the transfer of more than 10 prisoners in any fiscal year, Corrections may enter into the contract only if the contract is approved by the Legislature by law or by the Joint Committee on Finance. This provision does not require that the Legislature or the Joint Committee on Finance approve the private contract.

Joint Finance: Modify the provision as follows: (a) reduce funding by $1,650,800 in 1997-98 to phase-in the utilization of the contracted beds; (b) provide $541,900 in 1997-98 associated with additional inmates that will be held in Wisconsin prisons during the phase-in of the private contract beds; (c) provide $44,100 in 1997-98 and $52,300 in 1998-99 and 1.0 position annually to monitor prison bed contracts; (d) require that any contract to transfer 10 or more prisoners to any private provider of prison beds be approved by the Legislature by law or by the Joint Committee on Finance; (e) require that the selection of a private provider comply with the state procurement laws; and (f) combine the current appropriation for public contracts and the proposed separate appropriation for private contracts into one appropriation.

Assembly/Legislature: Reduce funding by $12,400 in 1997-98 associated with starting the new positions on January 1, 1998, rather than October 1, 1997.

[Act 27 Sections: 501m, 3830e, 3830m, 3830r and 3880]

6. RACINE YOUTHFUL OFFENDER CORRECTIONAL FACILITY [LFB Paper 305]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly (Chg. to JFC)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$19,060,200	220.00	$484,700	6.00	- $592,000	0.00	$191,500	0.00	$19,144,400	226.00

Governor: Provide $8,121,900 in 1997-98 and $10,938,300 in 1998-99 with 220 positions annually to staff a 400-bed Racine youthful offender correctional facility.

Under current law, a secured juvenile correctional facility is scheduled to open in January, 1998, in the city of Racine. Authorize DOC to establish this facility as a medium-security correctional institution (operated by the Division of Adult Institutions) for persons 15 years of age or over, but not more than 23 years of age, who: (a) have been placed in a state prison under a criminal sentence; or (b) have been placed in secured juvenile correctional facilities and meet certain criteria.

Change the statutory name of the juvenile offender review program (which makes placement and release decisions relating to institutionalized juvenile offenders) to the Office of Juvenile Offender Review (OJOR) and authorize the Office to make decisions regarding the transfer of juveniles in secured correctional facilities to the Racine facility. Provide that DOC may transfer a juvenile from a secured correctional facility to the Racine facility if: (a) the juvenile is 15 years of age or over; and (b) OJOR has determined that the conduct of the juvenile in his current secured correctional facility placement presents a serious problem to the juvenile or others. Provide that OJOR, in making a determination of whether a juvenile presents a serious problem, may consider factors that include, but would not be limited to, the following: (a) whether and to what extent the juvenile's conduct in the secured correctional facility is violent and disruptive; (b) the security needs of the secured correctional facility; and (c) whether and to what extent the juvenile is refusing to cooperate or participate in the treatment programs provided for the juvenile in the secured correctional facility. A juvenile would not be entitled to a hearing regarding the transfer to the Racine facility unless DOC provides for a hearing by rule. Provide that a juvenile could seek review of the placement decision only by the common law writ of certiorari (appealing to the juvenile court to review the decision). If DOC transfers a juvenile under these provisions, the Department would be required to send written notice of the transfer to the juvenile's parent, guardian, legal custodian and committing court.

Specify that juveniles in secured correctional facilities under the following dispositional orders could be transferred by OJOR to the Racine facility if they otherwise meet the transfer criteria; (a) juveniles under the serious juvenile offender program; (b) a juveniles sentenced to a secured juvenile correctional facility under original adult court jurisdiction; and (c) juveniles under an order of extended juvenile court jurisdiction.

Provide that the placement provisions relating to the Racine youthful offender correctional facility would first apply to a juvenile whose conduct presents a serious problem to the juvenile or others on the effective date of the bill.

Technical modifications relating to original adult court jurisdiction of certain juveniles are made under the bill to clarify that current law provisions relating to transferring juveniles to adult prisons, parole eligibility and child support payments apply to any juvenile under the jurisdiction of an adult court, not only 15- and 16 year-old homicide offenders.

Funding and positions are provided as follows: (a) $7,001,000 and 208.25 positions in 1997-98 and $9,583,700 in 1998-99 for facility operations and security; (b) $235,700 and 7.25 positions in 1997-98 and $371,200 in 1998-99 for the Bureau of Health Services; (c) $320,300 and 2.5 positions in 1997-98 and $163,500 in 1998-99 for the Division of Management Services; (d) $41,700 and 2.0 positions in 1997-98 and $71,200 in 1998-99 for the Office of Offender Classification in the Division of Program Planning and Movement; (e) $185,300 in 1997-98 and $247,100 in 1998-99 for fuel and utilities; (f) $72,800 in 1997-98 and $97,100 in 1998-99 for repair and maintenance; and (g) $265,100 in 1997-98 and $404,500 for the Division of Adult Institutions' central office.

Joint Finance: Provide $458,500 and 6.0 positions in 1997-98 and $26,200 in 1998-99, as follows: (a) $296,600 in 1997-98 to provide the correct funding for preservice training costs for correctional officer positions; (b) $140,600 in 1997-98 and $239,000 in 1998-99 for six teacher positions; and (c) $21,300 in 1997-98 and -$212,800 in 1998-99 to convert 29.25 generalist counselor positions, provided under the bill, to correctional officer positions. Provide that the Racine facility be for persons 15 years of age or over, but not more than 21 years of age and that the number of prisoners may not exceed 400 at any one time. Limit the authority of OJOR to transfer juveniles meeting the transfer criteria to the Racine facility to the following: (a) juveniles under the serious juvenile offender program; (b) juveniles sentenced to a secured juvenile correctional facility under original adult court jurisdiction; and (c) juveniles under an order of extended juvenile court jurisdiction.

Assembly: Reduce funding by $592,000 in 1997-98 to reflect a delay in starting dates for Racine youthful offender correctional facility staff. Under the provision, 226.0 positions would be phased-in by December 1, 1997.

Senate/Legislature: Delete $21,300 in 1997-98 and provide $212,800 in 1998-99 to reflect the provision of 29.25 generalist counselor positions, instead of 29.25 correctional officer positions, for the Racine youthful offender correctional facility. Provide that DOC may employ generalist counselor positions at the Racine youthful offender correctional facility during the 1997-99 biennium and require that a generalist counselor position would, in addition to other duties, perform tutoring duties under the supervision of a certified instructor, but would not be allowed to supervise or oversee academic instruction.

Veto by Governor [D-4]: Delete the limitations on the authority of OJOR which would have limited the transfer of juveniles to the Racine facility to the following: (a) juveniles under the serious juvenile offender program; (b) juveniles sentenced to a secured juvenile correctional facility under original adult court jurisdiction; and (c) juveniles under an order of extended juvenile court jurisdiction. Under the veto, OJOR may transfer any juvenile age 15 or over in a secure juvenile correctional facility to the Racine youthful offender facility, if that juvenile otherwise meets the criteria for such a transfer.

[Act 27 Sections: 1416, 1419m thru 1423p, 1438, 1447m, 1587, 1588, 2134, 3796, 3828 thru 3830, 3835 thru 3837, 3840, 3849, 3879m, 4959, 5022, 5025, 5027, 5228, 5229, 5241 thru 5244, 5268, 5269, 5271m, 5275, 5280m thru 5284, 9111(5g) and 9311(1)]

[Act 27 Vetoed Section: 5268]

7. STAFFING FOR CORRECTIONAL BARRACKS

	Chg. to Base Funding	Positions
GPR	$10,463,200	146.78

Governor/Legislature: Provide $5,228,600 in 1997-98 and $5,234,600 in 1998-99 and 146.78 positions annually to staff seven 150-bed correctional barracks at six correctional institutions. Construction of the barracks was approved by the Building Commission on October 16, 1996, using $8.5 million in residual bonding authority from other corrections building projects. It is estimated that construction of three of the barracks will be completed by April, 1997, with the remaining four units completed by July, 1997. Funding and positions are divided as follows:

	1997-98		1998-99	
Institution/Division	Funding	Positions	Funding	Positions
Taycheedah Correctional Institution	$615,100	18.79	$615,100	18.79
Fox Lake Correctional Institution	703,100	22.04	703,100	22.04
Columbia Correctional Institution	789,500	25.09	789,500	25.09
Dodge Correctional Institution (2 Barracks Units)	1,233,000	37.58	1,233,000	37.58
Racine Correctional Institution	697,200	21.49	697,200	21.49
Jackson County Correctional Institution	564,800	17.29	564,800	17.29
Adult Institutions -- Overtime	342,500	0.00	348,500	0.00
Adult Institutions -- Health Services	159,300	2.50	159,300	2.50
Management Services	124,100	2.00	124,100	2.00
Total	$5,228,600	146.78	$5,234,600	146.78

Of the 146.78 positions provided, 116.28 are correctional officer positions for housing units, work crews and institutional security, 7.0 positions are unit supervisors to manage activities in each barracks, 10.0 positions are social work or psychologist positions, 2.5 positions are medical/dental

positions and 11.0 positions are general administrative and support positions within each institution or the Division of Management Services. [Note: These positions were authorized in 1996-97 under s. 13.10 on March 27, 1997.]

8. SECURITY STAFF FOR THE WISCONSIN RESOURCE CENTER [LFB Paper 455]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,740,800	33.00	- $154,100	0.00	$1,586,700	33.00

Governor: Provide $815,300 in 1997-98 and $925,500 in 1998-99 with 33.0 positions annually to staff the 300-bed expansion of the Wisconsin Resource Center (WRC). It is estimated that construction will be completed by October, 1997. The Resource Center is a mental health facility operated by the Department of Health and Family Services (H&FS) for inmates with mental health needs. The Department of Corrections provides security services for WRC. The 33.0 requested positions are correctional officers. [Staffing increases for H&FS associated with WRC are identified under "Health and Family Services -- Care and Treatment Facilities."]

Joint Finance/Legislature: Delete $154,100 in 1997-98 to reflect the later opening (December, 1997) of the Wisconsin Resource Center.

9. GREEN BAY CORRECTIONAL INSTITUTION SEGREGATION UNIT AND PROCESSING CENTER STAFFING [LFB Paper 301]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,234,100	36.65	- $416,100	- 0.56	$818,000	36.09

Governor: Provide $1,234,100 and 36.65 positions in 1998-99 to begin operation of a 108-bed segregation unit and an inmate processing center at the Green Bay Correctional Institution. It is estimated that construction will be completed by October, 1998. Funding and positions are included as follows: (a) $839,900 and 36.65 positions for operation of the segregation and processing units; (b) $202,100 in 1998-99 for officer preservice training, overtime, risk management, vaccines and internal services; (c) $110,600 in 1998-99 for startup and one-time costs; and (d) $81,500 in 1998-99 for utilities and maintenance. Staffing includes 32.65 correctional officers, 1.0 program assistant, 1.0 social worker, 1.0 crisis intervention worker, 0.5 maintenance mechanic and 0.5 psychologist.

Joint Finance/Legislature: Delete $416,100 and 0.56 position in 1998-99 to reflect a later opening date (March, 1999), the elimination of 0.5 psychologist position and the proper staffing of correctional officers.

10. OAKHILL CORRECTIONAL INSTITUTION STAFFING [LFB Paper 301]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$613,700	19.40	- $183,800	- 0.60	$429,900	18.80

Governor: Provide $613,700 and 19.4 positions in 1998-99 for staffing of a new, 48-bed segregation unit and an expanded administration building. It is estimated that construction will be completed by October, 1998. Funding and positions are included as follows: (a) $419,400 and 19.4 positions for operation of the segregation and administration units; (b) $96,800 in 1998-99 for officer preservice training, overtime, risk management, vaccines and internal services; (c) $53,300 in 1998-99 for startup and one-time costs; and (d) $44,200 in 1998-99 for utilities and maintenance. Staffing includes 16.4 correctional officers, 1.0 social worker, 1.0 program assistant, 0.5 financial specialist and 0.5 maintenance mechanic.

Joint Finance/Legislature: Delete $183,800 and 0.60 position in 1998-99 to reflect a later opening date (March, 1999), the elimination of 0.5 financial assistant position and the proper staffing of correctional officers.

11. RACINE CORRECTIONAL INSTITUTION STAFFING [LFB Paper 301]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$530,500	8.20	- $105,900	- 0.05	$424,600	8.15

Governor: Provide $256,800 in 1997-98 and $273,700 in 1998-99 and 8.2 positions annually for staffing of a remodelled 46-bed housing unit. The new unit will replace an existing 16-bed reception and orientation unit that is no longer utilized by Corrections. Funding and positions are included as follows: (a) $196,900 in 1997-98 and $263,000 in 1998-99 and 8.2 correctional officer positions for operation of the remodelled unit; (b) $28,100 in 1997-98 and $10,700 in 1998-99 for officer preservice training, overtime, risk management, vaccines and internal services; and (c) $31,800 in 1997-98 for startup and one-time costs.

Joint Finance/Legislature: Delete $103,900 and 0.05 position in 1997-98 and $2,000 and 0.05 position in 1998-99 to reflect a later opening date (March, 1998) and the proper staffing of correctional officers.

12. DODGE CORRECTIONAL INSTITUTION STAFFING

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$431,000	9.50	- $54,400	0.00	$376,600	9.50

Governor:

a. Assessment and Evaluation Staff. Provide $101,600 in 1997-98 and $115,600 in 1998-99 and 3.0 positions annually to provide increased staffing for the assessment and evaluation unit at the Dodge Correctional Institution. Of the recommended positions, 2.0 are classification specialists and 1.0 is a program assistant. Dodge Correctional Institution serves as the initial intake point for new inmates (male and female) in the correctional system.

b. Operational Staff. Provide $60,200 in 1997-98 and $70,300 in 1998-99 and 2.0 positions annually at the Dodge Correctional Institution to provide supervision of inmate transportation activities (1.0 supervising officer) and to provide additional record keeping assistance (1.0 program assistant).

c. Records Staff. Provide $30,700 in 1997-98 and $30,900 in 1998-99 with 1.0 position annually at the Dodge Correctional Institution for increased records workload.

d. Dental Assistant. Provide $7,300 in 1997-98 and $14,400 in 1998-99 with 0.5 dental assistant position annually to assist in the screening and evaluation of new inmates.

e. Dialysis Center Staff. Provide $88,100 in 1997-98 and $104,200 in 1998-99 with 2.0 nurse clinician positions to staff a dialysis center at the Dodge Correctional Institution (DCI). Reduce funding by a corresponding amount associated with contracts previously used to fund dialysis services. According to the executive budget book, four dialysis machines have been purchased by Corrections and a section of the DCI infirmary is being remodeled to house the dialysis center.

f. Pharmacy Technician. Provide 1.0 pharmacy technician position annually to address workload increases at the central pharmacy at the Dodge Correctional Institution. Transfer $25,700 in 1997-98 and $27,600 in 1998-99 from limited-term employe salaries and fringe benefits and inmate variable costs to support the cost of the position.

Assembly/Legislature: Reduce funding by $54,400 in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997.

13. FOX LAKE CORRECTIONAL INSTITUTION WASTEWATER TREATMENT WORKER

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$51,100	1.00	- $7,200	0.00	$43,900	1.00

Governor: Provide $22,100 in 1997-98 and $29,000 in 1998-99 and 1.0 position annually to operate the new wastewater treatment facility at the Fox Lake Correctional Institution.

Assembly/Legislature: Reduce funding by $7,200 in 1997-98 associated with starting the new position on January 1, 1998, rather than October 1, 1997.

14. COLUMBIA CORRECTIONAL INSTITUTION INMATE COMPLAINT INVESTIGATOR [LFB Paper 301]

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$71,300	1.00	- $9,600	0.00	$61,700	1.00

Governor: Provide $33,400 in 1997-98 and $37,900 in 1998-99 with 1.0 position annually at the Columbia Correctional Institution for increased inmate complaint investigation workload.

Assembly/Legislature: Reduce funding by $9,600 in 1997-98 associated with starting the new position on January 1, 1998, rather than October 1, 1997.

15. UNIVERSITY OF WISCONSIN HOSPITAL WAITING ROOM SECURITY STAFF
[LFB Paper 301]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$191,800	3.00	- $32,200	0.00	$159,600	3.00

Governor: Provide $91,600 in 1997-98 and $100,200 in 1998-99 and 3.0 positions annually to provide security and inmate escort in a new, separate outpatient waiting room for medium- and minimum-security inmates at the University Hospital and Clinics in Madison.

Joint Finance/Legislature: Delete $32,200 in 1997-98 to reflect a later opening date (March, 1998).

16. SEXUALLY VIOLENT OFFENDER EVALUATION STAFF

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$176,800	2.00	- $22,400	0.00	$154,400	2.00

Governor: Provide $82,600 in 1997-98 and $94,200 in 1998-99 and 2.0 two-year project positions annually to provide psychological services. Funding would support 1.5 psychologist positions which would assume the duties of current psychologists in order to allow current staff to conduct clinical evaluations of sexually violent offenders and provide testimony at civil commitment hearings. The additional 0.5 position (a program assistant) would provide administrative support.

Assembly/Legislature: Reduce funding by $22,400 in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997.

17. OPTOMETRIC SERVICES

	Chg. to Base	
	Funding	Positions
GPR	- $142,800	2.00

Governor/Legislature: Provide $107,500 in 1997-98 and $130,300 in 1998-99 with 2.0 positions annually to provide optometric services at the Dodge, Fox Lake, Waupun, Oshkosh, Kettle Moraine and Taycheedah Correctional Institutions. Funding would support 1.0 optometrist and 1.0 nursing assistant. Reduce funding used to contract for optometric services by $190,300 annually.

18. JAIL CONTRACT STAFF

	Chg. to Base
GPR	2.00

Governor/Legislature: Provide 1.0 GPR social worker and 1.0 GPR program assistant to provide services for state inmates placed in county jails. Reallocate $55,500 in 1997-98 and $60,500 in 1998-99 from overtime funding to fund the positions.

19. HIGHWAY LANDSCAPING PROJECT [LFB Paper 583]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually in supplies and services funding for a tree planting and landscaping project conducted by inmates for the Departments of Natural Resources and Transportation. Use of the funding is not specified. Funding would be provided from the forestry account of the conservation fund.

Create nonstatutory language requiring DNR and DOT to submit a plan to the Department of Administration, for its approval, by January 1, 1998, regarding landscaping along certain highways. Require DNR to allocate at least $250,000 in 1997-98 and 1998-99 to reimburse Corrections for the use of its work crews. [See "Natural Resources -- Forests and Parks."]

Joint Finance/Legislature: Delete provision.

20. SPECIALIZED TRAINING AND EMPLOYMENT PROGRAM [LFB Paper 306]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$129,700	3.00	- $10,600	- 1.00	$119,100	2.00

Governor: Provide $30,000 in 1997-98 and $99,700 and 3.0 positions in 1998-99 for the specialized employment and training program (STEP). In 1995 Act 416, funding and 2.0 GPR two-year project positions were provided for the program through 1997-98. (Funding and positions in 1998-99 are removed as a standard budget adjustment.) The bill would provide $30,000 for a study of program in 1997-98, and $99,700 and 3.0 positions in 1998-99 for the continuation of the program. The STEP program is designed to reduce recidivism by offering inmates prerelease programming, transitional services, early earned parole, and supervision and employment training in the community.

Joint Finance/Legislature: Modify the provision as follows: (a) delete $31,300 and two, 0.5 teacher positions in 1998-99 and require Corrections to continue to use existing teacher positions to staff the program; and (b) provide $20,700 in 1998-99 for contracted substance abuse services.

21. WAUPUN CORRECTIONAL INSTITUTION INMATE WORK INITIATIVES

	Chg. to Base Funding	Chg. to Base Positions
GPR	$9,100	0.00
PR	94,900	3.20
Total	$104,000	3.20

Governor/Legislature: Provide $9,100 GPR and $61,600 PR and 2.2 PR project positions (1.2 correctional officers and 1.0 facilities repair worker) in 1998-99 for an inmate work program at the Waupun Correctional Institution. Under the program, inmates would: (a) apply paint or finishings to items from other production lines at Waupun or the welding shop; or (b) make wood and craft items, such as toys, housewares, lawn furniture, ceramics and materials. Hobby and craft items would be sold in accordance with 1995 Act 389, which allows any tax-supported institution or nonprofit agency to offer for sale in the open market products manufactured by inmates as part of a hobby-craft program or vocational training, if the purpose of the sale is to support the institution's or agency's mission or is for some other charitable purpose and if the sale of that product or type of product has been approved by the Prison Industries Board. Program revenue to support the positions would be generated from sales.

Provide $33,300 and 1.0 facility repair worker project position in 1998-99 to supervise an inmate welding crew. The welding crew would provide custom welding and fabrication service, and repair facilities, equipment and furniture for other correctional facilities. Program revenue would be generated from charges to other correctional facilities.

22. BUREAU OF CORRECTIONAL ENTERPRISES FUNDING CONVERSION

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $421,800	- 3.00
PR	433,400	3.00
Total	$11,600	0.00

Governor/Legislature: Provide -$210,900 GPR annually and $214,800 PR in 1997-98 and $218,600 PR in 1998-99 with -3.0 GPR and 3.0 PR positions annually to convert funding for administrative and clerical positions in the Bureau of Correctional Enterprises. Program revenue funding would be provided from Badger State Industries.

23. PRIVATE INDUSTRY/PRISON EMPLOYMENT PROGRAM [LFB Paper 307]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$2,617,600	1.00	- $2,617,600	- 1.00	$6,851,200	0.00	$6,851,200	0.00

Governor: Provide $1,309,000 in 1997-98 and $1,308,600 in 1998-99 and 1.0 position annually for costs associated with the three, current private industry/prison employment partnerships. The 1.0 officer position would provide security for a second shift at the Green Bay Correctional Institution partnership with the Fabry-Saranac Glove Company. Program revenue funding to support the costs would be provided by the company to pay for costs associated with the program, including materials and inmate wages.

Joint Finance: Delete provision. Instead, create a separate, annual program revenue appropriation for the private industry/prison employment program, effective January 1, 1998. Based on the current BSI appropriation language, specify that no expenditure for the construction of buildings or the purchase of equipment for the program can be made without the approval of the Joint Committee on Finance. Direct the Department of Administration's State Controller's Office and Corrections to determine the proper distribution of assets and liabilities between Badger State Industries and the private industry/prison employment program and report this information to the Joint Committee on Finance by December 1, 1997, for approval. Further, require that Corrections submit a plan regarding the revenues and expenditures for the private industry/prison employment program during the 1997-99 biennium to the Joint Committee on Finance for its approval. Require Corrections to inform the Committee of any changes to that plan during the biennium.

Assembly: Include Joint Finance provision and provide $3,425,600 annually associated with the operation of the two existing projects. Require that any contract under which Corrections purchases equipment for a private industry/prison employment project contain a provision requiring the private business to repay the state for any equipment costs, plus interest, which are outstanding when the contract is terminated.

Modify the Joint Finance provision by delaying the report and plan dates from December 1, 1997, to February 1, 1998.

Senate/Legislature: In addition to the above provisions, require the Prison Industries Board to hold a public hearing before any private industry/prison employment project or a new Badger State Industry (BSI) program is approved. Require that before the Department of Corrections may expand an existing BSI program or private industry/prison employment project, including the scope of products produced and the program or project location, the Prison Industries Board must hold a public hearing. Require that public hearings held by the Prison Industries Board be publicly noticed in the

official newspaper of the county and city, village or town in which the affected correctional facility is located.

Grant the Prison Industries Board authority to suspend the manufacture, provision or sale of any product or service provided through BSI or a private industry/prison employment project.

Vetoes by Governor [D-1 and D-2]: Delete the following provisions: (a) the 1997-99 private industry/prison employment plan; (b) the report to the Joint Committee on Finance regarding the distribution of liabilities and assets between BSI and the private industry/prison employment program; (c) the requirement that no expenditure for the construction of buildings or the purchase of equipment for the private industry/prison employment program may be made without the approval of the Joint Committee on Finance; (d) the requirement that any contract under which Corrections purchases equipment for a private industry/prison employment project contain a provision requiring the private business to repay the state for any equipment costs which are outstanding when the contract is terminated; (e) the requirement for the Prison Industries Board to hold a public hearing before a new or expanded private industry/prison employment or BSI program is approved; and (f) the expanded authority of the Prison Industries Board to suspend the manufacture, provision or sale of any product or service provided through the private industry/prison employment program or BSI.

[Act 27 Sections: 513e, 513m, 513r and 9411(4g)]

[Act 27 Vetoed Sections: 513m, 3909b, 3910ce, 3910cf and 9111(3g)]

24. INCREASE NUMBER OF PRIVATE INDUSTRY/PRISON EMPLOYMENT PROJECTS [LFB Paper 308]

Governor: Repeal and recreate the provision related to the private industry/prison employment program, increasing the number of allowed projects from three to 11. Under the program, a certain number of private businesses may operate within adult and juvenile prisons under specific criteria.

In the current statutes, the text provides that "[The department may select a business or enter into a lease under this paragraph only with the approval of the joint committee on finance.]". The bracketed language was created in 1995 Wisconsin Act 27, section 6384, but the text in the brackets was vetoed by the Governor. However, 1995 Wisconsin Act 27, section 6385, amended the same statutory section and the language in the brackets was not vetoed by the Governor. The bill removes this bracketed language from the statutes.

Joint Finance: Delete provision. Create statutory language requiring that the Joint Committee on Finance approve each private industry/prison employment project.

Assembly: Include Joint Finance provision. In addition, expand the number of allowed private industry/prison employment projects from three to seven.

Senate/Legislature: Modify the Assembly provision by reducing the number of allowed private industry/prison employment projects from seven projects to six projects.

[Act 27 Section: 3909b]

25. CHILD OR FAMILY SUPPORT PAYMENTS FROM PRISONERS EMPLOYED BY PRIVATE INDUSTRY/PRISON EMPLOYMENT PROJECTS

Assembly/Legislature: Provide that the earnings of prisoners employed by private industry/prison employment projects would be disbursed by the Department of Corrections in the following order: (a) payment in compliance with applicable federal, state and local taxes; (b) payment for crime victim compensation; (c) payment of court-ordered child or family support; (d) room and board; (e) payment of the crime victim and witness assistance surcharge; (f) payment of the delinquency victim and witness assistance surcharge, created under the bill; and (g) payment of the DNA surcharge. Under this provision, child or family support payments would be collected from prisoner wages before room and board payments and payment of surcharges.

[Act 27 Sections: 646q, 3910bb and 3910d]

26. WORKER DISPLACEMENT UNDER THE PRIVATE INDUSTRY/PRISON EMPLOYMENT PROGRAM

Assembly/Legislature: Provide that the Department of Corrections could not enter into any contract with a private business under the private industry/prison employment program if the Department determines that the contract will result in the displacement of employed workers who are not prison inmates or institution residents. Require the Department, after consultation with the Prison Industries Board, to submit proposed rules defining "displacement" to the Legislative Council staff no later than three months after the completion of the federal Department of Justice's 1997 audit of the private industry/prison employment program.

Veto by Governor [D-2]: Delete provision.

[Act 27 Vetoed Sections: 3909b, 3909m and 9111(5c)]

27. BADGER STATE INDUSTRIES -- INCREASED STAFF [LFB Papers 308, 309 and 864]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$2,544,000	8.00	- $109,700	- 2.00	- $53,400	0.00	$2,380,900	6.00

Governor: Provide $873,700 and 7.0 positions in 1997-98 and $1,670,300 and 8.0 positions in 1998-99 for Badger State Industries. The request would be divided as follows: (a) position funding, $305,200 in 1997-98 and $394,900 in 1998-99; (b) reduction in limited-term employe and project position salaries and fringe benefits, -$60,400 annually; (c) raw materials costs, $443,100 in 1997-98 and $976,000 in 1998-99; (d) elimination of contracted services for management information specialists and delivery service, -$103,000 annually; (e) equipment replacement, $100,000 in 1997-98 and $274,000 in 1998-99; (f) unallotted reserve for salary reclassifications associated with Department of Employment Relations salary surveys, $137,800 annually; and (g) $51,000 annually for the wages of an additional 40 inmates. The additional positions would be as follows: (a) 1.0 program assistant beginning in 1997-98 to replace a limited-term employe and to provide program support for sales staff; (b) 1.0 management information specialist beginning in 1997-98 to replace contracted employes and support Badger State Industries' operations and cost accounting system; (c) 1.0 industries specialist beginning in 1997-98 to replace a contracted delivery service at the Racine Correctional Institution; (d) 1.0 industries specialist beginning in 1997-98 to supervise data entry at the Ellsworth Correctional Center; (e) 1.0 industries specialist beginning in 1998-99 to provide delivery services and supervision at the Oakhill Correctional Institution; (f) 1.0 administrative assistant beginning in 1997-98 to provide support for the private industry/prison employment program; and (g) 2.0 industries superintendents beginning in 1997-98 to provide administrative supervision associated with the reorganization of BSI. In addition, convert 1.0 computer aided design operator position in the systems furniture industry from project status to permanent beginning in 1997-98.

Joint Finance: Modify the provision by deleting: (a) $36,300 in 1997-98 and $42,100 in 1998-99 and 1.0 position associated with the private industry/prison employment program; and (b) $31,300 and 1.0 position in 1998-99 associated with an expansion of prison industries at the Oakhill Correctional Institution.

Assembly/Legislature: Reduce funding by $53,400 in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997.

28. PRISON INDUSTRIES BOARD

Assembly/Legislature: Modify the membership of the Prison Industries Board, effective upon enactment of the bill, by eliminating the members representing ex-offenders, potential customers of prison industries and the University of Wisconsin System. Instead, add a representative of: (a)

private business and industry; (b) private labor organizations; and (c) the Department of Administration (DOA). The Board's membership would then consist of three members representing private business and industry, three members representing private labor organizations, and one member each representing the Department of Corrections, the Technical College system and DOA. Provide that the current members representing ex-offenders, potential customers and the University of Wisconsin System could continue to serve until the new private business and industry, private labor organizations and DOA representatives are appointed.

Extend the terms of Board members from three to four years, effective for members appointed on or after the effective date of the bill. Notwithstanding this provision, provide that the initial term of the additional private business and industry representative would expire on May 1, 1999, the initial term of the additional private labor organization representative would expire May, 1, 2001, and the initial term of the DOA representative would expire on May 1, 2003. This provision would allow for the terms to be consistent with current law, which requires that terms of members of boards appointed for an even number of years expire on May 1 of odd-numbered years.

[Act 27 Sections: 57L, 57m, 57n, 57r, 57w, 9111(5n) and 9311(2m)]

29. REOPEN ONEIDA CORRECTIONAL FARM

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$133,800	2.00	- $17,700	0.00	$116,100	2.00
PR	314,600	0.00	0	0.00	314,600	0.00
Total	$448,400	2.00	- $17,700	0.00	$430,700	2.00

Governor: Provide $61,200 GPR and $198,700 PR in 1997-98 and $72,600 GPR and $115,900 PR in 1998-99 with 2.0 GPR positions annually to reopen the Oneida correctional farm. Funding for 2.0 correctional officers would be provided by GPR, with operational costs of the farm supported by farms revenue. The Department closed the farm in 1991, and leased the land. The executive budget book indicates that the farm would be used as a beef feeder operation and employ 15 inmates. Livestock would be provided from the correctional farms at Oregon and Waupun.

Assembly/Legislature: Reduce funding by $17,700 in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997.

30. CORRECTIONAL FARMS -- INCREASED EXPENDITURE AUTHORITY [LFB Paper 310]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$338,600	- $20,600	$318,000

Governor: Provide $108,600 in 1997-98 and $230,000 in 1998-99 for increased expenditure authority at the correctional farms. The budget would provide: (a) $58,400 in 1997-98 and $136,700 in 1998-99 for increased feed, crop and other farm supply costs; (b) $33,000 in 1997-98 and $75,000 in 1998-99 for permanent property; (c) $3,100 in 1997-98 and $8,100 in 1998-99 for additional inmate wages; (d) $14,100 in 1997-98 and $16,500 in 1998-99 for departmental services and rent; and (e) -$6,300 in 1998-99 in limited-term salaries.

Joint Finance/Legislature: Delete $9,300 in 1997-98 and $11,300 in 1998-99 associated with the duplication of internal services costs for the correctional farms.

31. FEDERAL CONTRACT BEDS [LFB Papers 303 and 304]

	Chg. to Base
GPR	$7,798,900

Joint Finance/Legislature: Provide $4,942,100 annually for continued contracting for 330 federal prison beds. Reduce funding associated with inmate costs by $1,033,600 in 1997-98 and $1,051,700 in 1998-99 for inmates placed in federal prison beds. Clarify statutory language to indicate that Corrections has the authority to pay for contracted beds provided by the federal government from the current correctional contracts appropriation.

[Act 27 Section: 3820m]

32. CHALLENGE INCARCERATION PROGRAM FUNDING

	Chg. to Base
GPR	$344,400

Joint Finance/Legislature: Provide $172,200 annually for educational, social work and drug abuse services and administrative support and a staff position for the Challenge Incarceration program at the St. Croix Correctional Center. On March 27, 1997, the position and funding for the expanded services were provided under s. 13.10 for 1996-97 related to an increased number of inmates at St. Croix.

33. SECURE INMATE WORK PROGRAM

	Chg. to Base
GPR	$108,800

Joint Finance/Legislature: Provide $108,800 in 1997-98 for the secure inmate work program ("chain gangs"). Sunset the program on June 30, 1998.

Veto by Governor [D-3]: Delete the sunset. Thus, the program becomes permanent.

[Act 27 Vetoed Sections: 3910g, 3913g and 9411(1t)]

34. EVALUATION OF CONTINUED UTILIZATION OF FEDERAL CONTRACT BEDS

Joint Finance: Require the Department of Corrections to conduct an assessment of the need for continued utilization of contracted prison beds in federal correctional facilities and determine if additional minimum-security correctional facilities need to be constructed in Wisconsin. In addition, require the study to include a comparison of federal and state minimum-security classification standards and a comparison of programming provided at these levels. Require the report to be submitted to the Joint Committee on Finance by January 1, 1998.

Assembly/Legislature: Modify the Joint Finance provision by delaying the reporting date from January 1, 1998, to March 1, 1998.

Veto by Governor [D-1]: Delete provision.

[Act 27 Vetoed Section: 9111(3x)]

35. PRISON CHAPLAIN POSITIONS

	Chg. to Base	
	Funding	Positions
GPR	$309,700	5.00

Assembly/Legislature: Provide $106,200 in 1997-98 and $203,500 in 1998-99 and 5.0 positions annually for additional chaplain positions in each of the following correctional institutions: (a) Racine; (b) Oshkosh; (c) Jackson; (d) Dodge; and (e) Prairie du Chien.

36. ADDITIONAL CONTRACT BEDS

Assembly/Legislature: Place $4,900,000 GPR in 1997-98 and $10,100,000 GPR in 1998-99 in the Joint Committee on Finance's supplemental appropriation to support additional contract beds. Funding would support approximately 490 additional beds in 1997-98 and 1,000 beds in 1998-99, and assumes that the Department would reallocate any additional funds necessary to support the contracts

from the existing intensive sanctions program. The intensive sanctions program authority is maintained.

Community Corrections

1. PROBATION AND PAROLE CASELOAD GROWTH [LFB Paper 315]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$11,898,300	199.00	- $3,669,500	- 15.00	- $473,900	0.00	$7,754,900	184.00
PR	72,300	1.00	- 470,600	- 7.00	52,900	0.00	- 345,400	- 6.00
Total	$11,970,600	200.00	- $4,140,100	- 22.00	- $421,000	0.00	$7,409,500	178.00

Governor: Provide $4,473,300 GPR and 174.0 GPR positions, and $33,500 PR and 1.0 PR position in 1997-98 and $7,353,000 GPR and 199.0 GPR positions, and $38,800 PR and 1.0 PR positions in 1998-99 to accommodate projected probation and parole caseload growth. The following positions would be provided: (a) 122.5 GPR probation and parole agents, 10.0 GPR field supervisors, 4.0 GPR program assistant supervisors, 35.5 GPR program assistants, 1.0 GPR personnel assistant, 1.0 GPR payroll assistant, and 1.0 PR financial specialist in 1997-98; and (b) an additional 18.5 GPR probation and parole agents, 2.0 GPR field supervisors, 1.0 GPR program assistant supervisor and 3.5 GPR program assistants in 1998-99. The executive budget book indicates that of the additional positions, 25.0 positions annually would be assigned to southeastern Wisconsin to locate and return probationers or parolees who have absconded from supervision or to initiate revocation proceedings. The bill assumes that the probation and parole caseload will be 61,560 on June 30, 1998, and 65,284 on June 30, 1999. The budgeted population for June 30, 1997, is 63,796. On March 1, 1997, the probation and parole population was 55,933, including 2,081 offenders supervised in other states.

Provide $72,000 in 1998-99 for increased funding for purchase of service funding for probation and parole offenders. Funding is based on estimated population increases in 1998-99 over base level populations.

Joint Finance: Modify the provision as follows:

a. *Caseload.* Reestimate probation and parole populations to 59,315 on June 30, 1998, and 62,158 on June 30, 1999. As a result, adjust costs as follows: (1) staffing costs, -$1,000,700 GPR and -36.25 GPR positions in 1997-98 and -$68,800 GPR and 20.25 GPR positions in 1998-99; (2) program revenue-supported probation and parole staff, due to fewer minimum and administrative

supervision offenders, -$220,500 PR in 1997-98 and -$250,100 in 1998-99 with -7.0 PR positions annually; and (3) purchase of services, -$217,000 GPR in 1997-98 and -$151,300 GPR in 1998-99.

b. *Probation and Parole Absconder Unit.* Delete the provision (-$890,100 GPR in 1997-98 and -$1,341,600 GPR in 1998-99 and -35.25 GPR positions annually). Instead, place $702,700 GPR in 1997-98 and $1,025,600 GPR in 1998-99 in the Joint Committee on Finance's supplemental appropriation. Provide that funding may be released after the Committee approves a plan and budget submitted by the Department for the probation and parole absconder unit. Position authority could be provided when the plan is approved.

Assembly/Legislature: Reduce funding by $473,900 GPR and $9,600 PR in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997. Provide $62,500 PR in 1997-98 associated with existing base level positions which would not be eliminated until January 1, 1998, rather than October 1, 1997.

2. RESIDENTIAL PROGRAMS [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$2,068,400	- $60,000	$2,008,400

Governor: Provide $626,600 in 1997-98 and $1,441,800 in 1998-99 for residential living programs as follows: (a) $106,800 in 1997-98 and $213,500 in 1998-99 for nine additional halfway house beds to increase the total number of halfway house beds to 280 annually; (b) $233,600 in 1997-98 and $934,400 in 1998-99 for an additional 40 transitional living beds in 1997-98 and 80 beds in 1998-99 to increase the total number of transitional living beds to 92 in 1997-98 and 132 in 1998-99; (c) $30,000 annually for start-up costs associated with transitional living programs; and (d) $256,200 in 1997-98 and $263,900 in 1998-99 to provide a 3% annual increase to current halfway house and transitional living providers.

Joint Finance/Legislature: Modify the provision to delete funding associated with increased transitional living beds. Instead, provide the same amount of funding ($233,600 in 1997-98 and $934,400 in 1998-99) for an increased number of halfway house beds. Funding would support 16 more halfway beds in 1997-98 and 21 more in 1998-99. Delete $30,000 annually provided for start-up costs of transitional living programs.

3. ST. JOHN'S CORRECTIONAL CENTER EXPANSION [LFB Paper 317]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$991,800	8.50	- $991,800	- 8.50	$0	0.00

Governor: Provide $991,800 and 8.5 positions in 1998-99 for the relocation and expansion of the leased St. John's Correctional Center (Milwaukee) from 50 beds to 100 beds under a lease/purchase agreement. Funding and positions are included as follows: (a) $184,200 and 8.5 positions for housing unit and work crew security, social services and institutional support; (b) $32,700 for officer preservice training, overtime, risk management, vaccines and internal services; (c) $201,700 for startup and one-time costs; (d) $62,600 for three vans; (e) $24,000 for institutional supplies; (f) $400,000 related to increased lease costs; (g) $50,000 for sex offender treatment; and (h) $36,600 for utilities and maintenance. Staffing includes 5.5 correctional officers for house unit security and work crews, and 1.0 social worker, program assistant and maintenance mechanic. A contract for the new facility has not yet been negotiated nor have terms of the agreement been determined.

Joint Finance/Legislature: Delete provision. Instead, place $991,800 in 1998-99 in the Joint Committee on Finance's appropriation for release when lease arrangements have been made. Position authority could be provided when funding is released.

4. DRUG ABUSE CORRECTIONAL CENTER EXPANSION

	Chg. to Base	
	Funding	Positions
GPR	$960,000	21.00

Governor/Legislature: Provide $960,000 and 21.0 positions in 1998-99 to staff a 75-bed expansion of the Drug Abuse Correctional Center. It is estimated that construction will completed by January, 1999. Funding and positions are included as follows: (a) $532,300 and 21.0 positions for institutional and housing unit security, social services and institutional support; (b) $85,200 for officer preservice training, overtime, risk management, vaccines and internal services; (c) $189,100 for startup and one-time costs; (d) $40,000 for institutional and educational supplies; and (e) $113,400 for utilities and maintenance. Staffing includes 11.5 correctional officers, 4.0 social workers, 2.5 program assistants, and 1.0 psychologist, superintendent of buildings and grounds and maintenance mechanic.

5. MONITORING CENTER STAFFING

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$190,200	3.00	- $24,600	0.00	$165,600	3.00

Governor: Provide $89,700 in 1997-98 and $100,500 in 1998-99 and 3.0 program assistant positions annually for increased staff support at Corrections' monitoring center. The center tracks individuals on electronic monitors and responds to calls from law enforcement agencies regarding the detention of probationers and parolees who are alleged to have violated conditions of supervision.

Assembly/Legislature: Reduce funding by $24,600 in 1997-98 associated with starting new positions on January 1, 1998, rather than October 1, 1997.

6. PAROLE COMMISSION STAFF

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$65,700	1.00	- $8,200	0.00	$57,500	1.00

Governor: Provide $31,000 in 1997-98 and $34,700 in 1998-99 and 1.0 program assistant position annually for increased staff support at the Parole Commission. In addition, transfer $41,400 PR and 1.0 PR project position annually from the Department of Corrections to the Parole Commission, and convert the position from project to permanent status. This position, created in September, 1993, provides services or service referrals for crime victims and is funded with a federal Victim of Crimes grant. The position was previously placed in the incorrect appropriation. Base level funding for the Commission is $630,300 GPR and 9.5 GPR positions, including 4.5 support staff.

Assembly/Legislature: Reduce funding by $8,200 in 1997-98 associated with starting the new position on January 1, 1998, rather than October 1, 1997.

7. COLLECTION OF PROBATION AND PAROLE SUPERVISION FEES

Governor/Legislature: Require the Department of Corrections to issue a notice, at the time of release, to each person on probation, parole or community supervision who owes supervision fees, indicating that the person owes unpaid fees and is responsible for payment of those fees. Allow Corrections to request that the Attorney General bring a civil action to recover unpaid supervision

fees. Specify that the Department, prior to requesting that a civil action be brought, recalculate fees owed to assess the accuracy of those fees. Require Corrections to annually notify each person who has been discharged from probation, parole or community supervision and who owes any supervision fee, of the amount of any supervision fees still owned to Corrections.

Under current law, Corrections is required to assess a varying fee with the goal of recovering at least $1 per day from most probationers and parolees. Probationers or parolees on minimum or administrative supervision, who are supervised by a contracted private provider, are not required to pay the supervision fee, but are required to pay a fee to the provider.

[Act 27 Sections: 513, 3799, 3939 and 3948]

8. EXEMPTION FROM PROBATION AND PAROLE SUPERVISION FEES

Governor/Legislature: Allow Corrections to exempt probationers, parolees or persons on community supervision under minimum or administrative supervision from paying the required supervision fee for either of the following reasons: (a) the individual is undergoing treatment approved by Corrections and is unable to work; or (b) the individual has a statement from a physician certifying that the individual should be excused from working for medical reasons. This provision would also apply to individuals under minimum or administrative supervision who are supervised by a contracted provider. Under current law, Corrections may exempt individuals from paying a supervision fee under certain circumstances, but these exemptions do not apply to individuals under minimum or administrative supervision.

[Act 27 Sections: 512, 3822, 3823, 3938 and 3940]

9. MINIMUM AND ADMINISTRATIVE SUPERVISION

Governor/Legislature: Repeal the statutory definitions of administrative and minimum supervision, and instead require Corrections to promulgate administrative rules defining these terms. Under current law, administrative supervision is defined as the supervision of a probationer or parolee in which Corrections requires that a minimum of one face-to-face contact occur every six months between the probationer or parolee and a representative of the Department and that the probationer or parolee submit a monthly report to Corrections. Minimum supervision is defined as the supervision of a probationer or parolee in which Corrections requires that a minimum of one face-to-face contact occur every 90 days between the probationer or parolee and a representative of the Department and that the probationer or parolee submit a monthly report to Corrections.

Allow Corrections to contract with a private provider for any component of administrative and minimum supervision. Under current law, Corrections may only contract for the supervision, as opposed to a component of supervision.

[Act 27 Sections: 3821, 3822, 3936, 3937, 3942 and 3943]

10. EXTENSION OF PROBATION FOR FAILURE TO PAY SUPERVISION FEES

Governor/Legislature: Permit Corrections to notify the sentencing court and the District Attorney at least 90 days before the expiration of a probationer's sentence that the individual owes supervision fees. Require the court, after receiving the notice, to schedule a probation review hearing before the expiration of the individual's probation, unless the individual either pays the fees before the hearing or voluntarily waives the hearing. Allow a court to extend probation for a specific period, modify the terms and conditions of probation or revoke probation if: (a) Corrections proves at the probation review hearing, by a preponderance of evidence, that a probationer owes supervision fees; or (b) the probationer waives the hearing, with the acknowledgement that the waiver may result in the extension, modification or revocation. If the court does not extend, revoke or modify the terms of probation, require the court to enter a civil judgment against the individual for the unpaid fees.

[Act 27 Sections: 5453 thru 5455]

11. SETOFF OF FEES OWED FOR SUPERVISION OF PROBATIONERS AND PAROLEES

Governor/Legislature: Authorize the Department of Revenue (DOR) to certify unpaid fees for providing supervision and services to probationers and parolees for setoff against state income tax refunds and credits. Under this provision, DOR would offset the unpaid fees against tax refunds or refundable credits and return the amounts to Corrections.

[Act 27 Section: 2342]

12. PROBATION AND PAROLE HOLD REIMBURSEMENT

	Chg. to Base
GPR	$545,800

Joint Finance/Legislature: Provide $179,000 in 1997-98 and $366,800 in 1998-99 for probation and parole hold reimbursements to counties. Funding would increase by 4.9% annually from base funding of $3,653,000 to $3,832,000 in 1997-98 and $4,019,800 in 1998-99. Probation and parole hold reimbursements are provided to counties for felons being held in county jails pending the revocation of the probation or parole for non-criminal rules violations.

13. EMERGENCY GOVERNMENT MOBILE TRANSPORTATION UNIT

	Chg. to Base
GPR	$50,000

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

14. COMMUNITY NOTIFICATION OF TRANSITIONAL HOUSING

Joint Finance/Legislature: Require the Department of Corrections to notify the police chief, sheriff and the chief elected official of an affected municipality, and the local newspaper of record in advance of any plan to site transitional housing for probationers or parolees in the community. Provide that the local officials must notify the public in the manner and to the extent that they see fit.

[Act 27 Section: 3824m]

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES [LFB Papers 320 and 329]

Governor: Reestimate the juvenile correctional average daily population (ADP) from 1,562 in 1996-97 to 1,493 in 1997-98 and 1,635 in 1998-99, as shown in the following table.

Average Daily Population

	1996-97	1997-98	1998-99
Juvenile Correctional Institutions	1,130	1,074	1,162
Other Placements			
Corrective Sanctions	105	119	161
Aftercare Services	327	300	312
Subtotal -- Other	432	419	473
Total ADP	1,562	1,493	1,635
Alternate Care	167	127	136

The institutions include Ethan Allen School, Lincoln Hills School, Southern Oaks Girls School, Youth Leadership Training Facility (Boot Camp), the SPRITE Program, the Mendota Juvenile Treatment Center, the Prairie du Chien boys' facility (scheduled to open July 1, 1997, and under the bill, to be temporarily used in 1997-98 for young adult property offenders) and the Racine boys' facility (scheduled to open in January, 1998, and under the bill, to be renamed the Racine Youthful Offender Facility for males 15 to 23 years old and operated by the Division of Adult Institutions). Included in the institutional population projection are 89 juveniles in 1997-98 and 154 juveniles in 1998-99 to be funded under the serious juvenile offender appropriation.

Aftercare services include juveniles under state supervision following release from a juvenile correctional facility. Placement may be in an alternative care setting, a relative's home or the juvenile's own home.

Alternative care includes child caring institutions, group homes, foster homes and treatment foster homes. The average daily population for alternate care is a subset of aftercare services.

Joint Finance/Legislature: Reestimate juvenile ADP at 1,332 in 1996-97, 1,308 in 1997-98 and 1,320 in 1998-99, as shown in the following table:

Projected Populations -- Joint Finance

	1996-97	1997-98	1998-99
Secured Correctional Facilities	948	944	939
Other Placements			
Corrective Sanctions	105	106	136
Aftercare Services	279	258	245
Subtotal -- Other	384	364	381
Total ADP	1,332	1,308	1,320
Alternate Care	116	108	108

2. STATUTORY DAILY RATES [LFB Papers 320 and 329]

Governor: Provide the following statutory daily rates for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations.

Daily Rates

	Current Law 1-1-97 thru 6-30-97	Governor 7-1-97 thru 12-31-97	Governor 1-1-98 thru 12-31-98	Governor 1-1-99 thru 6-30-99
Secured Correctional Facilities*	$133.82	$137.52	$147.40	$151.32
Child Caring Institutions	157.08	160.22	161.79	163.36
Group Homes	108.98	111.16	112.25	113.34
Corrective Sanctions	82.11	77.75	69.16	62.81
Treatment Foster Homes	69.95	71.35	72.05	72.75
Regular Foster Homes	24.29	24.78	25.02	25.26
Aftercare Supervision	14.95	15.55	15.25	14.96

*Including transfers from a secured correctional facility to the Mendota Juvenile Treatment Center.

Joint Finance/Legislature: Provide the following statutory daily rates for juvenile correctional services provided or purchased by the Department of Corrections:

	Current Law 1-1-97 thru 6-30-97	7-1-97 thru 12-31-97	1-1-98 thru 12-30-98	1-1-99 thru 6-30-99
Secured Correctional Facilities*	$133.82	$150.44	$154.94	$159.46
Child Caring Institutions	157.08	160.22	161.79	163.36
Group Homes	108.98	111.16	112.25	113.34
Corrective Sanctions	82.11	88.19	80.41	74.35
Treatment Foster Homes	69.95	71.35	72.05	72.75
Regular Foster Homes	24.29	24.78	25.02	25.26
Aftercare Supervision	14.95	16.98	17.18	17.39

*Including transfers from a secured correctional facility to the Mendota Juvenile Treatment Center.

[Act 27 Sections: 3836, 3838, 3841m thru 3844m and 5267]

3. YOUTH AIDS [LFB Paper 330]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	- $3,000,000	$3,000,000	$8,551,500	$8,551,500

Governor: Reduce the community youth and family aids (youth aids) program by $1,500,000 annually to remove one-time funding. Base funding for youth aids totals $78,465,900 ($76,016,700 GPR and $2,449,200 FED). Under the bill, youth aids funding provided by GPR would be reduced to $74,516,700 annually. The reduction relates to $1,500,000 GPR provided under 1995 Act 416 in 1996-97 to address increases in the daily rates for juvenile correctional care made under Act 416. (Statutory provisions relating to the allocation of youth aids expenditures in 1997-99 are not properly amended under the bill and require technical correction.)

Joint Finance: Provide $1,500,000 annually for community youth and family aids to counties. Require the Department to evaluate the impact of the 1995 juvenile code changes and declining juvenile correctional populations on state and county costs of juvenile corrections and youth aids funding. Require the Department to submit a report to the Governor and the Joint Committee on Finance by January 1, 1998, which provides recommendations for funding state juvenile correctional care, including the possible reallocation or reduction of facility care costs, if populations continue to decline. Amend the statutory provisions relating to the allocation of community youth and family aids expenditures in 1997-98 and 1998-99.

Assembly/Legislature: Provide $4,833,700 in 1997-98 and $3,717,800 in 1998-99 for community youth and family aids to reflect the estimated changes in county costs for state-provided secured correctional facility care, aftercare, alternate care and corrective sanctions programming. Provide that any unencumbered balance from the serious juvenile offenders appropriation each fiscal year be transferred to the community youth and family aids appropriation, for supplemental distribution to counties by the Department of Corrections. Modify the community youth and family aids appropriation to a sum sufficient appropriation equal to the amounts in the schedule plus the amounts transferred from the serious juvenile offenders appropriation. Modify the Joint Finance provision that would require Corrections to evaluate the impact of the 1995 juvenile code changes and declining juvenile correctional populations on state and county costs of juvenile corrections and youth aids funding and to provide recommendations for funding state juvenile correctional care, including the possible reallocation or reduction of facility care costs, if populations continue to decline, by delaying the reporting date from January 1, 1998, to March 1, 1998.

Vetoes by Governor [D-5 and D-6]: Delete the modification of the community youth and family aids appropriation to a sum sufficient appropriation. Under the veto, the appropriation would remain a sum certain appropriation and would provide the amounts in the schedule plus the amounts transferred from the serious juvenile offenders appropriation. Delete the March 1, 1998, reporting date requirement relating to the evaluation of the impact of the 1995 juvenile code changes and

declining juvenile correctional populations on state and county costs of juvenile corrections and youth aids funding.

[Act 27 Sections: 514m, 514p, 3839, 3851m, 3851p and 9111(4t)]

[Act Vetoed Sections: 169 (as it relates to s. 20.410(3)(cd)), 514m and 9111(4t)]

4. SERIOUS JUVENILE OFFENDER PROGRAM [LFB Paper 331]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $13,485,200	$2,754,600	- $10,730,600

Governor: Delete $9,232,500 in 1997-98 and $4,252,700 in 1998-99 from the serious juvenile offender program appropriation to reflect a reestimate of the serious juvenile offender (SJO) population in 1997-99. Base funding for the SJO appropriation is $14,056,700. The reduction under the bill would provide SJO funding of $4,824,200 in 1997-98 and $9,804,000 in 1998-99 and reflects the following average daily SJO population projections:

Type of Care	1997-98	1998-99
Juvenile Correctional Institutions	89	154
Corrective Sanctions	4	31
Aftercare, including Alternate Care	4	10
Total	97	195

The SJO appropriation reimburses juvenile correctional institutions, secured child caring institutions, alternate care providers, aftercare supervision providers and corrective sanctions supervision providers for costs incurred, beginning on July 1, 1996, for: (a) the care of any child 14 years of age or over who has been adjudicated delinquent for an act that is equivalent to a Class A or B felony, or a child 10 years of age or older who has attempted or committed first-degree intentional homicide or has committed first-degree reckless or second-degree intentional homicide; (b) juveniles waived into adult court and sentenced to state prison, but placed by DOC at a secured juvenile correctional facility or a secured child caring institution; (c) correctional services for juveniles adjudicated as violent juvenile offenders for certain offenses committed prior to July 1, 1996; and (d) juveniles under extended jurisdiction orders prior to July 1, 1996 who receive juvenile correctional services.

Joint Finance: Provide $1,745,400 in 1997-98 and $1,009,200 in 1998-99 for the serious juvenile offender program. This would provide SJO funding of $6,569,600 in 1997-98 and

$10,813,200 in 1998-99. The provision reflects a reestimate of the appropriation based on the Committee's modifications to daily rates for each type of juvenile care and corrected SJO population projections. The estimated number of serious juvenile offenders is reduced, in 1997-98, from four juveniles to one, for both corrective sanctions and aftercare services. The population projections are also modified to include the number of waived juveniles, juveniles adjudicated as violent juvenile offenders and juveniles under extended jurisdiction orders, paid for from the SJO appropriation. Previous assumptions regarding the length of stay at secured facilities and the transition to community-based services understated the costs associated with these juveniles. The following table reflects the estimates:

		1997-98	1998-99
Secured Correctional Facility	SJO	89	154
	Violent/waived/extended	15	0
	Subtotal	104	154
Corrective Sanctions	SJO	1	31
	Violent/waived/extended	11	9
	Subtotal	12	40
Alternate Care	SJO	1	10
	Violent/waived/extended	4	0
	Subtotal	5	10
Aftercare	SJO	1	10
	Violent/waived/extended	35	28
	Subtotal	36	38

Assembly/Legislature: Provide that any unencumbered balance from the serious juvenile offenders appropriation each fiscal year be transferred to the community youth and family aids appropriation, for supplemental distribution to counties by the Department of Corrections.

[Act 27 Section: 514p]

5. TRANSFER COMMUNITY INTERVENTION PROGRAM [LFB Paper 473]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $7,500,000	$7,500,000	$0

Governor: Delete $3,750,000 annually and transfer the Community Intervention Program from DOC to the Department of Health and Family Services (DHFS). Under current law, funds are distributed by DOC to counties based on a formula that reflects juvenile arrests and correctional placements and must be used for early intervention services for first offenders and intensive community-based intervention services for serious chronic offenders. Eliminate the requirement that these funds be used for first offenders (early intervention services) and for serious chronic offenders (intensive community-based intervention services). Under the bill, the formula for distribution would not change.

Joint Finance/Legislature: Delete provision.

6. TEMPORARY USE OF PRAIRIE DU CHIEN FOR YOUNG ADULTS [LFB Paper 321]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$6,567,000	0.00	- $7,670,100	5.00	- $81,800	0.00	- $1,184,900	5.00

Governor: Provide $6,567,000 in 1997-98 for the Prairie du Chien juvenile correctional facility and provide that DOC may, until July 1, 1998, operate the Prairie du Chien facility as a state prison for the placement of prisoners who are young adults. Provide that the Secretary of DOC may direct the Division of Adult Institutions (DAI) and the Division of Juvenile Correctional Services (DJC) to enter into an intra-agency agreement for the use of the Prairie du Chien facility as a state prison. The agreement would require DAI to reimburse DJC from its general program operations appropriation for the full cost, not to exceed $65 per person per day, of operating that secured correctional facility as a state prison during the term of the agreement. However, no appropriation is made under the bill to increase the general program operations appropriation for this purpose. Provide that DJC credit the payments to its juvenile correctional services appropriation and use the monies to operate the state prison authorized under the bill.

Expenditure authority under the bill would provide $271,000 for supplies and services ($225,000 for utilities and heating, $46,000 for repairs and maintenance) and $6,296,000 in unallotted reserve (for release by DOA) for operations. The funds placed in reserve would be allotted following a determination of actual line item costs, which are presently unknown.

Joint Finance: Delete $7,350,400 and provide 4.0 positions in 1997-98 and delete $319,700 and provide 5.0 positions in 1998-99, as follows: (a) delete $7,514,000 in 1997-98 and $524,200 in 1998-99 and provide that DOC may operate the Prairie du Chien facility as a state prison until July 1, 1999; and (b) provide $163,600 and 4.0 teacher positions in 1997-98 and $204,500 and 5.0 teacher positions in 1998-99 for the Prairie du Chien facility. Require that DAI reimburse DJC from its intergovernmental corrections agreement GPR appropriation for the full cost of operating Prairie du

Chien secured correctional facility as a state prison during the term of the agreement. Delete the $65 per person per day limit. This action reduces the total amount budgeted for the operation of secured juvenile correctional facilities in 1998-99 by $7,641,700.

Assembly/Legislature: Reduce funding by $81,800 in 1997-98 to reflect a delay in starting dates for 4.0 Prairie du Chien teaching positions to January 1, 1998. Prohibit the placement of violent offenders, as determined by the Department of Corrections, at the Prairie du Chien correctional facility. In addition, provide that the Prairie du Chien correctional facility be operated for persons not more than 21 years of age.

[Act 27 Sections: 501m, 519, 3879m, 5510s and 9111(2u)]

7. SOUTHERN OAKS GIRLS SCHOOL STAFFING [LFB Paper 322]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$4,143,800	59.05	- $2,095,000	0.00	- $22,400	0.00	$2,026,400	59.05

Governor: Provide $1,773,200 and 58.05 positions in 1997-98 and $2,370,600 and 59.05 positions in 1998-99 for the Southern Oaks Girls School for additional staffing, including staff relating to a 75-bed expansion, scheduled for completion in October, 1997. The expansion of the facility was funded under 1993 Act 16. The positions include: (a) 5.0 positions for business and personnel functions; (b) 1.5 positions for the Office of Offender Review; (c) 6.5 positions in 1997-98 and 7.5 positions in 1998-99 relating to health, mental health and social services; (e) 6.0 positions relating to educational services; and (f) 39.05 positions for security and operations. The request supplements staffing for five existing units at the School and provides staffing for the three units and two entrance/control booth locations associated with the expanded facility. All requested positions in 1997-98 are budgeted to begin on October 1, 1997.

Joint Finance: Delete $1,705,300 and 56.05 positions in 1997-98 and $389,700 in 1998-99 for the Southern Oaks Girls School expansion. This provides $67,900 with 2.0 positions in 1997-98 and $1,980,900 with 59.05 positions in 1998-99 to reflect a phase-in of staffing for the school's expansion.

Assembly/Legislature: Reduce funding by $22,400 PR in 1997-98 to reflect a delay in starting dates for 2.0 positions to January 1, 1998.

8. RESIDENTIAL ALTERNATE CARE [LFB Papers 323 and 332]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	- $4,122,100	- $2,257,000	- $6,379,100

Governor: Delete $2,323,700 in 1997-98 and $1,798,400 in 1998-99 for juvenile residential alternate care. The appropriation for alternate care funds the costs for juveniles, following release from institutional care, who are placed in child caring institutions, secure child caring institutions, foster homes, treatment foster homes and group homes. Base funding for alternate care costs is $8,507,200. The modification of alternate care funding reflects statutory rate increases for alternate care settings under the bill (see "Juvenile Corrections," Item #2) and lower average daily population projections. The alternate care average daily population under the bill is projected at 167 in 1996-97, 127 in 1997-98 and 136 in 1998-99.

Joint Finance/Legislature: Delete $903,900 in 1997-98 and $1,353,100 in 1998-99 to reflect a reestimate of the alternate care average daily population to 108 juveniles annually.

9. POPULATION-RELATED COST ADJUSTMENTS [LFB Paper 324]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	- $920,800	- $325,200	- $1,246,000

Governor: Delete $587,200 in 1997-98 and $333,600 in 1998-99 to reflect population-related cost adjustments for food, variable non-food and health care costs, as follows: (a) -$343,300 in 1997-98 and -$204,300 in 1998-99 for food costs at juvenile correctional institutions; (b) -$16,100 in 1997-98 and $50,800 in 1998-99 for variable non-food costs (such as laundry, clothing and personal items) for institutionalized juveniles; (c) -$227,800 in 1997-98 and -$180,100 in 1998-99 to reflect a reduction in juvenile health care costs.

Joint Finance/Legislature: Delete $34,900 in 1997-98 and $290,300 in 1998-99 to reflect population-related cost adjustments for food, variable non-food and health care costs, as follows: (a) provide $131,800 in 1997-98 and $6,200 in 1998-99 for food costs at juvenile correctional institutions; (b) delete $2,000 in 1997-98 and $66,100 in 1998-99 for variable non-food costs; and (c) delete $164,700 in 1997-98 and $230,400 in 1998-99 to reflect a reduction in juvenile health care costs. The modifications for food, variable non-food and health care costs are based on technically corrected DOC juvenile population projections for March, 1997. Food costs also include meals for staff at the facilities and for juveniles who report to the Milwaukee corrective sanctions program center.

10. JUVENILE CORRECTIVE SANCTIONS PROGRAM EXPANSION [LFB Paper 325]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$594,200	- $324,100	$270,100

Governor: Provide $122,100 in 1997-98 and $472,100 in 1998-99 to expand the juvenile corrective sanctions program. The program provides a release option for juveniles in secured facilities who are not considered dangerous. Base funding for the program ($3,233,900) supports 105 corrective sanctions slots in six counties (Dane, Milwaukee, Outagamie, Racine, Rock and Winnebago). Under the bill, the number of slots would be increased by 14 (for a total of 119 slots) in 1997-98 and by an additional 42 slots (for a total of 161 slots) in 1998-99. The funding increase includes $22,400 in 1997-98 and $77,300 in 1998-99 for electronic monitoring services provided by the Division of Program Planning and Movement (monitoring center). Under the corrective sanctions program, a juvenile may be transferred from a correctional institution to intensive community supervision, including electronic monitoring, either in the youth's family or in an alternate home.

Delete the current law requirements that: (a) a contact worker providing corrective sanctions services have a caseload of approximately 10 juveniles; and (b) case management services under the program must be provided by a corrective sanctions agent with a caseload of approximately 15 juveniles during the initial phase of placement in the community.

Under current law, the number of corrective sanction slots may increase to more than the statutorily authorized number (currently 105 slots), if supplemental funds are provided by the Joint Committee on Finance. Provide that the number of corrective sanction slots may also increase (to more than 119 in 1997-98 and 161 in 1998-99, under the bill), if funding and positions to serve additional juveniles are otherwise available (for example, if the average cost per slot would be less than budgeted, additional juveniles could be served).

Joint Finance/Legislature: Delete $113,400 in 1997-98 and $210,700 in 1998-99 and provide one additional slot (for a total of 106 slots) in 1997-98 and an additional 30 slots (for a total of 136 slots) in 1998-99. The funding modification would include $1,600 in 1997-98 and $42,800 in 1998-99 for electronic monitoring services provided by the Division of Program Planning and Movement (monitoring center) in DOC. Provide that the number of corrective sanction slots may increase (to more than 106 in 1997-98 and 136 in 1998-99), if funding and positions to serve additional juveniles are otherwise available. Retain current law provisions concerning caseload ratios of contact workers and corrective sanctions agents.

[Act 27 Sections: 5278 thru 5280m and 5286]

11. AFTERCARE SUPERVISION [LFB Paper 326]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $202,000	- 3.00	- $337,100	- 6.00	- $539,100	- 9.00

Governor: Delete $100,000 and 3.0 positions in 1997-98 and $102,000 in 1998-99 for juvenile aftercare services. Aftercare agents provide community supervision of juveniles following release from institutional care. The reduction in aftercare staffing reflects lower average daily population projections. The aftercare average daily population under the bill is projected at 327 in 1996-97, 300 in 1997-98 and 312 in 1998-99. Base funding for aftercare services is $1,862,000 and, under current law, is budgeted in an appropriation for juvenile correctional services. Under the bill, the aftercare services funding is budgeted under an appropriation for the juvenile corrective sanctions program. (The administration indicates that this was an error and that aftercare services should remain budgeted under juvenile correctional services.)

Joint Finance/Legislature: Delete $133,100 and 4.0 positions in 1997-98 and $204,000 and 6.0 positions in 1998-99 to reflect lower aftercare population estimates. Continue to fund juvenile aftercare from the juvenile correctional services appropriation.

12. DELETE ARCHITECT POSITION

	Chg. to Base	
	Funding	Positions
GPR	- $62,500	- 0.60
PR	- 121,400	- 0.40
Total	- $183,900	- 1.00

Governor/Legislature: Delete $27,800 GPR and $52,000 PR in 1997-98 and $34,700 GPR and $69,400 in 1998-99 and 0.6 GPR and 0.4 PR architect position in each year. The split-funded position was transferred to DOC from the Department of Health and Family Services as part of the transfer of youth services to juvenile corrections.

13. SOUTHERN OAKS GIRLS SCHOOL SUNSET HOUSE CONTRACT

	Chg. to Base
PR	$13,000

Governor/Legislature: Provide $4,300 in 1997-98 and $8,700 in 1998-99 for the Southern Oaks Girls School (SOGS) Sunset House, an eight-bed transitional housing unit on the SOGS grounds for girls about to be released into the community. The house is operated under a contract with a private provider; the funding under the bill would address the estimated increase in costs associated with the contract.

14. EMPLOYE OCCUPATIONAL HEALTH POSITION

	Chg. to Base
GPR	1.00

Governor/Legislature: Provide 1.0 nursing specialist position in 1997-98 in the Division of Management Services for occupational health services (including medical testing, inoculations and staff education and training) for employes in the Division of Juvenile Corrections. Funding for salary and fringe benefit costs, one-time costs and internal services costs associated with the position ($37,900 in 1997-98 and $47,500 in 1998-99) would be provided through the reallocation of base funds for supplies and services in juvenile corrections.

15. CONVERSION OF FEDERAL APPROPRIATIONS TO PROGRAM REVENUE APPROPRIATIONS

	Chg. to Base
FED	- $5,498,400
PR	5,498,400
Total	$0

Governor/Legislature: Provide $2,749,200 PR and delete $2,749,200 FED annually to reflect that the federal funding received by DOC from the Department of Health and Family Services (DHFS) is properly appropriated as program revenue under DOC. The federal funding is provided for: (a) community youth and family aids, including child welfare funds ($1,100,000 base funding) and a foster care supplement ($1,349,200 base funding); and (b) aid for alcohol and other drug abuse programming ($300,000 base funding). Create two interagency program revenue appropriations to receive the federal funds, one for community youth and family aids and one for alcohol and other drug abuse. Repeal the two corresponding federal appropriations under DOC.

Provide that DOC may not distribute more than $300,000 annually from the program revenue appropriation for alcohol and other drug abuse. These funds (available under the federal prevention and treatment of substance abuse block grant) are provided for substance abuse education and treatment services for youth participating in a gang diversion program in Milwaukee County. Under current law, a total of $550,000 annually ($250,000 from penalty assessment funds and $300,000 from the federal block grant) must be distributed by DOC to an organization in Milwaukee County to provide services designed to divert youth from gang activities into productive activities. Statutory language affecting the $250,000 from penalty assessment funds would not be changed.

[Act 27 Sections: 522 thru 525, 1437, 1440, 1479, 1483, 1514, 1737, 1924, 3834, 3850, 3851m and 3856]

16. FUNDING TRANSFER TO MENDOTA JUVENILE TREATMENT CENTER [LFB Paper 327]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$0	$1,361,300	$1,361,300

Governor: Provide that DOC is required to transfer $3,125,100 PR in 1997-98 and $3,236,200 PR in 1998-99 to the Department of Health and Family Services for services for juveniles placed at the Mendota Juvenile Treatment Center (MJTC). Delete MJTC from the statutory definition of a state correctional institution and delete the general authority of DOC to provide educational programs and health and psychiatric services for juveniles placed at MJTC. MJTC provides evaluations for and treatment of male juvenile offenders under state custody with complex emotional and behavior problems. Following treatment, juveniles are either placed in the community or returned to the facility that they came from. MJTC has a capacity of 43 beds. Through an interagency agreement under current law, DHFS currently receives up to $2.5 million annually from DOC as reimbursement for its treatment costs.

Joint Finance/Legislature: Provide $625,100 in 1997-98 and $736,200 in 1998-99 in expenditure authority to reflect the MJTC treatment costs to be paid by DOC.

[Act 27 Sections: 514d, 515, 519, 520, 1417, 3790, 3797, 3798 and 3835 thru 3837]

17. SECURE DETENTION IN STATE JUVENILE FACILITIES [LFB Paper 328]

Governor: Provide that a county board of supervisors may contract with DOC for the use of a state secured correctional facility for the secure detention of juveniles who meet certain criteria. Provide that a county may use a secured correctional facility for holding a juvenile only if any of the following criteria are met: (a) there is no county-operated secure detention facility within 75 miles of the county seat of the county; or (b) there is no bed space available in a county-operated secure detention facility within 75 miles of the county seat of the county. Provide that the county may use a secured correctional facility for holding a juvenile only if DOC approves that use based on the availability of beds in the secured correctional facility and on the programming needs of the juvenile. Provide that the county/DOC contract specify: (a) the per person daily rate to be paid by the county for holding a juvenile; (b) the charges to be paid by the county for any extraordinary medical and dental expenses and any programming provided for the juvenile by DOC; and (c) any other matters that are necessary and appropriate concerning the obligations, responsibilities and rights of the contracting county and DOC. Provide that a juvenile held in custody under a county/DOC contract is under the supervision and control of DOC and is subject to the rules and discipline of the Department. Create a program revenue appropriation under DOC to receive payments from counties

for holding juveniles in secure custody in a state secured correctional facility. Estimate an average daily population for secure detention juveniles at state facilities of 10 in 1997-98 and 25 in 1998-99.

Provide that secure detention in a state secured correctional facility would be authorized if the juvenile: (a) meets current law criteria for placing a child or juvenile in secure detention prior to disposition or trial, including certain juveniles violating traffic laws; (b) is a juvenile less than 15 years of age who is being held in secure custody under original adult court jurisdiction for criminal proceedings; (c) is subject to a disposition that includes placement in secure detention; (d) is subject to a secure detention sanction for a violation of a condition of a dispositional order; or (e) is subject to short-term detention by a caseworker for an investigation of a violation of a condition of a dispositional order or a condition of the juvenile's participation in an intensive supervision program.

Under current law, a county board, or two county boards jointly, may establish a secure detention facility for holding in secure custody juveniles who: (a) meet certain criteria prior to disposition; (b) are placed in secure detention under a dispositional order; or (c) are subject to a sanction for, or a short-term detention to investigate, a violation of a condition of a dispositional order. Currently, a county board may also contract with Minnesota counties for holding juveniles who meet current law criteria for placing a juvenile in secure detention prior to disposition.

Provide that a county board of supervisors may contract with one or more counties in Minnesota that operate a secure detention facility for holding juveniles, if the juvenile: (a) meets current law criteria for placing a child in secure detention prior to disposition or trial, including certain juveniles violating traffic laws; (b) is a juvenile less than 15 years of age who is being held in secure custody under original adult court jurisdiction for criminal proceedings; (c) is subject to a disposition that includes placement in secure detention; (d) is subject to a secure detention sanction for a violation of a condition of a dispositional order; or (e) is subject to short-term detention by a caseworker for an investigation of a violation of a condition of a dispositional order or a condition of the juvenile's participation in an intensive supervision program.

Joint Finance/Legislature: Modify the provision to allow a county to use a state juvenile correctional facility for secure detention if there is not bed space available in a county-operated secure detention facility within 40 miles of the county seat of a county. Reestimate the average daily population for secure detention juveniles at state facilities at three juveniles annually.

[Act 27 Sections: 521, 5254 and 5255]

18. TRANSFER JUVENILE BONDING AUTHORIZATION TO DOC

Governor/Legislature: Provide that the Department of Corrections, instead of the Department of Health and Family Services, would be authorized to acquire, construct, develop, enlarge or improve juvenile correctional facilities. The provision transfers the bonding authorization for juvenile

correctional facilities from DHFS to DOC. Under current law, the state may contract public debt in an amount not to exceed $29,441,500 for this purpose.

[Act 27 Section: 735]

19. COMMUNITY-BASED PROGRAM ASSISTANCE

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$192,200	2.00	- $25,300	0.00	$166,900	2.00

Joint Finance: Provide $90,800 with 2.0 positions in 1997-98 and $101,400 in 1998-99 to assist counties in developing community-based delinquency services. One community program coordinator position would provide consultation and technical assistance to counties in developing a comprehensive strategy to address juvenile crime. One mentor coordinator position would work with local groups to recruit, train and supervise volunteer mentors to work with juvenile offenders.

Assembly/Legislature: Reduce funding by $25,300 in 1997-98 to reflect a delay in starting dates for 2.0 community-based programming positions to January 1, 1998.

20. SECURE JUVENILE DETENTION FACILITY STUDY

Joint Finance: Require the Department of Corrections to design a financially viable secure detention facility, to be located in northwestern Wisconsin, and to recommend a combination of federal, state and county resources to fund the new facility. Require the Department to report to the Joint Committee on Finance, no later than January 1, 1998, on its recommended design and funding options.

Assembly/Legislature: Modify the Joint Finance provision that would require Corrections to design a financially viable secure detention facility, to be located in northwestern Wisconsin, and to recommend a combination of federal, state and county resources to fund the new facility by delaying the reporting date from January 1, 1998, to March 1, 1998.

Veto by Governor [D-1]: Delete provision.

[Act 27 Vetoed Section: 9111(3v)]

21. ELIMINATE GANG VIOLENCE PREVENTION COUNCIL

	Chg. to Base Funding	Positions
GPR	- $120,200	- 1.00

Assembly/Legislature: Delete $60,100 GPR and 1.0 GPR position annually to reflect the repeal of the Gang Violence Prevention Council and associated statutory functions on the general effective date of the budget act. The Council consists of the following members: (a) one representative to the Assembly appointed by the Speaker of the Assembly; (b) one Senator appointed by the President of the Senate; (c) two representatives of local government who occupy executive or legislative positions, appointed by the Governor; (d) two representatives of local law enforcement, at least one of whom is a chief of police, appointed by the Governor; (e) one District Attorney, appointed by the Governor; (f) the Attorney General or a member of the Attorney General's staff designated by the Attorney General; (g) the executive staff director of the Office of Justice Assistance; (h) the Secretary of Corrections or the Secretary's designee, who serves as chairperson of the council; (i) one member who has knowledge of the problems of gang influence and gang violence in public schools, appointed by the State Superintendent of Public Instruction; and (j) four members who are not public officers or employes and who have a recognized interest in and demonstrated knowledge of prevention and intervention strategies and programs that are effective in reducing gang influence and gang violence affecting children throughout this state, appointed by the Governor.

The Council, created under 1995 Act 27, was authorized to conduct public hearings and surveys to solicit the opinions and recommendations of citizens and public officials regarding strategies and programs to prevent children from becoming influenced by and involved with gangs. Based on those opinions and recommendations, the Council is required to submit an annual report to the appropriate standing committees of the Legislature, the Co-chair of the Joint Committee on Finance and the Secretary of Corrections, and otherwise provide information and recommendations to interested persons, on ways to improve those existing strategies and programs and ways to establish new strategies and programs to prevent children from becoming influenced by and involved with gangs.

[Act 27 Sections: 58d, 514d, 3790d and 9111(5z)]

22. PRIVATELY OPERATED SECURE DETENTION FACILITIES FOR JUVENILES

Assembly/Legislature: Provide that one or more county boards of supervisors may contract with a privately operated secure detention facility for the secure detention of juveniles. Provide that a county board of supervisors may delegate the authority to contract with a private entity to its county department. A secure detention contract with a private entity would require: (a) that the facility meet or exceed the minimum requirements for the approval and operation of a secure detention facility established by the Department of Corrections; (b) that the facility be approved by DOC; (c) that the facility provide educational programming, health care and other care that is equivalent to that which a juvenile would receive in a public secure detention facility; (d) the specification of the rates to be paid by the county for holding a juvenile in the facility and charges for any extraordinary medical

and dental expenses and for any programming provided to a juvenile; (e) an agreement that the county retains jurisdiction over a juvenile held at the facility; (f) an agreement that the facility is subject to inspection by DOC; and (g) a specification of any other matters that are necessary and appropriate concerning obligations, responsibilities and rights of the contracting counties and DOC.

Provide that the statutory requirements and DOC rules for public secure detention facilities would also apply to private facilities.

Under current law, a county board, or two county boards jointly, may also establish a secure detention facility for holding in secure custody juveniles who: (a) meet certain criteria prior to disposition; (b) are placed in secure detention under a dispositional order; or (c) are subject to a sanction for, or a short-term detention to investigate, a violation of a condition of a dispositional order. A county board may also contract with Minnesota counties for holding juveniles who meet current law criteria for placing a juvenile in secure detention prior to disposition. There are 15 county-operated secure detention centers approved by DOC with a combined capacity of 498 beds.

[Act 27 Sections: 3110m, 3860r, 5246d thru 5249m and 5253m]

23. YOUTH DIVERSION PROGRAMS

	Chg. to Base
GPR	$760,000
PR	390,000
Total	$1,150,000

Senate/Legislature: Provide $380,000 GPR and $195,000 PR annually to provide an additional $575,000 annually for youth gang diversion programs, as follows: (a) $250,000 annually to contract with an organization to provide services in Milwaukee County for the diversion of youth from gang activities into productive activities; (b) $50,000 annually to contract with an organization to provide services in Kenosha County for gang diversion programming, including substance abuse education and treatment services for program participants; (c) $50,000 annually to contract with an organization to provide services in Racine County for gang diversion programming, including substance abuse education and treatment services for program participants; (d) $75,000 annually to contract with an organization to provide services in Brown County for gang diversion programming, including substance abuse education and treatment services for program participants; and (e) $150,000 annually to an organization located in Ward 1 in the City of Racine to provide gang diversion programming in Racine County, including substance abuse education and treatment services for program participants. Provide that the organization located in Ward 1 in the City of Racine would: (a) be required to have a recreational facility and offer programs to divert youth from gang activities; (b) be prohibited from being affiliated with any national or state association; and (c) not be the organization that entered into a contract for gang diversion services under current law (1995 Statutes). Convert a program revenue appropriation under the Department of Corrections (DOC) for youth diversion programs to a program revenue-service appropriation for the same purpose. Program revenue funding would be provided from penalty assessment revenue under the Office of Justice Assistance (OJA) and transferred to DOC, which administers youth diversion grants.

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

[Act 27 Sections: 514r, 520g, 687, 3115t, 3855r and 3856d]

COURT OF APPEALS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$12,342,800	$12,128,000	$12,117,000	$12,359,200	$12,359,200	$16,400	0.1%
PR	0	0	38,400	38,400	38,400	38,400	N.A.
Total	$12,342,800	$12,128,000	$12,155,400	$12,397,600	$12,397,600	$54,800	0.4%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	73.00	73.00	75.50	75.50	75.50	2.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	- $6,400

Governor/Legislature: Reduce funding by $3,200 annually for the following adjustments: (a) full funding of salaries and fringe benefits (-$9,900 annually); (b) full funding of financial services charges ($2,500 annually); and (c) cash payments in lieu of a fifth week of vacation for certain long-term employes ($4,200 annually).

2. UNSPECIFIED BUDGET REDUCTION

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- $246,800	$246,800	$0
GPR-Lapse	$0	$246,800	$0

Governor: Delete $123,400 annually from the Court of Appeals' general operations, sum sufficient appropriation. The reduction equals 2%, annually, of the Court of Appeals' $6,171,400 base appropriation level.

Assembly/Legislature: Provide $123,400 annually to restore unspecified budget reductions. Instead, require the Supreme Court to endeavor to ensure that a total of at least $1,175,000 GPR annually be lapsed from a combination of lapses from the Court of Appeals, Supreme Court and Circuit Court.

[Act 27 Section: 9146(1)]

3. INFORMATION TECHNOLOGY [LFB Paper 781]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$38,400	- $38,400	$0
PR	0	38,400	38,400
Total	$38,400	$0	$38,400

Governor: Provide $28,000 in 1997-98 and $10,400 in 1998-99 for various Court of Appeals information technology initiatives. Funding would be provided for: (a) security ($22,000 in 1997-98); (b) internet access ($10,400 in 1998-99); (c) technology for electronic production and distribution of court-related manuals ($3,700 in 1997-98); (d) electronic forms software to design, generate, transmit and use forms electronically ($1,600 in 1997-98); and (e) a standard data definition project to develop a dictionary of terms used by the judicial branch for uniform data collection ($700 in 1997-98).

Joint Finance/Legislature: Delete $28,000 GPR in 1997-98 and $10,400 GPR in 1998-99. Instead, create a program revenue appropriation and provide $28,000 PR in 1997-98 and $10,400 PR in 1998-99 to fund the Court of Appeals technology initiatives recommended by the Governor.

Funding would come from a portion of the justice information fee revenues, which are deposited to the Supreme Court circuit court automation project.

[Act 27 Sections: 712g, 712m, 712r and 9409(1)]

4. CLERK OF COURT STAFF [LFB Paper 340]

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$27,400	2.50	- $4,600	0.00	$22,800	2.50

Joint Finance: Provide $13,700 and 2.5 positions annually to convert 1.0 support services clerk, 1.0 assistant deputy clerk and 0.5 photocopy clerk from LTE to permanent status.

Assembly/Legislature: Reduce funding by $4,600 in 1997-98 to reflect the delay to November 1, 1997, in converting limited-term employe positions in the clerk of courts office to permanent positions.

DISTRICT ATTORNEYS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$57,916,200	$61,327,600	$61,722,400	$61,863,800	$61,763,800	$3,847,600	6.6%
PR	2,201,200	2,445,900	2,342,900	2,342,900	2,342,900	141,700	6.4
TOTAL	$60,117,400	$63,773,500	$64,065,300	$64,206,700	$64,106,700	$3,989,300	6.6%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	348.00	352.00	360.50	364.00	364.00	16.00
PR	15.00	14.00	13.00	13.00	13.00	- 2.00
TOTAL	363.00	366.00	373.50	377.00	377.00	14.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Positions
GPR	$3,002,600	0.00
PR	44,500	- 2.00
Total	$3,047,100	- 2.00

Governor/Legislature: Provide $1,501,300 GPR and $48,200 PR in 1997-98 and $1,501,300 GPR and -$3,700 PR in 1998-99 and -2.0 PR positions annually for the following: (a) remove non-continuing funding (-$145,800 PR and -2.0 PR positions in 1997-98 and -$197,700 PR and-2.0 PR positions in 1998-99); (b) full funding of salaries and fringe benefits ($971,700 GPR and $194,000 PR annually); (c) full funding of elected positions salaries and benefits ($487,000 GPR annually); and (d) risk management costs ($42,600 GPR annually).

2. SEXUAL PREDATOR PROSECUTORS [LFB Paper 345]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$344,400	4.00	- $172,200	- 2.00	- $24,600	0.00	$147,600	2.00

Governor: Provide $147,600 in 1997-98 and $196,800 in 1998-99 and 4.0 project assistant district attorney (ADA) positions annually to prosecute cases under the sexual predator law (Chapter 980). Under current law, the Department of Justice may file a petition under Chapter 980 alleging a person is sexually violent. If DOJ does not file a petition, the district attorney may file a petition under Chapter 980 in either: (a) the county where the person was convicted of a sexually violent offense, adjudicated delinquent for a sexually violent offense or found not guilty of or responsible for a sexually violent offense by reason of insanity, mental disease, defect or illness; or (b) the county in which the person will reside upon discharge. Department of Justice officials estimate 75 new sexual predator cases per year. Each person committed under the sexual predator law is entitled to file a total of three petitions per year (one every six months for supervisory release and one per year for full discharge). Under the bill, one ADA would be assigned to each of four counties (Brown, Dane, Marathon and Milwaukee), and would be allowed to file and prosecute proceedings under Chapter 980 statewide. The positions would expire on June 30, 1999. The bill would also require any DA, who files a petition under Chapter 980, to maintain records of the amount of time spent by the DA, ADA or deputy DA in prosecution to determine if a person is sexually violent and, if applicable, in commitment proceedings and in representing the state under petitions for supervised release or discharge of sexually violent persons. Each year, DAs would be required to submit a report to DOA summarizing the time spent on Chapter 980 cases, and DOA would be required to maintain this information. Under the bill, the record keeping and reporting requirements would sunset on June 30, 1999.

Joint Finance: Delete $73,800 in 1997-98 and $98,400 in 1998-99 and 2.0 project assistant district attorney positions annually to eliminate the regional sexual predator prosecutors for Madison and Marathon Counties. Instead, 2.5 project positions (two attorneys and one-half paralegal) would be provided to DOJ to assist district attorneys with these cases statewide, in addition to the regional prosecutor positions for Milwaukee and Brown Counties as recommended by the Governor. Provide that if DOJ files the petition, it would be allowed to litigate the case in Dane County, regardless of the county where the person was convicted or adjudicated, or where the person would reside upon discharge.

Assembly/Legislature: Delete $24,600 in 1997-98 to reflect a delayed starting date of January 1, 1998, for new positions.

[Act 27 Sections: 5491b, 9101(6) and 9101(7)]

3. STATUTORY RAPE PROSECUTOR [LFB Paper 346]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$103,000	1.00	- $103,000	- 1.00	$0	0.00

Governor: Provide $51,500 and 1.0 project position annually for an assistant district attorney to strengthen statutory rape enforcement. The position would be funded by the Department of Health and Family Services (DHFS) and would work with a DHFS investigator to develop successful prosecution methods for statutory rapists. The bill does not specify which county would receive the prosecutor or how that would be determined. The position would expire June 30, 1999.

Joint Finance/Legislature: Delete provision.

4. CONTINUED FUNDING FOR ANTI-DRUG PROSECUTORS

	Chg. to Base
PR	$80,800

Governor/Legislature: Provide $37,100 in 1997-98 and $43,700 in 1998-99 to fully fund 4.0 assistant district attorney (ADA) positions for anti-drug abuse prosecutions (3.0 positions are in Milwaukee County and 1.0 position in Dane County). The positions are funded from federal anti-drug abuse funds administered by the Office of Justice Assistance and state matching funds. Base funding for the positions is $297,700 in 1996-97. Under the bill, funding would be provided as follows: (a) $253,200 in 1997-98 and $256,500 in 1998-99 for the 3.0 Milwaukee County ADAs; and (b) $81,600 in 1997-98 and $84,900 in 1998-99 for the 1.0 Dane County ADA.

[Act 27 Sections: 9101(3) and 9101(4)]

5. SPECIAL PROSECUTION [LFB Paper 347]

	Chg. to Base
GPR	$64,400

Governor: Provide $32,200 annually for special prosecutors. A court may appoint a special prosecutor on its own motion to perform the same duties as a district attorney. In addition, a district attorney may request that the court appoint a special prosecutor to assist the district attorney in a prosecution, grand jury or John Doe proceeding or investigation. Conditions under which a special prosecutor may be appointed include: (1) there is no district attorney; (2) the district attorney is absent; (3) the district attorney has a conflict of interest; (4) the district attorney is unable to attend to his or her duties; (5) the district attorney is serving in the armed forces; or (6) the district attorney is charged with a crime. Special prosecutors are funded under the supplies and services line of the DA's salaries and fringe benefits appropriation. Base funding for supplies and services is $167,800, which includes funding for special prosecution

in addition to other expenses, such as risk management costs, workers compensation and other miscellaneous expenses.

Joint Finance/Legislature: Approve the Governor's recommendation. In addition, modify the statutory provision which allows appointment of a special prosecutor if the DA is unable to attend to his or her duties to specify that appointment of a special prosecutor is allowed only if: (1) the DA is physically unable to attend to his or her duties; or (2) the DA has a mental incapacity which impairs the DA's ability to substantially perform his or her own duties.

[Act 27 Section: 5484m]

6. MILWAUKEE COUNTY DRUG AND VIOLENT CRIMES COURT CLERKS

	Chg. to Base
PR	$16,400

Governor/Legislature: Provide $5,400 in 1997-98 and $11,000 in 1998-99 for increased reimbursement to the Milwaukee County District Attorney's office for the salary and fringe benefit costs of 4.5 clerks who provide services to the speedy drug court and speedy violent crime court programs. In addition, increase the statutory limits on the amounts reimbursed to Milwaukee County for the cost of these clerks from $153,600 in 1996-97 to $159,000 in 1997-98 and $164,600 in 1998-99. Funding for the clerks comes from a $2 special prosecution fee assessed on forfeiture judgments and various other civil court actions in Milwaukee County.

[Act 27 Sections: 5486 and 5487]

7. INFORMATION TECHNOLOGY [LFB Paper 132]

Governor: Provide funding ($1,707,600 in 1997-98 and $1,939,600 in 1998-99) under DOA's Bureau of Justice Information Systems (BJIS) to expand the DA network. In 1996-97, BJIS will be providing each DA office with one personal computer with various office software, access to the DA network, a printer and user training. Funding was also provided in 1996-97 for DA access to the TIME system, WisLaw and Lexis. The bill would provide funding to expand the DA network including the following additional items: (a) 104 personal computers in 1997-98 and 86 in 1998-99 with software, e-mail and research tools; (b) 36 printers; (c) licenses for each DA office to access the TIME system simultaneously; (d) additional user training; (e) 20 local area networks; and (f) the start of the development of a District Attorney/State Public Defender case management system. The additional computers would provide a state computer to 75% of the DAs, ADAs and Deputy DAs.

Joint Finance/Legislature: Delete $28,800 annually under the Department of Administration's Bureau of Justice Information Systems to reflect a reestimate of revenue available from the justice information fee for the DA network.

8. TURNOVER REDUCTION [LFB Paper 347]

	Chg. to Base
GPR	- $326,400

Joint Finance/Legislature: Delete $163,200 annually from DAs' salaries and fringe benefits to reflect turnover savings. Currently, DA offices are not subject to the Department of Administration budgetary guidelines of 3% turnover savings for appropriations funding more than 50 FTEs. This is because each DA office has less than 50 FTEs, with the exception of Milwaukee County, which has 99 FTEs. This provision would calculate a 3% turnover to the amount of salaries and fringe benefits paid to Milwaukee County prosecutors. Savings would come from the entire GPR appropriation which funds most of the state prosecutors' salaries and fringe benefits (not just Milwaukee County), in addition to special prosecution costs.

9. ADDITIONAL PROSECUTORS [LFB Paper 348]

	Jt. Finance (Chg. to Base)		Assembly (Chg. to JFC)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$793,400	10.50	- $92,300	0.00	$258,300	3.50	$959,400	14.00

Joint Finance: Provide $276,800 and 7.5 assistant district attorney positions in 1997-98 and $516,600 and 10.5 assistant district attorney positions in 1998-99. The following counties would receive positions (annually, unless noted): Sawyer (1.0), Eau Claire (1.0 in 1997-98 and 2.0 in 1998-99), Monroe (0.5), La Crosse (1.0), Racine (1.0 in 1997-98 and 3.0 in 1998-99), Marinette (0.5), Chippewa (0.5), Marathon (0.5), Rock (1.0) and Brown (0.5).

Assembly: Delete $92,300 in 1997-98 to reflect a delayed starting date of January 1, 1998, for new positions.

Senate/Legislature: Provide $86,100 in 1997-98 and $172,200 in 1998-99 and 3.5 positions annually for additional 0.5 assistant district attorney positions for the following counties: Brown, Green Lake, Marathon, Monroe, Milwaukee, Racine and Sauk.

10. CREDITABLE SERVICE UNDER THE WISCONSIN RETIREMENT SYSTEM FOR CERTAIN MILWAUKEE COUNTY ASSISTANT DISTRICT ATTORNEYS

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR	$100,000	- $100,000	$0

Joint Finance/Legislature: Provide additional creditable service under the Wisconsin Retirement System (WRS) to state employes who meet all of the following criteria: (a) they were prosecutors in the Milwaukee County District Attorney's Office on December 31, 1989, and transferred to state service on January 1, 1990; (b) they were participants in the Milwaukee County Employes' Retirement System, but were not vested on December 31, 1989, for the purposes of qualifying for an annuity; (c) they exercised their option to become a WRS participant on January 1, 1990; and (d) they are state employes on the general effective date of the biennial budget act. The amount of creditable service to be granted would be equal to the amount of creditable service accumulated as of December 31, 1989, under the Milwaukee County system. It is estimated that 40 employes would be affected and that the additional unfunded prior service liability would amount to approximately $904,200. Provide that, commencing in 1997-98, the Department of Administration would annually pay to the WRS an amount equal to one-tenth of the total amount of unfunded prior service liability for all of the additional creditable service granted under this provision, plus annual interest computed at the WRS assumed rate. At the current WRS assumed interest rate of 8%, estimated payments of $162,800 in 1997-98 and $155,500 in 1998-99 would be required. These funds would be deducted from amounts otherwise payable to Milwaukee County to reimburse the county for certain prosecutors' fringe benefit costs. Funds would continue to be deducted from Milwaukee County reimbursements until the unfunded service liability, plus interest, associated with the additional creditable service granted under this provision has been paid in full. Milwaukee County would be prohibited from offsetting the salaries and fringe benefits due the state employes covered under this provision in order to hold itself harmless from the reduced reimbursements. Provide one-time funding of $50,000 annually for 1997-99 to partially offset the cost to Milwaukee County in this biennium.

Veto by Governor [E-17]: Delete provision.

[Act 27 Vetoed Sections: 169 (as it relates to 20.475(1)(d)), 652z, 1315b, 1315c, 1317m, 2693mm, 5485c, 5485g, 5485n, 5485r, 5485w and 9316(2q)]

11. LAPSE TO GENERAL FUND

	Chg. to Base
GPR-Lapse	$1,158,400

Assembly/Legislature: Require District Attorneys to lapse $579,200 annually to the general fund. If the Secretary of the Department of Administration (DOA) determines that the DAs are unable to lapse this amount, the DOA would be required to submit a plan to the Finance Committee reallocating the reductions among other agencies' GPR appropriations. The plan would be subject to a 14-day passive review.

[Act 27 Section: 9156(6ng)]

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$14,917,800	$13,735,600	$13,735,600	$13,735,600	$13,735,600	- $1,182,200	- 7.9%
FED	944,800	943,600	943,600	943,600	943,600	- 1,200	- 0.1
PR	11,228,600	13,328,300	13,426,500	13,450,900	13,450,900	2,222,300	19.8
TOTAL	$27,091,200	$28,007,500	$28,105,700	$28,130,100	$28,130,100	$1,038,900	3.8%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	65.75	61.75	61.75	61.75	61.75	- 4.00
PR	24.75	22.75	22.75	22.75	22.75	- 2.00
TOTAL	90.50	84.50	84.50	84.50	84.50	- 6.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $198,100	0.00
FED	- 1,200	0.00
PR	99,700	- 2.00
Total	- $99,600	- 2.00

Governor/Legislature: Adjust the base budget for: (a) removal of noncontinuing items from the base budget (-$86,600 PR and -2.0 PR positions in 1998-99); (b) full funding of continuing salaries and fringe benefits (-$188,300 GPR, $88,400 PR and -$600 FED annually); (c) full funding of financial services charges (-$15,400 GPR and -$8,300 PR annually); (d) position reclassifications ($5,900 GPR annually); (e) overtime ($68,300 GPR and $10,100 PR annually); (f) night and weekend differential ($7,400 GPR annually); (g) fifth week of vacation as cash ($9,500 GPR and $1,000 PR in 1997-98 and $12,900 GPR and $2,900 PR in 1998-99); (h) full funding of lease costs and directed moves ($4,500 GPR in 1997-98 and $9,200 GPR in 1998-99); and (i) delayed pay adjustments ($5,000 GPR and $1,000 PR annually).

2. TRANSFER OF CERTAIN DISTANCE EDUCATION FUNCTIONS [LFB Paper 790]

	Chg. to Base Funding	Positions
GPR	- $645,100	- 4.00

Governor/Legislature: Delete $184,600 and 4.0 positions in 1997-98 and $246,100 in 1998-99 to reflect the transfer of certain distance education functions to the proposed Technology for Educational Achievement in Wisconsin Board. Eliminate the agency's distance education grant program, all duties related to the program and $107,200 annually for distance education grants to school districts and educational institutions for the development of distance education projects in cooperation with other educational institutions using fiber optics or other appropriate technologies.

Eliminate the agency's responsibilities to: (a) provide leadership in securing appropriate funding for regional educational telecommunications networks maintained by schools and other educational institutions; (b) coordinate the development of the networks; and (c) establish technical standards for the networks and their interconnections.

Modify a current requirement that ECB work with educational agencies and institutions of the state as reviewer, advisor and coordinator in their joint efforts to meet the educational needs of the state, through radio and television, to include other appropriate technologies.

Decrease the number of unclassified professional staff employed by the agency from 12 to 11. Under current law, ECB has 18 unclassified positions, including the executive director, deputy director, four division administrators and 12 professional staff.

[Act 27 Sections: 235, 1212, 1213, 1214 and 1215]

3. REDUCE SUPPLIES AND SERVICES FUNDING

	Chg. to Base
GPR	- $248,200

Governor/Legislature: Reduce funding for supplies and services in the agency's general program operations appropriation by -$124,100 annually. This reduction is equal to 2%, annually, of the agency's base, GPR budget for state operations (less debt service).

4. DEBT SERVICE REESTIMATE

	Chg. to Base
GPR	- $50,600

Governor/Legislature: Reestimate debt service cost by $86,100 in 1997-98 and -$136,700 in 1998-99 from the base level of $924,900.

5. FUEL AND UTILITY FUNDING

	Chg. to Base
GPR	- $40,200

Governor/Legislature: Reestimate the cost of fuel and utilities by -$21,900 in 1997-98 and -$18,300 in 1998-99 from the base level of $443,500.

6. GIFTS AND GRANTS FUNDING

	Chg. to Base
PR	$2,000,000

Governor/Legislature: Provide $1,000,000 annually. Revenue is generated through gifts, grants and contracts for program operations and basic radio and television services.

7. EMERGENCY WEATHER WARNING SYSTEM OPERATIONS

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
PR	$98,200	$24,400	$122,600

Joint Finance: Provide $40,800 in 1997-98 and $57,400 in 1998-99 from the Department of Administration's telecommunications and data processing services appropriation for operating funds for the proposed emergency weather warning system expansion. Create a separate, annual program revenue appropriation in ECB for the receipt and expenditure of these funds. Specify that the DOA appropriation would provide the amounts specified in the ECB appropriation for operation of the emergency weather warning system expansion. Codify current practice by providing that ECB would be required to operate an emergency weather warning system.

The proposed 1997-99 building program includes $308,600 in general fund supported, general obligation bonding for the ECB emergency weather warning system expansion which would involve five sites, including southern Rock County, Fond du Lac, Sheboygan, Prairie du Chien/Bloomington and Richland/Ashridge. Currently, ECB operates ten weather warning radio sites throughout Wisconsin.

Senate/Legislature: Modify the Joint Finance provision to provide an additional $10,000 in 1997-98 and $14,400 in 1998-99 from DOA's telecommunications and data processing services appropriation for the operating costs of a new Florence County/Crandon-area weather warning system transmitter. Provide $116,800 of general obligation bonding to the 1997-99 building program for the construction of this transmitter. The fiscal effect of this bonding is shown under "Building Program."

[Act 27 Sections: 235m, 670g, 737d, 1213d and 9107(1)(c)]

8. STUDY OF WISCONSIN PUBLIC BROADCASTING

Assembly/Legislature: Create a special committee called the Commission on Public Broadcasting consisting of: (a) representatives of Wisconsin Public Television and Wisconsin Public Radio appointed by the ECB, a representative of the UW System appointed by the Board of Regents and a representative of WMVS-TV and WMVT-TV in Milwaukee appointed by the MATC District Board, all of whom would have to be appointed within 30 days of the effective date of the budget; (b) the Secretary of Administration, the State Superintendent of Public Instruction, the State Director of the Technical College System or their designees; and (c) three members jointly appointed by the members appointed by ECB, the Regents and the MATC District Board, within 45 days of the effective date of the budget, to represent the public broadcasting audiences, the commercial broadcasting industry and the public school system, respectively. Specify that ECB and MATC would jointly provide staffing and other support required by the commission.

Provide that the commission would have to examine the future of public broadcasting in Wisconsin for the purpose of making recommendations which, if implemented, would be likely to ensure that public broadcasting would continue its tradition of distinguished service to the state, utilize new technologies and functions in the most efficient and cost-effective manner.

Require that the study include an examination of the following: (a) future funding issues; (b) technological advances and their implication for public broadcasting; (c) the relationship between public broadcasting and distance education; (d) the development of new partnerships with the private sector and with other public sector interests; and (e) alternative organizational or governance structures, including a single public or private organization that is not a current licensee of a radio or television broadcasting station.

Require the commission to report its findings and recommendations to the Governor, and Legislature for distribution to the appropriate standing committees, by June 30, 1998. Specify that the commission would cease to exist upon the submission of its report.

[Act 27 Section: 9156(4m)]

9. ELIMINATE PUBLIC BROADCASTING COUNCILS

Assembly/Legislature: *Council on Public Radio.* Repeal the Council on Public Radio under ECB on the effective date of the budget. The Council is comprised of the members of the board of the Wisconsin Public Radio Association. Under current law, the Chairperson of the Council is a member of the Educational Communications Board. This member of ECB would be replaced with the president of the Wisconsin Public Radio Association.

Council on Public Television. Repeal the Council on Public Television under ECB on the effective date of the budget. The Council is comprised of five members, appointed from recommendations made by local television support groups, for four-year terms. Under current law,

the Chairperson of the Council is a member of the Educational Communications Board. This member of ECB would be replaced with a public member with a demonstrated interest in public television who resides within the coverage area of an educational television channel.

[Act 27 Sections: 85d, 85g, 85h, 85j and 85k]

ELECTIONS BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$1,513,800	$1,483,300	$1,651,700	$1,650,700	$1,650,700	$136,900	9.0%
PR	50,800	105,100	105,100	105,100	105,100	54,300	106.9
SEG	1,400,000	800,000	800,000	800,000	800,000	- 600,000	- 42.9
TOTAL	$2,964,600	$2,388,400	$2,556,800	$2,555,800	$2,555,800	- $408,800	- 13.8%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	13.00	13.00	13.00	13.00	13.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$23,800

Governor/Legislature: Adjust the agency's base budget by $11,600 in 1997-98 and $12,200 in 1998-99 for: (a) full funding of continuing salaries and fringe benefits ($1,400 annually); (b) full funding of financial service charge-backs ($1,000 annually); (c) reclassifications ($4,200 in 1997-98 and $4,800 in 1998-99); (d) fifth week vacation as cash ($3,000 annually); and (d) full funding of lease costs ($2,000 annually).

2. ELECTION CAMPAIGN FUND EXPENDITURES

	Chg. to Base
SEG	- $600,000

Governor/Legislature: Delete $600,000 in 1997-98 to reflect a reestimate of funds available for campaign finance grants. Total grant levels would be budgeted at $100,000 in 1997-98 and $700,000 in 1998-99.

3. CAMPAIGN FINANCE FILING FEE [LFB Paper 355]

	Chg. to Base
PR-REV	$54,300
GPR	- $54,300
PR	54,300
Total	$0

Governor: Delete $27,100 GPR in 1997-98 and $27,200 GPR in 1998-99 and provide $27,100 PR in 1997-98 and $27,200 PR in 1998-99 to reflect use of program revenues received from a new campaign finance filing fee to pay for a portion of the Board's operating costs. Effective January 1, 1999, require individuals, committees, corporations or groups who, under current law, are required to file campaign finance registration statements with the Board to annually pay a $100 filing fee to the Board. Any entity which does not disburse more than $2,500 during a biennial reporting period (January 1 of each odd-number year and through December 31 of each even-numbered year) would be exempt from the filing fee. Candidates and personal campaign committees would not be required to pay the fee. Require the fee to be paid with the registrant's continuing report in January of each year or with a new registrant's campaign finance registration statement. Provide that any registrant who fails to pay the fee would be subject to a forfeiture of $500 plus triple the amount of the delinquent payment.

Effective January 1, 1999, create an annual program revenue appropriation to be used for general program operation costs of the Board. Provide that all moneys received from the registration fee be credited to this appropriation. Revenue of $54,300 annually is estimated from this new fee. Current law provides that the general program operations of the Elections Board are financed with general purpose revenue and no fees are imposed upon campaign finance registrants.

As indicated in the Executive Budget Book, the Governor intends that the $100 filing fee be paid annually. However, the bill as drafted, provides for payment of the fee both annually and biennially. A technical modification of the statutory language is necessary to achieve the Governor's intent.

Joint Finance/Legislature: Approve the Governor's recommendation with the following technical modifications: (a) clarify that the fee is an annual fee effective January 1, 1998; (b) require the fee to be paid based on political expenditures in the annual reporting period prior to the continuing campaign finance registration filing date; and (c) require all groups, individuals and committees that file a termination report before December 31 of each calendar year, with expenditures greater than $2,500, to pay the fee with its termination report.

[Act 27 Sections: 1zm, 1zt, 2, 3, 694, 695 and 9414(1)]

4. FUNDING FOR DATA BASE SOFTWARE CONVERSION [LFB Paper 356]

	Chg. to Base
GPR	$168,400

Joint Finance/Legislature: Provide one-time funding of $168,400 GPR in 1997-98 for the conversion of the Board's computer data base, but place the funds in

unallotted reserve for release by DOA once the actual scope of the project and a detailed estimate of hours required to complete the project is determined.

5. ELIMINATION OF BOARD OF STATE CANVASSERS

Assembly/Legislature: Repeal the Board of State Canvassers and transfer the functions of that Board to the chairperson of the Elections Board on the general effective date of the budget act. The Board of State Canvassers is comprised of the chairperson of the State Elections Board, the State Treasurer and the Attorney General. Under current law, the Board of State Canvassers has the responsibility, for elections for state and federal offices, of canvassing the election returns from the county boards of canvassers and certifying the election results.

[Act 27 Sections: 1am, 1amt, 1n thru 1zc, 8k, 85km, 85L and 3282b]

6. ELIMINATION OF ELECTIONS ADVISORY COUNCIL

	Chg. to Base
GPR	- $1,000

Assembly/Legislature: Repeal the Elections Advisory Council and associated statutory functions on the effective date of the budget act. Delete $500 GPR annually to reflect the elimination of the Council. The Council is comprised of five county or municipal clerks, holding office in the state, appointed by the Elections Board.

Under current law, the Council is required to advise the Elections Board in matters pertaining to training, publications and remedial legislation, promote communication and cooperation between local election officials and the Board and assure uniform, equitable and efficient procedures in the administration of the elections laws.

[Act 27 Sections: 1ami, 1m and 85n]

7. FUNDING FOR CAMPAIGN FINANCE REPORT ELECTRONIC ENHANCEMENT

Assembly/Legislature: Provide one-time funding of $102,800 GPR in 1997-98 in reserve in the Joint Committee on Finance's appropriation for release to the Elections Board upon the Board's request, after the completion of the conversion of the agency's data base, to fund campaign finance report electronic filing enhancements. The fiscal impact of this provision is reflected under "Program Supplements."

[Act 27 Section: 9129(1m)]

EMPLOYE TRUST FUNDS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$679,000	$565,300	$220,324,400	$220,324,400	$220,324,400	$219,645,400	N.A.
SEG	27,541,800	26,392,300	25,709,300	25,684,000	25,684,000	- 1,857,800	- 6.7
TOTAL	$28,220,800	$26,957,600	$246,033,700	$246,008,400	$246,008,400	$217,787,600	771.7%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
SEG	172.85	172.85	172.85	172.85	172.85	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov.) Funding	Jt. Finance/Leg. (Chg. to Gov.) Positions	Net Change Funding	Net Change Positions
SEG	- $4,519,600	- 3.00	- $32,600	0.00	- $4,552,200	- 3.00

Governor: Delete $2,261,700 in 1997-98 and $2,257,900 in 1998-99 and 3.00 project positions for standard budget adjustments for: (a) turnover reduction (-$176,500 annually); (b) removal of noncontinuing elements from the base (-$2,411,800 annually and -3.0 project positions); (c) full funding of salary and fringe benefits costs ($101,900 annually); (d) full funding of financial services charges ($98,500 annually); (e) overtime costs ($46,200 annually); (f) fifth week of vacation as cash ($31,800 in 1997-98 and $35,600 in 1998-99); (g) full funding of lease costs ($16,300 annually); and (h) full funding of delayed pay adjustments ($31,900 annually).

Joint Finance/Legislature: Modify provision by deleting an additional $16,300 annually provided as a standard budget adjustment for full funding of agency lease costs.

2. INFORMATION TECHNOLOGY FUNDING [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	$2,316,900	- $396,200	$1,920,700

Governor: Provide $1,101,300 in 1997-98 and $1,215,600 in 1998-9 to support the following information technology (IT) initiatives in the agency:

Base Level IT Support. Increased funding for on-going maintenance, data entry, contract programming and software licensing costs and increased IT user charges by DOA ($452,300 in 1997-98 and $601,200 in 1998-99).

Applications Development. Increased funding to support contractor and LTE costs associated with the installation of an automatic annuity calculation system, conversion of a variety of annuity files into the agency's integrated information management system, processing of rollovers into the Wisconsin Retirement System (WRS) and installation of an interactive voice response system ($649,000 in 1997-98 and $614,400 in 1998-99).

Joint Finance/Legislature: Modify provision as follows:

Base Level IT Support. Delete $94,300 annually of base level funding in unallotted reserve budgeted for expiring IT project positions and $11,000 in 1997-98 of excess hardware acquisition funding.

Reallocate from base level unallotted reserve funding: (a) $51,900 annually to the appropriate salary, fringe benefits and supplies and services lines under the agency's general administrative appropriation; and (b) $104,300 annually being used for programming costs and $164,700 annually being used for IT user charges to the supplies and services lines under the agency's general administrative appropriation. Shift $14,000 in 1997-98 from base-building supplies and services funding to one-time funding.

Establish a separate appropriation numeric for ETF's IT supplies and services and permanent property expenditures and shift a total of $1,260,300 in 1997-98 and $1,420,200 in 1998-99 within the agency's general administrative appropriation to this new numeric appropriation for IT funding.

Applications Development. Delete $48,000 annually for enhancements to the Wisconsin Employe Benefits System (WEBS) and instead provide $79,400 as one-time funding for this purpose in 1997-98. Provide $71,500 in 1997-98 and $95,500 in 1998-99 for contact programming as one-time rather than base level funding.

Transfer $63,200 in 1997-98 and $82,200 in 1998-99 of on-going operational funding for the proposed interactive voice response system from ETF's automated operating systems applications development appropriation to the new appropriation numeric created above for the agency's IT supplies and services expenditures.

Transfer $90,000 annually from unallotted reserve under ETF's automated operating systems applications development appropriation to the Joint Committee on Finance's supplemental SEG appropriation in 1998-99 with the understanding that ETF could submit a request under s. 13.10 of the statutes for a supplementation from these funds once the agency has thoroughly reviewed and identified the most cost-effective approach for developing an accounting subsystem for tax-qualified disbursements from other retirement plans.

3. EMPLOYE HEALTH INSURANCE DATA COLLECTION ACTIVITIES [LFB Paper 362]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	$621,800	- $202,600	$491,200

Governor: Provide $320,900 in 1997-98 and $300,900 in 1998-99 to continue health insurance data collection activities for the Group Insurance Board. Funding would provide for: (a) vendor contracts to maintain the state's employe health care enrollment database; (b) actuarial services in connection with the negotiation of premium rates with state employe health care providers; (c) annual surveys of employe participant satisfaction with their health plans; and (d) a one-time study of the sources of complaints concerning employe health plans.

Joint Finance/Legislature: Delete $31,100 annually to reflect decreased contract costs for data entry services ($27,200 annually) and actuarial services ($3,900 annually).

Transfer $20,000 in 1997-98 for the development of a health insurance enrollee complaint management system and $120,400 in 1998-99 for database maintenance and access services for the current proprietary health insurance membership enrollment database to the Joint Committee on Finance's SEG appropriation in 1998-99 with the understanding that ETF may submit a request under s. 13.10 for a supplementation following submission of a report on the feasibility, possible benefits and potential costs of shifting the employe health insurance database from the current vendor's proprietary system to the agency's own database system.

4. ADDITIONAL STAFF FOR CREDITABLE SERVICE DETERMINATIONS

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$176,700	3.00	- $25,300	0.00	$151,400	3.00

Governor: Provide $75,800 in 1997-98 and $100,900 in 1998-99 and 3.0 two-year project positions to enable the agency to review certain active participant and retired annuitant accounts to determine if additional creditable service should be granted as a result of two recent Wisconsin Court of Appeals decisions (Schmidt v. ETF Board and Benson v. Gates). These decisions found that ETF had improperly granted service credits to certain school teacher participants who had originally been members of the State Teachers Retirement System between July 1, 1957, and September 1, 1965, had separated and withdrawn their member contributions and had subsequently returned to covered service. Under the Courts' orders, ETF must review the files of any affected annuitants who have retired since December 13, 1984, as well as any currently active participant who had prior service during the relevant period. ETF estimates that approximately 41,600 member files must be reviewed and, where necessary, corrected.

Assembly/Legislature: Reduce funding by $25,300 in 1997-98 for the 3.0 FTE two-year project positions for creditable service determinations. This funding reduction reflects a delay in the starting date of these positions from October 1, 1997, to January 1, 1998.

5. SPACE RENTAL COST INCREASES

	Chg. to Base
SEG	$151,600

Governor/Legislature: Provide $75,800 annually to support the rental of additional space associated with the agency's recent move to new quarters in the Badger Road state office building in Madison.

6. SUPPLIES AND SERVICES COST INCREASES [LFB Paper 363]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	$103,100	- $21,600	$81,500

Governor: Provide $51,000 in 1997-98 and $52,100 in 1998-99 to support the following additional agency supplies and services expenditures:

Mail Room Courier Service. Provide $30,000 annually for contract courier services to deliver mail to the agency's new Badger Road offices. The requested funding would continue a pilot mail courier service project undertaken during the 1996-97 fiscal year.

Mailing and Forms Production Volume Increases. Provide $21,000 in 1997-98 and $22,100 in 1998-99 to meet a projected 5% annual increase in participant and annuitant forms production costs and associated mailing expenses.

Joint Finance/Legislature: Delete $10,500 in 1997-98 and $11,100 in 1998-99 for volume-driven forms production and mailing cost expenses to reflect recent volume and cost increase trends.

7. SPECIAL INVESTMENT PERFORMANCE DIVIDEND (SIPD) LITIGATION SETTLEMENT AGREEMENT FUNDING

	Chg. to Base
GPR	$215,000,000

Joint Finance/Legislature: Create a one-time, GPR sum certain appropriation under ETF to fund the costs of the SIPD lawsuit judgment and provide $215,000,000 in 1997-98 for this purpose. Specify that the appropriation be repealed on June 30, 1998.

On January 17, 1997, the Wisconsin Supreme Court held the SIPD legislation enacted under 1987 Wisconsin Act 27 to be unconstitutional and remanded the case to Dane County Circuit Court for further proceedings, including a determination of the manner and the amount of funds which must be restored by the state to the Wisconsin Retirement System annuity reserve. An approved settlement agreement will result in a judgment setting the state's liability at $215,000,000, which would be funded from this new appropriation.

[Act 27 Sections: 695g, 695h and 9415(1z)]

8. RETIRED EMPLOYES' BENEFITS SUPPLEMENT REESTIMATE [LFB Paper 360]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $113,700	$4,759,100	$4,645,400

Governor: Reduce base level funding by $39,800 in 1997-98 and $73,900 in 1998-99 to reflect the reduced amounts necessary to fund benefit supplements for retirees who first began receiving annuities prior to 1974. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. These supplements were authorized primarily by Chapter 337, Laws of 1973, and 1983 Wisconsin Act 394, as further modified by 1987 Wisconsin Act 27. Current base level funding for the appropriation is $339,500.

Joint Finance/Legislature: Modify provision to provide additional funding of $2,023,200 in 1997-98 and $2,735,900 in 1998-99 for retired employes' benefits supplements, as follows:

Special Investment Performance Dividend (SIPD) Lawsuit Settlement Annuity Supplement Increases. Increase estimated expenditures for retired employes' benefits supplements by $2,022,900 in 1997-98 and $2,733,100 in 1998-99 to fund the resumption of supplemental benefits to annuitants who had retired before October 1, 1974. On January 17, 1997, the Wisconsin Supreme Court held the special investment performance dividend legislation enacted under 1987 Wisconsin Act 27 to be unconstitutional. Among other results, this action has the effect of restoring statutory language providing for GPR-funded annuity supplements payments to annuitants who had retired before October 1, 1974. Under the SIPD settlement agreement, the last SIPD payment will be made on November 1, 1997. The increased GPR-funded annuity supplement payments will resume on December 1, 1997.

Reestimate of Required Benefits Supplement Expenditures for Current Recipients. Increase estimated expenditures by an additional $300 in 1997-98 and $2,800 in 1998-99 to reflect updated projections of the supplements to be paid to current recipients of such supplements.

9. "PAYMENT GAP" ADDITIONAL SUPPLEMENTAL ANNUITY BENEFITS RESERVE

Joint Finance: Establish a reserve for a new supplemental annuity benefit (to be provided for in separate legislation) for an estimated 8,196 current WRS annuitants whose annuity first began before October 1, 1974, who will otherwise experience a reduction ("payment gap") in their monthly annuity payments upon the cessation of special investment performance dividend (SIPD) payments after November 1, 1997, and the resumption of GPR-funded supplemental annuities. Funding of $1,000,000 GPR annually is included for this purpose in the Joint Committee on Finance's GPR supplemental appropriation. That fiscal effect is shown under "Program Supplements."

Assembly/Legislature: Increase the amounts reserved for the new "payment gap" supplemental annuity benefits by $1,650,400 GPR in 1997-98 and $2,547,100 GPR in 1998-99. As a result of this increase, total funding of $2,650,400 GPR in 1997-98 and $3,547,100 GPR in 1998-99 would be provided for this purpose in the Joint Committee on Finance's GPR supplemental appropriation. That fiscal effect is shown under "Program Supplements."

10. BASE LEVEL FUNDING REDUCTION [LFB Paper 360]

	Chg. to Base
SEG	- $30,000

Joint Finance/Legislature: Delete base level funding of $15,000 annually budgeted in unallotted reserve for one-time contractual legal services.

11. GRANTING WRS CREDITABLE SERVICE TO CERTAIN DISTRICT ATTORNEY EMPLOYES IN MILWAUKEE COUNTY

Joint Finance/Legislature: Provide additional creditable service under the WRS to certain assistant district attorney employes in Milwaukee County, as follows:

Eligible Employes. Specify that additional WRS creditable service would be granted to state employes who meet all of the following criteria:

• They were prosecutors in the Milwaukee District Attorney's Office on December 31, 1989, and transferred to state service on January 1, 1990;

• They were participants in the Milwaukee County Employes' Retirement System, created by Chapter 201, Laws of 1937, but were not vested on December 31, 1989, for the purpose of qualifying for an annuity under that System;

• They exercised their option to become a WRS participant on January 1, 1990; and

• They are state employes on the general effective date of the biennial budget act.

Amount of Creditable Service Granted. Stipulate that the amount of additional creditable WRS service granted to each state employe meeting all the above criteria would be equal to the amount of creditable service accumulated as of December 31, 1989, under the Milwaukee County Employes' Retirement System, created by Chapter 201, Laws of 1937, for which the employe did not have vested pension rights.

Unfunded Prior Service Liability Added to Liabilities of DOA. Require ETF to determine the amount of unfunded prior service liability for the WRS attributable to the additional creditable service granted to state employes meeting all the above criteria. Direct that the total amount of this additional unfunded prior service liability be added to the current unfunded prior service liabilities of DOA.

Payment Schedule to Retire the Additional DOA Prior Service Liability. Specify that commencing in the 1997-98 fiscal year, DOA shall annually pay to the WRS an amount equal to one-tenth of the total amount of unfunded prior service liability for all of the additional creditable service granted under this provision, plus annual interest computed at the WRS assumed rate (currently 8%).

Funding. Require that these annual payments be deducted from the gross annual payment amounts which otherwise would have been made to Milwaukee County for district attorney salaries and fringe benefits under s. 20.475(1)(d) of the statutes. Stipulate that these annual deductions shall continue until the unfunded prior service liability plus annual interest costs associated with the additional creditable service granted under this provision have been paid in full. Provide an additional $50,000 GPR annually under s. 20.475(1)(d) of the statutes as one-time funding in 1997-99 and direct

that this additional funding be provided for fringe benefits costs of state prosecutors in Milwaukee County. The fiscal effect of this funding provision is reflected under "District Attorneys."

Nonretaliation Provision. Prohibit Milwaukee County from reducing the fringe benefits of any state employe granted creditable service under this provision. Stipulate that the state as employer would be prohibited from bargaining on any such reduction in the state's reimbursement of Milwaukee County's fringe benefit costs.

Current Law. Provisions of 1989 Wisconsin Act 31 made district attorneys and other state prosecutors state employes, first effective January 1, 1990, and established an appropriation under s. 20.475(1)(d) of the statutes to reimburse counties for the costs of salaries and fringe benefits payable to district attorneys and other state employes in each county's Office of the District Attorney. Under 1989 Wisconsin Act 336, employes of the Milwaukee County District Attorney's office were given the option of either remaining as participants under the separate Milwaukee County Employes' Retirement System or switching to WRS membership on January 1, 1990.

For Milwaukee County prosecutors who had vested pension rights under the county retirement system (10 years of creditable service was required in order to be vested under the county system), current law allowed such employes full retirement benefit reciprocity, and no benefits were lost. However, for Milwaukee County prosecutors who had not vested in the county retirement system and who elected to become participants under the WRS, Act 336 directed that the county system remit to the WRS an amount equal to the employer-required normal contributions, plus interest earned, for each nonvested employe, thereby allowing the employe to receive creditable service under the WRS. Subsequently, the Wisconsin Supreme Court in *Association of State Prosecutors v. Milwaukee* determined this provision to be an unconstitutional taking from the county retirement system and ruled it invalid.

An estimated 40 state employes would be affected by this provision and the total additional unfunded prior service liability is projected at $978,400. At the WRS assumed interest rate of 8%, estimated payments to the WRS of $176,100 in 1997-98 and $168,300 in 1998-99 would be required to retire the additional unfunded prior service liability created under DOA. An amount equal to these annual payments would be deducted from the amounts otherwise payable to Milwaukee County for reimbursement to the County for prosecutors' fringe benefits costs. For the 1997-99 biennium only, these payment reductions to Milwaukee County would be offset by $50,000 GPR annually, resulting in a net reduction to the County of $126,100 in 1997-98 and 118,300 in 1998-99. (The fiscal effect of these changes are shown under "District Attorneys.")

Veto by Governor [E-17]: Delete provision. (See "District Attorneys" for a description of the fiscal effect of the Governor's veto of this provision.)

[Act 27 Vetoed Sections: 652z, 1315b, 1315c, 1317m, 2693mm, 5485c, 5485g, 5485n, 5485r, 5485w and 9316(2q)]

12. DETERMINATION OF EARNINGS FOR RETIREMENT PURPOSES FOR STATE SENATORS

Joint Finance/Legislature: Modify the current statutory definitions of "earnings" and "final average earnings" used for the WRS to provide that:

a. For the purpose of determining "earnings" for retirement purposes for state senators only, earnings means any compensation which would have been payable to the WRS participant if the participant had not been prohibited by law from receiving the increase in compensation on the effective date of that increase in compensation; and

b. For the purpose of determining "final average earnings" for retirement purposes for state senators only, such WRS participants may elect to have final average earnings computed as an amount equal to one-twelfth of the annual salary which would have been payable to the WRS participant during the last completed month in which the WRS participant was a participating employe in such a position if the participant had not been prohibited by law from receiving the increase in compensation on the effective date of that increase in compensation, but only with respect to service as a state senator.

The effect of this provision is allow state senators to have their compensation for the purpose of determining WRS "earnings" and "final average earnings" computed in the same manner as used for state representatives.

[Act 27 Sections: 1315d, 1315h, 1315p, 1315t and 9315(1k)]

13. TOLL-FREE TELEPHONE NUMBER ON AGENCY PUBLICATIONS

Assembly/Legislature: Require the Secretary of ETF to ensure that all agency publications printed after the general effective date of the biennial budget act and intended for distribution to WRS participants include ETF's toll-free telephone number, if the agency maintains such a number.

[Act 27 Section: 1316m]

EMPLOYMENT RELATIONS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$10,892,800	$11,042,400	$10,986,500	$10,970,100	$10,970,100	$77,300	0.7%
PR	1,556,200	1,473,500	1,407,700	1,407,700	1,407,700	- 148,500	- 9.5
TOTAL	$12,449,000	$12,515,900	$12,394,200	$12,377,800	$12,377,800	- $71,200	- 0.6%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	82.05	81.55	80.05	80.05	80.05	- 2.00
PR	8.70	7.20	6.45	6.45	6.45	- 2.25
TOTAL	90.75	88.75	86.50	86.50	86.50	- 4.25

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Positions
GPR	$212,400	0.00
PR	50,400	- 1.00
Total	$262,800	- 1.00

Governor/Legislature: Provide $106,200 GPR and $25,200 PR annually and -1.0 PR project position for standard budget adjustments for: (a) turnover reduction (-$96,300 GPR); (b) removal of noncontinuing elements from the base (-1.0 PR project position); (c) full funding of salary and fringe benefits costs ($169,300 GPR and $22,700 PR); (d) full funding of financial services charges ($7,700 GPR and $1,300 PR); (e) reclassifications ($1,200 PR); (f) increased assessment for risk management premiums ($2,300 GPR); (g) fifth week of vacation as cash ($6,300 GPR); (h) full funding of lease costs ($3,600 GPR); and (i) full funding of delayed pay adjustments ($13,300 GPR).

2. BASE LEVEL FUNDING AND POSITION REDUCTIONS [LFB Paper 370]

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $218,000	- 2.00

Governor: Make the following annual adjustments to the agency's base level budget: (a) delete $107,400 of base level salary and fringe benefits funding and eliminate 2.0 positions (1.0 management information manager and 1.0 equal opportunity specialist); (b) delete $1,100 of LTE salary and fringe benefits funding; and (c) reduce the agency's supplies and services base budget by $500. These reductions equal 2%, annually, of the agency's base level, GPR budget.

Joint Finance/Legislature: Modify provision by restoring $1,000 annually originally deleted from the agency's LTE salary line and instead delete an additional $1,000 annually from the agency's fringe benefits line.

3. INFORMATION TECHNOLOGY FUNDING [LFB Paper 370]

	Chg. to Base
GPR	$86,200

Governor: Provide $42,200 in 1997-98 and $44,000 in 1998-99 to fund the following agency information technology (IT) activities:

IT Migration Costs. $25,000 annually for general hardware and software upgrades to continue the agency's move toward full compliance with statewide IT infrastructure standards established by DOA.

DOA Mainframe User Charges. $12,000 annually for increased user charges associated with the migration of agency systems to DOA's Division of Information Technology Services mainframe.

Software Licensing Fees. $5,200 in 1997-98 and $7,000 in 1998-99 as one-time funding for increased software licensing fees for the agency's Unisys mainframe. The agency is gradually migrating from its Unisys system to DOA's mainframe but must continue to pay license fees (estimated to total $25,200 in 1997-98 and $27,000 in 1998-99) until the conversion is completed.

Joint Finance/Legislature: Modify the provision by authorizing the funding for increased DOA mainframe user charges as one-time rather than base building funding. In addition, transfer to one-time financing $69,500 annually of base level funding currently budgeted to unallotted reserve for the agency's IT master lease payments and other IT expenses.

4. ADDITIONAL COLLECTIVE BARGAINING POSITION [LFB Paper 371]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$33,900	1.00	- $33,900	- 1.00	$0	0.00

Governor: Provide $33,900 and 1.0 position (labor relations specialist) in 1998-99 in the Division of Collective Bargaining to address workload increases associated with the formation in recent years of additional bargaining units for represented state employes and a rising number of contract-related employe grievances. The agency currently has 9.0 FTE labor relations specialists who are involved in biennial negotiations with 19 separate bargaining units.

Joint Finance/Legislature: Delete provision.

5. TRAINING POSITION FUNDING CONVERSION [LFB Paper 372]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$22,000	0.50	- $22,000	- 0.50	$0	0.00
PR	- 22,000	- 0.50	22,000	0.50	0	0.00
Total	$0	0.00	$0	0.00	$0	0.00

Governor: In 1998-99, shift $22,000 and 0.5 position, from PR to GPR funding to reflect the restoration of half of a 1.0 FTE training officer position to GPR funding. Currently, this position is 100% funded from PR derived from training fees charged by the agency. This position had been converted from 50% GPR/50% PR funding to the current 100% PR funding as a budget efficiency measure under the 1995-97 biennial budget act.

Joint Finance/Legislature: Delete position funding conversion provision.

Include a session law provision requesting the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to conduct a financial and performance evaluation audit of DER regarding: (a) whether DER should continue to have any role in the direct provision of training courses; (b) what DER's role should be in employe training and whether its current statutory requirements in this area should be modified; (c) whether continued staffing should be provided in DER for training activities; and (d) how any such functions might be made reliably self-supporting. Request that the audit report be submitted by September 1, 1998.

Veto by Governor [E-16]: Delete audit provision.

[Act 27 Vetoed Section: 9132(1g)]

6. TEST CENTER PROCTOR SALARY COSTS

	Chg. to Base
GPR	$13,100
PR	500
Total	$13,600

Governor/Legislature: Provide $13,100 GPR and $500 PR in 1998-99 for additional LTE proctor costs at civil service exam testing centers for the following purposes:

Reestablish Civil Service Make-up Exam Centers. $6,600 GPR in 1998-99 for additional proctor salaries associated with the staffing required to resume operations of civil service make-up exam centers in Madison, Eau Claire, Green Bay and Milwaukee, commencing July 1, 1998. This action would restore funding that was eliminated as a budget efficiency measure under the 1995-97 biennial budget act.

Exam Center Proctor Salary Increases. $6,500 GPR and $500 PR in 1998-99 to provide for civil service exam center proctor salary increases. Chief proctor salaries would increase from $8.97/hour in 1997-98 to $9.30/hour in 1998-99 and assistant proctor salaries would increase from $6.68/hour in 1997-98 to $8.00/hour in 1998-99. An interim proctor salary increase in 1997-98 (from $8.70/hour in 1996-97 to the $8.97/hour in 1997-98 for chief proctors and from $6.21/hour in 1996-97 to the $6.68/hour in 1997-98 for assistant chief proctors) would be funded from the agency's existing base level resources.

7. ARBITRATION COST INCREASES

	Chg. to Base
PR	$20,000

Governor/Legislature: Provide increased expenditure authority of $10,000 annually to fund the fees of additional private sector arbitrators and court reporters who hear arbitrations of grievances arising under state collective bargaining agreements. The employing agency involved in the arbitration is assessed by DER for the costs of the arbitrators and court reporters. Base level expenditure authority for contract arbitrations is currently $60,000.

8. REDUCTION OF EXCESS EXPENDITURE AUTHORITY [LFB Paper 372]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $131,600	0.00	- $87,800	- 1.25	- $219,400	- 1.25

Governor: Delete $65,800 annually of excess expenditure authority to more accurately reflect agency program revenue receipts. Annual adjustments would be made as follows: (a) delete $15,800 of excess supplies and services and permanent property expenditure authority for employe development and training activities; and (b) delete $50,000 of excess supplies and services expenditure authority for publication production activities.

Joint Finance/Legislature: Modify provision by deleting an additional $38,900 annually of excess salary and fringe benefits expenditure authority and $5,000 annually of excess permanent property expenditure authority and 1.25 PR long-term vacant positions associated with employe development and training activities.

9. INCREASED SALARY SETTING FLEXIBILITY FOR CERTAIN UNIVERSITY OF WISCONSIN SYSTEM EMPLOYES [LFB Paper 901]

Governor: Specify that notwithstanding the maximum salary ranges established in the biennial compensation plan for the executive salary group (ESG) participating employes of the UW System listed below, the Board of Regents would be authorized to establish a salary for new appointees to any of these positions that exceeded the current ESG maximums to which the positions are assigned. Such an action by the Board of Regents would first have to be approved by the Secretary of DOA following the submission of a report to the Secretary identifying the competitive factors necessitating the establishment of the augmented salary level.

The UW System positions that would be subject to this treatment are as follows:

• President of the UW System;

• Vice presidents of the UW System;

• Chancellors of all the UW System campuses, including the UW-Center System and the UW-Extension; and

• Vice chancellors who serve as deputy to the campus chancellor at all the UW System campuses, as well as the vice chancellor of health sciences at UW-Madison and the vice chancellors for the UW-Center System and the UW-Extension.

Under current law, the Board of Regents is authorized to set the salary of new appointees to the above positions subject to the salary range limitations established in the biennial compensation plan applicable to the ESG level to which the position is assigned by statute. See "University of Wisconsin System" for a description of how the additional salary amounts would be funded.

Joint Finance/Legislature: Delete provision.

Provide instead that the Board of Regents may establish the salaries of the following executive positions up to the specified percentage of the maximum of the salary range for ESG 10:

• UW System President: 130% of the ESG 10 salary range maximum.

• Chancellors of UW-Madison and UW-Milwaukee: 120% of the ESG 10 salary range maximum.

• UW System vice presidents, the chancellor of each UW institution, excluding Madison and Milwaukee, the vice chancellors serving as deputies at Madison and Milwaukee, the chancellor of UW-Extension and the chancellor of UW-Center System: 110% of the ESG 10 salary range maximum.

• UW vice chancellors serving as a deputy at each UW institution, excluding Madison and Milwaukee: 100% of the ESG 10 salary range maximum.

Veto by Governor [A-14]: Delete provision.

[Act 27 Vetoed Sections: 756c and 758]

10. OVERSIGHT OF CERTAIN STATE EMPLOYE DISCIPLINARY INVESTIGATIONS

Joint Finance: Require the Administrator of DER's Division of Merit Recruitment and Selection (DMRS) to establish, by rule, procedures that each state agency must follow in investigating any alleged violation of the code of ethics currently established by the Administrator under s. 19.45(11)(a) of the statutes and applicable to classified and unclassified state employes other than those employes subject to the jurisdiction of the Ethics Board, unclassified employes in the University of Wisconsin System and officers and employes of the judicial branch of state government.

Require the Administrator to specify, by rule, appropriate discipline for a violation of the DMRS code of ethics, except that such discipline may not include a fine, forfeiture or term of imprisonment. Stipulate that if an employe is alleged by his or her appointing authority to have violated that code of ethics, the Administrator, at his or her own initiative or at the request of the appropriate appointing authority, may suspend with pay the employe pending investigation of the alleged violation of the DMRS code of ethics.

Provide that any employe who is determined to have violated a provision of the DMRS code of ethics may be disciplined by the employe's appointing authority or the Administrator as specified in the rules which the Administrator would be required to promulgate.

Stipulate that if an appointing authority is investigating an alleged violation of the DMRS code of ethics and the Administrator determines that the appointing authority is not following procedures established by the new rules, the Administrator may assume control of the investigation. Require that any information contained in records obtained or prepared by the appointing authority or the DMRS in connection with an investigation of an alleged violation of the Administrator's code of ethics could not be disclosed to the public, unless the alleged violation is referred to a district attorney or the Attorney General and the information is used by these individuals in the course of a civil or criminal action arising out of a violation of the DMRS code of ethics.

Finally, require the Administrator to disclose, upon request, the outcome of any such investigation, including any discipline imposed on the employe.

Assembly/Legislature: Delete that portion of the Joint Finance provision which would have prohibited the state, as employer, from bargaining provisions in collective bargaining agreements which violated procedures which must be followed by state agencies in investigating any alleged violation of the code of ethics established by the Administrator of the DMRS. This collective bargaining prohibition was inadvertently included in the Joint Finance substitute amendment. This deletion conforms the provision to the Finance Committee's original intent.

Veto by Governor [E-15]: Delete provision.

[Act 27 Vetoed Section: 3308m]

11. STATE CIVIL SERVICE VETERANS PREFERENCE EXTENDED TO PEACETIME VETERANS

Assembly: Expand the definition of "veteran" for the purpose of state civil service hiring preferences to include: (a) any person who served on active duty under honorable conditions in the U. S. armed forces for two continuous years or more, or the full period of the person's initial service obligation, whichever is less; and (b) a person discharged from the U. S. armed forces for reasons of hardship or a service-related disability or a person released due to a reduction in the U. S. armed forces prior to the completion of the required period of service, regardless of the actual time. Specify that these provisions would first apply to examinations for and promotions to positions in the state classified service on and after the general effective date of the budget act.

Under current law, veterans may have 10 points added to their examination score or any competitive employe register. Disabled wartime veterans have 15 points added to their examination score, disabled wartime veterans with at least a 30% disability have 20 points added to their examination score and the spouse of any veterans who has a disability of at least 70% have 10 points added to his or her examination score. Under this provision, any peacetime veteran or spouse of a peacetime veteran meeting these requirements, including veterans who have a service-connected disability, would be entitled to the same amount of veterans or disabled veterans preference points.

In addition to state classified civil service hirings, these revised veterans and spousal preference provisions would also apply to municipal civil service hiring for those municipalities that are required by state law to have a civil service system or that have elected under state law to establish a civil service system.

Senate/Legislature: Modify the Assembly provision by specifying that the change in the definition of veteran for the purpose of veteran's preference points would first apply to applications

received for positions in the state classified service and for those positions in local government similarly affected by this change on and after the general effective date of the budget act.

[Act 27 Sections: 3290e, 3290f, 3290r, 3310d, 3310h, 3310p, 3310t, 9156(7d) and 9317(3g)]

12. COUNCIL ON AFFIRMATIVE ACTION REPEAL

	Chg. to Base
GPR	- $16,400

Assembly/Legislature: Repeal the Council on Affirmative Action and associated statutory functions on the general effective date of the budget act. Eliminate the Council's GPR-, PR- and FED-funded appropriations and delete $8,200 GPR annually provided for Council operations.

The Council is comprised of 15 members appointed to three-year terms, as follows: (a) one member appointed by the President of the Senate; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the minority leader of the Senate; (d) one member appointed by the minority leader of the Assembly; and (e) eleven members appointed by the Governor. A majority of the members must be public members and also be minority persons, women or persons with handicaps. The Council is currently required to evaluate the progress of affirmative action programs throughout the state civil service system, seek compliance with state and federal affirmative action regulations, recommend improvements in the state's affirmative action efforts as an employer, and advise the Secretary of DER on these matters.

The repeal of the Council is based on the recommendations of the Lieutenant Governor. Under provisions of 1995 Wisconsin Act 27, the Lieutenant Governor reviewed 143 state government boards, councils and commissions to determine if they should be continued, merged with another body or repealed.

Veto by Governor [E-14]: Delete provision. As a result of the Governor's veto of the repeal of the Council on Affirmative Action, the statutory language governing three specific appropriations for the Council is retained. The three retained Council appropriations are: (a) its GPR-funded, sum certain general program operations appropriation; (b) its PR-funded, continuing gifts and donations appropriation; and (c) its FED-funded, continuing federal grants and contracts appropriation. Under these appropriations, the funds available to the Council for its GPR-supported general program operations in a fiscal year are "the amounts in the schedule," and the funds available to the Council in a fiscal year under its PR- and FED-funded appropriations are "all moneys received" in these respective appropriation accounts. Thus, while the Governor's partial veto retains the statutory language governing the Council's GPR-funded, sum certain general program operations appropriation, the partial veto does not have the effect of restoring any base level funding amounts of $8,200 GPR annually in the appropriations schedule for such operating costs. Consequently, under the Governor's partial veto, any Council general program operations costs remain unfunded in each fiscal year of the 1997-99 biennium. However, to the extent that any amounts are received under either the Council's PR-funded, continuing gifts and donations appropriation or its FED-funded, continuing federal grants and contracts appropriation, such funds would be available for expenditure since these appropriations

are "all moneys received" accounts and the monies available for expenditure from these appropriations accounts are not governed by specific amounts in the appropriations schedule.

[Act 27 Vetoed Sections: 59m, 695n, 3290p and 3316e]

EMPLOYMENT RELATIONS COMMISSION

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$4,971,400	$4,768,200	$4,768,200	$5,118,600	$5,118,600	$147,200	3.0%
PR	697,800	715,000	715,000	715,000	715,000	17,200	2.5
TOTAL	$5,669,200	$5,483,200	$5,483,200	$5,833,600	$5,833,600	$164,400	2.9%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	28.50	25.50	25.50	28.50	28.50	0.00
PR	5.00	5.00	5.00	5.00	5.00	0.00
TOTAL	33.50	30.50	30.50	33.50	33.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$147,200
PR	17,200
Total	$164,400

Governor/Legislature: Annually, provide $73,600 GPR and $8,600 PR for standard base budget adjustments for: (a) full funding of salary and fringe benefits costs ($36,200 GPR and $8,600 PR); (b) full funding of financial services charges ($1,400 GPR); (c) fifth week of vacation as cash ($23,600 GPR); and (d) full funding of lease costs ($12,400 GPR).

2. BASE LEVEL POSITION REDUCTIONS [LFB Paper 380]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Senate/Leg. (Chg. to Gov.) Funding	Senate/Leg. (Chg. to Gov.) Positions	Net Change Funding	Net Change Positions
GPR	- $350,400	- 3.00	$350,400	3.00	$0	0.00

Governor: Annually, delete $175,200 of base level salary and fringe benefits funding and 3.0 attorney positions.

Senate/Legislature: Provide $175,200 annually and restore the 3.0 existing GPR attorney positions recommended for deletion by the Governor.

3. ARBITRATION SETTLEMENT FACTORS FOR CITY OF MILWAUKEE POLICE

Assembly: Repeal the current law criteria which must be utilized by an arbitrator in determining an award on compensation matters in collective bargaining impasses involving the City of Milwaukee and its represented police officers and instead specify a total of four factors an arbitrator must consider in making an arbitration award. Specify that in considering these four factors, the arbitrator would have to give the first listed factor "greatest weight" and each succeeding factor would have to be given less weight than the factor preceding it. The four factors, listed in order of consideration, are as follows:

Most Important ("Greatest Weight") Factor. Comparison of all the items of compensation of the municipal employes in the collective bargaining unit with such items of compensation for other municipal law enforcement officers in the Milwaukee metropolitan area. As defined under current law, compensation includes: base wages; longevity pay; health, accident and disability insurance programs; pension programs, including amount of pension, relative contributions and all eligibility conditions; the terms and conditions of overtime compensation and compensatory time; vacation pay and vacation eligibility; sickness pay amounts and sickness pay eligibility; life insurance; uniform allowances; and any other similar item of compensation.

Second Most Important Factor. Comparison of the respective crime rates in the City of Milwaukee, and the workloads of and risks of injury to law enforcement officers in Milwaukee, with those measures in any other jurisdiction with which comparisons were made under the "greatest weight" factor.

Third Most Important Factor. The increase in the average consumer prices for goods and services ("cost of living") during the term of the predecessor collective bargaining agreement.

Fourth Most Important Factor. Comparison of all of the items of compensation of the municipal employes in the collective bargaining unit with such items of compensation of other municipal law enforcement officers in comparable communities in the state.

Specify that these new factors would first apply to petitions for arbitration filed on or after the general effective date of the biennial budget act.

Under current law, a arbitrator must use the following two factors in determining an award on compensation matters: (a) U. S. Bureau of Labor Statistics "Standards of Living Budgets for Urban

Families, Moderate and Higher Level" as a guideline to determine the compensation necessary for Milwaukee police officers to enjoy a standard of living commensurate with their needs, abilities and responsibilities; and (b) changes in the consumer price index since the last compensation adjustment. No indication of weight to be given either factor is currently specified.

Senate/Legislature: Delete provision.

4. MODIFIED SALARY COMPONENT OF A QUALIFIED ECONOMIC OFFER

Senate/Legislature: Modify current law to specify that the amounts available under the salary component of a qualified economic offer would have to be increased by the amount of any "fringe benefits savings" realized by the school district employer. Define "fringe benefits savings" as the amount, if any, by which 1.7% of total compensation and fringe benefits costs for represented school district professional employes for any 12-month period covered by a proposed collective bargaining agreement exceeds the increased cost required to maintain both the existing employe fringe benefits package and the school district's percentage contribution level to the fringe benefits package. Specify that these modifications would first apply to petitions for arbitration filed on and after the effective date of the budget act.

Under current law, to have a qualified economic officer, a school district employer must maintain both the existing employe fringe benefits package and the district's percentage contribution level to the fringe benefits package. Further, the employer must provide any annual funding increase required to maintain these fringe benefits provisions up to an amount equal to 1.7% of total compensation and fringe benefits costs per full-time equivalent employe for the total number of covered employes. Where the annual cost to continue the fringe benefits package and to maintain the employer's fringe benefits contribution effort requires less than a 1.7% increase, the employer need only provide the additional funding amount necessary to maintain the employer share of fringe benefits costs in order for the fringe benefits component of the offer to be deemed qualified. The employer is not currently required to pass on the difference between any lower percentage level and 1.7% as an additional salary offer. This modification would require that any difference in required fringe benefits funding between such a lower percentage level and 1.7% be added to the amounts which have to be provided under the salary component of the school district employer's to be a qualified economic offer (currently, the salary component of qualified economic offer must generally be at least 2.1% of total compensation and fringe benefits costs for represented school district professional employes).

Veto by Governor [F-3]: Delete provision.

[Act 27 Vetoed Sections: 2692tce, 2692tcm, 2692tcr and 9316(4fg)]

5. ESTABLISHMENT OF SCHOOL YEAR CALENDAR AS A PERMISSIVE SUBJECT OF BARGAINING

Assembly: Provide that no school district employer would be required to bargain collectively on matters relating to the establishment of a school year calendar. Specify that this provision would not be construed to eliminate the duty of the employer to bargain collectively with its represented employes with respect to: (a) the total number of days of work and the number of those days which are allocated to different purposes such as the days on which school is taught, in-service days, staff preparation days, convention days, paid holidays and parent-teacher conference days; and (b) the impact of the school calendar on wages, hours and conditions of employment. Repeal a duplicative current law school district governance provision establishing a school board duty to bargain collectively over any calendaring proposal which is primarily related to wages, hours and conditions of employment. Specify that these provisions would first apply to collective bargaining agreements that expire or are extended or are modified or renewed on and after the general effective date of the budget act.

Under current law, a school district employer is required to bargain collectively in good faith with its represented employes concerning the wages, hours and conditions of employment. In 1976, the Wisconsin Employment Relations Commission determined that among the subjects that are mandatory subjects of collective bargaining is any school calendaring proposal that is primarily related to wages, hours and conditions of employment.

Senate/Legislature: Delete provision.

6. AGENCY BUDGET REDUCTIONS

	Chg. to Base
GPR-Lapse	$99,400

Assembly/Legislature: Require that the Secretary of DOA allocate annually reductions of $49,700 to the Commission's sum certain GPR state operations appropriations to be achieved by requiring ERC to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under a 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

ETHICS BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$222,200	$384,200	$234,200	$384,200	$384,200	$162,000	72.9%
PR	680,600	553,200	703,200	553,200	553,200	- 127,400	- 18.7
TOTAL	$902,800	$937,400	$937,400	$937,400	$937,400	$34,600	3.8%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	1.75	3.00	1.75	3.00	3.00	1.25
PR	4.75	3.50	4.75	3.50	3.50	- 1.25
TOTAL	6.50	6.50	6.50	6.50	6.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$12,000
PR	- 3,400
Total	$8,600

Governor/Legislature: Adjust the agency's base budget by $6,000 GPR and -$1,700 PR annually for: (a) full funding of salaries and fringe benefits ($4,700 GPR and -$2,300 PR); (b) full funding of financial service charge-backs ($900 GPR and -$200 PR); (c) full funding of lease costs ($100 GPR and $100 PR); and (d) delayed pay adjustments ($300 GPR and $700 PR).

2. INFORMATION TECHNOLOGY COSTS

	Chg. to Base
PR	$26,000

Governor/Legislature: Provide $13,000 annually for agency information technology infrastructure support as follows: (a) increase of $3,500 in the agency's supplies and services budget for the cost of obtaining IT support services from DOA for such items as operating problem resolution, help desk services, user training, data base development and application development and conversion; and (b) $9,500 for master-lease payments on IT infrastructure upgrades authorized in 1996-97.

3. ETHICS BOARD FUNDING SHIFT [LFB Paper 385]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR-REV	$0		$181,500		- $171,900		$9,600	
GPR-REV	0		20,200		- 19,100		1,100	
GPR	$150,000	1.25	- $150,000	- 1.25	$150,000	1.25	$150,000	1.25
PR	- 150,000	- 1.25	150,000	1.25	- 150,000	- 1.25	- 150,000	- 1.25
Total	$0	0.00	$0	0.00	$0	0.00	$0	0.00

Governor: Shift $75,000 annually and 1.25 positions from PR to GPR. Currently, the agency is funded 75% from fees collected from licensing of lobbyists and their principals and from publications and services fees and 25% from GPR. This shift in funding sources would change the total funding split in 1997-99 to 59% PR (56% from lobbying fees and 3% from publications and services fees) and 41% GPR.

Joint Finance: Delete $75,000 GPR annually and 1.25 GPR positions and instead provide $75,000 PR annually and 1.25 PR positions to reflect an overall 25/75 split between GPR and PR (72% from lobbying fees and 3% from publications and services fees) funding. In addition, increase the current lobby license, authorization and registration fees all by $75, effective January 1, 1999. Fees would be increased as follows: (a) single client lobbyist license from $250 to $325; (b) multiple client lobbyist license from $400 to $475; (c) registration of principal fee from $375 to $450; and (d) lobbyist authorization fee from $125 to $200.

Assembly/Legislature: Delete the Joint Finance funding provision and restore the Governor's provisions. As a result, $75,000 annually and 1.25 positions would be shifted from PR to GPR funding. In addition, eliminate the Joint Finance provision which would have increased the current lobby license, authorization and registration fees all by $75 and reduce 1998-99 estimated PR revenues by $171,900 and GPR-Earned by $19,100. This shift in funding sources would change the total funding split for the Board in 1997-99 to 59% PR and 41% GPR, the same as recommended by the Governor.

4. UNCLASSIFIED ATTORNEY POSITION

Joint Finance: Delete 1.0 classified attorney position and create 1.0 unclassified attorney position. Provide that the Executive Director of the Board would still appoint the person to fill the position, but under unclassified service. Further, provide that the Executive Director would have the authority to set the salary for the person employed in this position.

Assembly/Legislature: Delete provision.

5. PROGRAM REVENUES

	Chg. to Base
GPR-REV	- $51,300
PR-REV	51,300

Assembly/Legislature: Delete $5,100 in 1997-98 and $46,200 in 1998-99 in GPR-Earned and add the same amount to the Ethics Board program revenue appropriation account balance to reflect the repeal of the current statutory requirement that 10% of all moneys received from lobby license fees be credited to the general fund. As a result of this change, all moneys received by the Ethics Board from lobby license fees after the effective date of the bill would be credited to the agency's PR appropriation.

[Act 27 Section: 695m]

FINANCIAL INSTITUTIONS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
PR	$23,203,200	$25,046,700	$24,696,700	$24,679,000	$24,679,000	$1,475,800	6.4%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
PR	168.50	170.50	168.50	168.50	168.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 390]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance/Leg. (Chg. to Gov.) Funding	Positions	Net Change Funding	Positions
PR	- $434,500	0.00	$0	- 2.00	- $434,500	- 2.00

Governor: Adjust the agency's base budget for: (a) turnover reduction (-$163,700 annually): (b) nonrecurring costs (-$232,100 in 1997-98 and -$251,300 in 1998-99); (c) full funding of salaries and fringe benefits ($102,000 annually); (d) financial service chargebacks ($7,500 annually); (e) reclassifications ($7,800 in 1997-98 and $12,600 in 1998-99); (f) fifth vacation week as cash ($34,700 in 1997-98 and $37,800 in 1998-99); and (g) adjustment for full funding ($32,200 annually).

Joint Finance/Legislature: Adjust the Department's base position authority to reflect the deletion of 2.0 project positions annually. The administration indicates that these positions should have been deleted in the budget bill. Two, 0.5 positions will end on September 30, 1997 and 1.0 position will end on December 31, 1997.

2. SMALL AGENCY INFRASTRUCTURE SUPPORT [LFB Paper 393]

	Chg. to Base
PR	$738,200

Governor/Legislature: Provide $369,100 annually for the Statewide Small Agency Support Initiative ($168,500 annually) and computer hardware master lease payments ($200,600 annually).

3. CORPORATE REGISTRATION INFORMATION SYSTEM -- LOCAL AREA NETWORK [LFB Paper 393]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	$0	$25,000	$25,000
PR	$500,000	- $350,000	$150,000

Governor: Provide $250,000 annually to replace and rewrite the corporation registration information system (CRIS) and convert the application from Infotech to the local area network (LAN). The CRIS maintains records and conducts inquiries of registered corporations in the state, including the corporate name, type, date of incorporation, annual report information, registered agent and address.

Joint Finance/Legislature: Delete $100,000 in 1997-98 and $250,000 in 1998-99 from the funding recommended to replace and rewrite the CRIS. The $150,000 remaining in 1997-98 would be used to conduct a feasibility study and develop a plan to convert the system. This would increase the estimated lapse to the general fund by $10,000 in 1997-98 and by $15,000 in 1998-99.

4. OPTICAL IMAGING [LFB Paper 393]

	Chg. to Base
PR	$240,000

Governor/Legislature: Provide $40,000 in 1997-98 and $200,000 in 1998-99 to fund an optical imaging project in the Division of Banking and the Uniform Commercial Code (UCC) Section of the Department. Optical imaging electronically scans and stores documents, which allows each document to be retrieved more quickly and viewed simultaneously by multiple users.

5. UNIFORM COMMERCIAL CODE LIEN SYSTEM -- EQUIPMENT UPGRADE AND REPLACEMENT [LFB Paper 393]

	Chg. to Base
PR	$228,000

Governor/Legislature: Provide $114,000 annually to upgrade computer equipment used by the register of deeds in each county to access the statewide UCC lien system computer. The request would fund the upgrade of 18 counties each year ($3,000 per computer and $3,000 per printer) for a total cost of $108,000, plus $6,000 annually for travel expenses. At this level of funding, all counties would be upgraded by 2000-01.

6. CREDIT UNION EXAMINERS [LFB Paper 391]

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$184,200	2.00	- $17,700	0.00	$166,500	2.00

Governor: Provide $83,200 in 1997-98 and $101,000 in 1998-99 and 2.0 permanent examiner positions in each year in the Office of the Commissioner of Credit Unions. This would increase the number of examiners from 14 to 16.

Assembly/Legislature: Decrease funding by $17,700 in 1997-98 to reflect a delay in the starting date of these positions from October 1, 1997, to January 1, 1998.

7. SHARED DATA BASE MANAGEMENT SYSTEM [LFB Paper 393]

	Chg. to Base
PR	$169,400

Governor/Legislature: Provide $69,400 in 1997-98 and $100,000 in 1998-99 to develop and install a data base management system. As part of the 1995-97 biennial budget, five state agencies were combined to form the Department of Financial Institutions, each of which had its own computer system. This request would convert the separate systems into a common data base management system that would operate on a local area network. The funding for 1997-98 includes: (a) $35,000 for user licenses; (b) $6,500 for developer licenses; (c) $4,900 for developer support; and (d) $23,000 for developer training. The funding for 1998-99 includes $40,000 for conversion to the new system and $60,000 for software upgrades, maintenance, training and supplies.

8. SMALL BUSINESS INFORMATION CENTER [LFB Paper 392]

	Chg. to Base
PR	$93,200

Governor/Legislature: Provide $67,200 in 1997-98 and $26,000 in 1998-99 to fund the development and operation of a small business information center in the Division of Securities. The center would assist small businesses in facilitating capital formation; promote the securities and franchise markets; and initiate public outreach within the business community. The emphasis would be to guide small businesses through the Wisconsin uniform securities law.

9. INFORMATION TECHNOLOGY TRAINING [LFB Paper 393]

	Chg. to Base
PR	$60,000

Governor/Legislature: Provide $30,000 annually for staff training related to information technology. This funding would increase the amount available for training from $80,000 to $110,000 annually.

10. UNIFORM COMMERCIAL CODE LIEN SYSTEM STUDY [LFB Paper 393]

	Chg. to Base
PR	$40,000

Governor/Legislature: Provide $40,000 in 1998-99 to study the feasibility of converting the UCC lien system applications currently on a WANG computer, previously supported by the Secretary of State, to the local area network.

11. WANG UPGRADE FOR UNIFORM COMMERCIAL CODE [LFB Paper 393]

	Chg. to Base
PR	$25,000

Governor/Legislature: Provide $25,000 in 1997-98 to upgrade the WANG computer in the Division of Corporate and Consumer Services to allow for additional lines of connection to the computer. Currently, 64 lines are available for the 72 counties and 70 public access UCC computers.

12. REINSTATEMENT OF ADMINISTRATIVELY DISSOLVED CORPORATIONS

	Chg. to Base
GPR-REV	$100,000

Joint Finance/Legislature: Repeal the two-year limit on the reinstatement of stock and nonstock corporations that have been administratively dissolved. Provide that the application for reinstatement include a statement that each ground for dissolution either did not exist or has been cured and that the corporation's name is valid. Direct the Department to

reinstate the corporation if the application contains the required information and if all fees and penalties owed by the corporation to the Department under the Wisconsin business corporation law or Wisconsin nonstock corporation law, whichever is applicable, have been paid. In addition, increase the application fee for reinstatement following administrative dissolution from $10 to $90 for stock corporations and to $35 for nonstock corporations. Provide that these provisions would apply to a nonstock corporation administratively dissolved before, on or after January 1, 1994. The higher application fee would increase revenues by $50,000 annually.

Under current law, a stock or nonstock corporation may be administratively dissolved by the Department if the corporation fails to pay certain fees or file certain reports. A corporation that has been administratively dissolved generally may apply for reinstatement within two years after the effective date of the dissolution. Corporations applying for reinstatement must pay a $10 application fee. The increased fees are the same for an original incorporation.

[Act 27 Sections: 3131b, 3131yp thru 3131yu and 3131zc thru 3131zs]

13. AUTOMATED TELLER MACHINES

Joint Finance/Legislature: Require the rules of the Division of Banking to provide that any bank ATM would be available for use, on a nondiscriminatory basis, by any state or national bank and by all customers designated by a bank. This provision currently applies to credit unions, savings banks and savings and loans. This provision, as it relates to banks, currently states that ATM service shall be available for use, on a nondiscriminatory basis, by any state or national bank; the nondiscrimination provision is not extended to the customers of other banks.

[Act 27 Section: 3255]

14. WISCONSIN BUSINESS CORPORATION LAW -- TERM SUBSTITUTION

Joint Finance/Legislature: Substitute the term "resident domestic corporation" for the term "issuing public corporation" for purposes of the anti-takeover provisions of the Wisconsin business corporation law. This modification would affect the fair price, defensive action and control shares provisions of the Wisconsin business corporation law and would allow more businesses to be covered by Wisconsin anti-takeover laws.

[Act 27 Sections: 3131bm thru 3131yn, 3131z and 9319(2)]

15. REGISTRATION OF COMMUNITY-BASED ORGANIZATIONS

Joint Finance/Legislature: Delete the requirement that community-based organizations that provide housing assistance to low-income individuals have to register with the Department as loan originators, loan solicitors or mortgage bankers. Specify that community-based organizations are not subject to certain disciplinary provisions related to registration. Under current law, community-based organizations that provide services to low-income individuals directly related to housing assistance are required to register with the Department and are subject to certain disciplinary actions. However, these organizations are not regulated by DFI.

[Act 27 Sections: 3266b thru 3273m]

16. DEFINITION OF CAPITAL IN BANKING LAWS

Joint Finance/Legislature: Include the bank's surplus in the definition of capital in the banking laws. Surplus was inadvertently omitted under 1995 Wisconsin Act 336, which made a number of changes to the state's banking laws. Since surplus is not included in the definition of capital under current law, this provision would increase a bank's capital and the amount that could be lent to one person or entity. Surplus is made up of a bank's retained earnings.

[Act 27 Section: 3254m]

17. PAWNBROKER LOANS

Assembly/Legislature: Allow a pawnbroker to loan more than $150 if licensed by the Division of Banking. Allow the Division to promulgate administrative rules regulating the conduct of licensed pawnbroking. Under current law, pawnbrokers are not licensed and a pawnbroker's loan may not exceed $150. In addition, this provision would make technical changes to clarify language under the state's precomputed loan law.

[Act 27 Sections: 2923m and 2926e thru 2926s]

18. PROVISIONS RELATING TO SECURITY INTERESTS

Assembly/Legislature: Increase the penalty paid by a former secured party to the owner for failure to file a termination statement under the Uniform Commercial Code from $25 to $500 and specify that the secured party is liable for reasonable attorney fees and court costs.

Apply a current law provision that imposes punitive damages of $1,000 plus actual damages for filing a lien related to real or personal property that is known to be false to the filing of a

financing statement or other instrument relating to a security interest. Specify that this provision would also apply if the person should have known the contents were false. In addition, specify that a current provision relating to the criminal slander of title would apply to the filing of a false financing statement or other instrument relating to a security interest and that a person guilty of any violation under this provision would be found guilty of a Class D felony rather than a Class E felony.

[Act 27 Sections: 4196d, 4946d, 5336m and 9356(2m)&(2n)]

19. UNIFORM COMMERCIAL CODE LIEN SYSTEM COUNCIL

Assembly/Legislature: Repeal the Uniform Commercial Code Lien System Council and associated statutory functions in DFI on the general effective date of the budget act. The Council is comprised of the administrator of the Division of Information Technology Services in the Department of Administration (or their designee) and the following members appointed by the Secretary of DFI for six-year terms: (a) two persons as nominated by the Wisconsin registers of deeds association; (b) one person as nominated by the Wisconsin federation of cooperatives; (c) one person to represent the legal community; (d) one person to represent the business community; and (e) one person to represent the financial services community. Currently, the Council advises DFI on the Uniform Commercial Code statewide lien system. (The UCC lien system is a computer system for the entry, storage and retrieval of documents that must be filed with DFI or county registers of deeds in order to document an agreement between lender and borrower.)

[Act 27 Sections: 60b and 4196e thru 4196s]

20. CONSUMER CREDIT REVIEW BOARD

Assembly/Legislature: Repeal the Consumer Credit Review Board and associated statutory functions in DFI on the general effective date of the budget act. The Board is comprised of five members, appointed for staggered five-year terms, of whom one must be licensed as a motor vehicle dealer, salesperson or sales finance company and two must be licensed under the state's precomputed loan law. These members must have five years experience in their fields. Under current law, the Board advises the Division of Banking and reviews the Division's acts and decisions in regard to money and rates of interest, sellers of checks, finance companies, auto dealers, adjustment companies and collection agencies.

[Act 27 Sections: 43k, 60am, 2923p, 3183g, 3183r, 3200b thru 3220b, 3254eb thru 3254ed, 3282b thru 3282r and 9119(1h)]

GAMING BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
PR	$7,819,200	$0	$0	$0	$0	- $7,819,200	- 100.0%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
PR	52.45	0.00	0.00	0.00	0.00	- 52.45
SEG	1.00	0.00	0.00	0.00	0.00	- 1.00
TOTAL	53.45	0.00	0.00	0.00	0.00	- 53.45

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	- $179,200
SEG	189,600
Total	$10,400

Governor/Legislature: Adjust base level funding by -$89,600 PR and $94,800 SEG annually for the following: (a) nonrecurring costs (-$25,300 PR annually); (b) full funding of continuing position salaries and fringe benefits (-$80,800 PR and $94,800 SEG annually); (c) full funding of financial services charges (-$19,100 PR annually); (d) overtime ($17,700 PR annually); (e) night and week end differential ($10,700 PR annually); (f) fifth vacation week as cash ($4,500 PR annually); and (g) delayed adjustment full funding ($2,700 PR annually).

2. ELIMINATE GAMING BOARD [LFB Paper 395]

	Chg. to Base Funding	Positions
PR	- $7,210,100	- 45.85

Governor/Legislature: Delete $3,617,900 in 1997-98 and $3,592,200 in 1998-99 and 45.85 positions annually and eliminate the Gaming Board. Provide $3,512,600 in 1997-98 and $3,486,900 in 1998-99 and 44.85 positions

annually to the Department of Administration (one attorney position under the Gaming Board would be eliminated).

Transfer the Gaming Board's current statutory responsibilities for the regulation and security of pari-mutuel racing, charitable gaming (bingo and raffle games) and crane games to DOA. Create a Division of Gaming under DOA for the regulation and security of pari-mutuel racing, charitable gaming and crane games. Transfer the Gaming Board's current statutory responsibility for the oversight and security of Indian gaming, under the state-tribal gaming compacts, to the Division of Gaming under DOA.

Provide that, on the effective date of the bill: (a) all assets and liabilities of the Gaming Board would become the assets and liabilities of DOA; (b) all tangible personal property, including records of the Board would be transferred to DOA; and (c) all contracts entered into by the Board, which are in effect, would remain in effect and be transferred to DOA. Require DOA to carry out any such contractual obligations until modified or rescinded by DOA to the extent allowed under the contracts. Provide that all incumbent employes holding positions at the Board be transferred to DOA and have all employment rights and status at DOA that they enjoyed at the Board. No transferred employe would be required to serve a probationary period. Any matters pending with the Gaming Board on the effective date of the transfer would be transferred to DOA and all materials submitted to or actions taken by, the Board with respect to any pending matter would be considered as having been submitted to or taken by DOA. All rules and orders of the Gaming Board, other than rules and orders relating to the state lottery, would remain in effect until their specified expiration date or until amended, repealed or rescinded by DOA. (All rules and orders relating to the state lottery would remain in effect until their specified expiration date or until amended, repealed or rescinded by the Department of Revenue.)

The transferred funding and positions also include the following changes summarized in Items 3 thru 8. Additional policy and funding changes affecting DOA's administration of gaming regulations include Items 9 thru 12.

[Act 27 Sections: 15, 17, 45, 49, 86, 87, 175, 176, 226 thru 233, 690, 691, 754, 3094, 3097, 3293, 3295, 3299, 3301, 3307, 3313, 3314, 4549 thru 4592, 4594 thru 4605, 4607 thru 4615, 4617 thru 4621, 4624 thru 4663e, 4663r thru 4674, 4676 thru 4683, 4685 thru 4697, 4700, 4702 thru 4736, 4783, 4786 thru 4793, 5223, 5224, 5342, 5449 and 9120(1)]

3. RACING POSITION REDUCTIONS

	Chg. to Base Funding	Positions
PR	- $956,000	- 8.60

Governor/Legislature: Delete $478,000 and 8.6 positions annually to reflect staff reductions relating to pari-mutuel racing, as follows: (a) -$238,900 and -4.55 positions annually to delete vacant positions that will not be refilled because of reductions in program revenue from racetrack operations; and (b) -$239,100 and

-4.05 positions annually to reflect the closing of the Wisconsin Dells Greyhound Park. The Dells track closed on September 9, 1996.

4. INDIAN GAMING UNCLASSIFIED POSITIONS [LFB Papers 396 and 397]

	Chg. to Base Funding	Chg. to Base Positions
PR	$418,400	1.00
SEG	- 189,600	- 1.00
Total	$228,800	0.00

Governor: Provide $227,200 PR and -$94,800 SEG in 1997-98 and $191,200 PR and -$94,800 SEG in 1998-99 and 1.0 PR and -1.0 SEG position beginning in 1997-98. The request reflects the transfer of funds and position authority from the Division of Racing to the Office of Indian Gaming and the provision of additional funds for Indian gaming, as follows: (a) delete $165,500 PR from racing and provide $392,700 PR to Indian gaming in 1997-98; (b) delete $165,500 PR from racing and provide $356,700 PR to Indian gaming in 1998-99; and (c) transfer 3.0 PR positions from racing to Indian gaming beginning in 1997-98. In addition, the PR funding provided to Indian gaming reflects the conversion of 1.0 SEG position under the Gaming Board to 1.0 PR position under Indian gaming.

Provide unclassified status for the 4.0 positions transferred to the Office of Indian Gaming, which would include: (a) a director of Indian gaming, under the direction of the Secretary of DOA, to administer the state's responsibility for the oversight of Indian gaming; and (b) three attorney positions to assist the Secretary of DOA and the Governor with the negotiation of new Indian gaming compacts in the 1997-99 biennium. The positions would be appointed by the Secretary of DOA. The positions transferred to Indian gaming would include two currently unclassified positions (a PR division administrator for racing and a SEG executive assistant for the Gaming Board) and two currently classified racing positions (a PR auditor position and a PR administrative officer position).

Joint Finance: Delete 2.0 PR unclassified attorney positions. Instead, provide the funding associated with the deleted positions for hired legal counsel. (The deleted positions are shown under Administration -- Transfers and Modifications of Functions, to reflect the transfer of Gaming Board functions to DOA.)

Assembly/Legislature: Delete $34,300 in 1997-98 for the Division of Gaming in the Department of Administration to reflect delayed starting dates (November 1, 1997) for 2.0 unclassified positions. The fiscal effect of this deletion is shown under "Administration -- Transfers and Modifications of Functions."

[Act 27 Sections: 87, 754, 757, 3295, 3301, 3305 and 4788]

5. INDIAN GAMING CLASSIFIED AND PROJECT POSITIONS [LFB Paper 398]

	Chg. to Base
PR	- $26,500

Governor: Provide -$26,800 in 1997-98 and $300 in 1998-99 to reflect the transfer of funding and position authority from the Division of Racing to the Office of Indian Gaming, as follows: (a) transfer $9,300 and 0.25 position in 1997-98 and $12,400 in 1998-99 from racing to Indian gaming to increase a 0.75 administrative officer position to full-time; and (b) delete $143,300 and 4.0 classified positions in 1997-98 and $152,300 in 1998-99 from racing and provide $116,500 and 4.0 two-year project positions in 1997-98 and $152,600 in 1998-99 to Indian gaming. The deleted racing positions include 0.25 administrative officer position and 4.0 regulation compliance investigators. The project positions for Indian gaming would include 1.0 management information specialist position to monitor on-line casino slot machines; 1.0 program assistant position for processing vendor certification applications; and 2.0 auditor positions to perform casino security audits and vendor background investigations. Base funding for the Office is $381,100 with 3.75 positions: a 0.75 attorney position; 2.0 auditor positions; and 1.0 administrative assistant position. The attorney position was subsequently reclassified to an administrative officer position.

Joint Finance/Legislature: Provide 4.0 permanent positions, instead of 4.0, two-year project positions.

6. CHARITABLE GAMING STAFF

	Chg. to Base	
	Funding	Positions
PR	$137,800	1.00

Governor: Provide $64,400 and 1.0 position in 1997-98 and $73,400 in 1998-99 for the Office of Charitable Gaming as follows: (a) $42,400 in 1997-98 and $51,400 in 1998-99 for 1.0 auditor position for bingo regulation; (b) $11,200 annually for LTE staffing to process raffle applications; and (c) $10,800 annually for LTE staffing to conduct inspections of bingo operations.

Assembly/Legislature: Delete $14,100 in 1997-98 for the Division of Gaming in the Department of Administration to reflect a delayed starting date (January 1, 1998) for the auditor position. The fiscal effect of this deletion is shown under "Administration -- Transfers and Modifications of Functions."

7. RENT SAVINGS

	Chg. to Base
PR	- $79,900

Governor/Legislature: Delete $55,200 in 1997-98 and $24,700 in 1998-99 to reflect a reduction in agency rent associated with an office relocation in 1996-97.

8. TECHNOLOGY PROVISIONS

	Chg. to Base
PR	$76,300

Governor/Legislature: Provide $66,300 in 1997-98 and $10,000 in 1998-99 for technology enhancements as follows: (a) $16,300 in 1997-98 for computer hardware and software for the Office of Indian Gaming to access various Indian gaming data systems, including casino slot management systems; (b) $50,000 in 1997-98 to convert Indian gaming applications from a NOMAD mainframe environment to another software environment; and (c) $10,000 in 1998-99 for one-time costs to initiate a record imaging project for Indian gaming, racing, charitable gaming and crane games to store correspondence, license applications, organizational records and records of official meetings. Additional funding in the 1999-2001 biennium would be required to complete the record imaging project.

9. TRANSFER LOTTERY RULEMAKING AUTHORITY TO THE DEPARTMENT OF REVENUE [LFB Paper 395]

Governor/Legislature: Transfer all Gaming Board rulemaking, oversight and security responsibilities relating to the state lottery to the Department of Revenue (DOR).

While, under current law, the Department of Revenue has the responsibility for operating the state lottery, the Gaming Board has broad authority to promulgate rules relating to implementing the lottery statutes. In certain areas, the Board is required to adopt rules governing specific aspects of the lottery's management and operations, including rules for: (a) establishing a plan of organizational structure for lottery division employes; (b) the selection of retailers; (c) establishing requirements for information to be submitted with a bid or proposal by a person proposing to contract with the state lottery; (d) determining the types of lottery games to be offered; (e) defining the terms "advertising" and "lottery shares;" (f) establishing the circumstances and procedures under which a retailer may not be reimbursed if he or she accepts and directly pays a prize on an altered or forged lottery ticket or lottery share; (g) providing for terms of lottery retailer contracts for periods that are shorter than three years; and (h) establishing goals to increase the total amount of expenditures for advertising, public relations and other procurements that are directed to minority businesses, the number of retailers that are minority businesses and the number of employes of the lottery division who are minority group members. Additional rules relating to the operation of the state lottery may be promulgated by the Board. Under 1995 Act 27, DOR is also provided with the authority to promulgate rules relating to the lottery.

Under current law, the Gaming Board is also authorized to perform certain oversight functions, as follows: (a) approve whether lottery functions are to be performed by DOR employes or provided under contract; (b) approve a major procurement contract, if the Department of Administration delegates responsibility for the procurement process to DOR; (c) approve the features and procedures for each lottery game; and (d) conduct hearings and render final decisions relating to the suspension or termination of a lottery retailer contract.

Under current law, the Gaming Board has the following security responsibilities for the state lottery: (a) provide all of the security services for the state lottery except any building and security functions that may be contracted to DOA; (b) monitor the regulatory compliance of lottery operations; (c) audit the gaming operations of the lottery; (d) investigate suspected violations of gaming law; (e) report suspected gaming-related criminal activity to the Division of Criminal Investigation (DCI) in the Department of Justice for investigation by that division; and (f) if DCI chooses not to investigate the report, coordinate an investigation of the suspected criminal activity with local law enforcement officials and district attorneys. Since October, 1995, the Gaming Commission and its successor, the Gaming Board, have not performed any lottery functions.

[Act 27 Sections: 4741 thru 4746, 4750 thru 4766, 4768, 4769m, 4771, 4772, 4776, 4778, 4780 thru 4783, 4785, 5449 and 9120(2)]

10. COMPULSIVE GAMBLING AWARENESS CAMPAIGN

Assembly/Legislature: Delete $64,000 annually from the Division of Gaming in the Department of Administration ($50,000 from Indian gaming and $14,000 from racing) to partially fund a public awareness campaign on compulsive gambling under the Department of Health and Family Services. DHFS would be provided with $100,000 annually to fund a public awareness campaign on compulsive gambling. The fiscal effect of the deletion is shown under "Administration -- Transfers and Modifications of Functions." The remainder of the funds budgeted for the campaign would be transferred from lottery funds for the general program operations of the state lottery.

Veto by Governor [C-13]: Delete $100,000 in 1997-98 from the appropriation made to the Department of Health and Family Services. The effect of the veto is that no transfer of funds from the racing and Indian gaming program revenue accounts under the Division of Gaming would take place in 1997-98.

[Act 27 Sections: 228, 229m, 605m, 704g and 1410g]

[Act 27 Vetoed Sections: 169 (as it relates to 20.435(7)(kg)) and 1410g]

11. ELIMINATE COUNCIL ON CHARITABLE GAMING

Assembly/Legislature: Repeal the Council on Charitable Gaming and associated statutory functions under the Gaming Board on the general effective date of the budget act. The Council consists of five residents of the state appointed for five-year terms by the Governor. Not more than three members of the Council may belong to the same political party. The Council is responsible for

advising the Gaming Board on all matters relating to the conduct of bingo and raffles. Under Act 27, the Gaming Board is eliminated and its statutory functions transferred to a Division of Gaming under the Department of Administration.

[Act 27 Sections: 89m and 4675m]

12. PARI-MUTUEL WAGERING ON SNOWMOBILE RACING

Assembly/Legislature: Provide that the Department of Administration may authorize on-track pari-mutuel wagering on snowmobile racing at times and places, as determined by DOA, that do not conflict with animal racing authorized by DOA. Provide that, for snowmobile races, "pari-mutuel" would mean a wagering system in which all persons who wager on any snowmobile that finishes in any position for which wagers are taken in a race would share the total amount wagered on the race, minus authorized deductions from the wagers. Provide that DOA may promulgate rules that require persons who conduct snowmobile racing to be licensed by DOA. Allow DOA to charge a fee for licenses to cover the state costs of regulating on-track pari-mutuel wagering on snowmobile racing. License fees would be deposited in the general program operations appropriation for pari-mutuel racing.

The provision is intended to clarify certain statutory provisions in order to facilitate the promulgation of rules relating to snowmobile wagering. Under current law, the Gaming Board may authorize on-track pari-mutuel wagering on snowmobile racing at times and places, as determined by the Board, that do not conflict with other racing authorized by the Board. If the Board authorizes on-track pari-mutuel wagering on snowmobile racing, it is responsible for the regulation of the pari-mutuel wagering and is required promulgate all rules necessary to administer the conduct of pari-mutuel wagering on snowmobile races. Through its rules, the Board is required to do everything necessary to ensure the public interest and protect the integrity of the sport of snowmobile racing. The Board must also confer with representatives of the United States Snowmobile Association in developing rules to protect the integrity of the sport of snowmobile racing. Finally, if on-track pari-mutuel wagering on snowmobile racing is authorized, the Board is required to prepare and submit to the chief clerk of each house of the Legislature a report on whether any additional civil or criminal penalties are necessary to enforce its rules. Pari-mutuel wagering on snowmobile racing has never been authorized and rules have not been promulgated for this purpose. Under Act 27, the Gaming Board is eliminated and its statutory functions transferred to a Division of Gaming under DOA.

[Act 27 Sections: 228, 4549m and 4663e thru 4663r]

GENERAL PROVISIONS

Budget Change Items

1. LIENS FOR CHIROPRACTORS' SERVICES

Assembly/Legislature: Modify the current law that allows charitable institutions maintaining a hospital in this state to establish a lien for services rendered to any person who has sustained personal injuries as a result of the negligence, wrongful act or any tort of any other person to provide the same lien provisions for services rendered by a chiropractor. Under current law, the lien attaches to all rights of action, suits, claims, judgments, awards or determinations and settlements that the injured person has against any other person for damages on account of the injuries. Current law notice and filing requirements would be made applicable to chiropractors filing liens. Provide that these provisions first apply to services provided by a chiropractor on January 1, 1999.

Veto by Governor [C-17]: The Governor's partial veto deletes this provision from the text of Act 27. Although the Governor's partial veto deletes each of the relevant sections from the text of Act 27 and the veto message indicates his intent to veto this provision, sections 5165e, 5165g, 5165i and 5165k relating to this item are not listed as vetoed sections in the Governor's veto message.

The Secretary of Administration, in a letter to the President of the Senate and the Speaker of the Assembly, dated October 20, 1997, indicated that, "Since all the language in the bill was property stricken and the message explanation is broad enough to cover all sections, this is a valid veto." In a letter to the Legislative Fiscal Bureau, dated October 28, 1997, an assistant attorney general concurs in this opinion.

[Act 27 Vetoed Sections: 5165c, 5165e, 5165g, 5165i, 5165k, 5165m, 5165o, 5165q, 5165s, 5165u, 5165x, 9356(9h) and 9456(4z)]

2. FRIVOLOUS ACTIONS INVOLVING A STATE AGENCY OR HEARING EXAMINER

Assembly: Provide that, whenever it is found by an agency that a petition for declaratory ruling, a request for a hearing or a petition for a rehearing, under the statutory chapter relating to administrative procedures, or whenever it is found by a hearing examiner that any application, pleading, motion, request or other action that relates to a contested case is frivolous, the agency or hearing examiner may assess a forfeiture of not more than $500 against the person or his or her attorney and may assess the forfeiture in such a manner that the person and person's attorney each

pay a portion of the forfeiture. Specify that actions relating to the fair employment practices subchapter under Chapter 111 of the statutes would not be subject to this provision.

Provide that for any of the above listed matters to be found frivolous the agency or hearing examiner would have to find one or more of the following: (a) the matter must have been undertaken for the purpose of delay; (b) the matter must have been undertaken for the purpose of maliciously injuring the reputation of an agency or an agency employe; or (c) the person or the person's attorney knew, or should have known, that the matter was undertaken without any reasonable basis in law or fact.

This provision would first apply to any of the above listed matters that is filed, made, entered or undertaken on the effective date of the budget bill.

Senate/Legislature: Delete the Assembly provision.

3. RIGHT-OF-WAY ACCESS FOR TELECOMMUNICATIONS CARRIERS AND UTILITIES

Assembly/Legislature: Create a modification to current municipal law to clarify that for the purpose of obstructing or excavating in a roadway both telecommunications carriers (such as AT&T Telecommunications of Wisconsin, MCI and Sprint, which generally furnish telecommunications service within the state but do not provide basic local exchange service) and telecommunications utilities (such as Ameritech and GTE North, which generally provide local exchange service) would only need to secure the necessary permit from a local official for a temporary obstruction or excavation where the municipality had not previously adopted a general ordinance governing such activities.

Under current law, the authority to obstruct or excavate in a roadway is subject to statutory application, noticing, performance bonding, payment of compensation and liability provisions established under s. 66.045 of the statutes unless such provisions are superseded through the enactment of a general municipal ordinance governing right-of-way access that is applicable to the whole public. In the absence of such a general municipal ordinance, public service corporations or cooperative associations that provide telecommunications services, gas, light, heat or power need only to obtain a permit from the proper local official to engage in the activity. While telecommunications carriers and telecommunications utilities are generally deemed to be public service corporations, they are not specifically referenced in the current definition of the entities that would be eligible to obtain permits from local officials where there is no general municipal ordinance governing right-of-way access.

[Act 27 Section: 2199m]

4. RESIDENCY REQUIREMENTS FOR APPOINTED TOWN CLERKS AND TREASURERS

Assembly/Legislature: Modify current law to provide that an appointed town clerk, town treasurer or combined town clerk and treasurer would be authorized to serve in such an office even if the person was not a resident of the town. Under current law, only residents ("electors") of a town may hold a town office, except in the case of appointed town assessors who need not be town residents to hold that office. Under this provision, however, elected town clerks, town treasurers or the combined clerk/treasurers would still have to be residents of the town to hold office.

[Act 27 Section: 2178s]

5. MUNICIPAL ELECTRIC UTILITIES COLLECTION OF DELINQUENT ELECTRIC BILLS

Assembly/Legislature: Modify current municipal law to provide that a municipality would be prohibited from collecting delinquent municipal electric bills by levying the delinquency as a tax on the property to which the electric service was provided, unless: (a) the municipality has enacted an ordinance authorizing the collection of delinquent municipal electric bills by such procedures; or (b) the municipality had used a "special charge" assessment mechanism to collect such past due amounts prior to the enactment of s. 66.60(16)(d) of the statutes which prohibits such special charges after January 1, 1997.

Prior to the enactment of 1995 Wisconsin Act 419, which became effective January 1, 1997, there were two different procedures by which municipalities could collect delinquent municipal utility bills by levying the delinquency as a tax on the property to which the utility service was provided. One procedure was specific to the collection of delinquent water utility bills and contained specific notice requirements that had to be followed in order to place the delinquency on the tax rolls. A second procedure was more general and allowed a municipality to impose special charges for services provided by the municipality, such as snow removal, garbage disposal and sewer service. Delinquent special charges became a lien on the property and were automatically included on the tax roll as a delinquent tax against the property. These procedures were modified by 1995 Wisconsin Act 419 to expand the procedure that had previously been used to collect unpaid municipal water bills to cover all types of municipal utility service (including electric service) and to prohibit the use of the "special charge" procedure for the collection of unpaid municipal utility bills (except for stormwater management services).

Under this provision, if a municipality had previously used the "special charge" collection mechanism prior to 1997 to collect delinquent municipal electric bills, the municipality would have

the option of resuming the use of this collection mechanism to recover municipal electric bill arrearages.

[Act 27 Sections: 2200td and 2200tp]

6. INCREASE ESTIMATED AGENCY LAPSES

	Chg. to Base
GPR-Lapse	$4,208,000

Assembly/Legislature: Increase the estimated lapses from agency GPR appropriations by a total of $4,208,000. The JFC budget included estimated GPR lapses of $3,530,400 in 1997-98 and $4,034,700 GPR in 1998-99 as a result of larger actual decreases in employer-required WRS contribution rates than the projected rate reductions initially used by agencies in determining their total fringe benefits funding needs.

Based on approved CY 1998 contribution rates that are lower than those previously assumed by DOA, plus a decrease in the accumulated sick leave conversion credit contribution rate that was not previously projected, additional GPR lapses of $1,375,000 in 1997-98 and $2,833,000 in 1998-99 are now estimated compared to the JFC budget.

7. MILWAUKEE BOARD OF SCHOOL DIRECTORS AUTHORITY TO INVEST CERTAIN SUPPLEMENTAL PENSION FUNDS

Senate/Legislature: Authorize the Milwaukee Board of School Directors to invest supplemental early retirement pension funds in a variety of instruments consistent with the current statutory "prudent person" standard of responsibility. This standard would require the Board, or its delegated investment managers, to make investments with the care, skill, prudence and diligence that a prudent person acting in a similar capacity, with the same resources and familiar with the same matters, would exercise in conducting an enterprise of like character with like aims. Under the Wisconsin Retirement System (WRS), employers are not prohibited from offering supplemental retirement plans, in addition to required WRS coverage. The Milwaukee Board of School Directors currently offers supplemental plans to both their teachers and their administrators. However, the Board is restricted under current law to investing the assets of the supplemental plans only in fixed income U. S. government or government agency securities.

Veto by Governor [E-19]: Delete provision.

[Act 27 Vetoed Sections: 2198v and 2198w]

8. RELEASE OF PUBLIC RECORDS

Senate/Legislature: Provide that, unless otherwise specifically required by law: (a) no custodian of a public record is required to notify an individual who is the subject of a record prior to providing a record pertaining to that individual to a requester; and (b) no person has the right to sue a custodian of a public record in order to compel the custodian to withhold any information contained in a record from access by a requester. Specify that these provisions first apply to requests for inspection of records made on January 1, 1998.

Under current law, any requester has a right to inspect or copy any public record unless otherwise provided under statutory or common law or unless the custodian demonstrates that the public interest in withholding access to the record outweighs the strong public interest in providing that access. If a custodian fails to provide prompt access to a requested record or to make a public interest demonstration, a requester may obtain a court order requiring a custodian to provide access to a record.

Veto by Governor [E-2]: Delete provision.

[Act 27 Vetoed Sections: 155g, 155j and 9356(9f)]

9. GUARDIANS AD LITEM FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

Assembly: Require that, when a court appoints a guardian ad litem (GAL) for a person with developmental disabilities, the GAL would be required, as a condition of accepting the appointment, to submit a written detailed statement of the services he or she plans to provide for the individual. As a condition of receiving compensation from a county, a GAL would be required to provide an accounting of the services he or she did provide to the developmentally disabled person on a form that the circuit court develops and provides to the GAL. The GAL would be required to submit a copy of the accounting to the guardian of the individual and if there is a dispute regarding that accounting, the court may consider the comments of both the guardian and GAL before issuing an order regarding the GAL's compensation.

Under current law, for a person with a developmental disability, a court is required to appoint a guardian ad litem whenever it is proposed that the court: (a) appoint a guardian on the ground of incompetency; (b) protectively place a person; (c) order protective services; (e) review any protective placement or protective service order; or (f) terminate a protective placement. GALs are appointed by the court to be an advocate for the best interests of the individual with developmental disabilities.

A GAL must be an attorney admitted to practice in Wisconsin and must have three hours of approved continuing legal education relating to the functions and duties of a GAL. Counties are required to pay for the services of a GAL, if the individual is indigent or the court otherwise orders the county to compensate the GAL.

Senate/Legislature: Delete provision.

10. SCHOOL OFFICIALS' ACCESS TO JUVENILE LAW ENFORCEMENT RECORDS

Assembly/Legislature: Allow a law enforcement agency on its own initiative to release to a school district administrator of a public school district or the administrator's designee any information the agency has on a pupil relating to: (a) the pupil's use, possession or distribution of alcohol or a controlled substance; (b) the pupil's illegal possession of a dangerous weapon; (c) information relating to an act for which the juvenile has been adjudicated delinquent; and (d) information relating to an offense for which the juvenile was taken into custody which could result in a disposition of the youth as a serious juvenile offender (serious felonies). Provide that any of this information could be released to school district officials determined by the school board to have legitimate educational interests, including safety interests, and also to those employes of the school district who provide treatment programs for pupils. Under current law, a law enforcement agency can release information only to a school district administrator of a public school district, if the information was requested by that administrator, and law enforcement may only provide information relating to alcohol or drug abuse, illegal possession of a dangerous weapon or an act for which the juvenile has been adjudicated delinquent. Under current law, information concerning alcohol or drug abuse can only be provided to those providing alcohol and other drug abuse programs and information concerning illegal possession of weapons can only be provided to those with legitimate safety interests in order to provide treatment. Modify the current law provision which specifies that information from law enforcement records cannot be used as the sole basis for expelling or suspending a pupil to also specify that such information may not be used as the sole basis for any other disciplinary action, including action under the school district's athletic code.

[Act 27 Sections: 2783g, 2785b, 2785bm, 2785c, 5275g, 5275h, 5275k and 5275m]

11. PROHIBITING THE HARASSMENT OF FIRE DEPARTMENT ANIMALS

Assembly/Legislature: Provide that any person who frightens, intimidates, threatens, abuses, harasses, strikes, shoves, kicks or otherwise harms any animal used by a fire department to perform fire department functions or duties would be subject to penalties ranging from a class B forfeiture (not to exceed $1,000) to a class D felony (up to five years imprisonment, a fine not to exceed $10,000, or both), depending on the severity of the offense. The penalties would first apply to offenses occurring on or after the effective date of the budget act.

[Act 27 Sections: 5346e, 5346f, 5346g, 5346h and 9356(2d)]

12. FINGERPRINTS AND MUG SHOTS FOR JUVENILES

Assembly/Legislature: Clarify that the current statutory provisions requiring fingerprints and mug shots for persons taken into custody for any felony, misdemeanor or other offense designated by the Attorney General, certain municipal ordinance violations or for fugitives from justice also apply to juveniles age ten and over, who have been taken into custody for: (a) an act that would be a felony or misdemeanor if committed by an adult; or (b) certain violations of city, county, village or town ordinances. Current provisions which require juvenile records to be kept separate from adult records and restrict inspection of juvenile records would continue to apply.

[Act 27 Sections: 3103j, 3103k, 3103L, 3103m and 3103n]

13. SLANDER OF TITLE

Assembly/Legislature: Provide that a person who submits for filing, entering or recording any lien, claim of lien, lis pendens, writ of attachment, financing statement or any other instrument relating to a security interest in or title to real or personal property, and who knows or should have known that the contents or any part of the contents of the instrument to be false, a sham or frivolous, is guilty of a class D felony. Under current law, any person who submits for filing, entering or recording any lien, claim of lien, lis pendens, writ of attachment or any other instrument relating to title in real or personal property knowing that the contents or any part to be false, a sham or frivolous is guilty of a class E felony, subject to a fine not to exceed $10,000 or imprisonment not to exceed two years, or both. This provision would increase the potential imprisonment to five years, and would first apply to offenses occurring on or after the effective date of the budget act.

[Act 27 Sections: 4946d, 5336m, 9356(2m) and 9356(2n)]

14. SIMULATING LEGAL PROCESS

Assembly/Legislature: Modify the penalty for sending or delivering any document which simulates a summons, complaint, or court process with intent to induce payment of a claim. Under current law, violators are guilty of a class B misdemeanor, subject to a fine not to exceed $1,000 or imprisonment not to exceed 90 days, or both. This provision would: (1) expand the prohibition to include simulation of any legal process; (2) eliminate the provision that the document must include an inducement to pay a claim to be subject to a penalty; (3) increase the penalty, in cases which do not involve inducement to pay a claim, to a class E felony (a fine not to exceed $10,000 or imprisonment of up to two years, or both); and (4) increase the penalty, in cases involving inducement to pay a claim or cases in which the document simulates any criminal process, to a class

D felony (a fine not to exceed $10,000 or imprisonment of up to five years, or both). The increased penalties would first apply to offenses occurring on or after the effective date of the budget act.

[Act 27 Sections: 5343j, 5343k, 5343L, 5343m and 9356(2m)]

15. FALSELY ASSUMING TO ACT AS A PUBLIC OFFICER, PUBLIC EMPLOYEE OR A UTILITY EMPLOYEE

Assembly/Legislature: Increase the penalty from a class A misdemeanor to a class E felony for the following offenses: (1) assuming to act in an official capacity or to perform an official function if the person knows that he or she is not the public officer, public employee or utility employee that he or she assumes to be; and (2) exercising any function of a public office if the person knows that he or she has not qualified to act or that his or her right to act has ceased. The increased penalties would first apply to offenses occurring on or after the effective date of the budget act.

[Act 27 Sections: 5343t and 9356(2m)]

16. REVENUE BONDS FOR CHILD CARE CENTERS

Assembly/Legislature: Authorize cities, villages and towns and certain other local units of government to issue revenue obligations to finance or to refinance existing debt for eligible child care centers. An eligible child care center is exclusively used to provide child care services and is not operated for profit. Any bonds issued for this purpose would be repaid by the revenues derived by the child care center. Currently, local governments may issue revenue bonds to finance an eligible child care center, but cannot issue revenue bonds to refinance existing debt.

[Act 27 Section: 2200tc]

17. LIMIT ON GPR SPENDING

Assembly: Establish a limit on the aggregate sum of state appropriations from GPR, including estimated amounts for compensation and litigation expenses, that could be appropriated for each biennium. The limit would calculated once for each biennium, in December of even-numbered years.

The exact amount of the limit would be calculated by starting with the amount budgeted for the second fiscal year of the previous biennium, which would represent the base year amount. For the first fiscal year of the new biennium, this base year amount would be increased by the average annual percentage change in state per capita personal income for the prior four calendar years. For the second fiscal year of the biennium, the first fiscal year amount would be increased by the average

annual percentage change in state per capita personal income for the four calendar years prior to the second fiscal year. The amounts calculated for each fiscal year would be added together to establish a biennial limit that would apply to total appropriations for the new biennium. In addition, this biennial sum would be increased by the amount by which budgeted sum certain GPR appropriations in the previous biennium exceeded actual expenditures in the previous biennium.

The per capita personal income figures would be drawn from U.S. Department of Commerce data for the first four years where data is available, and estimated by the state Department of Administration (DOA) for the most recent calendar year. Estimates needed to calculate the base year amount would be prepared by the Legislative Fiscal Bureau (LFB). The bill would specify that the second year amount shown in the appropriation schedule for biennial appropriations would be used in calculating the base year.

Both DOA and LFB would be required to report their respective estimates to the Co-Chairpersons of the Joint Committee on Finance by December 5 of each even-numbered year. The Co-Chairs would have until December 15 to schedule a meeting to review these estimates; if no meeting is scheduled, the limit for the new biennium would be calculated using these estimates. If a meeting is held, the estimates would not be used in calculating the limit unless approved or modified by the Committee.

There would be certain statutory exceptions to the limit. The limitation would not apply to: (a) appropriations for payment of debt service or operating notes; (b) appropriations to honor a moral obligation that the state has undertaken with regard to various revenue bonds; (c) appropriations to rebate potential arbitrage earnings to the federal government relating to state bond issues, if necessary to conform with federal arbitrage regulations; (d) appropriations for aid to local units of government prior to 1999-2000; and (e) an appropriation that is enacted with at least a 60% vote of the members of each house of the Legislature.

Dollar-for-dollar reductions would be made to the limit for the next biennium if the federal government assumes a program previously funded by the state from GPR or if the state terminates or reduces the cost of a program administered by local governments that is partially funded with GPR by the state, but still requires the local unit of government to continue the program. In addition, a reduction to the limit would be made if the Legislature reduces the cost of a GPR program by substituting funding from PR or SEG.

Senate/Legislature: Delete provision.

GOVERNOR

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
GPR	$5,142,800	$5,507,000	$5,457,600	$5,790,400	$5,790,400	$647,600	12.6%

FTE Position Summary						
Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	46.05	46.05	46.05	46.05	46.05	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$183,400

Governor/Legislature: Annually, provide $91,700 for base budget adjustments for: (a) full funding of salary and fringe benefits costs ($74,300); (b) full funding of financial services charges ($1,300); and (c) increased assessments for risk management premiums ($16,100).

2. BASE LEVEL FUNDING REDUCTION

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- $102,800	$102,800	$0
GPR-Lapse	$0	$102,800	$102,800

Governor: Reestimate the Office's supplies and services line to reduce base level expenditures by $51,400 annually. This reduction is equal to 2%, annually, of the Office's base level GPR budget.

Assembly/Legislature: Delete provision reducing the Office's supplies and service line by $51,400 annually, representing a 2% cut to the agency's base level GPR budget. Include nonstatutory language providing that the Governor shall endeavor to assure that the expenditures from the Office's general program operations appropriation be less than the estimated levels contained in the appropriations schedule by at least $51,400 annually.

[Act 27 Section: 9121(1)]

3. NATIONAL GOVERNOR'S ASSOCIATION 1998 ANNUAL MEETING IN MILWAUKEE

	Chg. to Base
GPR	$200,000

Governor/Legislature: Provide $200,000 in 1997-98 in a new, continuing appropriation to fund programmatic support for the annual meeting of the National Governors Association to be held in Milwaukee from August 1 to 4, 1998. Repeal the appropriation, effective July 1, 1999. Under a continuing appropriation, funds remain available for expenditure until used or until the appropriation is otherwise modified or repealed.

[Act 27 Sections: 696, 697 and 9421(1)]

4. LITERACY IMPROVEMENT GRANTS

	Chg. to Base
GPR	$56,000

Governor: Provide $28,000 annually in a new appropriation to fund grants for literacy improvement. Authorize the Governor to provide grants to any local governmental unit in the state or to any nonprofit organization. Define a local governmental unit for this purpose as a political subdivision or a special purpose district, an instrumentality, corporation, combination or subunit of any of the foregoing or a combination of the state and any of the foregoing. Define a nonprofit organization for this purpose as an organization described under s. 501(c)(3) of the Internal Revenue Code that is exempt from the payment of federal income taxes.

Provisions of 1995 Wisconsin Act 27 directed the Governor to appoint an employe in the Office of the Governor as a family literacy advocate to establish statewide programs to improve family literacy. Act 27 also provided funding of $50,000 annually and authorized 1.0 unclassified position for that purpose. This funding is continued in the Office's 1997-99 budget.

Joint Finance/Legislature: Modify the provision by requiring the Governor to: (a) cooperate with DOA in providing free books to educational and social service organizations in the state through a contract with the Public Enrichment Foundation; (b) seek resources from foundations and private

donors to support the DOA book distribution program; and (c) accept requests from educational and social service organizations in the state and forward them to the Public Enrichment Foundation.

[Act 27 Sections: 22 and 698]

5. ASSOCIATION DUES [LFB Paper 405]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$27,600	- $49,400	- $21,800

Governor: Reestimate the amounts necessary to fund dues increases for the National Governor's Association by $11,900 in 1997-98 and $15,700 in 1998-99. Base level funding for dues payments to the Association is $112,900.

Joint Finance/Legislature: Modify the provision by reducing the amounts estimated for dues payments for the National Governors Association and the Midwestern Governors Conference by $23,800 in 1997-98 and $25,600 in 1998-99 to reflect the announced dues payment levels for these organizations during the 1997-99 biennium.

6. WISCONSIN SESQUICENTENNIAL COMMISSION

Joint Finance: Include the following provisions relating to the Wisconsin Sesquicentennial Commission, which is attached administratively to the Office of the Governor.

Conditions for the Release of Matching Funds to the Commission. Modify the conditions under which the Joint Committee on Finance may provide a dollar-for-dollar match from its GPR-funded appropriation to the Commission for those gift and grant amounts actually received by the Commission. Authorize the Commission to receive GPR matching funds for any amount of funds pledged to it (but not yet received) for the purpose of requesting dollar-for-dollar matching from the Committee's supplementation appropriation. Further, include a technical statutory change to delete an incorrect reference to an appropriation account under the State Historical Society.

Under current law, the Joint Committee on Finance may release matching funds from a GPR continuing appropriation specifically for this purpose to the Commission's general program operations. A total of $1,250,000 GPR of matching funding was appropriated by 1995 Wisconsin Act 445. Under that Act, after the Commission had actually received an initial $250,000 in gifts and grants, the funds in the supplemental appropriation were authorized to be released by the Committee to the Commission's gifts and grants appropriation on a dollar-for-dollar matching basis upon the Commission's documentation that it has actually received an equivalent amount of funds as gifts or grants.

Conversion of Sesquicentennial License Plate Revenues Appropriation from the Transportation Fund to the General Fund. Establish a new, PR-funded continuing appropriation under the Commission to reflect the conversion of its current sesquicentennial license plate revenues appropriation to the general fund. This action reflects a decision to convert most transportation fund appropriations in agencies other than DOT to general fund appropriations. Provide that any continuing balances in the old appropriation on June 30, 1997, would be retained in the new PR-funded appropriation.

Limitation on the Total Amount of Sesquicentennial License Plate Revenues Available to the Commission. Establish an overall limitation of $2,700,000 on the total amount of net proceeds from the sale of sesquicentennial license plates which may be credited to the Commission's appropriation for this purpose. Specify that any sesquicentennial license plate revenues in excess of this amount would be created to a new appropriation under DOA for a new historical grant program (described below).

Under current law, after deducting the total costs to DOT of designing, producing, promoting and distributing the Wisconsin sesquicentennial license plate, the remaining net proceeds are credited to the Commission's appropriation for this purpose to support its general program operations. There is no current limitation on the amount of net proceeds which may be credited to this appropriation.

Use of Sesquicentennial License Plate Revenues in Excess of the Above Limitation to Support a Historical Grant Program. Establish a historical grant program under DOA for projects related to the long-term historical significance of Wisconsin. Create a continuing PR appropriation under DOA to fund such grants and direct that the net proceeds in excess of $2,700,000 from the sale of sesquicentennial license plates be credited to the appropriation. Specify that the Commission and the State Historical Society would be eligible to apply for grants funded from the new appropriation. Require the Commission and the Society to submit grant applications to DOA. Direct DOA to review the applications and submit its funding recommendations to the Joint Committee on Finance under a 14-day passive review process. Repeal the historical grant program on the later of June 1, 1999, or the date the Commission ceases to exist. [The Commission will cease to exist upon submitting a final report to the Governor detailing its activities. This report must be submitted no later than June 1, 1999.]

Allocation of Residual Commission Funds to a Historical Legacy Trust. Create a historical legacy nonlapsible trust fund to support the operations of the State Historical Society. Direct that all of the following would be deposited to the fund: (a) all monies received after September 30, 1998, by the Commission; (b) all remaining unencumbered funds available to the Commission (including any remaining amounts in a GPR-funded Joint Finance supplemental appropriation used to match commission gifts and grants revenues) as of June 1, 1999, or the date the Commission ceases to exist, whichever is later; (c) all monies transferred from the historical grant program on June 1, 1999, or the date the Commission ceases to exist, whichever is later; and (d) gifts or other contributions made to the fund.

Repeal all Commission appropriations on June 1, 1999, or the date the Commission ceases to exist, whichever is later, delete inconsistent provisions contained in 1995 Wisconsin Act 445 which would have repealed certain commission appropriations on July 1, 1999, and require the Governor to notify the Director of the State Historical Society upon the Governor's acceptance of the Commission's final report.

Assembly: *Sesquicentennial Sailing Ship.* Specify that up to $200,000 from the amounts provided to the historical grants program appropriation under DOA be granted to the Wisconsin Lake Schooner Education Association for the construction of a tall sailing ship for Wisconsin's sesquicentennial celebration. Provide that the first $200,000 transferred to the historical grant program from sesquicentennial license plate sale revenues in excess of $2,700,000 be expended for financial assistance to the Association. Require DOA to provide the assistance upon written agreement with the Association to use the assistance for the specified construction. Further, allow the Association to be reimbursed for expenses incurred prior to the effective date of the budget act. Sunset this provision on May 31, 1999, or after the date on which the Governor notifies the Director of the State Historical Society of acceptance of the final report of the Sesquicentennial Commission, whichever is later.

Commission Sunset Date. Establish July 1, 1999, as the termination date for the Commission. Under current law, the Commission is scheduled to terminate upon the submission of a final report to the Governor and the Legislature. This report must currently be submitted no later than June 1, 1999.

This termination provision is based on the recommendations of the Lieutenant Governor. Under provisions of 1995 Wisconsin Act 27, the Lieutenant Governor reviewed 143 state government boards, councils and commissions to determine if they should be continued, merged with another body or repealed.

Senate/Legislature: *Eliminate Sesquicentennial License Plate Revenue Cap and Historical Grant Program.* Delete the Joint Finance overall limitation of $2,700,000 on the total amount of net proceeds from the sale of sesquicentennial license plates which may be credited to the Sesquicentennial Commission. As a result, delete the historical grant program created by Joint Finance for projects related to the long-term historical significance of Wisconsin. The program would have been funded from the net proceeds in excess of $2,700,000 from the sale of sesquicentennial license plates. Under the program, the Historical Society and the Sesquicentennial Commission would have been eligible to submit grant applications to DOA. DOA would have been required to review the applications and submit its recommendations to Joint Finance under a 14-day passive review process. Delete references to the historical grant program from a separate proposal to create a historical legacy trust fund. As a result of this change, all net proceeds from the sale of sesquicentennial license plates would continue to be provided to the Sesquicentennial Commission for its general program operations.

Sesquicentennial Sailing Ship. As a result of the above deletion of the historical grants program, shift the source of funding assistance to the Wisconsin Lake Schooner Education Association for the construction of a tall ship for Wisconsin's sesquicentennial celebration from monies provided through the historical grants program to monies provided from the recreational boating projects aids appropriation under the Department of Natural Resources.

[Act 27 Sections: 3r, 19m, 23j, 23k, 23p, 92m, 244m, 244n, 378m, 697j, 697m, 698c, 698e, 698f, 698g, 698h, 698m, 757s, 832k, 832m, 854m, 912j, 912k, 1345g, 3306m, 3988m, 5508td, 5508tg, 5510d, 5510em, 9256(1m) and 9456(2m)]

7. OFFICE TECHNOLOGY AND DOCUMENTS COST INCREASES

	Chg. to Base
GPR	$230,000

Assembly/Legislature: Increase the general program operations sum sufficient appropriation for the Executive Office by $115,000 annually to fund increased office technology and documents processing costs.

8. EXECUTIVE OFFICE DATA EXPENSES

Assembly: Provide increased funding of $500,000 GPR annually under the Department of Administration's general program operations appropriation to support expenses incurred by the Office of the Governor related to obtaining data for the Office. The fiscal effect of this provision is shown under "Administration -- Departmentwide."

Senate/Legislature: Modify Assembly provision by deleting $375,000 GPR annually thereby providing $125,000 GPR annually in DOA's general program operations appropriation to support the costs of obtaining data by the Office of the Governor. The fiscal effect of this modification is shown under "Administration -- Departmentwide."

9. PUPIL ACADEMIC STANDARDS DEVELOPMENT COUNCIL

Assembly/Legislature: Create a statutory Standards Development Council under the Office of the Governor, as follows:

Council Established. Create the Council as a seven-member body with the following membership:

- The Lieutenant Governor, who would chair the Council;

• A representative of the Department of Public Instruction, appointed by the State Superintendent;

• The chairpersons of the Assembly and Senate committees having jurisdiction over elementary and secondary education matters, or members of those committees designated by the chairpersons;

• The ranking minority members of such Assembly and Senate committees, or members of those committees designated by the ranking minority members; and

• One member appointed by the Governor to serve at the pleasure of the Governor.

Under current law procedures, Council members would elect a vice chair and secretary from among their membership, would take and file an official oath, and would be entitled to receive reimbursement for their actual and necessary expenses incurred in the performance of their duties.

A nearly identical council was created by the Governor by executive order in January, 1997.

Duties of the Governor and the Council. By the general effective date of the 1997-99 biennial budget bill, require the Governor to submit pupil academic standards in mathematics, science, reading and writing, geography and history to the new Council. The Council would be directed to review these proposed standards and would be authorized to modify them; however, the Council's final recommendations on the standards would have to be transmitted to the Governor by September 15, 1997, or within 30 days after the effective date of the 1997-99 state budget, whichever is later. Stipulate that the Governor would have to approve or disapprove the Council's recommended standards within 30 days after receiving them. If the Governor approves the recommended standards, specify that they could be issued as an executive order.

Require the Council to review the issued pupil academic standards periodically. Provide that if the Governor approves any subsequent modifications to the standards recommended by the Council, the changes could be issued as an executive order.

Require DPI to provide up to $49,000 GPR over the 1997-99 biennium to the Council, at its request, for the DPI appropriation for pupil assessment. Specify that the Council utilize the funding to review and modify the proposed pupil academic standards. See "Public Instruction" for a further description of how the pupil academic standards would be applied by school districts.

[Act 27 Sections: 21m, 23d, 249, 2806, 2807 and 9140(5r)]

HEALTH AND FAMILY SERVICES

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$3,126,880,200	$3,111,591,900	$3,134,503,300	$3,115,130,800	$3,103,877,400	- $23,002,800	- 0.7%
FED	3,871,637,400	3,930,344,500	4,018,816,400	4,022,396,400	4,020,273,400	148,636,000	3.8
PR	477,894,800	649,383,700	672,726,000	672,581,700	669,331,700	191,436,900	40.1
SEG	5,607,400	5,851,300	725,800	725,800	725,800	- 4,881,600	- 87.1
TOTAL	$7,482,019,800	$7,697,171,400	$7,826,771,500	$7,810,834,700	$7,794,208,300	$312,188,500	4.2%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	1,558.11	1,852.85	1,853.43	1,863.43	1,863.43	305.32
FED	899.10	957.04	945.35	949.50	949.50	50.40
PR	3,761.18	3,426.66	3,551.37	3,551.37	3,551.37	- 209.81
SEG	7.75	9.25	5.00	5.00	5.00	- 2.75
TOTAL	6,226.14	6,245.80	6,355.15	6,369.30	6,369.30	143.16

Budget Change Items

Departmentwide and Management and Technology

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base Funding	Positions
GPR	- $206,800	- 1.91
FED	- 3,397,100	- 18.34
PR	- 18,256,400	- 17.80
SEG	32,800	0.00
Total	- $21,827,500	- 38.05

Governor/Legislature: Adjust the agency's base budget to reflect: (a) turnover reductions (-$1,267,800 GPR, -$822,100 FED and -$2,179,300 PR annually); (b) removal of noncontinuing items (-$518,400 GPR and -1.41 GPR positions, -$1,975,900 FED and -15.34 FED positions and -$8,072,200 PR and -16.80 PR positions in 1997-98 and -$544,500 GPR and -1.91 GPR positions, -$2,254,600 FED and -18.34 FED positions and -$8,345,100 PR and -17.80 PR positions in 1998-99); (c) full funding of salaries and fringe benefits ($203,900 GPR, $1,146,000 FED, -$2,329,800 PR and $15,500 SEG annually); (d) overtime ($628,900 GPR and $1,278,200 PR in 1997-98 and $644,000 GPR and $1,309,000 PR in 1998-99);

(e) night and weekend salary differentials ($709,200 GPR, $25,000 FED and $2,181,000 PR annually); (f) fifth vacation week as cash for certain long-term employes ($57,300 GPR, $32,700 FED and $47,200 PR in 1997-98 and $58,300 GPR, $33,500 FED and $48,300 PR in 1998-99); (g) minor transfers within appropriations (-3.5 FED project positions, 3.5 FED permanent positions, -3.0 PR permanent positions and 3.0 PR project positions, beginning in 1997-98); and (h) delayed pay adjustments ($88,500 GPR, $34,700 FED, $67,200 PR and $900 SEG annually).

2. MISCELLANEOUS ADJUSTMENTS [LFB Paper 410]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $549,500	$721,600	$172,100
FED	5,147,700	0	5,147,700
PR	14,215,000	- 1,761,800	12,453,200
SEG	30,600	0	30,600
Total	$18,843,800	- $1,040,200	$17,803,600

Governor: Adjust the agency's base budget by -$301,500 GPR, $2,082,100 FED, $5,235,100 PR and $15,300 SEG in 1997-98 and -$248,000 GPR, $3,065,600 FED, $8,979,900 PR and $15,300 SEG in 1997-98 for: (a) institutional food costs ($95,100 GPR and $217,900 PR in 1997-98 and $111,700 GPR and $297,800 PR in 1998-99; (b) rent (-$293,000 GPR, $1,113,700 FED, $286,200 PR and $14,600 SEG in 1997-98 and -$263,900 GPR, $1,189,800 FED, $355,400 PR and $14,600 SEG in 1998-99; (c) payment for municipal services ($43,500 PR in 1997-98 and $55,600 PR in 1998-99); (d) length of service payments ($120,800 FED, $444,200 PR and $700 SEG in 1997-98 and $122,800 FED, $452,800 PR and $700 SEG in 1998-99; (e) full funding of pay plan increases ($731,100 FED and $2,720,700 PR in 1997-98 and $1,462,000 FED and $5,441,400 PR in 1998-99; (f) full funding of health insurance premiums ($116,500 FED and $517,400 PR in 1997-98 and $291,000 FED and $1,297,500 PR in 1998-99; and (g) fuel and utilities reestimates (-$103,600 GPR and $1,005,200 PR in 1997-98 and -$95,800 GPR and $1,079,400 PR in 1998-99). In addition, transfer funding between DHFS appropriations to reflect projected DOA billings for risk management costs (liability insurance, property insurance and worker's compensation costs).

Joint Finance/Legislature: Modify the Governor's recommendation to reflect reestimates of the inflationary costs for food, fuel and utilities at the Division of Care and Treatment Facilities (DCTF) facilities by: (a) reducing funding for food by $6,200 GPR and $172,300 PR in 1997-98 and $9,300 GPR and $194,600 PR in 1998-99; and (b) increasing funding for fuel and utilities by $361,300 GPR in 1997-98 and $375,800 GPR in 1998-99 and decreasing funding by $703,900 PR in 1997-98 and $691,000 PR in 1998-99.

3. DEBT SERVICE REESTIMATE

	Chg. to Base
GPR	$2,014,500

Governor/Legislature: Provide $1,089,100 in 1997-98 and $925,400 in 1998-99 to reflect anticipated increases in debt service costs associated with facilities operated by the Division of Care and Treatment Facilities ($1,075,800 in 1997-98 and $913,200 in 1998-99) and the workshop for the blind ($13,300 in 1997-98 and $12,200 in 1998-99).

4. PROGRAM REVENUE AND SEGREGATED FUNDING REESTIMATES [LFB Paper 411]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $5,147,700	- 4.33	$6,156,300	0.00	$1,008,600	- 4.33
SEG	4,000	0.00	0	0.00	4,000	0.00
Total	- $5,143,700	- 4.33	$6,156,300	0.00	$1,012,600	- 4.33

Governor: Reduce the Department's budget by $2,744,300 PR in 1997-98 and $2,403,400 PR in 1998-99 to reflect reestimates of program revenue that will be available to support DHFS programs in the 1997-99 biennium. Major reestimates included in this item are: (a) reduced funding for DHFS information services provided by the Bureau of Information Systems, which primarily reflects a reduction in services provided by BIS resulting from the transfer of programs to other agencies (-$3,108,000 PR annually); (b) information systems purchases made centrally on behalf of DHFS divisions ($444,700 PR); (c) medical assistance estate recovery collections ($452,700 PR in 1997-98 and $811,200 PR in 1998-99); (d) community options program estate recovery collections (-$341,000 PR in 1997-98 and -$336,000 PR in 1998-99); and (e) health facilities licensing (-$282,400 PR in 1997-98 and -$305,100 PR in 1998-99 and -4.33 PR positions, beginning in 1997-98). In addition, increase funding for DHFS groundwater and air quality standards activities by $2,000 SEG annually.

Joint Finance/Legislature: Increase funding by $2,907,400 PR in 1997-98 and $3,248,900 PR in 1998-99 to reflect reestimates of revenue that will be collected under the MA estate recovery program ($13,507,000 PR in 1997-98 and $14,207,000 PR in 1998-99).

5. EXTENSION AND CONVERSION OF PROJECT POSITIONS

	Chg. to Base	
	Funding	Positions
GPR	$149,900	1.91
FED	487,700	7.09
PR	541,100	7.55
SEG	0	0.00
Total	$1,178,700	16.55

Governor/Legislature: Provide $437,800 ($62,000 GPR, $175,300 FED and $200,500 PR) in 1997-98 and $740,900 ($87,900 GPR, $312,400 FED and $340,600 PR) in 1998-99 to: (a) convert 12.55 project positions (0.91 GPR positions, 5.09 FED positions and 6.55 PR positions) in 1997-98 and 15.55 project positions (1.41 GPR positions, 6.59

FED positions and 7.55 PR positions) in 1998-99 that are scheduled to terminate in the 1997-99 biennium to permanent positions; and (b) extend 1.0 project position (0.50 GPR position and 0.50 FED position) in the Division of Health, which is currently scheduled to terminate on June 30, 1998, to October 1, 1999.

A number of these positions were created under federal grants received by DHFS, including: (a) lead training and certification grants; (b) comprehensive school health grants; and (c) medicare state administration grants. Other positions were created in 1995 Wisconsin Act 27 (the 1995-97 biennial budget act) to conduct certification activities for mental health and substance abuse facilities.

6. MILWAUKEE CHILD WELFARE AND W-2 LIAISON POSITION [LFB Paper 412]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$221,100	1.00	- $9,000	0.00	- $44,800	0.00	$167,300	1.00

Governor: Provide $113,000 in 1997-98 and $108,100 in 1998-99 to support 1.0 position, beginning in 1997-98, to serve as a liaison position in the Office of the Secretary to coordinate the implementation of the Wisconsin Works program with the state's assumption of the Milwaukee County child welfare system to ensure that both programs interact effectively. Funding for this position would be provided by federal funds available under the temporary assistance to needy families (TANF) block grant transferred to DHFS from the Department of Workforce Development. In addition, increase from five to six the number of division administrator positions in DHFS.

Joint Finance: Reduce funding by $9,000 in 1997-98 to fund the position for 11 months in 1997-98, rather than 12 months, as recommended by the Governor. In addition: (a) delete the provision that would increase the number of division administrator positions within DHFS and, instead, increase the number of unclassified positions in DHFS by one; (b) designate this position the Director of the Office of Urban Development; and (c) specify in statute the duties of this position and that the position would be located in an office in the City of Milwaukee.

Assembly/Legislature: Reduce funding by $44,800 in 1997-98 to reflect a January 1, 1998, estimated starting date for the new position.

[Act 27 Sections: 757d, 1593t and 3304m]

7. DELETE VACANT POSITIONS

	Chg. to Base Funding	Positions
FED	- $270,600	- 4.00
PR	- 259,800	- 3.15
Total	- $530,400	- 7.15

Governor/Legislature: Reduce funding by $135,300 FED and $129,900 PR annually and delete 4.0 FED and 3.15 PR positions, beginning in 1997-98. These positions have been vacant for more than 12 months.

8. DHFS REORGANIZATION AND PROGRAM RESTRUCTURING [LFB Paper 413]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $273,200	- 0.45	- $262,400	- 0.20	- $535,600	- 0.25
FED	- 464,400	32.75	- 1,066,000	- 10.69	- 1,530,400	22.06
PR	- 2,457,400	- 35.01	1,390,200	9.66	- 1,067,200	- 25.35
Total	- $3,195,000	- 2.71	$61,800	- 0.83	- $3,133,200	- 3.54

Governor: Reduce funding by $1,601,200 (-$136,600 GPR, -$232,200 FED and -$1,232,400 PR) in 1997-98 and $1,593,800 (-$136,600 GPR, -$232,200 FED and -$1,225,000 PR) in 1998-99 and delete 2.71 positions (-0.45 GPR positions, -35.01 PR positions and 32.75 FED positions), beginning in 1997-98, to reflect the net effect of funding and position changes resulting from the recent reorganization of the Department. The Governor's recommendations to transfer funding and positions between DHFS programs and appropriations is intended to adjust the Department's appropriation structure to correspond with the reorganization.

Program Structure. Modify the Department's program structure as follows: (a) divide the current health services, planning, regulation and delivery program, which includes both state operations and aids/local assistance appropriations, into two programs, one composed of state operations appropriations, the other with aids and local assistance appropriations; (b) create a program for the Division of Children and Family Services (DCFS) by replacing the youth services program, which was transferred to the Department of Corrections, beginning July 1, 1996; (c) replace the Division of Community Services (DCS) state operations program with state operations program for the Division of Supportive Living (DSL); and (d) replace the DCS aids and local assistance program with a program that includes aids and local assistance appropriations for programs administered by the Division of Supportive Living.

Repeal of Current Appropriations. Repeal the current appropriations previously used to support: (a) studies of the cost-effectiveness of extending MA benefits under welfare reform; (b) projects to test the practicality and effectiveness of using, in health care settings, devices that are designed to prevent occupational puncture injuries; and (c) high-risk pregnancy grants. Repeal current statutory provisions relating to these programs. No funding was budgeted for these programs in the 1995-97 biennium.

Create Appropriations. Create two program revenue appropriations in DCFS. One appropriation would authorize DCFS to expend all moneys received from fees charged for providing state mailings, special computer services, training programs, printed material and publications for the costs of providing these services. In addition, a sum certain appropriation would be created to support the costs of licensing child welfare agencies, foster homes, treatment foster homes, group homes, day care centers and shelter care facilities. All moneys received for these licensing activities would be credited to the appropriation.

Create a gifts and grants appropriation in the health services planning, regulation and delivery aids and local assistance program which would enable DHFS to provide aids to individuals for health services from all moneys DHFS receives from gifts, grants and bequests.

Create an appropriation in the DHFS general administration program that would authorize DHFS to expend all block grant moneys received from the federal government for the state administration of federal block grants for the purposes specified.

Joint Finance/Legislature: Modify funding and positions as follows: (a) reduce funding by $131,200 GPR and $533,000 FED annually; (b) increase funding by $695,100 PR annually; (c) provide .20 GPR and 9.66 PR positions and delete 10.69 FED positions, beginning in 1997-98; (d) transfer $1,400 PR in 1997-98 and $1,300 PR in 1998-99 within the DSL workshop fees appropriation and the group home revolving loan fund appropriation, respectively; and (e) correct a reference to the birth-to-three program appropriation.

[Act 27 Sections: 527 thru 529, 530 thru 537, 540, 541, 542 thru 553, 554b, 556, 557, 559 thru 566, 568g, 571 thru 573, 581 thru 583, 591, 594, 595, 596, 598, 601, 602, 607, 609, 1410, 1411, 1439, 1460m, 1462 thru 1464, 1469 thru 1471, 1472, 1477, 1501, 1502, 1513, 1519, 1522, 1523, 1531, 1532, 1533, 1738 thru 1741, 1909, 1913, 1919, 1921, 1924, 1926 thru 1930, 1933 thru 1939, 1943, 1946, 1975, 1979, 1980, 1981, 1982, 1983, 2057, 2139, 2985, 2986, 3004 thru 3007, 3011, 3012, 3400, 3402 thru 3404, 3405, 3415, 3426, 3432, 3433, 3438, 3448 thru 3450, 3455, 3469, 3479 thru 3481, 5211 and 5450]

9. INFORMATION TECHNOLOGY INFRASTRUCTURE SUPPORT AND TRANSFER TO DOA [LFB Papers 134 and 470]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$3,047,500	0.00	$0	0.00	$3,047,500	0.00
PR	- 947,600	- 12.50	- 40,400	- 0.50	- 988,000	- 13.00
SEG	30,500	0.00	0	0.00	30,500	0.00
Total	$2,130,400	- 12.50	- $40,400	- 0.50	$2,090,000	- 13.00

Governor: Provide $1,049,600 ($1,507,700 FED, -$473,700 PR and $15,600 SEG) in 1997-98 and $1,080,800 ($1,539,800 FED, -$473,900 PR and $14,900 SEG) in 1997-98 and delete 12.5 PR positions, beginning in 1997-98, to fund DHFS information technology infrastructure in the 1997-99 biennium. This funding would be used to support services provided by the Division of Management Technology's Bureau of Information Systems to each of the DHFS divisions. The rate BIS charges DHFS divisions is based on the following costs: (a) the purchase and maintenance of hardware, software and data; (b) support for staff in the Director's Office in BIS; (c) customer services; (d) fiscal services; (e) information technology resource management; and (f) platform support. These infrastructure costs are allocated to DHFS divisions based on the number of devices in each division.

The bill would delete 2.5 PR positions in BIS, beginning in 1997-98, and transfer 9.5 PR positions, beginning in 1997-98, and the incumbents holding these positions, as determined by the DOA Secretary, to DOA's Division of Information Technology. These transferred positions would retain the employe rights and status in DOA that they enjoyed in DHFS immediately before the transfer and would not be required to serve a probationary period.

Joint Finance/Legislature: Reduce funding by $20,200 PR annually and delete 0.5 PR position, beginning in 1997-98, to reflect the transfer of an additional 0.50 PR position associated with the print services unit to DOA.

[Act 27 Section: 9123(8)]

10. INFORMATION TECHNOLOGY -- YEAR 2000 CONVERSION

	Chg. to Base
GPR	$78,100
FED	173,800
Total	$251,900

Governor/Legislature: Provide $251,900 ($78,100 GPR and $173,800 FED) in 1997-98 for DHFS to modify its information systems to accommodate the year 2000. Currently, several systems used by DHFS do not have the capability to use a four-digit representation of the calendar year. Instead, these systems assume that the first two digits of the year field are "19." Unless these systems are modified, any information entered for the year 2000, for example, will be read as 1900, resulting in inaccuracies in data calculations, comparisons and sorting procedures.

11. FINANCIAL SERVICES CHARGEBACKS

	Chg. to Base
FED	$192,800
PR	- 38,300
SEG	4,100
Total	$158,600

Governor/Legislature: Provide $66,600 ($91,700 FED, -$27,200 PR and $2,100 SEG) in 1997-98 and $92,000 ($101,100 FED, -$11,100 PR and $2,000 SEG) in 1998-99 to support increases in charges the Department of Administration bills to state agencies for the costs of operating and maintaining the state accounting system (WISMART).

12. INFORMATION SYSTEMS TRANSFERS

Governor/Legislature: Transfer $122,500 GPR, $502,800 FED and $93,800 PR in 1997-98 and $83,300 GPR, $523,700 FED and $94,000 PR in 1998-99 from various programs' supplies and services budgets to these same programs' internal data processing budgets to reflect projected information systems expenditures in the 1997-99 biennium.

13. NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS

Joint Finance/Legislature: Create provisions relating to nondiscrimination against religious organizations that apply for DHFS contracts and grants. These provisions are similar to federal provisions created in recent federal welfare reform legislation (P.L. 104-193).

Purpose. Specify that the purpose of these provisions is to enable DHFS to contract with, or award grants to, religious organizations on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of services funded under such programs.

Nondiscrimination Against Religious Organizations. Specify that if DHFS is authorized to distribute any grant to, or contract with, a nongovernmental entity, that nongovernmental entity can be a religious organization as long as the programs are implemented consistent with the United States Constitution and the Wisconsin Constitution. Prohibit DHFS from discriminating against an organization on the basis that the organization has a religious character.

Religious Character and Freedom. Specify that a religious organization that receives a grant from, or contracts with DHFS retains its independence from federal, state and local governments, including such organization's control over the definition, development, practice and expression of its religious beliefs. Prohibit DHFS from requiring a religious organization to alter its form of internal governance or remove religious art, icons, scripture, or other symbols as a condition of contracting with, or receiving a grant from DHFS.

Rights of Beneficiaries of Services. Specify that if an individual has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded from a program supported with funding administered by DHFS, DHFS would provide the individual (if otherwise eligible for such assistance), within a reasonable period of time after the date of such objection, services from an alternative provider that is accessible to the individual and the value of which is not less than the value of the services which the individual would have received from such organization.

Employment Practices. Specify that a religious organization's exemption provided under 42 U.S.C. 2000e-1a regarding employment practices are not affected by its participation in programs administered by DHFS.

Nondiscrimination Against Beneficiaries. Prohibit a religious organization from discriminating against an individual in regard to rendering services funded under any DHFS program on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

Fiscal Accountability. Specify that any religious organization that receives grant funding from, or contracts with DHFS is subject to the same laws and rules as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs. If such an organization segregates funding from DHFS into separate accounts, only the financial assistance provided with such funds would be subject to an audit.

Compliance. Specify that any party that seeks to enforce its rights may assert a civil action for injunctive relieve in an appropriate court against the entity or agency that allegedly commits such violation.

Limitations on Use of Funds for Certain Purposes. Prohibit any agency that receives funding from DHFS to expend any of those funds for sectarian worship, instruction or proselytization.

Preemption. Specify that nothing in these provisions should be construed to preempt any other provision of state law or the Constitution that prohibits or restricts the expenditure of state funds in or by religious organizations.

[Act 27 Section: 1406g]

14. REQUIRED LAPSE FROM GPR STATE OPERATIONS APPROPRIATIONS

	Chg. to Base
GPR-Lapse	$4,184,500

Assembly/Legislature: Direct DOA to allocate reductions in DHFS sum certain, state operations appropriations by a total of $2,101,000 GPR in 1997-98 and $2,083,500 GPR in 1998-99 by requiring DHFS to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under a 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

15. ELIMINATION OF ATTACHED BOARDS AND COUNCILS

	Chg. to Base Funding	Positions
GPR	- $26,300	- 0.50

Assembly/Legislature: Repeal the following state boards and councils that are currently attached to DHFS:

Board on Hunger. Repeal the Board on Hunger and transfer all of its associated statutory functions to DHFS, effective July 1, 1998. Delete $26,300 GPR and eliminate 0.5 GPR position in 1998-99 associated with staff support to the Board. The Board is comprised of a nonvoting chairperson and nine voting members, including: (a) five members who are not public officers or employes, each having a demonstrated interest in hunger prevention issues, appointed by the Governor for three-year terms; (b) two members of the Senate, appointed in the same manner as members of the standing committees in the Senate; and (c) two members of the Assembly, one from the majority party and one from the minority party, appointed in the same manner as members of the standing committees in the Assembly.

The Board is required to review existing public and private activities within the state relating to hunger prevention and advise DHFS, DPI and any other relevant state agency on the use of state and federal resources and on the provisions and administration of programs for hunger prevention.

Council on American Indian Health. Repeal the Council on American Indian Health and associated statutory functions in DHFS, effective December 31, 1997. The Council is comprised of thirteen members appointed for three-year terms. At least nine members are selected from names submitted by the Wisconsin Indian tribes or Great Lakes Inter-tribal Council.

The Council is required to: (a) develop, periodically update and recommend to DHFS a state plan for the improvement of health care services to American Indians in Wisconsin; (b) recommend legislation relating to American Indian health; (c) seek the collaboration of private, state and federal agencies in funding and conducting a comprehensive assessment of American Indian health care needs in Wisconsin; (d) consider all questions and matters relating to American Indian health arising within the Council or brought to the Council for review; (e) advise appropriate entities regarding the funding, policies, programs and operations of American Indian health programs; and (f) meet at least four times annually.

Council on Food Protection Practices. Repeal the Council on Food Protection Practices and associated statutory functions in DHFS, effective July 1, 1999. The eleven-member Council consists of: (a) a representative of the Wisconsin Restaurant Association; (b) a representative of the Wisconsin Innkeepers Association; (c) a representative of the Tavern League; (d) a representative of a corporate chain of restaurants that does business in the state; (e) a representative of an organization of registered sanitarians who is employed by a local health department; (f) a representative of an organization of registered sanitarians who is employed by a local health department with agent status; (g) a representative of the Wisconsin Conference of Local Public Officials who has expertise in environmental health; (h) a registered sanitarian who is employed in a DHFS regional office; (i) a member of the staff of the Technical Collage System Board; (j) an employe of the UW System who

has a demonstrated interest and experience in food service sanitation; and (k) a member who has none of the qualifications required for other members.

The Council advises DHFS on food protection practices. DHFS is required to consult with the Council in order to promulgate rules to: (a) establish fees for certification and recertification of food protection practices; (b) specify standards for approval of training courses for recertification of food protection practices; and (c) establish procedures for issuance of certificates of food protection practices, including application submittal and review.

Pesticide Review Board. Repeal the Pesticide Review Board and associated statutory functions in DHFS on the general effective date of the budget act. The three-member Board is comprised of the Secretaries of DHFS, the Department of Natural Resources (DNR) and the Department of Agriculture, Trade and Consumer Protection (DATCP) or their designated representatives. Under current law, the Board collects and analyzes information and recommends rules to DNR and DATCP. Rules promulgated by the two Departments related to pesticides are not effective until approved by the Board. The Board also reports to the Governor and Legislature on matters that may require government action.

Transfer to DATCP the Pesticide Review Board's authority to authorize the use of a pesticide in accordance with the Department's rules on an individual bat colony that has been determined to be responsible for the outbreak of rabies or another situation where the existence of a colony of bats threatens the health or welfare of any person.

Further, transfer to DATCP the Pesticide Review Board's authority to authorize the use of DDT for the following: (a) controlling an epidemic disease of humans or animals spread by insects; (b) controlling an outbreak of a epidemic which threatens a significant portion of the affected crop and is caused or spread by insects; and (c) for specified research by educational institutions if it finds that no ecologically significant residues of DDT, or its isomers or metabolites, are allowed to escape into the environment.

Finally, delete the Pesticide Review Council that assists the Board in obtaining scientific data and coordinating the regulatory enforcement, research and educational efforts related to pesticide use in the state. The Council consists of nine members, including six members with technical or professional expertise appointed by the Board. The Council members appointed by the Board include one representative each from DHFS, DATCP, DNR, and the University of Wisconsin College of Agricultural and Life Sciences, Water Resources Center and School of Natural Resources. The remaining three Council members are public members, appointed by the Governor and confirmed by the Senate. The public Council members are required to be technical or professional experts and consist of one representative each from the pesticide industry, the agricultural industry and a member with experience in conservation and the wise use of natural resources.

Radiation Protection Council. Repeal the Radiation Protection Council and associated statutory functions in DHFS on the general effective date of the budget act. The Radiation Protection Council is comprised of eleven members, including: (a) five public members with an interest in and

a knowledge of radiation protection matters who are appointed by the Governor for staggered three-year terms; (b) one Senator and two public members, appointed as are members of standing committees in the Senate for staggered three-year terms; and (c) one member of the Assembly and two public members, appointed as are members of standing committees in the Assembly for staggered three-year terms.

Under current law, the Council is required to: (a) provide DHFS, other state agencies and local governments with technical advice and assistance on matters relating to radiation protection; (b) recommend to DHFS a radiation protection code; and (c) monitor the development and implementation of private and local, state and federal government radiation-related policies and programs that may affect the health or well-being of the citizens of the state.

[Act 27 Sections: 60e, 60g, 63j, 63m, 63p, 1103n, 1167p, 1180q, 1478c, 1519m, 1520m, 1521m, 1522d, 1522j, 2521m, 2528g, 2528r, 2543j, 2910e, 2910m, 2910r, 2986g, 3399m, 3470d, 3470h, 3470p, 3470t, 3476e, 3476m, 3476r, 9123(3g)&(12p) and 9423(3v),(4g)&(10q)]

Medical Assistance

1. OVERVIEW OF MEDICAL ASSISTANCE BENEFITS [LFB Paper 420]

Governor: Decrease total MA benefits funding by $19,535,500 GPR and $522,900 FED in 1997-98 and increase MA benefits funding by $23,800 GPR and $31,862,500 FED in 1998-99 to reflect: (a) a reestimate of 1997-98 base year funding, primarily due to lower than projected spending during the current biennium and increased use of federal revenues available from the intergovernmental transfer program for nursing homes to support the current program; (b) reestimates of MA caseload and intensity of services during the 1997-99 biennium; (c) rate increases for selected providers; (d) adding or expanding services; (e) adjustments to the budgets for the State Centers for the Developmentally Disabled and MA community-based waiver programs; (f) reductions in eligibility for MA services; and (g) reduced costs through changes in service delivery or collections.

In total, the budget bill would provide $924,320,400 GPR and $1,560,894,100 FED in 1997-98 and $943,879,700 GPR and $1,593,279,500 FED in 1998-99 to support MA benefits in the 1997-99 biennium. In 1995-96, actual MA expenditures totaled $877.1 million GPR and $1,496.2 million FED. In 1996-97, DOA estimates that MA expenditures will total $879.7 million GPR and $1,539.0 million FED.

Joint Finance: Reduce funding by $2,638,700 GPR and increase funding by $35,637,400 FED in 1997-98 and increase funding $13,868,600 GPR and $67,438,300 FED in 1998-99. These changes primarily reflect: (a) a reestimate of the funding necessary to maintain current law benefits

(-$15,056,500 GPR and $19,889,400 FED in 1997-98 and -$15,967,700 GPR and $25,889,400 FED in 1998-99); (b) an expansion of healthy start MA eligibility ($10,400,000 GPR and $15,000,000 FED in 1997-98 and $24,100,000 GPR and $34,100,000 FED in 1998-99; and (c) expansion of MA eligibility to parents who would otherwise lose MA eligibility because of the placement of their child in out-of-home care and additional payments to Milwaukee HMOs that will provide intensive mental health, family therapy and substance abuse services to these families ($1,410,000 GPR and $2,019,100 FED in 1997-98 and $3,517,300 GPR and $4,983,300 FED in 1998-99). Other significant changes include increased MA payments to the state mental health institutes and increased staffing at Northern Wisconsin Center for the Developmentally Disabled to address deficiencies identified in a recent survey of the facility. In total, ASA 1 to AB 100 would provide $921,681,700 GPR and $1,596,531,500 FED in 1997-98 and $957,748,300 GPR and $1,660,717,800 FED in 1998-99 to support MA benefits.

Assembly: Reduce MA benefits funding by $9,612,800 GPR and $13,402,200 FED in 1997-98 and $20,775,700 GPR and $28,053,000 FED in 1998-99 to reflect: (a) deletion of the healthy start expansion (-$10,400,000 GPR and -$15,000,000 FED in 1997-98 and -$24,100,000 GPR and -$34,100,000 FED in 1998-99); (b) restoration of benefits to certain disabled children ($774,000 GPR and $1,108,400 FED in 1997-98 and $3,324,300 GPR and $4,708,400 FED in 1998-99; (c) federal match for additional COP-W slots ($470,400 FED in 1997-98 and $1,338,600 FED in 1998-99); and (d) MA effect of delayed estate recovery and MA-supported positions at the Veteran's Home ($13,200 GPR and $19,000 FED in 1997-98).

Senate/Legislature: Increase MA benefits funding by $644,900 GPR and $923,500 FED in 1997-98 and $1,131,900 GPR and $5,093,400 FED in 1998-99 to reflect: (a) maintaining Racine County as a high-cost labor region for the purpose of determining the MA reimbursement of direct care costs for nursing home services ($644,900 GPR and $923,500 FED in 1997-98 and $671,700 GPR and $951,600 FED in 1998-99); and (b) an expansion of MA eligibility for family planning services for women between the ages of 15 and 45 in families with income below 185% of the federal poverty level under a demonstration project if DHFS obtains necessary waivers ($460,200 GPR and $4,141,800 FED in 1998-99).

Veto By Governor [C-2]: Reduce MA benefits funding by $2,690,600 GPR and $3,852,700 FED in 1997-98 and $8,491,600 GPR in 1998-99 and increase MA benefits funding by $1,729,700 FED in 1998-99 to reflect: (a) reestimates of the federal fiscal year 1998-99 matching rate (-$5,704,600 GPR and $5,704,600 FED in 1998-99); (b) deletion of increased funding for essential access city hospital (-$123,400 GPR and -$176,600 FED in 1997-98 and -$124,100 and -$175,900 FED in 1998-99); (c) deletion of the provision that would maintain Racine County as a high-cost labor region for purposes of determining MA reimbursement of direct care costs for nursing home services (-$644,900 GPR and -$923,500 FED in 1997-98 and -$671,700 GPR and -$951,600 FED in 1998-99); and (d) reduction in the MA rate increase for nursing homes (-$1,922,300 GPR and -$2,752,600 FED in 1997-98 and -$1,991,200 GPR and -$2,847,400 FED in 1998-99).

The following table summarizes all changes to the MA base level funding under Act 27.

Modifications to Medical Assistance Benefits
Act 27

	1997-98		1998-99	
	GPR	FED	GPR	FED
Base Level Funding	$943,855,900	$1,561,417,000	$943,855,900	$1,561,417,000
1996-97 Base Reestimate	-$52,589,800	-$30,526,300	-$30,805,900	$11,748,800
Base Adjustments				
Higher IGT Payments	-$15,676,000	$15,676,000	-$8,169,400	$8,169,400
Decreased Federal Matching Rate	7,895,400	-7,895,400	-1,744,500	1,744,500
Caseload Change	-1,733,600	-2,035,600	-12,145,600	-17,028,400
Intensity Change	8,453,200	12,846,400	3,789,500	10,088,200
Cost of MA -- Current Law	$890,205,100	$1,549,482,100	$894,780,000	$1,576,139,500
MA Program Modifications				
a. Rate Increases to Providers				
Nursing Homes	$17,006,700	$24,226,900	$29,484,000	$41,730,100
Inpatient Hospitals	3,127,400	4,465,400	5,779,600	8,188,000
Ambulance Services	0	0	430,800	610,300
Noninstitutional Providers	2,906,800	4,162,200	5,909,800	8,372,800
Pediatric Hospitals	822,400	1,177,600	827,700	1,172,300
Subtotal	$23,863,300	$34,032,100	$42,431,900	$60,073,500
b. MA Eligibility Changes				
Parents of Children in Child Protective System	$1,410,000	$2,019,100	$3,517,300	$4,983,300
Implement Federal SSI Eligibility Changes	-3,198,000	-4,579,300	-3,281,700	-4,648,100
Terminate Benefits 10 Days Following Determinations	0	0	-853,900	-1,209,400
Family Planning Services for Certain Women	0	0	460,000	4,141,800
Subtotal	-$1,788,000	-$2,560,200	-$158,100	$3,267,600
c. Expand Types of Services Covered Under MA				
Add Dental Sealants for Children	$430,900	$616,900	$144,000	$204,300
Add Coverage of Case Management for Women Aged 45-64	0	0	0	0
Case Management in Milwaukee County	0	2,696,000	0	5,730,800
Subtotal	$430,900	$3,312,900	$144,000	$5,935,100
d. MA Adjustments for State Centers and Waiver Programs				
Increase CIP IB Slots	$272,000	$389,500	$821,300	$1,163,200
COP Slots	0	352,600	0	5,403,400
State Centers, State Mental Health Institutes, & Veteran's Home Adjustment	2,217,600	3,174,800	2,783,000	3,939,900
Subtotal	$2,489,600	$3,916,900	$3,604,300	$10,506,500
e. Reduce Costs Through Changes in Service Delivery or Collections				
Exempt DHFS from Liability in Subrogation Cases	-$206,100	-$293,900	-$207,600	-$292,400
MA Contract Enhancements	0	0	-2,676,500	-3,769,000
Increase Estate Recovery Collections	-57,800	-82,700	-116,300	-164,600
Increase Collections Under Coordination of Benefits Program	-1,439,200	-2,060,800	-1,034,600	-1,465,400
Increase Provider Audits	-263,100	-376,800	-2,648,200	-3,750,900
Reduce use of PASSAR	-364,000	-1,092,100	-364,000	-1,092,100
Decrease SMV Utilization through Administrative Changes	-616,800	-882,000	-620,800	-879,200
Implement DRG Electronic Audit System	-1,233,600	-1,766,400	-1,241,300	-1,758,700
Increase and Expand Copayment Schedule	-337,900	-485,100	-677,800	-968,300
Expand HIV/AIDS Insurance Continuation Program	-659,200	-943,900	-1,602,100	-2,293,700
Subtotal	-$5,177,700	-$7,983,700	-$11,189,200	-$16,434,300
GRAND TOTAL -- MA Benefits Funding	$910,023,200	$1,580,200,100	$929,612,900	$1,639,487,900

2. MEDICAL ASSISTANCE BASE REESTIMATE [LFB Paper 421]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Veto (Chg. to Leg.)	Net Change
GPR	- $65,997,900	- $31,024,200	- $5,704,600	- $102,726,700
FED	- 48,695,800	45,778,800	5,704,600	2,787,600
Total	- $114,693,700	$14,754,600	$0	- $99,939,100

Governor: Decrease MA benefits funding by $70,418,600 ($38,594,300 GPR and $31,824,300 FED) in 1997-98 and $44,275,100 ($27,403,600 GPR and $16,871,500 FED) in 1998-99 to reflect reestimates of the projected cost for MA benefits in the 1997-99 biennium under current law. This base reestimate incorporates the following major adjustments:

a. *Reestimate of 1996-97 Base Year Costs:* Reduce base funding by $37,533,300 GPR and $50,415,700 FED in 1997-98 and $14,838,200 GPR and $14,140,600 FED in 1998-99 to reflect lower projected spending for the 1996-97 base year than the budgeted amount.

b. *Decreased Federal Matching Rate:* Increase GPR funding and decrease FED funding by $7,895,400 in 1997-98 and by $3,960,100 in 1998-99 to reflect a projected decrease in the federal matching rate, from the 1996-97 rate of 59.17% to 58.84% in 1997-98 and 58.54% in 1998-99.

c. *Higher IGT Payments:* Decrease GPR funding and increase FED funding by $15,676,000 in 1997-98 and by $8,169,400 in 1998-99 to reflect: (a) the effect of a recent change in the claiming of federal matching funds under the intergovernmental transfer program for unreimbursed MA expenses of county-operated nursing homes; and (b) a reestimate of county losses available for use under the IGT program.

d. *Caseload Changes:* Decrease funding by $1,733,600 GPR and $2,035,600 FED in 1997-98 and by $12,145,600 GPR and $17,028,400 FED in 1998-99 to reflect projected changes in caseloads. Most of the decrease in caseload occurs in the AFDC-related group (families with dependent children).

e. *Intensity Changes:* Increase funding by $8,453,200 GPR and $12,846,400 FED in 1997-98 and $3,789,500 GPR and $10,088,200 FED in 1998-99 to meet higher projected average costs per MA-eligible resulting from such factors as greater use of MA services, use of new and more expensive services and a shift to groups that more heavily utilize MA services.

Joint Finance/Legislature: Delete $15,056,500 GPR and provide $19,889,400 FED in 1997-98 and delete $15,967,700 GPR and provide $25,889,400 FED in 1998-99 to reflect reestimates of the cost to continue the current MA program in the 1997-99 biennium. A major factor accounting for the decreases in GPR is that caseload declines accelerated toward the end of 1996-97 and were not fully reflected in AB 100. The primary reason for the increase in FED funding is that AB 100 does not include the federal funds that match locally-supported CIP IB placements.

A comparison of the Governor's caseload and service intensity assumptions and those adopted by the Joint Committee on Finance and the Legislature in Act 27 are summarized in the following tables.

MA Caseload By Eligibility Category

I. Governor (AB 100)

Category	Actual 1995-96	Projected 1996-97	Projected 1997-98	Projected 1998-99	Percent Change From Previous Year 1996-97	Percent Change From Previous Year 1997-98	Percent Change From Previous Year 1998-99
Aged	50,846	49,659	48,470	47,195	-2.33%	-2.39%	-2.63%
Disabled	101,075	101,934	102,970	103,977	0.85	1.02	0.98
AFDC	253,068	223,955	201,708	177,198	-11.50	-9.93	-12.15
Other	66,786	76,875	85,476	94,669	15.11	11.19	10.76
Total Caseload	471,775	452,423	438,624	423,039	-4.10%	-3.05%	-3.55%

II. Joint Committee on Finance/Legislature (Act 27)

Category	Actual 1995-96	Projected 1996-97	Projected 1997-98	Projected 1998-99	Percent Change From Previous Year 1996-97	Percent Change From Previous Year 1997-98	Percent Change From Previous Year 1998-99
Aged	50,846	49,373	48,139	47,176	-2.9%	-2.5%	-2.0%
Disabled	101,075	101,032	101,032	101,032	<0.1	0.0	0.0
AFDC	253,068	211,704	169,944	149,064	-16.3	-19.7*	-12.3*
Other	66,785	79,432	97,460	109,401	18.9	22.7*	12.3*
Total	471,775	441,541	416,575	406,673	-6.4%	-5.7%	-2.4%

*Note: Reflects a shift of individuals from the AFDC-related to the healthy start-related category. Therefore, the combined caseload reduction for these groups is projected to be -8.2% in 1997-98 and -3.3% in 1998-99.

MA Intensity, By Service Category

Service	Projected Annual Change 1997-98 and 1998-99 Governor	Act 27
Dental	2.96%	-1.50%
Durable Medical Equipment/Supplies	3.53	-1.00
Drugs	4.41	7.00
Family Planning	-9.27	-2.76
Home Health Services	-3.05	-1.00
Inpatient Hospital Services	2.94	0.00
Laboratory and X-Rays	2.44	0.00
Mental Health	19.99	5.00
Outpatient Hospital Services	0.21	1.33
Outpatient Hospital Services--Psychiatric	-10.60	-5.57
Personal Care	2.35	0.00
Physicians	6.82	1.18
Therapies	-1.89	-2.00
Transportation--Emergency	1.87	0.00
Transportation--Nonemergency	4.59	5.36
Other	2.66	10.00

Veto by Governor [C-2]: Delete $5,704,600 GPR in 1997-98 to reflect that the federal matching rate will be higher for 1998-99 than previously projected (58.85%, rather than 58.55%). Consequently, federal MA benefits funding is estimated to increase by $5,704,600 in 1998-99.

[Act 27 Vetoed Section: 169 (as it relates to 20.435(5)(b))]

3. MA PROVIDER RATE INCREASES [LFB Paper 422]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Veto (Chg. to Leg.)	Net Change
GPR	$71,630,900	- $1,853,000	- $3,913,500	$65,864,400
FED	101,874,500	- 2,779,200	- 5,600,000	93,495,300
Total	$173,505,400	- $4,632,200	- $9,513,500	$159,359,700

Governor: Provide $65,781,300 ($27,049,200 GPR and $38,732,100 FED) in 1997-98 and $107,724,100 ($44,581,700 GPR and $63,142,400 FED) in 1998-99 to increase MA rates paid to selected providers. The table summarizes the percentage increase in rates compared to the rates under current law and the state and federal funding which would be budgeted to support these increases.

Governor's Recommended MA Rate Increases

Service Category	1997-98 Rate Increase	1997-98 Funding GPR	1997-98 Funding FED	1998-99 Rate Increase	1998-99 Funding GPR	1998-99 Funding FED
Nursing Homes	6.1%	$20,960,900	$30,014,100	3.5%	$33,645,000	$47,652,500
Inpatient Hospitals						
Acute Care						
Capital Payment		904,600	1,295,400		910,500	1,289,500
Rate Increase	2.1	2,115,600	3,029,400	2.5	4,717,500	6,681,500
IMD Hospitals						
Capital Payment		60,900	87,100		61,200	86,800
Pediatric Hospitals		822,400	1,177,600		827,700	1,172,300
Non-Institutional Providers	1.0	2,184,800	3,128,500	1.0	4,419,800	6,259,800
Total		**$27,049,200**	**$38,732,100**		**$44,581,700**	**$63,142,400**

Nursing Homes. Provide that aggregate payments to nursing homes, exclusive of increases due to higher recipient utilization of nursing home care and other specified items, would increase over the prior year payments by the lesser of 6.1% or $50,975,000 in 1997-98 and by the lesser of 3.5% or $30,322,500 in 1998-99. Because of the design of the nursing home reimbursement formula, which reimburses a nursing home's allowable costs up to established maximum rates based on median nursing home costs in the state, a nursing home may receive rate increases that are either higher or lower than the 6.1% and 3.5% for the respective years.

In addition, the bill would make several changes in the nursing home reimbursement formula that would affect the distribution of nursing home payments, causing greater variation in the rate increases for specific nursing homes. The funding changes shown here incorporate the effect of the formula changes and the net change in MA nursing home funding, except for recipient utilization changes and several other specified items.

Inpatient Hospitals. The bill would increase rates for acute care inpatient hospital services by 2.1% in 1997-98 and an additional 2.5% in 1998-99. In addition, the bill would increase payment for capital costs from 85% to 95% for all inpatient hospitals.

Allowable capital costs are paid as a prospective payment. The capital payment is calculated by dividing the individual hospital's total capital costs, based on the most recent audited cost report, by the individual hospital's total costs, resulting in ratio of capital costs to total costs. The total MA

inpatient costs for the hospital are then multiplied by this ratio to yield an annualized MA-related capital cost figure. This amount is currently reduced by 15%. Under this recommendation, the amount would be reduced by 5%. Certain rural hospitals are exempt from the capital reduction.

Pediatric Hospitals. Increase funding by $2,000,000 in each year for pediatric hospital services. Hospitals that have more than 12,000 all-payer intensive care unit and general pediatric days per year would be eligible for a 12.9% increase to their base funding. Under this recommendation, it is estimated that $1,862,000 (all funds) would be provided to Children's Hospital of Wisconsin and $138,000 (all funds) would be provided to University Hospital of Wisconsin in each year. However, the bill contains no provisions relating to these supplemental hospital payments.

Non-Institutional Services. The Governor recommends a 1% increase in 1997-98 and an additional 1% increase in 1998-99 for all services provided by noninstitutional providers. The following MA benefits and services would receive rate increases under the Governor's recommendations: (a) ambulance transportation; (b) certified nurse anesthetist; (c) chiropractic; (d) dental; (e) durable medical equipment and disposable medical supplies; (f) drugs; (g) end stage renal disease; (h) family planning; (i) federally-qualified health clinics; (j) early and periodic screening, diagnostic and testing (HealthCheck) services; (k) hearing aids; (l) home health; (m) hospice; (n) laboratory and x-ray; (o) outpatient hospital psychology and mental health; (p) personal care; (q) physicians and clinics; (r) podiatrist; (s) prenatal care coordination; (t) rural health clinic; (u) transportation by specialized medical vehicles; (v) therapies; and (w) vision.

Joint Finance/Legislature: Reduce funding by $1,263,600 GPR and $1,947,400 FED in 1998-99 and $589,400 GPR and $831,800 FED in 1998-99 to reflect the following modifications to the Governor's recommendations:

Nursing Homes. Reduce aggregate MA payments to nursing homes by $5,066,500 in 1997-98 and $5,244,800 in 1998-99 to reflect: (a) a reestimate of the cost to fund projected nursing home payments under the formula changes recommended by the Governor (-$8,266,500 in 1997-98 and -$8,555,800 in 1998-99); and (b) an increase in the direct care target to 103% of the statewide median ($3,200,000 in 1997-98 and $3,311,000 in 1998-99), rather than 102% of the statewide median, as recommended by the Governor.

Inpatient Hospitals. Increase funding by $46,300 GPR and $53,500 FED in 1997-98 and $90,400 GPR and $130,200 FED in 1998-99 to reestimate the cost of the MA rate increase recommended by the Governor.

Non-Institutional Services. Provide $722,000 GPR and $1,033,700 FED in 1997-98 and $1,490,000 GPR and $2,113,000 FED in 1998-99 to support the costs of a 5% rate increase for dental services and a 2% rate increase for other noninstitutional services in each year. The following MA benefits and services would receive rate increases under the Committee's recommendations: (a) ambulance transportation; (b) certified nurse anesthetist; (c) chiropractic; (d) dental; (e) durable medical equipment and disposable medical supplies; (f) pharmacy dispensing fee; (g) family planning;

(h) early and periodic screening, diagnostic and testing (HealthCheck) services; (i) hearing aids; (j) home health; (k) hospice; (l) laboratory and x-ray; (m) outpatient hospital psychology and mental health; (n) personal care; (o) physicians and clinics; (p) podiatrist; (q) prenatal care coordination; (r) transportation by specialized medical vehicles; (s) therapies; and (t) vision.

Veto by Governor [C-2]: Reduce funding for MA benefits by $1,922,300 GPR and $2,752,600 FED in 1997-98 and $1,991,200 GPR and $2,847,400 FED in 1998-99 and reduce the maximum rate increase from 5.4% to 5.0% for 1997-98 to reflect a reestimate of the cost to fund the nursing home reimbursement formula factors adopted in Act 27.

[Act 27 Sections: 1921, 1941b, 1941c, 1941d, 1941e and 9423(9p)]

[Act 27 Vetoed Sections: 169 (as it relates to s. 20.435(5)(b)) and 1921]

Act 27 MA Rate Increases

	1997-98			1998-99		
Service Category	Rate Increase	Funding GPR	Funding FED	Rate Increase	Funding GPR	Funding FED
Nursing Homes	5.0%	$17,006,700	$24,226,900	3.5%	$29,484,000	$41,730,100
Inpatient Hospitals						
Acute Care						
Capital Payment		904,600	1,295,400		910,500	1,289,500
Rate Increase	2.1	2,161,900	3,082,900	2.5	4,807,900	6,811,700
IMD Hospitals						
Capital Payment		60,900	87,100		61,200	86,800
Pediatric Hospitals		822,400	1,177,600		827,700	1,172,300
Non-Institutional Providers	*	2,906,800	4,162,200	*	5,909,800	8,372,800
Total		**$23,863,300**	**$34,032,100**		**$42,001,100**	**$59,463,200**

*Includes a 5% annual rate increase for dental services and a 2% annual rate increase for all other non-institutional services.

4. EMERGENCY MEDICAL SERVICES (EMS) RATES [LFB Paper 429]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$251,800	$179,000	$430,800
FED	356,600	253,700	610,300
Total	$608,400	$432,700	$1,041,100

Governor: Provide $608,400 ($251,800 GPR and $356,600 FED) in 1998-99 to establish an advanced life support (ALS) reimbursement rate for ambulance providers, beginning in 1998-99. Under this recommendation, an ALS rate would be established to reflect the additional training and equipment necessary to provide ALS services. The new ALS rate would be, on average, $179.88 per trip. Currently, the MA reimbursement rate is composed of the basic life support (BLS) rate and a per mile rate. The average base BLS rate is $95.68.

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

Joint Finance/Legislature: Increase funding by $432,700 ($179,000 GPR and $253,700 FED) in 1998-99 to establish an ALS reimbursement rate for ambulance providers at 120% of the BLS rate and to reflect reestimates of the costs of establishing this enhanced rate, beginning in 1998-99.

5. NURSING HOME FORMULA ADJUSTMENTS [LFB Paper 424]

Governor: Modify the reimbursement formula for nursing home providers for care provided to MA recipients, as follows.

Direct Care Maximum. Reduce the required statutory standard for payments under the formula's direct care cost center to 100% of the median direct care costs of all facilities in the state, rather than the standard of 110% that is used under current law. Maintain the current law distinction between facilities that primarily serve persons with developmental disabilities and other nursing homes by maintaining separate direct care maximums for these two types of facilities, based on direct care costs for a sample of each of these types of facilities in the state. Although the statutory minimum would be reduced to 100% of the median, the Governor recommends that DHFS establish the direct care cost center at 102% of the median for provider payments in 1997-98.

Other Cost Center Targets. Reduce the formula targets for the various cost centers, as follows: (a) for support services to 102% of the statewide median from the current level of 103%; (b) for administrative and general costs to 102% of the statewide median from 103%; and (c) for fuel and utilities to 102% of the statewide median from the current level of 115%.

Supplemental Payments to County-Owned Nursing Homes. Consolidate the two special payments to county-owned nursing homes (payments made under the facility operating deficit reduction program and the supplemental payments to county homes program), into a single program, which would provide supplemental payments to county nursing homes. Specify that up to $38,600,000 annually could be provided under this consolidated program, which is the same limit, in total, under the two separate programs in 1996-97. Actual payments totalled $37,100,000 in 1996-97, which is also the annual funding amount budgeted in the bill for 1997-98 and 1998-99.

Specify that any additional federal MA funds that were not anticipated prior to the enactment of the biennial budget act or other legislation and were not used to fund nursing home rate increases would be paid to county-owned nursing homes even if the limit of $38,600,000 was exceeded, subject to the limit that the total of all special payments could not exceed the size of the home's deficit. Further, exclude nursing homes owned by cities, villages or towns from participating in these special payments. Under current law, DHFS is authorized to distribute payments made under the facility operating deficit reduction program to facilities owned by cities, villages or towns, in addition to county homes.

Current requirements of the facility operating deficit reduction program would apply to the new supplemental payments to county homes program. These provisions require: (a) counties to provide the required match for federal funds by certifying the county's unreimbursed expenses; (b) DHFS to establish an allocation formula that distributes these funds to county-owned homes with a deficit in a manner that considers the size of the home's deficit; (c) the Department to revise the allocation of payments to county homes and submit the revised allocation to the Joint Committee on Finance for approval, if the U.S. Department of Health and Human Services approves an amount of federal funds less than the amount allocated under this program; (d) DHFS to reduce payments to counties by corresponding amounts under other programs, including, community aids and income maintenance administrative payments, if the U.S. Department of Health and Human Services disallows use of federal matching funds for payments under this program; and (e) DHFS to stop payments from this program on the date that a facility is found to be an institution for mental diseases (IMD). In addition, modify a provision of current law that authorizes DHFS to reduce county youth aids payments under (d) to instead require DHFS to direct the Department of Corrections to reduce youth aids allocations.

In addition, the Governor recommends that the following changes be made to the MA nursing home formula. Because these changes would be made administratively, the bill does not contain statutory changes relating to these items.

Nursing Home Property Costs. Reduce the cost-sharing percentage for nursing homes with property costs in excess of the target to 20%, from the current level of 40%. Nursing homes with property costs (mortgage, lease and depreciation costs) in excess of the target would have less of their property costs counted in determining the nursing home's MA payment, resulting in a lower payment.

Classification of Medicare Days. Classify all medicare-funded nursing home days as intensive skilled nursing (ISN) days, rather than classifying only 12.5% of medicare-funded days as ISN days. This change to the classification of medicare-funded days would reduce the costs that are allocated to MA patients at a nursing home, which, in turn, would reduce the nursing home's MA reimbursement rate.

Direct Care Increment Payment. Increase the direct care increment from 93% of the median for facilities in the state to 150% for residents under a non-developmentally disabled level of care and to 100% for residents under a developmentally disabled level of care. The direct care increment is a fixed amount equal to the estimated inflation rate times a percentage of the direct care costs of the median cost facility. This adjustment serves to adjust the direct care reimbursement rate to reflect the rate of inflation between the common period and the reimbursement period. Since nursing homes have fiscal years ending at different times, the reported costs of each nursing home must be adjusted to a common period.

Support Services Increment. Increase the support care increment from 93% to 100% of the median for facilities in the state. This increment serves the same purpose as the direct care increment, but is applied to the support services cost center.

High MA Utilization Adjustment. Increase the additional payment for support services to nursing homes with a high percentage of MA residents by increasing the base add-on to a facility's per diem rate from $0.25 to $0.50 per patient day. A nursing home with 70% or more of its residents funded by MA is entitled to this high MA utilization adjustment, which, as proposed, would vary from $0.50 for a facility that has a 70% MA utilization rate, to $0.71 per patient day for a facility that has a 100% MA utilization rate. The current range is $0.25 to $0.36 per patient day.

Rate-on-Rate for 1998-99. For 1998-99, per diem reimbursement rates would be determined based on the prior year's rate plus the following two increases: (a) a 1.75% increase to the individual facility's rate; and (b) a flat amount equal to 1.75% times the average rate for all facilities in the prior year. Under certain circumstances, this rate may be adjusted, as determined by the Department. In general, this would provide a rate that is 3.5% higher than the prior year's rate.

Statutory References for Nursing Home Cost Reports. Update references for nursing home cost reports to the appropriate calendar and fiscal years in the 1997-99 biennium.

Fiscal Effect. The fiscal effect of these formula changes was incorporated in the bill in conjunction with the rate increase for nursing homes, which is reflected in Item #3 under "Health and Family Services -- Medical Assistance." The total funding for the rate increase and the formula changes would be established in statute by providing for a specified increase in total funding for nursing homes in each year of the 1997-99 biennium. The combination of the rate increase and formula changes is designed to meet the federal requirement that the MA reimbursement rate be set at a level that is sufficient to pay the costs of an efficiently operated nursing home ("the Boren

Amendment"). The part of the funding increase for nursing homes attributable to these formula changes is as follows:

Estimated Annual Impact of Nursing Home Formula Changes

	Fiscal Impact All Funds (In Millions)
Establish Direct Care Maximum at 102% of the Median	-$24.1
Reduce Support Services, Administrative and General and Fuel and Utility Targets to 102% of Median	-3.1
Classify All Medicare Days as ISN Days	-9.9
Reduce Cost Sharing for Property Costs to 20%	-1.8
Increase Direct Care Increment to 150% of the Median Cost	10.1
Increase Support Care Increment to 100% of the Median	0.6
Adjust Payment to Reflect High MA Utilization	1.5
Total	-$26.7

The actual effect of these formula changes may vary from the amounts shown in the table, since these estimates are based on cost reports from a year prior to the actual year of implementation. Also, these formula changes are interdependent and would change if a different combination of formula modifications were enacted.

Because of the provision in the bill that would specify the total increase for nursing homes (exclusive of utilization changes and other specified items), any modification to these formula changes would not have a fiscal effect, unless there was a corresponding change to the statutory provision specifying the funding increase for nursing homes. DHFS has the authority to modify the nursing home reimbursement formula, subject to statutory requirements, and would be required to adjust the formula to meet the statutory-specified funding amount.

Joint Finance: Modify the Governor's recommended MA nursing home formula changes, as follows:

Direct Care Maximum. Increase the target for direct care to 103% of the statewide median, from the Governor's recommended level of 102%. In addition, specify that any part of the aggregate funding increase budgeted in 1997-98 for nursing home rate increases that is in excess of the amount needed to support the formula changes as established under the bill be used solely to increase the direct care target above 103% of the statewide median.

Capital Cost Center Under the Rate-on-Rate Increase. Exclude the capital cost center from the rate-on-rate increase for 1998-99, and instead, require that the per diem rates for capital costs in 1998-99 be determined based on costs.

Distribution of County Supplemental Payments. Require DHFS to distribute any supplemental payments to county-owned nursing homes in excess of $37,100,000 in the following manner: (a) first, based on the facility's proportion of all direct care operating deficits, net of any prior supplemental payments under the $37,100,000 distribution; and (b) if funding exceeds the amount needed to fund all net direct care operation deficits, then based on the facility's proportion of non-direct care deficits.

Consultant for Medicare Upper Limit. Require DOA to hire a consultant to determine and recommend to DHFS the amount that should be used for the medicare upper limit for nursing home payments under the medical assistance program, beginning for the 1997-98 fiscal year. Specify that DHFS would not be required to accept the recommendations of the consultant.

Federal regulations prohibit states from providing MA payments to nursing facilities that in aggregate would exceed the amount that the state estimates would have been paid under medicare payment principles in effect at the time the services were provided. The medicare upper limit may affect the amount of supplemental payments that are paid to county-owned nursing homes, since such payments and other nursing home payments are subject in aggregate to the medicare upper limit.

Assembly/Legislature: Modify the recommended MA nursing home formula changes as follows:

Direct Care Maximum. Delete the Joint Finance provision that would require that any part of the aggregate funding increase for nursing home rate increases that exceeds the amount required to fund the formula targets be used solely to increase the target for direct care. This change would allow DHFS to increase the targets for other cost centers, such as support services or capital costs, as well as the target for direct care, if there is any excess funding beyond the amount required to meet the specified targets.

Repeal of State "EEO Requirement." Repeal current statutory provisions that require DHFS to implement MA payment standards for nursing homes that are "reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities" in order to provide care in conformity with state MA statutes and federal MA law. The federal Balanced Budget Act of 1997 (P.L. 105-33) repealed similar federal MA requirements, effective October 1, 1997. This change does not modify the amount of MA funding that would be provided for nursing home rate increases in the 1997-99 biennium, nor does it affect current statutory requirements that reimbursement targets be established at or above the median of all homes for each cost center.

Restore Supplemental MA Payments to Municipal-Owned Nursing Homes. Delete the provision that would exclude nursing homes owned by cities, villages or towns from participating in the

consolidated supplemental payment program for government-owned nursing homes. Under these provisions, only county-owned nursing homes would have been eligible to share in the $37,100,000 annual allocation that is distributed to nursing homes with unreimbursed expenses under the medical assistance program.

Funding for Consultant for Medicare Upper Limit. Modify the Joint Finance provision that would require DOA to hire a consultant to determine and recommend to DHFS the amount that should be used for the medicare upper limit for nursing home payments under the MA program to require that DHFS support this position from funding budgeted for MA contracts administration.

[Act 27 Sections: 96r, 1919g, 1920, 1921, 1923 thru 1925, 1928, 1931 and 1932]

6. DELICENSING AND THE MINIMUM OCCUPANCY STANDARD [LFB Paper 425]

Governor: Authorize DHFS to approve a request by a nursing home to delicense any of the nursing home's licensed beds if the bed occupancy of the nursing home is below the minimum patient occupancy standard (currently 91%) so that the nursing home can avoid the effect of the minimum occupancy standard on its MA reimbursement. Specify that if DHFS approves the request, all of the following would apply:

a. DHFS would be required to delicense the number of beds in accordance with the nursing home's request;

b. DHFS would be prohibited from including the delicensed beds in the number of beds of the nursing home in determining the costs per patient day under the minimum occupancy standard;

c. The nursing home would be prohibited from selling a bed that is delicensed;

d. Every 12 months following the delicensure of a bed for which a nursing home has not resumed licensure, DHFS would be required to reduce the licensed bed capacity of the nursing home by 10% of all the nursing home's beds that remain delicensed, or by 25% of one bed, whichever is greater; and

e. The nursing home could resume licensure of delicensed beds, unless the licensed bed capacity of the nursing home bed was reduced as provided under (d), 18 months after it notified DHFS in writing that it intended to resume licensure. Nursing homes would be prohibited from resuming licensure of a fraction of a bed. If a nursing home resumed licensure of a bed, DHFS would include those beds in the application of the minimum occupancy standard for purposes of the MA reimbursement rate calculation.

Joint Finance: Modify the Governor's recommendations by establishing a special provision for facilities that have entered into contracts prior to January 1, 1996, which prohibit the facility from

reducing its licensed bed capacity. Specify that these facilities, during the period of the contract, are exempt from the 10% annual reduction to licensed bed capacity for beds that are delicensed. In addition, specify that for facilities that delicense beds and benefit from the exemption from the 10% annual reduction, if the delicensed beds are ever returned to service, the facility's MA reimbursement rate would be recalculated for the years in which the beds were delicensed and not subject to the 10% reduction and the difference in payments would be recouped. Further, modify the application of the minimum occupancy standard by using an occupancy level based on a three-year average, rather than a single year.

Assembly/Legislature: Modify Joint Finance provisions relating to the exemption to the 10% annual reduction of delicensed beds for nursing facilities with restrictive contracts to include the following three provisions: (a) the nursing facility must delicense the bed within 60 days of the effective date of Act 27; (b) the exemption for facilities that have entered into restrictive contracts would be extended to contracts entered into prior to January 1, 1997, rather than January 1, 1996; and (c) the retroactive MA payment reduction for those facilities that resume licensure of delicensed beds would be eliminated.

In addition, delete the Joint Finance provision that would, for purposes of applying the 91% minimum occupancy standard, direct DHFS to calculate the occupancy level based on a three-year average, rather than the occupancy level for the last year in which information is available.

[Act 27 Sections: 1917, 1918, 1922 and 3036]

7. REVIEW OF NURSING HOME CAPITAL EXPENDITURES UNDER THE RESOURCE ALLOCATION PROGRAM

Governor/Legislature: Reduce the types of capital expenditures by nursing homes that are subject to review and approval by DHFS by excluding "renovation" and "replacement" expenditures. As a result, the following capital expenditures would be subject to review and approval:

(1) the construction of a new nursing home;

(2) a capital expenditure, other than a renovation or replacement that exceeds $1,000,000 by or on behalf of a nursing home; and

(3) an expenditure, other than a renovation or replacement, that exceeds $600,000 for clinical equipment by or on behalf of a nursing home.

In addition, require DHFS to use the expedited review process for all capital expenditures other than for a new nursing home or clinical equipment (nursing home additions) that are subject to review. Under an expedited review process, DHFS must review the application and issue its initial finding within 60 days (rather than 75 days) of receipt of the completed application, and an expedited

review process does not require a public hearing. Under current law, an expedited review is limited to renovations with capital expenditures that do not exceed $1,500,000.

[Act 27 Sections: 3033 thru 3035, 3037 and 3038]

8. MA WAIVERS -- CIP IA AND CIP IB [LFB Paper 428]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	$937,500	- $461,200	$476,300
GPR	$1,093,300	$0	$1,093,300
FED	1,552,700	0	1,552,700
Total	$2,646,000	$0	$2,646,000

Governor: Provide $661,500 ($272,000 GPR and $389,500 FED) in 1997-98 and $1,984,500 ($821,300 GPR and $1,163,200 FED) in 1998-99 to support additional placements under the CIP IB program. In addition, increase the per diem rate paid to counties for CIP IA placements made after July 1, 1997, so that the average per diem payments to counties ($184) would equal the per diem budget reduction at the state centers following a CIP IA placement. Further, require counties to pay a greater share of the costs for residents at the state centers for residents who can be placed in the community at a cost below the reimbursement rate for new CIP IA placements. Each of these provisions is described below.

CIP IB. Provide $272,000 GPR and $389,500 FED in 1997-98 and $821,300 GPR and $1,163,200 FED in 1998-99 to increase the number of CIP IB placements by 75 in 1997-98 and by another 75 in 1998-99. Under CIP IB, funding is provided to support community-based services to individuals relocated or diverted from intermediate care facilities for the mentally retarded (ICFs-MR) other than the state centers.

In addition, specify that if a county owns the facility from which the individual is relocated, the county would be required to submit a plan for delicensing a bed of the facility that is approved by DHFS in order to receive funding under the CIP IB program.

CIP IA Rates. Increase the maximum rate paid to counties for the costs of a CIP IA placement made after July 1, 1997, to $184 per day, from the current level of $153 per day. Additional funding for this rate increase is not provided because these costs would be offset by reducing funding at the state centers by a corresponding amount. Under current law, new placements result in some savings to the state, since the current CIP IA rate for placements made on or after July 1, 1995 ($153 per day) is lower that the average statutory budget reduction rate of $184 per day.

The bill would not modify the maximum reimbursement rate for CIP IA placements made prior to July 1, 1995. Currently, placements made in the 1995-97 biennium are subject to a maximum reimbursement rate of $153 per day while placements made prior to July 1, 1995, are subject to a maximum reimbursement rate of $125 per day.

County Support for Certain State Center Residents. Expand the statutory requirements relating to county support of certain state center residents by authorizing DHFS to bill counties $184 per day for services provided on or after December 31, 1997, to any resident, including persons who have been admitted for more than 180 consecutive days, if an independent professional review determines that the resident can be supported in the community at a cost of $184 per day or less.

Under current law, counties are required to pay 10% of the cost of care for residents at the state centers who are determined by an independent professional review to be appropriate for community care. Current law does not define what is meant by "appropriate for community care," but current DHFS policy requires counties to contribute to the costs of care for individuals whose care can be provided at costs below the CIP IA rate. As under current law, revenue collected by DHFS from counties would be deposited to the state's general fund. Increase estimates of revenue collections by $458,500 in 1997-98 and by $479,000 in 1998-99.

State Center Rate Reduction for CIP IA Placements. Modify the current statutory amounts by which the budgets of the centers are reduced following CIP IA placements, as follows: (a) reduce Northern Center's budget by $174 per day, rather than $199 per day as under current law; and (b) reduce Southern Center's budget by $174 per day, rather than $149 per day as under current law. The uniform rate for Northern and Southern Centers is not expected to have any fiscal impact, since the proposed rate of $174 per day is equal to the average of the current reduction rates at these two state centers. Because the reduction rate at Central Center would be maintained at the current rate of $205 per day, the average reduction rate at the three centers would be approximately $184.

Joint Finance/Legislature: Require counties to pay $48 per day for the support of residents at the centers who are determined to be appropriate for community placement, rather than $184 per day, as provided under AB 100. Reduce estimated revenues to the general fund by $245,000 in 1998-99 and $216,200 to reflect reestimates of revenue that would be collected from counties. Prohibit DHFS from assessing this charge in cases where the resident's guardian objects to the resident's placement in the community.

Veto by Governor [C-8]: Delete the provision that would prohibit DHFS from assessing counties the $48 per day charge if the resident's guardian objects to the resident's placement in the community.

[Act 27 Sections: 1473, 1914m, 1915m and 2134 thru 2137]

[Act 27 Vetoed Section: 2136]

9. IMPACT OF SSI ELIGIBILITY CHANGES ON MA BENEFITS

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- $10,578,000	$4,098,300	- $6,479,700
FED	- 15,044,200	5,816,800	- 9,227,400
Total	- $25,622,200	$9,915,100	- $15,707,100

Governor: Decrease MA benefits funding by $9,659,700 ($3,972,000 GPR and $5,687,700 FED) in 1997-98 and $15,962,500 ($6,606,000 GPR and $9,356,500 FED) in 1998-99 to reflect the projected costs savings of eliminating MA benefits for those individuals who will no longer be eligible for SSI due to recent changes in federal eligibility standards and who are not able to qualify for MA under other eligibility criteria.

Recent federal legislation (P.L. 104-121 and P.L. 104-93) eliminates federal SSI eligibility for: (a) persons for whom drug addiction and/or alcoholism is a contributing factor material to the person's disability, effective January 1, 1997; (b) certain non-citizens; and (c) certain children whose disability determination was based on an individualized functional assessment. The Governor's recommendation assumes that approximately 5,800 persons who are currently eligible for SSI will lose MA eligibility based on these changes in federal law.

Assembly/Legislature: Increase funding by $774,000 GPR and $1,108,400 FED in 1997-98 and $3,324,300 GPR and $4,708,400 FED in 1998-99 to restore MA benefits funding for certain disabled children that were assumed to be no longer eligible for SSI under the budget recommended by the Joint Committee on Finance. MA eligibility for these children is restored under the provisions of the federal Balanced Budget Act of 1997 (P.L. 105-33).

10. TERMINATION OF MA BENEFITS

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

Governor/Legislature: Decrease MA benefits funding by $2,063,300 ($853,900 GPR and $1,209,400 FED) in 1998-99 to reflect projected cost savings of terminating MA eligibility for certain recipients ten days after recipients' eligibility determinations are completed, beginning in 1998-99. Under current practice, recipients retain MA eligibility through the end of the month after which they have received ten days notice of termination of their benefits. Federal law requires that termination of MA benefits take effect no earlier than 10 days after the date the MA agency mails a termination notice.

11. MA DENTAL SEALANTS [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$623,900	- $49,000	$574,900
FED	893,500	- 72,300	821,200
Total	$1,517,400	- $121,300	$1,396,100

Governor: Provide $1,500,700 ($617,100 GPR and $883,600 FED) in 1997-98 and $16,700 ($6,800 GPR and $9,900 FED) in 1998-99 to establish dental sealants as a covered service for children under medical assistance. Currently, dental sealants are only covered for children who are referred for the service as a result of an early and periodic screening, diagnostic and testing (EPSDT) screen.

The Governor's recommendation assumes that the estimated cost of expanding this benefit ($2,847,000 in each year) will be offset by the projected cost savings ($1,346,300 in 1997-98 and $2,830,300 in 1998-99) resulting from a reduction in the number of fillings which are billed to MA.

Joint Finance/Legislature: Decrease funding by $452,900 ($186,200 GPR and $266,700 FED) in 1997-98 and increase funding by $331,600 ($137,200 GPR and $194,400 FED) to reflect a reestimate of MA costs and savings. These funding adjustments assume a January 1, 1998, effective date for the coverage of dental sealants.

12. MA COPAYMENTS [LFB Paper 432]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $2,104,400	$1,088,700	- $1,015,700
FED	- 3,028,600	1,575,200	- 1,453,400
Total	- $5,133,000	$2,663,900	- $2,469,100

Governor: Decrease MA benefits funding by $1,654,600 ($678,400 GPR and $976,200 FED) in 1997-98 and $3,478,400 ($1,426,000 GPR and $2,052,400 FED) in 1998-99 to reflect the projected cost savings of: (a) creating a copayment for specialized medical vehicle services and free-standing ambulatory surgery services; and (b) increasing copayments for services currently subject to copayments to the maximum amounts permitted under federal law.

Federal law permits states to require MA beneficiaries to share in the cost of receiving certain MA services through the payment of a flat, nominal fee (copayment) per service. However, federal regulations establish maximum copayments for services and exempt some groups, including: (a) children under the age of 18; (b) categorically needy persons enrolled in health maintenance organizations; (c) services relating to pregnancy; (d) institutional services if individuals are required

to spend all their income for medical expenses except for the amount exempted for personal needs; and (e) emergency, family planning and hospice services.

Federal law establishes maximum copayments for services in relation to the state's MA payment for the service, as shown in the following table.

State's MA Payment for Service	Maximum Recipient Copayment
$10.00 or less	$0.50
$10.01 to $25.00	$1.00
$25.01 to $50.00	$2.00
$50.01 or more	$3.00

It is the provider's responsibility to collect copayments. Because providers' rates are reduced by the amount of the copayment, there is no net effect on the provider's total payment for an MA-eligible service. However, no provider may deny services to an MA recipient because of the recipient's inability to pay the copayment. In effect, a recipient's failure to pay a copayment reduces the provider's reimbursement for that service by the copayment amount.

Under the Governor's recommendation, DHFS would establish a $2.00 copayment for SMV services and a $3.00 copayment free-standing ambulatory services and increase copayments for all services for which the state does not currently require the maximum copayment permitted under federal law. For example, the copayment for diagnostic x-rays would be increased from $1.00 to $2.00 and the copayment for legend drugs (excluding family planning drugs and prenatal vitamins) would be increased from $1.00 to $2.00.

Joint Finance/Legislature: Increase MA benefits funding by $831,600 ($340,500 GPR and $491,100 FED) in 1997-98 and $1,832,300 ($748,200 GPR and $1,084,100 FED) in 1998-99 to reflect a reestimate of the projected cost savings of: (a) creating a copayment for free-standing ambulatory surgery services; (b) increasing copayments for services currently subject to copayments to the maximum amounts permitted under federal law; and (c) eliminating a proposed increase to the diagnostic laboratory copayment. In addition, delete the Governor's recommendation to increase copayments for reagent strips, which enable individuals with diabetes to perform blood glucose tests in their homes. Finally, while the Legislature adopted the Governor's recommendation to reduce MA benefits funding to reflect MA benefits savings resulting from the implementation of a copayment for SMVs, it did not delete current statutory provisions which prohibit an SMV copayment.

13. CASE MANAGEMENT SERVICES FOR WOMEN AGED 45 TO 64 [LFB Paper 431]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
FED	$1,099,200	- $1,099,200	$0

Governor: Provide $549,600 annually to reflect the projected increase in federal matching funds due to the Governor's recommendation to expand eligibility for MA targeted case management services to include women aged 45 to 64 who are not residing in nursing homes and are not otherwise receiving case management services.

Case management services assist individuals in accessing, coordinating and monitoring an array of services, including services covered by MA and services provided under other programs. These services are provided by qualified public and private, nonprofit agencies, if a county or municipality elects to make these services available. The MA program pays the federal share of the cost of these services, (approximately 59% of the total cost of providing these services). Counties must provide the state MA match (approximately 41% of the total cost) by using funds provided through other programs, such as the community options program or the family support program.

Currently, case management is a covered MA benefit for an individual who: (a) has a developmental disability; (b) has a chronic mental illness; (c) has Alzheimer's disease; (d) is alcoholic or drug dependent; (e) is physically disabled; (f) is a child with severe emotional disturbance; (g) is age 65 or over; (h) is a member of a family that has a child at risk of physical, mental or emotional dysfunction; (i) is infected with HIV; (j) is infected with tuberculosis; (k) is a child eligible for early intervention services; or (l) is a child with asthma.

Joint Finance/Legislature: Decrease funding by $549,600 FED annually to reflect reestimates of expanding targeted case management services to this group.

[Act 27 Section: 1944]

14. CASE MANAGEMENT AND CRISIS INTERVENTION SERVICES FOR CHILDREN IN MILWAUKEE COUNTY [LFB Paper 482]

	Chg. to Base
FED	$11,740,400

Governor: Increase MA benefits funding by $3,795,800 in 1997-98 and $7,944,600 in 1998-99 to reflect a projected increase in billing of MA case management services for children in Milwaukee County. The state's share of these additional MA costs ($2,655,300 in 1997-98 and $5,626,600 GPR in 1998-99) would be provided by program revenues collected from Milwaukee County and GPR-supported aids for Milwaukee County child welfare services.

Authorize DHFS to make case management services and mental health crisis intervention services available in Milwaukee County under MA and require the MA program to reimburse the Division of Children and Family Services for the amount of the federal share of the allowable charges for those services in Milwaukee County. Specify that if DHFS elects to provide these services, DHFS would reimburse service providers for the state's share of allowable charges. Under current law, a county, city, village or town may elect to provide these services and is responsible for paying the state share of the MA costs for these services.

Joint Finance/Legislature: Delete provisions that would authorize DHFS to elect to make mental health crisis intervention services available in Milwaukee County and to pay the state share of these services.

[Act 27 Section: 1945]

15. MA CONTRACT ADMINISTRATION

	Chg. to Base
GPR	- $284,300
FED	3,443,100
Total	$3,158,800

Governor/Legislature: Provide $9,246,700 ($1,451,500 GPR and $7,795,200 FED) in 1997-98 and decrease funding by $6,087,900 ($1,735,800 GPR and $4,352,100 FED) in 1998-99 to reflect the net effect of increased funding for contracted services for the administration of the MA program ($1,451,500 GPR and $7,795,200 FED in 1997-98 and $940,700 GPR and -$583,100 FED in 1998-99) and projected MA benefits savings resulting from enhancements to the medicaid management information system (-$2,676,500 GPR and -$3,769,000 FED in 1998-99).

The funding amount reflects the net effect of: (a) increased per unit costs for claims processing by the MA program's fiscal agent; (b) increased use and cost of actuarial and contract monitoring services; (c) development and operation of a statistical decision support system (MEDS); (e) minor reductions in costs for interagency agreements and miscellaneous contracts; and (f) MA benefit savings that are projected to occur due to the issuance of magnetic strip ID cards, point of sale technology and prospective drug utilization review.

16. AUDIT STAFF

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $2,561,800	4.00	- $44,900	0.00	- $2,606,700	4.00
FED	- 3,672,000	5.00	- 58,600	0.00	- 3,730,600	5.00
Total	- $6,233,800	9.00	- $93,500	0.00	- $6,337,300	9.00

Governor: Decrease MA benefits funding by $639,900 ($263,100 GPR and $376,800 FED) in 1997-98 and $6,399,100 ($2,648,300 GPR and $3,750,900 FED) in 1998-99 to reflect the projected cost savings of expanding the audit staff in the Bureau of Health Care Financing by 9.0 positions (4.0 GPR positions and 5.0 FED positions), beginning in 1997-98, to improve the ability of DHFS to collect provider recoupments. The bill would provide $159,200 GPR and $207,500 FED in 1997-98 and $190,400 GPR and $248,200 FED in 1998-99 to support the costs of these positions. Currently, the audit section is authorized 10.0 positions. DHFS estimates that audit-related collections totaled $8.5 million in 1995-96.

Assembly/Legislature: Decrease funding by $44,900 GPR and $58,600 FED in 1997-98 to reflect a three-month delay in funding for these 9.0 positions.

17. COORDINATION OF BENEFITS

	Chg. to Base
GPR	- $2,473,800
FED	- 3,526,200
Total	- $6,000,000

Governor/Legislature: Decrease MA benefits funding by $3,500,000 ($1,439,200 GPR and $2,060,800 FED) in 1997-98 and $2,500,000 ($1,034,600 GPR and $1,465,400 FED) in 1998-99 to reflect the projected cost savings of expanding coordination of benefits activities in the areas of provider-based billing, disclaimer codes and medicare supplemental insurance. These collections of payments from third parties reduce costs to the MA program by helping to ensure that MA is the payer of last resort.

Provider-Based Billing. Currently, DHFS operates a provider-based billing program for medicare Part A (institutional) services and institutional and professional services covered by commercial health insurance. Provider-based billing occurs when: (a) MA has paid for a service; (b) retroactive insurance is identified for these services; and (c) the insurance company requires documentation to process the claim. If these conditions are met, MA payment for these services is subsequently recouped. Under this recommendation, provider-based billing would be expanded to include medicare Part B (professional) services. This recommendation is projected to reduce MA benefits by $205,600 GPR and $294,400 FED in 1997-98 and $124,200 GPR and $175,800 FED in 1998-99.

Disclaimer Codes. Some MA recipients are also covered by commercial health insurance policies. MA benefit cards for these recipients indicate the name and billing information of any additional policies which cover the individual. MA certified providers are required to bill these other insurers before submitting a claim to MA. However, there are instances where the claim submitted by the MA provider to the other insurer is denied. This can occur when: (a) the service is not covered under the other policy; or (b) the individual has exhausted his or her coverage under the other policy. In these instances, the MA provider can submit a claim to DHFS with a disclaimer code. This code indicates that the provider was unsuccessful in an attempt to involve the other insurer in the claim.

Under this recommendation, DHFS would closely monitor the use of the insurance disclaimer code on claims forms by implementing an automated process to contact the insurer associated with the claim to verify that the insurer was contacted by the MA provider and that the insurer is not liable for any of the costs related to the claim. The bill would reduce MA benefits by $411,200 GPR and $588,800 FED in 1997-98 and $206,900 GPR and $293,100 FED in 1998-99 to reflect the projected cost savings of this recommendation.

Medicare Supplemental Insurance. Because medicare does not cover all medical services, many private insurance companies sell medicare supplemental insurance policies. Low-income individuals who are eligible for MA do not need additional medicare supplemental insurance, since MA often pays for health care services which are not covered by medicare. However, DHFS estimates that approximately 22% of MA recipients who are also eligible for medicare (approximately 13,000 MA recipients) also have medicare supplemental insurance policies.

Under this recommendation, DHFS would separately identify medicare supplemental insurance available to MA recipients. This information would enable the MA program to avoid paying for the costs of services that are covered by these medicare supplemental policies. The bill would reduce MA benefits funding by $822,400 GPR and $1,177,600 FED in 1997-98 and $1,034,600 GPR and $1,465,400 FED in 1998-99 to reflect the projected cost savings of this recommendation.

18. HOSPITAL DIAGNOSTIC RELATED GROUP (DRG) CLAIMS [LFB Paper 433]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $1,650,100	- $58,800	- $1,708,900
FED	- 2,349,900	- 409,200	- 2,759,100
Total	- $4,000,000	- $468,000	- $4,468,000

Governor: Reduce MA benefits funding by $2,000,000 ($822,400 GPR and $1,177,600 FED) in 1997-98 and $2,000,000 ($827,700 GPR and $1,172,300 FED) in 1998-99 to reflect the projected cost savings of implementing a system to electronically audit and validate inpatient DRG hospital claims. The system is anticipated to reduce MA costs by identifying claims that are billed at an inappropriate rate. This annual reduction in benefits funding represents the net effect of an estimated $2.5 million in MA benefit savings resulting from the audits and an estimated $0.5 million cost of implementing and maintaining the system. A technical correction is necessary to properly allocate funding between projected MA benefit reductions (-$2,500,000 annually) and increased funding for MA administration ($500,000 annually).

Joint Finance/Legislature: Reduce MA benefits funding by $1,000,000 ($411,200 GPR and $588,800 FED) in 1997-98 and $1,000,000 ($413,600 GPR and $586,400 FED) in 1998-99 to reflect the reestimated projected cost savings of implementing a system to electronically audit and validate

inpatient DRG hospital claims. In addition, increase MA administration by $766,000 ($383,000 GPR and $383,000 FED) annually to fund costs associated with administration of a DRG system.

19. PRE-ADMISSION SCREENING AND ANNUAL RESIDENT REVIEW

	Chg. to Base
GPR	- $728,000
FED	- 2,184,200
Total	- $2,912,200

Governor/Legislature: Decrease MA benefits funding by $1,456,100 ($364,000 GPR and $1,092,100 FED) annually to reflect the projected cost savings of modifying requirements for pre-admission and annual resident reviews (PASSAR) for persons with mental illness or developmental disabilities who are admitted to or are residents of, nursing homes. The bill would eliminate the required annual reviews, but retain: (a) the required screen prior to the patient's admission to a nursing home; and (b) the required review when a significant change occurs in the resident's condition.

This change would conform state law with the recent change in federal law (effective October 19, 1996) that repealed mandatory annual reviews for nursing home residents, but retained mandatory screens and reviews at time of admission and when a significant change occurs. In 1995, there were approximately 7,300 PASSAR reviews conducted, of which 4,700 were annual reviews, 1,600 were pre-admission screens and 1,000 were screens following a significant change in the resident's condition. In 1996, there were approximately 6,800 PASSAR screens conducted, for which MA paid an average of $363 per screen. These screens are paid on a 75% FED/25% GPR cost-sharing basis.

[Act 27 Section: 1916]

20. SPECIALIZED MEDICAL VEHICLES TRANSPORTATION SERVICES

	Chg. to Base
GPR	- $1,237,600
FED	- 1,761,200
Total	- $2,998,800

Governor/Legislature: Decrease MA benefits funding by $1,498,800 ($616,800 GPR and $882,000 FED) in 1997-98 and $1,500,000 ($620,800 GPR and $879,200 FED) in 1998-99 to reflect the projected cost savings of implementing administrative changes in order to reduce the use of specialized medical vehicles (SMVs) for unnecessary trips, reduce trips for noncovered services and decertify unqualified providers.

MA provides three types of transportation services: (1) ambulance; (2) specialized medical vehicles; and (3) public common carrier or private motor vehicles. SMVs may be used to transport permanently disabled or blind individuals or individuals who have written documentation from a physician, physician assistant, nurse midwife or nurse practitioner and who are unable to take public common carrier or private motor vehicle transportation if the purpose of the trip is to receive covered MA services.

DHFS would implement a recertification process and conduct on-site audits for new providers within six months of initial certification. In addition, DHFS would establish monthly utilization thresholds and require prior authorization for usage above these thresholds. Other administrative changes may include: (a) withholding payment for providers that are investigated by the Department of Justice; (b) using claims analysis to conduct more post-payment edits and audits; and (c) developing cross-audits between SMV and common carrier records.

21. MA SUBROGATION

	Chg. to Base
GPR	- $413,700
FED	- 586,300
Total	- $1,000,000

Governor: Reduce MA benefits funding by $500,000 ($206,100 GPR and $293,900 FED) in 1997-98 and $500,000 ($207,600 GPR and $292,400 FED) in 1998-99 to reflect anticipated savings resulting from a proposed statutory modification relating to MA subrogation.

Specify that if DHFS is joined as a plaintiff in a personal injury lawsuit because of the provision of MA benefits to the injured party, DHFS need not sign a waiver of the right to participate in order to have its interests represented by the party. Regardless of whether DHFS participates in prosecuting the claim, if the plaintiff prevails, the portion of the proceeds of the claim that represent benefits paid under MA as a result of the occurrence of injury, sickness or death for which the claim arose must be paid to DHFS.

Specify that DHFS and counties cannot be held liable for costs of litigation incurred by a defendant in an MA subrogation case.

Under current law, DHFS can be made party, as a co-plaintiff, to a personal injury lawsuit when the injured party received MA for related medical costs. If the defendant is ordered to pay the plaintiff damages, DHFS receives reimbursement for all or a portion of the MA service costs. However, if the defendant prevails, DHFS as a subrogated plaintiff, may be liable for litigation costs. Consequently, DHFS does not pursue cases where the defendant might prevail. In these instances, if the defendant does not prevail, DHFS has lost the opportunity to recoup MA costs.

Joint Finance/Legislature: Delete provisions which specify that if DHFS is joined as a plaintiff in a personal injury lawsuit because of the provision of MA benefits to the injured party, DHFS need not sign a waiver of the right to participate in order to have its interests represented by the party and that regardless of whether DHFS participates in prosecuting the claim, if the plaintiff prevails, the portion of the proceeds of the claim that represent benefits paid under MA as a result of the occurrence of injury, sickness or death for which the claim arose must be paid to DHFS.

[Act 27 Sections: 5184 and 9309]

22. MA MANAGED CARE

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$133,400	1.50	- $12,400	0.00	$121,000	1.50
FED	133,400	1.50	- 12,400	0.00	121,000	1.50
Total	$266,800	3.00	$24,800	0.00	$242,000	3.00

Governor: Provide $122,800 ($61,400 GPR and $61,400 FED) in 1997-98 and $144,000 ($72,000 GPR and $72,000 FED) in 1998-99 to support 2.0 permanent positions (1.0 GPR position and 1.0 FED position) and 1.0 four-year project position (0.5 GPR and 0.5 FED project position), beginning in 1997-98, to administer the MA managed care program for the AFDC/Healthy Start population. It is anticipated that by June, 1997, the current expansion of MA managed care for these populations will be completed so that, in most counties, nearly all health services provided to these MA-eligible groups will be provided through health maintenance organizations.

Assembly/Legislature: Decrease funding by $12,400 GPR and $12,400 FED in 1997-98 to reflect a three-month delay in funding for these positions.

23. MA ELIGIBILITY UNIT [LFB Paper 434]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$121,200	1.25	$145,600	1.50	$266,800	2.75
FED	121,200	1.25	310,600	3.50	431,800	4.75
Total	$242,400	2.50	$456,200	5.00	$698,600	7.50

Governor: Provide $121,200 ($60,600 GPR and $60,600 FED) annually to support 2.5 positions (1.25 GPR positions and 1.25 FED positions), beginning in 1997-98, to form a new MA eligibility unit in the Bureau of Health Care Financing. These positions would be transferred from the Department of Workforce Development (DWD) to reflect that DHFS, rather than DWD, is currently responsible for implementing all MA eligibility policies and procedures.

Joint Finance/Legislature: Transfer an additional $72,800 GPR and $72,800 FED annually and 3.0 FTE positions (1.5 GPR positions and 1.5 FED positions) from DWD to DHFS, beginning in 1997-98. In addition, provide $82,500 FED annually to create 2.0 FED positions, beginning in 1997-98, to staff the new MA eligibility unit.

24. MA ESTATE RECOVERY -- JOINT AND PAYABLE-ON-DEATH BANK ACCOUNTS

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- $217,000	$54,000	- $163,000
FED	- 315,200	79,000	- 236,200
PR	591,400	- 147,800	443,600
Total	$59,200	- $14,800	$44,400

Governor: Decrease MA benefits funding by $266,100 ($108,100 GPR and $158,000 FED) in 1997-98 and by $266,100 ($108,900 GPR and $157,200 FED) in 1998-99 and increase funding by $295,700 PR annually to reflect the effect of several proposed statutory changes to the MA estate recovery program. It is projected that these changes would generate an additional $295,700 in revenue collected annually under the program, which would be available to: (a) reduce MA benefits expenditures ($115,500 GPR and $165,400 FED in 1997-98 and $116,300 GPR and $164,600 FED in 1998-99); and (b) increase payments to counties as reimbursement for administrative services associated with these collections ($7,400 GPR and $7,400 FED annually).

The bill contains the following statutory changes.

a. Amend probate law to allow DHFS to recover funds from joint bank accounts and payable-on-death bank accounts. The 1995-97 biennial budget act authorized DHFS to recover funds from joint and POD accounts, but did not modify probate law to be consistent with this expanded authority.

b. Allow guardians to probate a decedent's estate through the transfer by affidavit process, for transfers that occur on or after the effective date of this bill. The transfer by affidavit process is an alternative to the formal court process for small estates. In addition, specify that guardians would have the authority, as do heirs currently, to receive information on the decedent's accounts at savings banks and savings and loans, and that guardians, upon release of the property to DHFS through the transfer by affidavit process, would be released from any obligation to other creditors or heirs of the decedent. Further, impose these obligations, as they are currently imposed on heirs, to: (a) notify DHFS of the intention to request a transfer by affidavit and to supply the required information to DHFS; and (b) supply proof at the time of filing an affidavit to transfer property that the required notice to DHFS was provided, if the decedent received MA services or other public assistance subject to estate recovery.

c. Authorize DHFS to establish a reasonable payment schedule subject to reasonable interest if the heirs wish to satisfy a claim without selling a nonliquid asset that is subject to recovery.

Although all three statutory items are expected to increase estate recoveries, the projected increase in estate recovery collections of $295,700 annually is based on the change involving joint

and POD accounts. The ability to charge interest on installments would likely have a limited fiscal effect, since less than 1% of recoveries are paid to DHFS through monthly installments.

Assembly/Legislature: Increase MA benefits funding by $57,700 GPR and $82,700 FED in 1997-98, reduce MA administration funding by $3,700 GPR and $3,700 FED in 1997-98 and decrease estimated estate recovery collections by $147,800 PR in 1997-98 to reflect delayed implementation of proposed statutory changes to the MA estate recovery program.

[Act 27 Sections: 1144, 1976, 3166, 3173, 4051, 5201 thru 5210 and 9323(1)]

25. MA ELIGIBILITY

Governor: Modify provisions relating to eligibility for medical assistance and the Wisconsin Works (W-2) health plan as follows.

Definition of Wisconsin Works. Specify that "Wisconsin works" does not include the Wisconsin works health plan, unless an MA waiver is granted and in effect or federal legislation that permits the application of the W-2 health plan is in effect. Current law terminates MA eligibility for AFDC- and healthy start-related MA eligibles, beginning on the first day of the sixth month following the statewide implementation of the W-2 program. This change would clarify that these individuals would remain eligible for MA unless federal authority to implement the W-2 health plan is obtained.

Federal Waiver/Legislation. Direct DHFS to request an MA waiver from the U.S. Department of Health and Human Services or seek the passage of federal legislation to permit the implementation of the W-2 health plan as part of the state's medical assistance program. Specify that if a waiver is granted or federal legislation is enacted, DHFS would be required to publish a notice in the Wisconsin Administrative Register indicating the date on which the W-2 health plan will be implemented. If a waiver is granted and in effect or federal legislation is enacted, DHFS, in consultation with the Department of Workforce Development, would be required to implement the W-2 health plan within the first day of the third month beginning after the waiver is granted or the federal legislation is enacted and would be authorized to terminate eligibility for MA to persons who are eligible to participate in the Wisconsin Works health plan.

Current federal law does not permit the state to implement the W-2 health plan. Further, Wisconsin's request to seek a waiver of federal MA law to implement the W-2 health plan has been denied.

Work-Not-Welfare MA Extension. Repeal the current provision which provides members of work-not-welfare (WNW) groups with transitional MA benefits. Under current law, a WNW group is eligible for transitional medical benefits for any month in which the following conditions are met: (1) the WNW group has received at least one monthly cash benefit; (2) the WNW group will not receive benefits for the month; (3) the WNW group's benefit period has not yet expired; (4) at least

one member of the WNW group is employed in unsubsidized employment; and (5) the income of the WNW group is not greater than 185% of the poverty level for a family the size of the WNW group. If the income of the WNW group is greater than 100% of the FPL for a family the size of the WNW group, the group is required to pay a premium to DHFS. A WNW group is eligible for transitional medical benefits for a maximum of 12 months, which need not be consecutive, during a 48-month benefit period.

Delete Obsolete References to MA Extensions Resulting from Loss of Earned Income Disregards. Repeal provisions that authorized, under specified conditions, nine-month extensions of MA benefits to families that ceased to receive AFDC after September 30, 1981 and prior to October 1, 1984, solely because of the loss of disregards for earned income.

Assembly/Legislature: Repeal all provisions and references to the Wisconsin Works health plan and the termination of MA eligibility for current AFDC- and healthy start-related MA recipients.

[Act 27 Sections: 529m, 567b 1797, 1798, 1798m, 1819b, 1833c, 1866v, 1866x, 1878p, 1891, 1892, 1905, 1949, 1950b, 1952 thru 1966b, 1969b thru 1973b, 5036m, 5036n, 5189 and 5189p]

26. W-2 HEALTH PLAN COVERAGE OF OVER-THE-COUNTER (OTC) DRUGS

Governor: Specify that the W-2 health plan may cover an over-the-counter (OTC) drug if DHFS determines that the OTC drug is more cost-effective than the prescription equivalent. Under current law, the W-2 health plan is not authorized to cover OTC drugs, except insulin.

Assembly/Legislature: Delete provision.

27. MA APPEAL PROCESS AND ELIGIBILITY DETERMINATIONS [LFB Paper 995]

Governor: Create an appeal process that could be used by any individual whose application for MA is denied or is not acted upon promptly or who believes that the payments made in the person's behalf were not properly determined. The appeal process would be identical to the appeal process that is currently used under the AFDC program, and by reference, the MA program. However, provisions of 1995 Wisconsin Act 289 repealed the appeal process for AFDC (and consequently, for MA), beginning on the first day of the sixth month beginning after the date the Department of Workforce Development indicates in the Wisconsin Administrative Register as the statewide implementation date for the Wisconsin Works program.

In addition, authorize DHFS to delegate responsibility for determining eligibility of persons for medical assistance benefits to a county department of human services or a Wisconsin Works agency. Under current law, DHFS is required to make eligibility determinations for medical assistance benefits, but may delegate this responsibility to a county department of social services.

Joint Finance/Legislature: Specify that W-2 agencies may determine eligibility of persons for MA only to the extent permitted by federal law or waiver.

[Act 27 Sections: 1905, 1911 and 1912]

28. LIMIT ON MA HOME HEALTH CARE SERVICES

Governor/Legislature: Repeal the statutory provision that limits MA payment for home health, personal care, respiratory care and private-duty nursing services to an MA recipient in any month to 120% of the average monthly cost of nursing home care, as determined by DHFS. These limits have not been in effect since March, 1996, when a Dane County Circuit Court suspended the Department's implementation of this provision pending promulgation of DHFS rules.

The monthly limit on MA-funded home care services, which was created in 1995 Wisconsin Act 27, is commonly referred to as the "home care cap." The limit on MA-funded services does not apply to any MA recipient: (a) who is under the age of 22; (b) who is ventilator-dependent; or (c) for whom nursing home care is not available, as determined by DHFS. In addition, if DHFS determines that the cost of providing the individual with nursing home care would exceed the cost of providing the person with home health, personal care or private duty nursing, the individual's expenses are exempt from the monthly cap.

[Act 27 Sections: 1940, 1941, 1967 and 1968]

29. MA IMPACT OF STAFFING AND OTHER CHANGES AT STATE INSTITUTIONS

[LFB Paper 427]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	$1,214,900	$3,830,200	- $44,500	$5,000,600
FED	1,725,900	5,452,500	- 63,700	7,114,700
Total	$2,940,800	$9,282,700	- $108,200	$12,115,300

Governor: Provide $824,800 ($339,200 GPR and $485,600 FED) in 1997-98 and $2,116,000 ($875,700 GPR and $1,240,300 FED) in 1998-99 to reflect increased MA costs to implement recommendations relating to the operation of the three state centers for the developmentally disabled.

Joint Finance: Provide $4,675,800 ($1,922,900 GPR and $2,752,900 FED) in 1997-98 and $4,606,900 ($1,907,300 GPR and $2,699,600 FED) in 1998-99 to reflect increased MA costs to implement recommendations relating to the operation of the three state centers for the developmentally disabled, the two state mental health institutes and the Veteran's Home at King.

Assembly/Legislature: Decrease funding for MA benefits by $44,500 GPR and $63,700 FED in 1997-98 to reflect a three-month delay in funding new positions at the Veterans Home at King. The table below summarizes the changes made by Joint Finance and the Assembly to the Governor's recommendations.

Related Summary Document Section Item Number	1997-98 GPR	1997-98 FED	1997-98 Total	1998-99 GPR	1998-99 FED	1998-99 Total
Health and Family Services -- Departmentwide, Management and Technology						
Center Food & Fuel Reestimate (#2)	-$72,200	-$104,000	-$176,200	-$80,700	-$116,200	-$196,900
Health and Family Services -- Care and Treatment Facilities						
Center CIP IA Reest. & Northern Center Staff (#4)	$1,240,700	$1,776,600	$3,017,300	$1,248,700	$1,768,600	$3,017,300
Reestimate of Centers Variable Non-Food (#8)	-58,700	-84,100	-142,800	-88,500	-125,400	-213,900
MHIs MA Claims Based on Actual Costs (#13)	848,000	1,214,200	2,062,200	879,000	1,245,000	2,124,000
Management Services Director--Central Center (#14)	15,500	22,300	37,800	15,900	22,600	38,500
Veterans Affairs						
Veteran's Home Staffing Change (#8 & 9)	-$94,900	-$135,800	-$230,700	-$67,100	-$95,000	-$162,100
TOTAL	$1,878,400	$2,689,200	$4,567,600	$1,907,300	$2,699,600	$4,606,900

30. MA COP WAIVER -- FEDERAL FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
FED	$1,056,600	$2,890,400	$1,809,000	$5,756,000

Governor: Reduce funding for MA by $117,800 in 1997-98 and increase funding by $1,174,400 in 1998-99 to reflect anticipated changes in federal MA funding for the community options program (COP) waiver to: (a) adjust for a reduced federal matching rate; and (b) match the additional state funding for the COP waiver program provided in the bill, which is funded in the Division of Supportive Living.

Joint Finance: Increase MA benefits funding by $2,890,400 FED in 1998-99 to match the additional state funding for the COP waiver program provided by the Joint Committee on Finance.

Assembly/Legislature: Increase MA benefits by $470,400 FED in 1997-98 and $1,338,600 FED in 1998-99 to match the additional state funding for the COP waiver program provided by the Assembly.

31. HEALTHY START EXPANSION

Joint Finance: Provide $25.4 million ($10.4 million GPR and $15.0 million FED) in 1997-98 and $58.2 million ($24.1 million GPR and $34.1 million FED) in 1998-99 to support the costs of expanding healthy start-related MA eligibility: (a) from 185% to 200% of the federal poverty level (FPL) for children under the age of six; and (b) from 100% to 200% of the FPL for children ages six and over who are born after September 30, 1983.

Under current law, children up to age six who live in families with income up to 185% of the FPL are eligible for MA. Children age six and older who were born after September 30, 1983, who live in families with income up to 100% of the FPL are eligible for MA. As of September 30, 1997, this group will include children through age 14. The number of children covered under this provision will, under current federal law, continue to expand until all children up to age 19 in families with income up to 100% of the FPL will be covered as of September 30, 2002.

Assembly/Legislature: Delete provision.

32. MA ELIGIBILITY FOR PARENTS OF CHILDREN IN CHILD PROTECTIVE SYSTEM [LFB Paper 479]

	Chg. to Base
GPR	$4,927,300
FED	7,002,400
Total	$11,929,700

Joint Finance/Legislature: Provide $3,429,100 ($1,410,000 GPR and $2,019,100 FED) in 1997-98 and $8,500,600 ($3,517,300 GPR and $4,983,300 FED) in 1998-99 to support: (a) the costs of expanding MA eligibility to parents who would otherwise lose MA eligibility because of the placement of their child in out-of-home care; and (b) additional payments to Milwaukee HMOs that will be providing intensive mental health, family therapy and alcohol and other drug abuse (AODA) services to these families. Direct DHFS to seek federal approval to extend MA eligibility to these families. If federal approval is granted, MA eligibility would be extended to these families, effective January 1, 1998.

Under current law, a child can be removed from his or her home if the child has been, or is at substantial risk of being abused or neglected. If a child is removed from the home, the child is placed in an "out-of-home" setting, such as a foster home or group home. Under current state and federal law, MA eligibility is terminated for parents when all of the parent's children are removed from the home.

33. MA ADMINISTRATIVE COSTS RESULTING FROM FEDERAL WELFARE REFORM [LFB Paper 435]

	Chg. to Base
GPR	$234,100
FED	7,023,800
Total	$7,257,900

Joint Finance/Legislature: Provide $234,100 GPR and $7,023,800 FED and place $468,300 GPR in the Joint Committee on Finance supplemental appropriation in 1997-98, subject to release to DHFS following approval of a

detailed budget submitted by DHFS, to support the one-time costs associated with federal welfare reform.

P.L. 104-193, the federal welfare reform legislation, authorized $500 million on a one-time basis to support the MA administrative costs states will incur as a result of the separation of the MA program and economic assistance programs. Every state is allocated a minimum of $2.0 million, which can be claimed with a 10% state match. States were awarded an additional allocation based on a formula comprised of the following factors: (a) state AFDC caseload (60%); (b) state MA administrative expenditures (20%); (c) SSI children in the state (10%); and (d) SSI immigrants in the state (10%). The state match rate for funding provided through the formula is 25% for certain activities and 10% for other specified activities.

Wisconsin's total federal award is $7,023,800. DHFS intends to conduct activities that require a 10% state match, including: (a) outstationing of eligibility workers; (b) training; and (c) public service announcements.

34. FEDERAL MATCHING RATE FOR MEDS CONTRACT

[LFB Paper 436]

	Chg. to Base
GPR	$712,000
FED	- 712,000
Total	$0

Joint Finance/Legislature: Provide $356,000 GPR annually to support the costs of the medical assistance drug utilization review (DUR) system and reduce federal funding by a corresponding amount.

Federal law requires states to operate a DUR system for their medical assistance programs. The DUR system retroactively reviews drug utilization by MA recipients with high drug expenditures, such as elderly individuals and nursing home residents. An enhanced 75% federal financial participation rate (FFP) was available to states for the operation of DUR systems for calendar years 1991 through 1993. Beginning January 1, 1994, the FFP was reduced to 50%. However, Wisconsin continued to receive the 75% FFP after that date. The funding provided in SB 77 was based on the assumption that the state would continue to receive 75% FFP for the operation of the DUR system in the 1997-99 biennium. DHFS has recently been notified that the federal matching rate will be reduced from 75% to 50% effective retroactively to September, 1996.

35. SUPPLEMENTAL PAYMENTS FOR ESSENTIAL ACCESS CITY HOSPITALS

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR	$247,500	- $247,500	$0
FED	352,500	- 352,500	0
Total	$600,000	- $600,000	$0

Joint Finance/Legislature: Provide $300,000 ($123,400 GPR and $176,600 FED) in 1997-98 and $300,000 ($124,100 GPR and $175,900 FED) in 1998-99 to increase total annual payments to essential access city hospitals (EACHs) from $4,440,000 to $4,740,000 annually. Direct DHFS to continue to distribute $4,400,000 annually to the hospital that currently qualifies for an EACH payment. The remaining $300,000 annually would be distributed to all other hospitals that would qualify for an EACH payment under a modified definition of an EACH hospital.

Direct DHFS to modify its definition of an EACH hospital so that MA payments to EACHs would be made to any hospital that: (a) is an acute care general hospital with medical, surgical, emergency and obstetrical services available to medical assistance recipients; (b) is located in an inner city of the first class (Milwaukee); (c) has at least 15% of its inpatient discharges residing in the inner city area of the hospital; and (d) has over 15% of its total inpatient discharges attributable to MA patients.

Direct DHFS to expand the definition of qualifying inner-city areas to include the following zip codes: (a) 53204; (b) 53218; and (c) 53215. In addition, modify the formula for the allocation of EACH payments to replace references to "MA days" with "MA discharges."

Currently, DHFS makes an annual supplemental MA payment to an EACH, which is defined as an acute care hospital with medical and surgical, neonatal intensive care, emergency and obstetrical services, located in the inner city of the first class (Milwaukee). An EACH must have 30% or more of its total inpatient days attributable to MA patients and must have 30% of its inpatient recipients residing in the inner city area of the hospital.

Since the creation of the supplemental payment in 1991, the only hospital which has met the statutory criteria for this supplemental payment is Sinai-Samaritan Hospital. Under the modified definition, St. Michael Hospital and St. Joseph Hospital in the City of Milwaukee are likely to qualify for EACH payments in 1997-98.

Veto by Governor [C-2]: Delete provision.

[Act 27 Vetoed Section: 169 (as it relates to s. 20.435(5)(b))]

36. BEHAVIORAL HEALTH PILOT PROGRAM

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$200,000	1.50	- $47,000	0.00	$153,000	1.50
FED	162,400	1.50	- 5,100	0.00	157,300	1.50
Total	$362,400	3.00	- $52,100	0.00	$310,300	3.00

Joint Finance: Provide $100,000 GPR and $59,600 FED in 1997-98 and $100,000 GPR and $102,800 FED in 1998-99 to support 3.0 positions (1.50 GPR positions and 1.50 FED positions), beginning in 1997-98, to support a behavioral health managed care pilot project for the provision of mental health and substance abuse services. The pilot project would enroll persons who require mental health and substance abuse services into managed care programs, beginning in 1998-99. The program would emphasize prevention, early intervention, improvement and recovery. Staff would: (a) develop an MA waiver application; (b) determine eligibility requirements and enrollment procedures; and (c) develop methodologies for calculating capitation rates.

Assembly/Legislature: Decrease funding by $47,000 GPR and $5,100 FED to reflect a three-month delay in funding for these positions.

37. IN-HOME AND COMMUNITY PSYCHOTHERAPY SERVICES

Joint Finance/Legislature: Authorize the provision of in-home and community mental health and alcohol and other drug abuse (AODA) services, including services provided by a psychiatrist, for MA recipients over the age of 21, if permitted under federal law. Specify that if a county, city, town or village elects to provide these services, it must pay the state share of the MA cost for these services. Under current law, in-home mental health services are only a covered benefit for severely emotionally disturbed children.

[Act 27 Sections: 1948m and 1967m]

38. MA COMMUNITY-BASED PSYCHOSOCIAL SERVICES

Joint Finance/Legislature: Direct DHFS to create a community-based psychosocial benefit targeted to MA recipients whose mental health needs are more than outpatient counseling, but less than the services provided by the community support program. Direct DHFS to establish: (a) the scope of services; (b) recipient eligibility criteria; and (c) provider certification for this benefit. Specify that counties which elect to provide this benefit would be responsible for paying the state share of the MA cost for these services.

[Act 27 Sections: 1946m and 1968m]

39. REESTIMATE OF GPR REVENUE FROM MA REIMBURSEMENT FOR SCHOOL BASED SERVICES [LFB Paper 675]

	Chg. to Base
GPR-REV	$2,655,800

Joint Finance/Legislature: Increase estimated general fund revenues by $1,327,900 annually to reflect reestimates of MA reimbursement for school based services. (It is estimated that the state's share of the federal reimbursement for these services will be $1,550,300 annually.)

MA school based services are defined as health care services provided in a school to children who are eligible for MA. These services must be appropriate to a school setting and may include: (a) speech, language, audiology and hearing services; (b) occupational and physical therapy services; (c) psychological or counseling services; (d) nursing services; (e) durable medical equipment; and (f) special transport services.

If a school district or cooperative educational service agency (CESA) elects to provide school based services and if it meets all certification and reporting requirements, it is reimbursed for 60% of the federal share of allowable charges for school based services. The remaining 40% of the federal share is credited to the general fund as GPR-earned.

40. REESTIMATE MA REIMBURSEMENT FOR THE STATE CENTERS [LFB Paper 427]

	Chg. to Base
GPR-REV	$2,514,000

Joint Finance/Legislature: Increase GPR-earned estimates by $1,327,000 in 1997-98 and $1,187,000 in 1998-99 to reflect reestimates of MA-reimbursable amounts expended for depreciation, interest and administrative overhead relating to the operation of the state centers for the developmentally disabled.

41. MA DENTAL SERVICES PILOT PROJECT

Joint Finance/Legislature: Direct DHFS, in consultation with the Wisconsin Dental Association, to develop a pilot project for the provision of MA dental services under a managed care system in Ashland, Douglas, Bayfield and Iron Counties. Direct DHFS to seek any waivers necessary to implement this program. Specify that if a waiver is granted and in effect and DHFS has determined that the costs of providing MA dental services under the pilot project would not exceed the costs of providing those dental services in the absence of the pilot project, DHFS would be required to implement the pilot project in these counties, no later than January 1, 1998 and ending June 30, 1999. Specify that covered dental services under the pilot project would be limited to dental services covered under the MA program.

Specify that MA recipients enrolled in the pilot project would be required to select a dental provider from among those dentists participating in the pilot project. If a recipient did not make a

selection, a dental provider would be assigned to the recipient. In addition, specify that DHFS would contract with an entity to do the following: (a) accept a capitation payment from DHFS for each recipient who is enrolled in the pilot project; (b) enroll dentists to be participating dentists under the pilot project; and (c) coordinate with county departments to provide outreach and education to recipients and persons who are eligible to be recipients; and (d) pay all allowable dental charges on a fee-for-service basis to participating dentists on behalf of recipients in the pilot counties for dental services received by those recipients.

Veto by Governor [C-4]: Delete the beginning and ending dates of the pilot project. Consequently, there would be no statutory date by which DHFS would be required to establish or end the pilot project.

[Act 27 Section: 1942m]

[Act 27 Vetoed Section: 1942m]

42. TRANSPORTATION SERVICES

	Chg. to Base
GPR	$63,000

Joint Finance/Legislature: Provide $63,000 GPR in 1997-98 for DHFS to reimburse providers of transportation services for repayments of medical assistance overpayments that were made between January 1, 1992, and May 14, 1993, in situations where: (a) the provider's private pay rate was less than the usual medical assistance rate; and (b) the provider's private pay billings for a year were less than 10% of total billings for that year.

43. MA FAMILY PLANNING

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

Joint Finance: Direct DHFS to develop a proposal to expand access to family planning services currently covered under the MA program to all women between the ages of 15 and 44 who live in families with income below 185% of the federal poverty level. Direct DHFS to seek approval, by January 1, 1998, of a demonstration waiver from the U.S. Department of Health and Human Services, Health Care Financing Administration to implement this proposal. Specify that, if DHFS receives approval of the demonstration proposal, DHFS would submit legislation authorizing the implementation of this proposal to the appropriate standing committee of the Senate and Assembly.

Senate/Legislature: Modify provision by: (a) providing $460,200 GPR and $4,141,800 FED in 1998-99 to support the costs of implementing the project; (b) deleting the provision that requires DHFS to seek approval of the demonstration waiver by January 1, 1998; (c) deleting the provision that would require DHFS to submit legislation authorizing the implementation of the proposal to the appropriate standing committee of the Senate and Assembly; and (d) directing DHFS to begin conducting the project no later than July 1, 1998, or the date on which the waiver is granted,

whichever is later. Under these provisions, no additional legislation would be required in order for DHFS to implement the project.

[Act 27 Section: 1943c]

44. RURAL MEDICAL CENTERS

Joint Finance/Legislature: Direct DHFS to assist the Wisconsin congressional delegation, if requested, to prepare federal legislation to enable Wisconsin to operate a demonstration project for rural medical centers. Specify that the assistance of DHFS would end before December 31, 1997.

[Act 27 Section: 9123(10t)]

45. HOLD HARMLESS FOR RACINE COUNTY FOR LABOR COST RECLASSIFICATION

	Senate/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR	$1,316,600	- $1,316,600	$0
FED	1,875,100	- 1,875,100	0
Total	$3,191,100	- $3,191,100	$0

Senate/Legislature: Provide $644,900 GPR and $923,500 FED in 1997-98 and $671,700 GPR and $951,600 FED in 1998-99 to reflect the cost of maintaining Racine County as a high-cost labor region for purposes of determining the medical assistance (MA) reimbursement of direct care costs for nursing home services. Specify that Racine County would continue to be classified as a high-cost labor region at least through June 30, 1999.

Veto by Governor [C-2]: Delete provision.

[Act 27 Bill Section: 9123(15s)]

[Act 27 Vetoed Sections: 169 (as it relates to s. 20.435(5)(b)) and 9123(15s)]

1. WOMEN'S HEALTH INITIATIVE [LFB Papers 440 and 441]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$3,597,600	1.00	- $3,500,000	0.00	- $12,400	0.00	$85,200	1.00

Governor: Provide $2,245,000 in 1997-98 and $1,352,600 in 1998-99 and 1.0 position, beginning in 1997-98, to improve the health of women in the state. The Governor's women's health initiative has several components, as described below.

Health Care Screening, Referral, Follow-up and Patient Education. Provide $1,700,000 in 1997-98 and $1,200,000 in 1998-97 for DHFS to award funds, on a regional basis as determined by DHFS, to applicants to provide health care screening, referral, follow-up and patient education to low-income, underinsured and uninsured women. In addition, DHFS is directed to use this funding to: (a) increase women's awareness of issues that affect their health; (b) reduce the prevalence of chronic and debilitating health conditions that affect women; and (c) distribute funds to applying individuals, institutions, or organizations for the conduct of projects to enhance activities of communities in establishing and maintaining a comprehensive women's health program that addresses all major risk factors for chronic disease for middle-aged and older women.

This funding would be used to support: (a) grants for health screening services targeted toward low-income, uninsured women ($1,000,000 annually); and (b) outreach, education and prevention activities that highlight women's health concerns, such as breast cancer and osteoporosis ($700,000 in 1997-98 and $200,000 in 1998-99). However, the bill contains no statutory allocation of these funds.

Breast Cancer Screening and Services. Provide $500,000 in 1997-98 and $100,000 in 1998-99 for DHFS to award as a single grant to an applying entity for the performance of breast cancer screening activities with the use of a mobile mammography van.

Women's Health Officer. Provide $45,000 in 1997-98 and $52,600 in 1998-99 to support 1.0 position, beginning in 1997-98, in the Division of Health to serve as a women's health officer to focus on special health care concerns of women.

Health Insurance Program for Uninsured Children. Require DHFS, by July 1, 1998, to conduct and report to the Governor on the results of a study to explore, on a statewide basis, possible provision of a health insurance program for uninsured school-age children, as determined by DHFS.

Specify that if the health insurance program appears to be feasible, DHFS would be required to include with the report proposed statutory language necessary to implement the program.

Joint Finance: Reduce DHFS funding by $2,200,000 in 1997-98 and $1,300,000 in 1998-99 and instead, place all funding for grants in the Joint Finance Committee supplemental appropriation, subject to release to DHFS following approval of a plan submitted by DHFS that details the budget and criteria to be used in awarding grants for the women's health initiative. Specify that grant funding could be used to provide direct health care services, including treatment for low-income women aged 45 through 64. In addition, require a 25% match for any or all grants funded under the women's health initiative.

Modify the Governor's recommendation relating to a study of a health insurance program for uninsured children by requiring DHFS to: (a) study the provision of a health insurance product to families, in addition to school-age children; (b) evaluate current MA outreach efforts and make recommendations that would increase the enrollment of children who are currently eligible for MA in the MA program; and (c) study the cost effectiveness of expanding the MA income standard for children. Require DHFS to compare these approaches to reducing the number of uninsured children in the state, based on the: (a) costs and benefits; (b) number of children that would receive health coverage that are currently uninsured; and (c) administrative feasibility of each approach. In addition, require that the report be submitted to the Governor and Legislature.

Assembly/Legislature: Reduce funding by $12,400 in 1997-98 to reflect a three-month delay in funding for the women's health officer position. Modify provisions relating to the women's health initiative by: (a) deleting references to the provision of treatment services; and (b) authorizing DHFS to support an osteoporosis prevention and education program.

Veto by Governor [C-16]: Delete all provisions relating to the DHFS study.

[Act 27 Sections: 534, 592, 3482 and 9123(6),(6m)&(10g)]

[Act 27 Vetoed Section: 9123(5)]

2. RELIEF BLOCK GRANTS

	Chg. to Base
GPR	- $9,140,000

Governor/Legislature: Reduce funding by $4,570,000 annually to reflect a reestimate of the amount of funding required to support the county relief block grant program in the 1997-99 biennium. Under Act 27, a total of $19.6 million (all funds) in 1997-98 and $18.6 million (all funds) in 1998-99 would be budgeted for the program as follows: (a) $17.6 million (all funds) in 1997-98 and $16.6 million (all funds) in 1998-99 of medical assistance benefits funding to support the block grant program in Milwaukee County; and (b) $2.0 million GPR annually for grants to counties other than Milwaukee County.

1995 Wisconsin Act 27 terminated the general relief program, effective January 1, 1996, and replaced it with a county relief block grant program. Counties that elect to participate in the program must contribute local funds to provide medical care to indigent persons. In Milwaukee County, the block grant funds may only be used to support health care services. Other counties may use block grant funds to provide cash assistance and other nonmedical benefits, as long as health care services are also provided.

3. STATE IMMUNIZATION SUPPLEMENT [LFB Paper 442]

	Chg. to Base
GPR	- $5,320,000

Governor: Delete $2,660,000 annually to reflect the elimination of GPR funding for the state immunization program. Consequently, the program would be supported entirely with federal funds. Require that DHFS provide vaccines, without charge, at the request of a school district or local health department, if federal funds are available for the vaccines. Under current law, DHFS is required to provide the vaccines without charge if federal or state funds are available for the vaccines.

Joint Finance/Legislature: Modify the current GPR appropriation for immunizations by converting the appropriation from a sum certain to a sum sufficient appropriation and authorize DHFS to expend an amount from the appropriation such that the sum of available federal funds and GPR funds does not exceed $8,500,700 in 1997-98 and $8,776,400 in 1998-99 to purchase vaccines. Require DHFS to use all available federal funds to purchase vaccines prior to expending state funds from this appropriation.

[Act 27 Section: 538b]

4. DISEASE AIDS REESTIMATE

	Chg. to Base
GPR	- $3,812,200

Governor/Legislature: Reduce funding for the disease aids program by $2,082,800 in 1997-98 and $1,729,400 in 1998-99 to reflect a reestimate of the amount required to support program benefits in the 1997-99 biennium. The disease aids program is the payer of last resort for the Wisconsin chronic diseases program (WCDP) and county tuberculosis dispensaries. WCDP reimburses providers for medical services for individuals with chronic renal disease, adult cystic fibrosis and hemophilia. Act 27 would provide a total of $4,598,700 in 1997-98 and $4,952,100 in 1998-99 for the disease aids program.

5. HIV/AIDS INSURANCE PROGRAM [LFB Paper 443]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $1,529,700	1.00	$468,200	0.00	- $8,800	0.00	- $1,070,300	1.00
FED	- 2,347,300	0.00	- 890,300	0.00	0	0.00	- 3,237,600	0.00
Total	- $3,877,000	1.00	- $422,100	0.00	- $8,800	0.00	- $4,307,900	1.00

Governor: Decrease funding by $1,153,700 ($449,200 GPR and $704,500 FED) in 1997-98 and $2,723,300 ($1,080,500 GPR and $1,642,800 FED) in 1998-99 to reflect the net projected cost savings of expanding the state's program for subsidizing group health insurance continuation coverage for individuals with acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV). Provide an additional 1.0 GPR position, beginning in 1997-98, to administer the expanded program. Under the bill, the HIV/AIDS continuation coverage program would be modified as follows.

Coverage for Policies Other than Continuation Coverage. Authorize DHFS to make premium subsidies for any health insurance coverage, including individual or group policies and medicare supplement policies, but not for medicare replacement policies and long-term care insurance policies. Under current law, DHFS pays premium subsidies for continuation coverage, exclusively. In addition, specify that eligible group health plans and individual health policies include policies that provide coverage to a group or individual, whether or not dependents of the members are also covered.

Delete Time Limits of Premium Subsidy Benefits. Authorize DHFS to pay premium subsidies for an individual for as long as an individual remains eligible for the program and has coverage. Under current law, DHFS pays premiums until the person's continuation coverage ceases or until the expiration of 29 months after his or her continuation coverage began, whichever occurs first.

Income Eligibility. Limit participation in the program to individuals in families with income up to 300% of the federal poverty level (FPL), rather than 200% of the FPL, as provided under current law. However, direct DHFS to establish a premium contribution schedule for individuals participating in the program in families with income between 200% and 300% of the FPL. Specify that, in developing this premium contribution schedule, DHFS take into consideration both income and family size.

Under the Governor's proposal, the estimated cost of expanding the AIDS/HIV insurance program ($249,400 GPR in 1997-98 and $576,100 in 1998-99), the estimated cost of health insurance risk sharing plan (HIRSP) subsidies ($12,500 GPR in 1997-98 and $34,600 GPR in 1998-99) and the cost of supporting 1.0 GPR position ($30,100 GPR in 1997-98 and $36,900 GPR in 1998-99) would be offset by the projected cost savings to the medical assistance program (-$741,200 GPR and -$704,500 FED in 1997-98 and -$1,728,100 GPR and -$1,642,800 FED in 1998-99).

Joint Finance: Increase funding for premium subsidies by $56,400 GPR in 1997-98 and $203,600 GPR in 1998-99 and increase MA benefits funding by $82,000 GPR in 1997-98 and $126,200 GPR in 1998-99 and decrease MA benefits funding by $239,400 FED in 1997-98 and $650,900 FED in 1998-99 to reflect reestimates of program costs and MA benefits savings. Specify that individuals whose premiums are paid under the AIDS premium subsidy program would be eligible for HIRSP coverage.

Assembly/Legislature: Decrease funding by $8,800 GPR in 1997-98 to reflect a three-month delay in funding for the new position that would administer the expanded program.

[Act 27 Sections: 3409 thru 3431, 4831, 4831c, 4831e and 9427(1m)]

6. HIV/AIDS REESTIMATE [LFB Paper 444]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$393,700	$365,500	$759,200
FED	0	1,108,400	1,108,400
Total	$393,700	$1,473,900	$1,867,600

Governor: Provide $69,900 in 1997-98 and $323,800 in 1998-99 to reflect a reestimate of the amount of funding required to support the AIDS drug reimbursement program in the 1997-99 biennium. The cost of this program is expected to increase due to the introduction of more expensive drug therapies and increased caseload.

State (GPR) funding for the HIV/AIDS program is budgeted for: (a) general HIV/AIDS services, including counseling and testing services and grants to AIDS service organizations; (b) the drug reimbursement program; and (c) the insurance premium subsidy program.

Joint Finance/Legislature: Reduce funding for the AIDS drug reimbursement program (ADRP) by $32,000 GPR in 1997-98 and $96,900 GPR in 1998-99 to reflect reestimates of funding required to support the program. Increase funding for the ADRP by $554,200 FED annually to reflect projected increases in funding available for the Ryan White Comprehensive AIDS Resource Emergency (CARE) Act. Finally, increase funding for AIDS life care service grants by $247,200 GPR annually so that a total of $1,894,900 GPR annually would be budgeted for life care services grants, in addition to a statutory allocation of $74,000 FED annually.

The following table summarizes the GPR budget for the HIV/AIDS programs under Act 27.

State (GPR) Funding for HIV/AIDS Programs
Act 27

Program	1996-97 Base	1997-98	1998-99
General HIV/AIDS Services	$2,482,000	$2,729,200	$2,729,200
Drug Reimbursement Program	361,400	399,300	588,300
HIV/AIDS Insurance Program*	235,300	541,100	1,015,000
Total	$3,078,700	$3,669,600	$4,332,500

*Funding increase summarized in Item #5.

[Act 27 Section: 3405]

7. HEALTH INSURANCE RISK-SHARING PLAN [LFB Paper 512]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,169,300	0.00	$17,900,000	0.00	$19,069,300	0.00
PR	3,065,700	0.00	- 3,065,700	0.00	0	0.00
SEG	141,900	1.50	0	0.00	141,900	1.50
Total	$4,376,900	1.50	$14,834,300	0.00	$19,211,200	1.50

Governor: Provide $1,492,300 ($423,100 GPR, $1,021,900 PR and $47,300 SEG) in 1997-98 and $2,884,600 ($746,200 GPR, $2,043,800 PR and $94,600 SEG) in 1998-99 and 1.5 SEG position, beginning in 1997-98, to reflect the Governor's recommendation to transfer the administration of the health insurance risk-sharing plan (HIRSP) from the Office of the Commissioner of Insurance (OCI) to DHFS, effective January 1, 1998. [A detailed summary of the Governor's recommendation to transfer this function from OCI to DHFS is provided under "Insurance."]

Joint Finance/Legislature: Provide $6,000,000 GPR in 1997-98 and $11,900,000 GPR in 1998-99 in a new, annual appropriation in DHFS to support costs that would otherwise be supported by providers through rate reductions, insurer assessments and enrollee premiums under the HIRSP program, beginning January 1, 1998. In addition, delete $1,021,900 PR in 1997-98 and $2,043,800 PR in 1998-99 to reflect the repeal of the appropriation for moneys received from insurer assessment and insurer penalties, effective January 1, 1998. [A detailed summary of the Joint Finance Committee's and the Legislature's modifications to the Governor's recommendations is provided under "Insurance."]

8. OFFICE OF HEALTH CARE INFORMATION

	Chg. to Base Funding	Positions
PR	$2,719,200	18.00

Governor/Legislature: Provide $1,359,600 in 1997-98 and $1,359,600 in 1998-99 and 18.0 positions, beginning in 1997-98, to reflect the Governor's recommendation to transfer the functions of the Office of Health Care Information (OHCI) from the Office of the Commissioner of Insurance (OCI) to DHFS. This transfer is intended to consolidate all health care data collection activities in one agency. In September, 1996, the functions of OHCI were transferred from OCI to DHFS under a memorandum of understanding between the two agencies. [A detailed summary of the Governor's recommendation to transfer this function from OCI to DHFS is provided under "Insurance."]

9. PRIMARY HEALTH CARE GRANTS [LFB Paper 445]

	Chg. to Base
GPR	- $500,000

Governor/Legislature: Delete $250,000 annually to reflect the elimination of the primary health care service grants program. Under the program, DHFS provides grants to local public health departments for primary health care services, including: (a) services provided by primary health care providers; (b) diagnostic laboratory and radiologic services; (c) preventive health services; (d) preventive dental services; and (e) case management services. Agencies that receive grants are required to provide local matching funds equal to 25% of the state grant amount.

[Act 27 Sections: 539 and 3399]

10. WIC GRANT MATCH [LFB Paper 446]

	Governor (Chg. to Base)	Senate/Leg. (Chg. to Gov.)	Net Change
GPR	$224,000	$74,400	$298,400

Governor: Provide $112,000 in each year for the women, infants and children (WIC) supplemental food program to be used as the state match for federal funds available under the farmer's market nutrition program. This program permits WIC recipients to purchase produce from authorized farmer's markets. As a condition of participating in the program, the state is required to provide a 30% state match of the federal funds.

Senate/Legislature: Provide $37,200 annually to support the costs of increasing the farmer's market nutrition food package from $15 to $20, beginning with the 1998 farmer's market season.

11. REGULATION OF WIC VENDORS AND FOOD DISTRIBUTION CENTERS

Governor/Legislature: Create regulations applicable to vendors and food distribution centers that are authorized to accept drafts under the women, infants and children (WIC) supplemental food program. Specify conditions of vendor and distributor authorization, prohibited practices, rules, penalties and appeal procedures, and inspection guidelines, as follows.

Definitions. Define: (a) a "vendor" as a grocery store or pharmacy that sells food that may be purchased with WIC drafts; (b) a "food distribution center" as an entity, other than a vendor, that is under contract with DHFS to distribute authorized food to WIC participants; and (c) "proxy" as a person who has been designated in writing by a participant or by DHFS to obtain and exchange drafts for authorized food on behalf of the participant.

Authorization of Vendors. Authorize DHFS to permit a vendor to accept drafts only if the vendor meets the following conditions: (a) the vendor submits a completed application to DHFS; (b) the vendor meets minimum requirements for authorization, as established by DHFS rule; (c) the vendor does not have any outstanding fines, forfeitures, recoupment or enforcement assessments that were levied as a result of violation of DHFS promulgated rules (unless the vendor has contested the fine, forfeiture or assessment and the vendor has not exhausted administrative or judicial review); and (d) the vendor is fit and qualified, as determined by DHFS. In making this determination, DHFS must consider any relevant conviction of the vendor or any of the vendor's employes for civil or criminal violations substantially related to the operation of a grocery store or pharmacy.

Allow DHFS to limit the number of vendors that it authorizes if DHFS determines that the number of vendors is sufficient to permit participants to obtain authorized food conveniently. Require DHFS to approve or deny initial authorization within 90 days after the receipt of a completed application. If the application is denied, require DHFS to provide, in writing, reasons for the denial and information related to the appeal procedure. Prohibit DHFS from redeeming drafts submitted by a person who is not an authorized vendor or food distribution center.

Authorization of Food Distribution Centers. Authorize DHFS to contract for an alternative system of food distribution with an entity other than a vendor only if the entity meets the following requirements: (a) the entity meets the minimum requirements for authorization for vendors, as established by DHFS rule; (b) the entity does not have any outstanding fines, forfeitures, recoupment or enforcement assessments that were levied as a result of violation of DHFS rules (unless the entity has contested the fine, forfeiture or assessment and the vendor has not exhausted administrative or judicial review); and (c) the entity is fit and qualified, as determined by the Department.

Prohibited Practices. Prohibit any person from: (a) accepting drafts or submitting drafts to DHFS for redemption without authorization; (b) providing cash or commodities, other than authorized food, in exchange for drafts or in exchange for authorized food purchased with a draft; (c) accepting a draft other than in exchange for authorized food that is provided by the person; (d) providing authorized food or other commodities to a participant or proxy in exchange for a draft accepted by

a third party; (e) entering on a draft a dollar amount that is higher than the actual retail price of the item for which the draft was used; (f) requiring a participant or proxy to sign a draft before entering the dollar amount on the draft in permanent ink; (g) accepting a draft except during periods specified on the draft; (h) providing materially false information to DHFS or failing to provide in a timely manner material information requested by DHFS; (i) duplicating a vendor stamp or using a stamp other than a vendor stamp for any purpose for which a vendor stamp is required; (j) submitting for redemption a draft to someone other than DHFS; (k) accepting a draft from someone other than a participant or proxy, except that DHFS would be required to accept for redemption valid drafts from vendors and food distribution centers.

Penalties. Specify that a person who violates any of these statutory provisions would be subject to a fine of up to $10,000 or imprisoned for up to two years or both for a first offense, and up to five years of imprisonment and a fine of up to $10,000 or both for a subsequent offense.

Specify that whenever a court imposes a fine, forfeiture or recoupment for any of the above violations, the court must also impose an enforcement assessment equal to 50% of the fine, forfeiture or recoupment. If multiple offenses are involved, the court would be required to base the enforcement assessment upon the total fine, forfeiture and recoupment amounts for all offenses. When a fine, forfeiture or recoupment is suspended in whole or in part, the court would be required to reduce the enforcement assessment in proportion to the suspension.

DHFS Rules. Require DHFS to promulgate rules to establish all of the following: (a) minimum qualification standards for the authorization of vendors and the awarding of a contract to a food distribution center; (b) standards of operation, including prohibited practices, for authorized vendors and food distribution centers; (c) minimum requirements, including prohibited practices, for participants; (d) procedures for approving or denying an application to be a participant, including appeal procedures.

Specify that any person who violates any rule promulgated by DHFS would be subject to any of the following: (a) denial of the application to be a participant or authorized vendor; (b) suspension, or termination of an authorized vendor, or in the case of a food distribution center, termination of the contract; (c) disqualification from the program for a participant; (d) forfeiture of not less than $10 nor more than $1,000; and (e) recoupment.

Specify that whenever DHFS imposes a forfeiture or recoupment for a rule violation, DHFS would be required to impose an enforcement assessment equal to 50% of the forfeiture or recoupment. If multiple offenses are involved, DHFS would base the enforcement assessment upon the total forfeiture and recoupment amounts for all offenses. When forfeiture or recoupment is suspended in whole or in part, DHFS would reduce the enforcement assessment in proportion to the suspension.

Authorize DHFS to directly assess a forfeiture, recoupment or enforcement assessment for violations of these rules. Specify that if DHFS determines that a financial penalty should be levied or that authorization or eligibility should be suspended or terminated for a particular violation or

failure to correct it, DHFS would send notice of assessment, suspension or termination to the vendor, food distribution center or participant. This notice shall also inform them of their right to a hearing and specify: (a) the amount of the forfeiture or recoupment assessed or the enforcement assessment, if any; (b) the amount of the recoupment assessed, if any; (b) the violation; (c) the statute or rule alleged to have been violated; and (d) if applicable, that the suspension or termination of authorization of the vendor or eligibility of the participant is effective beginning on the 15th day after receipt of the notice of suspension or termination.

Specify that the suspension or termination of authorization of a vendor or eligibility of a participant is effective beginning on the 15th day after receipt of notice of suspension or termination. All forfeitures, recoupment and enforcement assessments must be paid to DHFS within 15 days after receipt of notice, or if the penalty is contested, within 10 days after receipt of the final decision after exhaustion of administrative review, unless the final decision is adverse to DHFS or unless the final decision is appealed and the decision is stayed by a court. Authorize the attorney general to bring action in the name of the state to collect financial penalties if they have not been paid following the exhaustion of all administrative and judicial reviews. Specify that the only issue that could be contested in any such action is whether the forfeiture or enforcement has been paid.

Specify that all monies received from the enforcement assessments of fines, forfeitures, recoupment and levied by a court or DHFS would be deposited in a new, DHFS program revenue appropriation, which would support WIC fraud reduction activities. Direct DHFS to deposit all forfeitures paid to the state treasurer for deposit in the common school fund.

Appeal Procedures. Permit any person to contest an assessment of forfeiture, recoupment or enforcement assessment, a denial, suspension or termination of authorization or a suspension or termination of eligibility by sending a written request for a hearing to the Division of Hearing and Appeals in the Department of Administration within 10 days after the receipt of the notice. The administrator of the DOA Division of Hearings and Appeals could designate a hearing examiner to preside over the case and recommend a decision to the administrator. The administrator would commence the hearing and issue a final decision within 60 days after receipt of the request for a hearing, unless all the parties consent to a later date. Specify that the proceedings before the Division of Hearings and Appeals are governed by the state's administrative procedures statutes, and that in any petition for judicial review of a decision by DOA, DHFS, if not the petitioner who was in the proceeding before the DOA, would be named respondent.

Injunction Procedure. Specify that no injunction may be issued in any proceeding for review of a decision of the Division of Hearings and Appeals, suspending or staying the decision except upon application to the circuit court or presiding judge, notice to DHFS and any other party and hearing. Prohibit an injunction that delays or prevents a decision of the Division of Hearings and Appeals from begin effective from being issued in any other proceeding or action in any court unless the parties to the proceeding before the Division of Hearings and Appeals in which the order was made are also parties to the proceeding or action before the court.

Inspection of Premises. Authorize DHFS to visit and inspect each authorized vendor and each food distribution center, and provide DHFS unrestricted access to the premises described in the authorization or contract.

[Act 27 Sections: 555, 2160m, 2160p, 2163m, 2163p, 3285, 3439 thru 3447, 5138, 5139, 5142, 5186, 5193, 5447, 5448 and 5451]

12. FUNDING FOR PUBLICATIONS ON ABORTION [LFB Paper 447]

	Chg. to Base
GPR	$200,000

Governor/Legislature: Provide $100,000 annually for DHFS to publish and distribute information that, under provisions of 1995 Wisconsin Act 309, must be made available to women prior to the performance of an abortion and repeal the authority of DHFS, county social service departments and county human services departments to charge a fee to persons or organizations that request these materials. Act 309 requires DHFS to publish and distribute geographically indexed materials that inform a woman about public and private agencies, including adoption agencies, and services that are available to a woman who is continuing her pregnancy. In addition, DHFS is required to publish materials, including photographs, pictures and drawings, that are designed to inform a woman of the probable anatomical and physiological characteristics of the unborn child at certain increments of her pregnancy.

[Act 27 Sections: 1446L and 3452]

13. WISCONCARE [LFB Paper 448]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Veto (Chg. to Leg.)	Net Change
GPR-Lapse	$686,900	$39,000	- $725,900	$0
PR	$0	$150,000	- $3,150,000	- $3,000,000

Governor: Lapse $686,900 to the general fund on the bill's general effective date from the unencumbered balance of the program revenue appropriation used to support the WisconCare program. The WisconCare program provides primary health care services to certain low-income, uninsured persons in counties with high unemployment rates. The program is supported through funds generated from an annual assessment on hospitals and professional services donated by providers. Under the Governor's bill, base funding for the program ($1,500,000 PR annually) would be provided in each year of the 1997-99 biennium.

Joint Finance/Legislature: Modify the Governor's recommendation by lapsing $725,900 to the general fund on the bill's general effective date from the unencumbered balance of the program revenue appropriation used to support the WisconCare program. This reflects the actual appropriation balance as of June 30, 1996, less a $150,000 cash reserve.

Modify the WisconCare program by deleting all statutory provisions relating to program providers, eligible services, delivery of services in specified counties and eligibility of enrollees. Instead, direct DHFS to administer the program as a competitive grant program, under which DHFS would provide grants totalling $1,500,000 PR annually to community-based, nonprofit corporations governed by a community-based board of directors that are located in a designated medically underserved area or serve an underserved population. Specify that any entity that receives a grant: (a) provide comprehensive primary care services; (b) serve all persons, regardless of insurance status or ability to pay; and (c) establish a sliding fee scale for uninsured, low-income persons. Require DHFS to administer the program after consulting with representatives of statewide organizations and entities that represent primary care providers.

Provide $150,000 in 1997-98 to enable DHFS to continue to provide services to individuals who are currently enrolled in the WisconCare program, if they cannot be served by an entity receiving a grant under the restructured WisconCare program.

Veto by Governor [C-6]: Delete all statutory changes in the bill relating to WisconCare, including the (renumbered) appropriation included in the Chapter 20 appropriation schedule containing funding for the restructured program ($1,650,000 in 1997-98 and $1,500,000 in 1998-99). Consequently, no funding for the WisconCare program is identified in the Act 27 appropriation schedule. However, under current law, DHFS is required to estimate the total amount of expenditures under the WisconCare program and assess hospitals for the costs of the program. Revenues from the hospital assessment could be credited to the current WisconCare appropriation and expended to support program costs.

In his veto statement, the Governor indicates that he is requesting the DOA Secretary to lapse $725,900 from the current program revenue appropriation for WisconCare on the effective date of Act 27, even though the Governor's partial veto deletes the provision authorizing the transfer of program revenue from the WisconCare program to the general fund. The administration's authority to lapse funds from any program revenue appropriation to the general fund is not provided either in Act 27 or any other provision of statute.

[Act 27 Vetoed Sections: 169 (as it relates to s. 20.435(5)(gp) and (5)(kp)), 554b, 594m, 3010m, 3010p, 3011, 3011m, 3012 and 9223]

14. BIRTH AND DEVELOPMENTAL OUTCOME MONITORING PROGRAM

	Governor (Chg. to Base)		Senate/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $87,000	- 1.00	$87,000	1.00	$0	0.00

Governor: Delete $43,500 in each year and 1.0 position, beginning in 1997-98, to reflect the elimination of the birth and developmental outcome monitoring program. Under current law, physicians and nurses must report to DHFS if they confirm or diagnose that an infant or child has a physical condition that results from an adverse neonatal outcome, birth defect, or developmental disability. DHFS must develop and implement a system for collecting, updating, analyzing and disseminating this information. The position has been vacant since 1995.

Senate/Legislature: Delete provision.

15. HEALTH POLICY PROGRAM

	Chg. to Base	
	Funding	Positions
PR	$177,800	2.00

Governor/Legislature: Provide $88,900 annually to convert 2.0 project positions that are scheduled to terminate on September 1, 1997, to permanent positions, beginning in 1997-98, to continue the information for state health policy program. The health policy program collects and analyzes information on pregnant women and children as well as data on persons with chronic condition and provides this information to policymakers. These positions would be supported by funds contributed by other programs within the Division of Health that use this information. The program has been funded from a Robert Wood Johnson grant on the condition that 4.0 grant positions would be converted to state funding at the end of the grant period in September, 1997. Two positions have already been converted.

16. RADIOLOGICAL MATERIALS

	Chg. to Base
PR	$90,000

Governor/Legislature: Provide $45,000 annually for the Bureau of Public Health to contract for the safe disposal of radiological waste, including waste found at schools and scrap yards. Funding for this purpose would be supported by fees currently assessed to medical sites, dental sites, and industrial, school and research projects which have ionizing radiation installations and radioactive materials.

17. VITAL RECORDS

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$26,800	0.50	- $3,200	0.00	$23,600	0.50

Governor: Provide $11,500 in 1997-98 and $15,300 in 1998-99 to support 0.50 position, beginning in 1997-98, to enable DHFS staff to conduct more genealogical searches for individuals who request documents to research their family history. The position would be supported by fees charged for the document searches.

Authorize the state registrar to transfer to optical disk or electronic format, in accordance with procedures and standards prescribed by the Department of Administration, the paper originals of certificates of birth, death, divorce or annulment, marriage documents, fetal death reports and related reports. Authorize the state registrar to microfilm the paper originals of these vital records, if approved by the Public Records Board, and to destroy the paper originals of the vital records that have been transferred to optical disk or electronic format. Provide that copies of vital records that have been converted to electronic format or microfilm reproduction versions of the paper original of a vital record would serve as the original vital record.

Assembly/Legislature: Decrease funding by $3,200 in 1997-98 to reflect a three-month delay in funding for the 0.5 position.

[Act 27 Section: 2222]

18. FEES FOR HEALTH STATISTICS

Governor/Legislature: Authorize DHFS to charge reasonable fees for the analysis and provision of data relating to the occurrences, patterns and trends of acute, communicable or chronic diseases, maternal and child health, injuries and occupational and environmental hazards. Reduce funding from interagency and intra-agency transfers by $23,600 PR annually and delete 0.5 PR position which is currently supported by these funding transfers, beginning in 1997-98, and increase funding and position authority supported by fees by corresponding amounts.

[Act 27 Sections: 558 and 3394]

19. MARQUETTE DENTAL SCHOOL -- DENTAL CLINICS FUNDING [LFB Paper 550]

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	$1,000,000	$121,000	$1,121,000

Joint Finance: Provide $500,000 annually to the Marquette University School of Dentistry for dental services to low-income individuals at the health clinics with which the Dental School maintains partnerships.

Senate/Legislature: In addition, provide $60,500 annually for the provision of dental services by the Marquette University School of Dentistry in the South-Side Guadalupe Dental Clinic. The nonprofit clinic provides low-cost and free dental services to residents of the near south side, inner city and north side of the City of Milwaukee.

20. EMERGENCY MEDICAL SERVICES FUNDING CHANGE

	Chg. to Base Funding	Positions
GPR	$5,125,500	4.25
SEG	- 5,125,500	- 4.25
Total	$0	0.00

Joint Finance/Legislature: Increase funding by $2,562,900 GPR in 1997-98 and $2,562,600 GPR in 1998-99 and provide 4.25 GPR positions, beginning in 1997-98, and reduce SEG funding and position authority by corresponding amounts, to transfer support for emergency medical services grants and program operations from the transportation fund to GPR. This item reflects a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Repeal two SEG appropriations and create two GPR appropriations to reflect this funding change. Specify that an amount equal to the encumbrances or expenditures from these appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Sections: 567m, 568m, 3004, 3005 and 3007]

21. POISON CONTROL CENTERS

	Chg. to Base
GPR	$375,000

Joint Finance/Legislature: Provide $187,500 annually to increase support for the Wisconsin poison control centers. The Wisconsin poison control centers provide information about how to handle poisoning emergency situations through a 24-hour poison information hotline. The centers are based at Children's Hospital of Wisconsin and the University of Wisconsin Hospital.

[Act 27 Section: 3006]

22. LEAD SCREENING AND OUTREACH PROJECT

	Chg. to Base
GPR	$250,000

Joint Finance/Legislature: Provide $125,000 annually to the Sixteenth Street Community Health Center (SSCHC) in the City of Milwaukee to expand its lead screening and outreach project. SSCHC is a community-based human service agency that provides primary health care, health education and social services to low-income individuals in the City of Milwaukee.

The lead screening and outreach project is managed by a registered nurse and three bilingual outreach workers who conduct door-to-door interviews with neighborhood residents. Outreach workers identify and enroll families with children under age six in the program. After a family is enrolled in the project, the outreach worker surveys the parents and conducts a visual inspection of the home in order to determine the risk of lead poisoning. Outreach workers also perform a finger stick blood test on children in the home, submit the test for analysis and follow-up with the family.

[Act 27 Section: 3455m]

23. DONATED DENTAL SERVICES PROGRAM

	Chg. to Base
GPR	$80,000

Joint Finance/Legislature: Provide $40,000 annually for DHFS to contract with the Wisconsin Dental Association to administer a donated dental program. Under this program, volunteer dentists would provide comprehensive dental care at no charge to disabled, aged, and medically compromised individuals. The funding would support the costs of one full-time referral coordinator for the program and other related program expenses.

24. INPATIENT HOSPITAL SERVICES FOR PERSONS WITH TUBERCULOSIS

Joint Finance: Authorize DHFS to make payments under the disease aids program for the first 30 days of inpatient services for pulmonary tuberculosis patients who are quarantined by DHFS or a local health officer.

Under current law, DHFS is authorized to reimburse facilities contracted by DHFS for inpatient care provided to pulmonary tuberculosis patients. However DHFS may not reimburse facilities for the first 30 days of inpatient services. Under these provisions, DHFS does not pay for services provided for individuals who are eligible for medicare, medical assistance and medical services supported under the county relief block grant program. If the patient has private pay health insurance, the state is required to pay the difference between health payments and total charges. These payments are made from funds budgeted under the disease aids program.

Assembly/Legislature: Authorize DHFS to pay for inpatient hospital care for isolated, rather than quarantined, pulmonary tuberculosis patients. Under current law, DHFS or the local health

officer acting on behalf of the Department, may isolate pulmonary tuberculosis patients and quarantine their contacts.

[Act 27 Section: 3401m]

25. CONCESSION STANDS AT LOCALLY SPONSORED SPORTING EVENTS

Joint Finance/Legislature: Modify the statutory definition of "restaurant" to exclude concession stands at locally sponsored sporting events, such as little league games. Consequently, these concession stands would no longer be required to obtain a restaurant license in order to sell food at locally sponsored sporting events.

Under current law, the following are excluded from the definition of restaurant: (a) taverns that serve free lunches consisting of popcorn, cheese, crackers, pretzels, cold sausage, cured fish or bread and butter; (b) churches, religious, fraternal, youths' or patriotic organizations, service clubs and civic organizations which occasionally prepare, serve or sell meals to transients or the general public; (c) any bed and breakfast establishment that serves breakfast only to its lodgers; and (d) any center at a two-year collegiate campus, any private institution of higher education or any technical college that serves meals only to the students enrolled in the center, or any institution or school authorized to serve meals to the elderly under nutritional improvement for the elderly programs.

[Act 27 Section: 3473m]

26. BADGERCARE HEALTH PLAN

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$15,200,000	- $15,200,000	$0
FED	37,300,000	1,175,800	38,475,800
Total	$52,500,000	- $14,024,200	$38,475,800

Assembly: Provide $15.2 million GPR and $37.3 million FED in 1998-99 to support the costs of BadgerCare, a health insurance program for low-income families. Create continuing GPR, FED and PR appropriations in DHFS for the costs of BadgerCare, which would be supported by: (a) federal funds available under Title XIX (medical assistance) and Title XXI (KidCare) under the Social Security Act; (b) state GPR matching funds; and (c) premiums paid by families enrolled in the program.

Waiver. Direct DHFS to seek a waiver from the Secretary of the federal Department of Health and Human Services to permit DHFS to implement BadgerCare, beginning no later than July 1, 1998, or the effective date of the waiver, whichever is later. Specify that DHFS may not implement

BadgerCare unless a waiver is granted and in effect, which is consistent with all statutory provisions relating to BadgerCare.

Eligibility. Define a "family" as a custodial parent and his or her dependent children. Specify that a family would be eligible for health care coverage under BadgerCare if the family meets all of the following requirements: (a) the family's income does not exceed 185% of the federal poverty level (FPL), except that a family that is already participating in BadgerCare may continue to receive health care coverage until the family income exceeds 200% of the FPL; (b) the family does not have access to family coverage under a group health insurance plan offered by an employer for which the employer pays at least 75% of the cost, excluding any deductibles or copayments that may be required under the plan; (c) subject to exceptions established by rule, the family has not had access to employer-subsidized health care coverage within a time period established by DHFS by rule, but not exceeding 18 months, immediately preceding application for BadgerCare; and (d) the family meets all other requirements established by DHFS by rule. Prohibit DHFS from including health condition requirements as eligibility requirements. Specify that no family may be denied coverage under BadgerCare because of the health condition of any family member.

Entitlement. Specify that, notwithstanding fulfillment of the BadgerCare eligibility requirements, a family is not entitled to health care coverage under BadgerCare.

Liability for Cost. Require families with income at or above 133% of the FPL to pay a percentage of the cost of BadgerCare coverage in accordance with a schedule established by DHFS by rule. Prohibit DHFS from requiring a family to contribute more than 3.5% of the family's income toward these premiums, unless DHFS obtains approval from the Joint Committee on Finance under a 14-day passive review process. Families with income below 133% of the FPL would not be required to pay premiums.

Require DHFS to define, by rule, the criteria that would be used to determine a family's income. Specify that DHFS may establish, by rule, requirements for wage withholding as a means of collecting a family's premiums.

MA Expansion for Certain Children. Expand MA eligibility for all children through age 18 in families with income up to 100% of the FPL if DHFS implements the BadgerCare program. Currently, children born after September 30, 1983 (children through age 14 as of September 30, 1997) in families with income up to 100% of the FPL are eligible for MA.

Administration. Require DHFS to promulgate rules establishing application, appeal and grievance procedures for BadgerCare. Authorize DHFS to promulgate rules limiting access to BadgerCare to defined enrollment periods. Authorize DHFS to promulgate rules to establish a method by which DHFS could purchase family insurance offered by the employer of a family eligible for BadgerCare if DHFS determines that purchasing that coverage would not be more costly than providing coverage under BadgerCare. Specify that if DHFS establishes a method by which it could

purchase family coverage through an employer, DHFS would be required to promulgate rules to guarantee the portability of such coverage.

Specify that DHFS could support BadgerCare administrative costs with funding budgeted for MA administration. However, total spending for the administration of BadgerCare could not exceed 10% of the GPR and FED amounts budgeted for the BadgerCare program.

Require DHFS to promulgate all required rules no later than 60 days after receipt of the waiver.

Annual Report. Require DHFS, no later than October 1 of each year, to submit a report to the Legislature that summarizes the following information: (a) enrollment in BadgerCare; (b) the cost of BadgerCare; and (c) any other pertinent program information, as determined by DHFS.

Senate/Legislature: Provide an additional $526,900 GPR and $1,175,800 FED in 1998-99 to reflect reestimates of annual funding that will be available under Title XXI of the Social Security Act to expand health care coverage for low-income children. A formal notice from the Health Care Financing Administration indicates that Wisconsin's Title XXI allocation will be $38,475,800 FED in federal fiscal year 1997-98. A preliminary estimate prepared by the General Accounting Office indicated that Wisconsin's allocation would be approximately $37,300,000 FED. Title XXI funding is available to the state at an enhanced match rate of approximately 71%.

Modify Assembly provisions by: (a) specifying that families with income up to 143%, rather than 133%, of the FPL would not be subject to premiums under BadgerCare; (b) authorizing DHFS to establish premiums of up to 3% of a family's income, unless the Joint Committee on Finance approves a premium of up to 3.5% of the family's income; and (c) specifying that families would be ineligible for BadgerCare coverage if the family has access to family coverage under a group health insurance plan offered by an employer for which the employer pays at least 80%, rather than 75%, of the cost of the coverage.

Place all GPR funds budgeted for BadgerCare ($15,726,900) in the Joint Committee on Finance supplemental appropriation. Specify that these funds could be released under a 14-day passive review process once DHFS demonstrates that the state has received approval of all waivers necessary for the implementation of BadgerCare. If DHFS is unable to implement BadgerCare, these funds and an additional $873,100 GPR would be reserved to support the costs of expanding health care coverage for low-income individuals following the enactment of separate legislation.

Veto by Governor [C-5]: Delete the requirement that DHFS promulgate all administrative rules for BadgerCare no later than 60 days after receipt of all necessary federal waivers.

[Act 27 Sections: 529m, 591cm, 594gm, 594mm, 1955d and 1980p]

[Act 27 Vetoed Section: 1980p]

27. TOBACCO PREVENTION AND EDUCATION PROGRAM

	Chg. to Base
GPR	$2,000,000

Assembly/Legislature: Provide $1,000,000 annually to support a tobacco education grant program administered by DHFS, which would be named the "Thomas T. Melvin youth tobacco prevention and education program." Specify that the primary purpose of this program would be to reduce the use of cigarettes and tobacco products by minors. DHFS would award grants for the following purposes:

- Community education provided through local community initiatives;

- A multimedia education campaign directed at encouraging minors not to begin using tobacco, motivating and assisting adults to stop using tobacco and changing public opinion on the use of tobacco;

- Public education through grants to schools to expand and implement curricula on tobacco education; and

- Research on methods by which to discourage use of tobacco and evaluation of this program.

[Act 27 Sections: 592fm and 3484m]

28. ABORTION INFORMATION

Assembly/Legislature: Modify health care providers' responsibilities relating to information they provide on abortion as follows:

Abortion Reporting. Require hospitals, clinics and other facilities in which abortions are performed to report the method used to perform each abortion, including whether an abortion was chemically induced. Current law requires the reporting of induced abortions, but does not require reporting on the method of abortion.

Information Regarding Abortion and Abortion Alternatives. Specify that a physician who is to perform or induce an abortion, a qualified person assisting the physician or another qualified physician would be required, at least 24 hours before the abortion, to orally inform the woman that she has a legal right to keep the child, place the child in a foster home or treatment foster home for six months or petition a court for placement of the child in a foster home, treatment foster home or group home or with a relative, or place the child for adoption under a process that involves court approval both of the voluntary termination of parental rights and of the adoption. Under current law, at least 24 hours before a woman may obtain a lawful abortion, the attending physician, another physician or an assistant to the attending physician must orally state that a woman has a legal right

to place her child in foster care, place the child with a relative for adoption or petition the court for placement of the child for adoption in the home of a person who is not a relative.

Require that materials that must be provided to any woman at least 24 hours before she may obtain an abortion state that it is unlawful to perform an abortion for which consent has been coerced. Under current law, the materials are required to state that it is unlawful for any person to coerce a woman to undergo an abortion.

Require that materials that must be provided to a woman at least 24 hours before she may obtain an abortion include information on family planning, including natural family planning information. Under current law, at least 24 hours before an abortion the physician who is to perform or induce the abortion, a qualified person assisting the physician or another qualified physician would be required to orally inform the woman of private and public agencies and services that provide family planning information, including natural family planning information.

[Act 27 Sections: 1446L, 1446m, 2227r, 3437hi, 3437hj, 3451t, 3451v, 3451x, 3452g, 3452m, 3452s and 9356(3f)]

29. PUBLIC FUNDING FOR PREGNANCY PROGRAMS

Assembly/Legislature: Prohibit public funding of programs, projects or services that are intended to aid pregnant women and prevent pregnancy if the program, project or service engages in any abortion-related activities using state, local or federal funds, including providing abortion services, promoting, encouraging, or counseling in favor of abortion, or making an abortion referral either directly or through an intermediary, unless the abortion is directly and medically necessary to save the life of the pregnant woman. Specify that these provisions do not prohibit the providing of nondirective information explaining any of the following: (a) prenatal care and delivery; (b) infant care, foster care or adoption; and (c) pregnancy termination.

Define "pregnancy programs" as programs, projects or services of an organization that provides pregnancy prevention, family planning, pregnancy testing, pregnancy counseling, prenatal care, pregnancy services and reproductive health services that are related to pregnancy. Define "public funding" to include funding provided by the state and federal government, as well as county and local governments. These provisions would apply to any grant, subsidy or other funding awarded or renewed after the effective date of the bill.

Specify that if these prohibitions are violated, a grant, subsidy or other funding would be terminated and the organization would be obligated to return any funding that had been received. In addition, specify that any organization that violated these prohibitions would be ineligible for funding

for two years after the most recent date on which public funding was authorized or the date the organization violated these provisions, whichever is later.

[Act 27 Sections: 760f, 1528ym, 2169f, 2169g, 2169h, 2198r, 2198s, 2198t, 3449 and 9356(4g)]

30. DEFINITION OF FAMILY PLANNING SERVICES

Assembly/Legislature: Modify the definitions of "family planning" and "family planning services" for the purposes of all social service, public assistance, maternal and child health, state superintendent and education programs to specify that family planning does not include the performance, promotion, encouragement or counseling in favor of abortion or referral for abortion either directly or through an intermediary, but may include the providing of nondirective information explaining any of the following: (a) prenatal care and delivery; (b) infant care, foster care or adoption; and (c) pregnancy termination.

In addition, maintain the current family planning definition for purposes of the statutory provision that exempts providers of certain health care services, including family planning services, from requirements to report suspicions or threats of abuse, sexual intercourse or contact with a child unless the health care provider has reason to suspect that the sexual intercourse or contact was with a caregiver or that the intercourse or contact was not consensual, or that the child was unable to provide his or her consent.

Specify that family planning services includes services provided by licensed nurse practitioners in the scope of their practice. Under current law, family planning services includes services provided by physicians and local health departments.

[Act 27 Sections: 1595j, 1595k, 1701m, 1857f, 1861d, 1883m, 1942e, 1967d, 1968s, 1973t, 2768k, 2782j, 3404m, 3436f, 3437hi, 3437hj, 3447Lm, 3447Ln, 3447mm, 3447mn, 3451v, 3451x and 9423(2)]

31. BLASTOMYCOSIS

Assembly/Legislature: Direct DHFS, in cooperation with other state agencies, to conduct a study of the potential correlation between the presence of wetlands and the incidence of blastomycosis and specify that DHFS submit a report on the results of the study to the Legislature by June 30, 1999. Require DHFS to provide information on the prevention, detection, diagnosis and treatment of blastomycosis in areas of the state where there are high numbers of blastomycosis cases.

Blastomycosis is a systematic fungal infection caused by a pathogen that grows as a mold in moist soil or vegetation that, under certain conditions, releases spores that can be inhaled by nearby

animals or people. The infection can cause multiple inflammatory lesions on the skin, mucous membranes or internal organs. If the infection is not treated with an antifungal therapy, the disease will progress and can be fatal.

Veto by Governor [C-16]: Delete the requirement that DHFS, in cooperation with other state agencies, conduct a study and report to the Legislature on the potential correlation between the presence of wetlands and incidence of blastomycosis by June 30, 1999.

[Act 27 Section: 3394e]

[Act 27 Vetoed Section: 9123(4t)]

32. DO-NOT-RESUSCITATE BRACELETS

Assembly/Legislature: Authorize a guardian or health care agent of an incapacitated qualified patient to request and consent to a do-not-resuscitate (DNR) order on behalf of that incapacitated qualified patient after receiving specified information. The guardian or health care agent could revoke a DNR order on behalf of the incapacitated qualified patient by any of the following methods: (a) the guardian or health care agent directs an emergency medical technician, first responder or a person who serves as a member of an emergency health care facility's personnel to resuscitate the patient; (b) the guardian or health care agent defaces, burns, cuts or otherwise destroys the DNR bracelet; and (c) the guardian or health care agent removes the DNR bracelet.

Under current law, a DNR bracelet signifies that the wearer is a qualified patient who has obtained a DNR order and that the order has not been revoked. Under these modifications, the authority to request and revoke a DNR order would be expanded to include guardians and health care providers in cases where the patient is incapacitated.

In addition, specify that a DNR bracelet that has not been removed, altered or tampered with in any way is presumed valid, unless the patient, the patient's guardian or the patient's health care agent expresses the patient's desire to be resuscitated. Under current law, only the patient may express their desire to be resuscitated.

[Act 27 Sections: 3087m thru 3087t]

33. MILWAUKEE HEALTHY WOMEN AND INFANTS PROJECT

	Chg. to Base
GPR	$200,000

Senate/Legislature: Provide $100,000 annually to support the Milwaukee healthy women and infants project (MHWIP).

The MHWIP is part of the federal healthy start initiative which aims to reduce infant mortality and improve the health and well-being of women, children and families. MHWIP's objective is to reduce infant mortality in the City of Milwaukee by providing prenatal care, infant care and other services for uninsured and underinsured women of childbearing age and their infants. Federal funding for this project is reduced as of September 30, 1997.

[Act 27 Sections: 551b and 3449s]

Care and Treatment Facilities

1. WISCONSIN RESOURCE CENTER STAFFING [LFB Paper 455]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$16,187,400	183.50	- $256,500	5.50	- $104,500	0.00	$15,826,400	189.00
PR	582,900	9.50	0	0.00	0	0.00	582,900	9.50
Total	$16,770,300	193.00	- $256,500	5.50	- $104,500	0.00	$16,409,300	198.50

Governor: Provide $6,623,100 GPR and 173.5 GPR positions and $170,700 PR and 9.5 PR positions in 1997-98 and $9,564,300 GPR and 183.5 GPR positions and $412,200 PR and 9.5 PR positions in 1998-99 to staff 300 additional beds at the Wisconsin Resource Center (WRC) that are currently under construction and scheduled to be opened by November, 1997. These additional staff would be phased in, beginning in July, 1997. As part of this item, the bill would provide: (a) $300,200 PR in 1997-98 and $423,600 PR in 1998-99 to support 15.0 PR positions, beginning in 1997-98, to perform support services shared by the Wisconsin Resource Center and the Winnebago Mental Health Institute; (b) -$129,900 PR in 1997-98 and -$11,400 PR in 1998-99 and the deletion of 5.5 PR positions, beginning in 1997-98, to reflect the conversion of current PR positions to GPR; and (c) $40,900 GPR in 1997-98 and $48,100 GPR in 1998-99 to support 1.0 forensic specialist position, beginning in 1997-98, to prepare court ordered pre-disposition reports and to coordinate contractual and case management services for sexually violent persons who are on supervised release.

Currently, there are 160 beds at the WRC that are used to treat persons who have been involuntarily committed under civil law as sexually violent persons and prison inmates that have been transferred for treatment of mental health problems from the state's correctional institutions. In addition, there are 140 beds at the Oshkosh Correctional Institution for the treatment of prison inmates with mental health problems. Because the Oshkosh units were intended to be temporary units, the inmates currently receiving treatment at those units would be transferred to the WRC when the new 300 beds are completed. In addition, nearly 100 positions that are on temporary assignment at the two buildings at Oshkosh will transfer back to the expanded WRC. When the new units at the WRC are completed and the inmates at Oshkosh are transferred to the new WRC units, there will be a total of 460 beds available at WRC for the treatment of these two groups.

Joint Finance: Delete $400,500 GPR in 1997-98 and provide $144,000 GPR in 1998-99 and provide 5.5 GPR positions, beginning in 1997-98, to: (a) reflect savings in staff costs (-$620,400 in 1997-98) and food and other supplies and services (-$208,700 in 1997-98 and -$34,600 in 1998-99) due to a delayed starting date of December, 1997, for the opening of the new WRC; and (b) support 5.5 positions, beginning in 1997-98 ($178,600 annually), and to support one-time costs for equipment and other capital for the new facility, that were inadvertently omitted from the Governor's recommendation ($250,000 in 1997-98).

Assembly/Legislature: Reduce funding by $104,500 GPR in 1997-98 to reflect a one-month delay in the start of the training class for 30 new staff positions at the Wisconsin Resource Center.

[Act 27 Section: 9123(14j)]

2. COMMUNITY RELEASE PROGRAMS [LFB Paper 456]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$5,075,100	- $5,074,200	$900

Governor: Provide $1,771,900 in 1997-98 and $3,303,200 in 1998-99 to reflect projected increases in the costs of operating the conditional release and supervised release programs in the 1997-99 biennium. Under the conditional release program, DHFS contracts for community-based services provided to persons who have been conditionally released from the state's mental health institutes. Currently, there are approximately 200 individuals on conditional release, with annual funding of $2,373,000. The supervised release program serves individuals who have been committed as sexually violent persons and who have been released by the court to community-based treatment under the supervision of DHFS. Funding for the supervised release program is $768,000 in 1996-97.

Joint Finance/Legislature: Delete $2,109,500 in 1997-98 and $2,964,700 in 1998-99 to reflect a reestimate of the costs of operating the conditional release and supervised release programs in 1997-99. These revised estimates reflect slower caseload growth that has occurred since the Fall of 1996.

3. MENDOTA JUVENILE TREATMENT CENTER FUNDING

	Chg. to Base
PR	$1,361,300

Governor/Legislature: Provide $625,100 in 1997-98 and $736,200 in 1998-99 to reflect increased funding DHFS would receive from the Department of Corrections (DOC) to care for juveniles placed at the Mendota Juvenile Treatment Center (MJTC) who have been transferred from the juvenile correctional institutions operated by DOC. In total, DOC would be required to transfer $3,125,100 in 1997-98 and $3,236,200 in funds budgeted for youth aids to DHFS for the care of these juveniles. As part of this proposal, convert current base funding of $2,500,000 and 79.60 positions from program revenue to program revenue-service funds to reflect that these funds are transferred from DOC to DHFS. Further, specify in statute that DOC is authorized to bill counties for the cost of services provided by DHFS for each juvenile served at the MJTC. Finally, modify statutory references to "secured correctional facilities" to exclude MJTC.

[Act 27 Sections: 514d, 515, 519, 1417, 3790, 3797, 3798 and 3835 thru 3837]

4. STATE CENTERS -- BUDGET REDUCTIONS TO REFLECT CIP IA PLACEMENTS MADE DURING THE 1995-97 BIENNIUM [LFB Paper 457]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $25,216,800	- 294.80	$6,034,600	109.18	- $19,182,200	- 185.62

Governor: Reduce base funding for the state centers for the developmentally disabled by $12,608,400 annually and delete 294.80 positions, beginning in 1997-98, to reflect the relocation of center residents into community settings under the community integration program (CIP IA) during the 1995-96 and 1996-97 fiscal years. The following annual adjustments would be made at each center: (a) Northern Center, -$5,602,300 and -125.29 positions; (b) Southern Center, -$3,484,900 and -84.82 positions; and (c) Central Center, -$3,521,200 and -84.69 positions. Reductions in funding and staff are due to the relocation of 98 residents from the Centers during 1995-96 and a projected 90 residents that will be relocated during the 1996-97 fiscal year.

Joint Finance/Legislature: Provide $3,017,300 annually and 109.18 positions, beginning in 1997-98, to reflect: (a) a projected 72 CIP IA placements from the centers during the 1996-97 fiscal year, rather than 90 as assumed under SB 77 ($1,419,200 and 48.18 positions annually); and (b)

additional staff at Northern Center to address the deficiencies found by a March 10, 1997, survey of Northern Center ($1,598,100 and 61.0 positions annually). Following is the net, annual adjustments at each center: (a) Northern Center, -$3,614,200 and -49.47 positions; (b) Southern Center, -$3,294,800 and -75.57 positions; and (c) Central Center, -$2,682,100 and -60.58 positions.

5. MENTAL HEALTH INSTITUTES -- REVISED FUNDING SPLIT [LFB Paper 458]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$4,696,000	27.38	- $263,700	- 12.16	$4,432,300	15.22
PR	- 4,696,000	- 27.38	263,700	12.16	- 4,432,300	- 15.22
Total	$0	0.00	$0	0.00	$0	0.00

Governor: Provide $2,203,300 GPR in 1997-98 and $2,492,700 GPR in 1998-99 and decrease PR funding by corresponding amounts in each year to reflect projected changes in the mix of populations at the mental health institutes (MHIs) between forensic patients, whose care is supported by GPR, and other patients, whose care is supported by program revenues contributed by counties and third-party payers. In addition, convert 17.19 PR positions in 1997-98 and 27.38 PR positions in 1998-99 to GPR to reflect these population projections.

Joint Finance/Legislature: Decrease funding by $129,900 GPR in 1997-98 and $133,800 GPR in 1998-99 and provide corresponding increases in PR funding. Decrease GPR position authority by 1.97 positions in 1997-98 and by 12.16 positions in 1998-99 and increase PR position authority by a corresponding number in each year. These changes in the funding split are due to: (a) a reestimate of Winnebago's population mix that results in a slightly lower percentage of GPR-supported patients (56% versus 57%); and (b) a correction of a error in the number of positions that must be converted from PR to GPR in 1998-99. The revised population projections for the institutes are:

	Mendota						Winnebago					
	Number			Percent			Number			Percent		
Type of Client	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Forensic	146	8	154	54%	3%	57%	133	2	135	55%	1%	56%
Adult	0	25	25	0	9	9	2	51	53	1	21	22
Children	0	50	50	0	18	18	0	40	40	0	17	17
Mendota Juvenile Treatment Center	43	0	43	16	0	16	0	0	0	0	0	0
Substance Abuse	0	0	0	0	0	0	0	14	14	0	6	6
Total Clients	189	83	272	69%	31%	100%	135	107	242	56%	44%	100%

6. STATE CENTERS -- COMMUNITY PROGRAMMING

	Chg. to Base Funding	Positions
PR	$1,169,500	- 4.00

Governor/Legislature: Provide $190,500 in 1997-98 and $979,000 in 1998-99 and delete 2.0 positions in 1997-98 and 4.0 positions in 1998-99 to expand community programming for residents of two of the state centers for the developmentally disabled. The funding would be used to contract for vocational and education learning experiences available in the community. Currently, 65 residents at Central Wisconsin Center (CWC) participate in community programming. Under the Governor's bill, an additional 25 residents of CWC would receive community programming in 1997-98. In 1998-99, an additional 25 residents would participate in community programming at CWC and another 25 residents at a second state center (either Northern or Southern) would receive community programming. This funding would enable each participating resident to receive six hours of programming for 235 days per year (five days a week, excluding holidays). Costs are estimated at $12 per hour per resident.

The bill would reduce staff and funding for vocational/educational services at the centers, resulting in a savings of approximately $60,000 in 1997-98 and $120,000 in 1998-99. (The funding recommended for this item reflects these anticipated cost savings.) Although total staffing is reduced, staffing ratios would improve for those residents who remain at the centers during the period that the other residents are in the community. This request is intended to meet concerns raised by a federal, 1993 Department of Justice Civil Rights of Institutionalized Persons Act review.

7. ELECTRONIC MEDICAL SERVICES PROJECT

	Chg. to Base
GPR	$80,600
PR	179,500
Total	$260,100

Governor/Legislature: Provide $122,700 ($38,000 GPR and $84,700 PR) in 1997-98 and $137,400 ($42,600 GPR and $94,800 PR) in 1998-99 to fund the system design of a computerized patient records system for the mental health institutes, the Wisconsin Resource Center and the state centers for the developmentally disabled.

In its 1997-99 budget request, DHFS estimated that the total cost of developing and implementing a computerized patient records system for these facilities would total approximately $3.4 million, which would be funded over a three-year period. Of this amount, $100,000 would be budgeted for system design, $300,000 for hardware database servers, $1.5 million for software and training and $1.5 million for imaging and document management systems. Further, DHFS estimated that the annual maintenance costs of the system would be $680,000, which would be incurred in subsequent years. Because several other agencies, including the Department of Corrections and the Department of Veteran Affairs, had similar requests for patient records systems, the Governor recommends funding to enable DHFS to begin to design the system in a manner that would utilize any commonalities between the medical record needs of the several agencies.

8. VARIABLE NONFOOD COSTS [LFB Paper 459]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$162,100	$0	$162,100
PR	1,457,700	- 356,700	1,101,000
Total	$1,619,800	- $356,700	$1,263,100

Governor: Provide $3,100 GPR and $431,500 PR in 1997-98 and $159,000 GPR and $1,026,200 PR in 1998-99 to fund projected increases in variable nonfood costs for residents at the state centers for the developmentally disabled, the mental health institutes and the Wisconsin Resource Center. Variable nonfood costs include medical services and supplies, drugs, clothing and other supplies. The major factors contributing to higher expenses are rapid inflation for drug costs and increased medical needs of residents.

Joint Finance/Legislature: Delete $142,800 PR in 1997-98 and $213,900 PR in 1998-99 for funding of variable nonfood costs at the state centers to reflect the most recent population levels and to delete increases for persons that were relocated from the state centers under the CIP IA program in the 1995-97 biennium. These changes in PR spending authority will result in reductions in medical assistance payments (-$54,700 GPR and -$84,100 FED in 1997-98 and -$88,500 GPR and -$125,400 FED in 1998-99). These amounts are shown under "Health and Family Services -- Medical Assistance."

9. WHEELCHAIRS

	Chg. to Base
PR	$395,600

Governor/Legislature: Provide $197,800 annually to allow Central Wisconsin Center (CWC) for the Developmentally Disabled to change the method for billing medical assistance (MA) for the cost of customized wheelchairs made at CWC. Under the Governor's recommendation, the costs CWC incurs in making customized wheelchairs would be included in CWC's daily rate. Currently, CWC bills MA for the costs of this equipment, which requires CWC to receive prior authorization from the Division of Health. This item would have no net effect on MA expenditures, since there would be a corresponding decrease in MA-supported durable medical equipment expenditures.

10. OUTPATIENT PROGRAM AT WINNEBAGO MENTAL HEALTH INSTITUTE

	Chg. to Base
PR	$80,000

Governor/Legislature: Provide $40,000 annually to enable the Winnebago Mental Health Institute (WMHI) to provide outpatient services to children who are enrolled in school districts that contract with DHFS for outpatient services. Require DHFS to charge

the full and actual cost of these outpatient services and regularly bill the school district for the services provided. Require school districts, subject to the provisions of these contracts, to pay the amount due within 60 days of the billing date. Direct DHFS to credit any moneys received under the contract to the DHFS program revenue appropriation used to support WMHI. Under current law, the Department is authorized to establish outpatient clinic services in any state mental health institute, but is only allowed to provide those outpatient services to a patient contracted for with a county department of community programs or county department of developmental disabilities services.

[Act 27 Sections: 570mm, 2111, 2112 and 2861]

11. PREVOCATIONAL PROGRAMS AT MENDOTA MENTAL HEALTH INSTITUTE

	Chg. to Base
GPR	$48,000
PR	21,600
Total	$69,600

Governor/Legislature: Provide $26,400 ($18,200 GPR and $8,200 PR) in 1997-98 and $43,200 ($29,800 GPR and $13,400 PR) in 1998-99 to expand the vocational training program for patients at the Mendota Mental Health Institute. This additional funding would be used to establish a computer training program and to expand the current woodworking program, as follows: (a) $14,000 in 1997-98 and $30,800 in 1998-99 for patient wages (federal guidelines require that patients be paid the minimum wage for any work that benefits the institution); (b) $8,400 annually for the purchase of four laptop computers, two printers and appropriate software; and (c) $4,000 annually for the purchase of supplies, including paint, wood, tools, and additional software that provides instruction for applying for jobs, interviewing and related job-hunting skills.

12. PROGRAM OF ASSERTIVE COMMUNITY TREATMENT

	Chg. to Base	
	Funding	Positions
GPR	- $559,800	- 5.00
PR	559,800	5.00
Total	$0	0.00

Governor/Legislature: Reduce funding for the Mendota Mental Health Institute (MMHI) by $279,900 GPR and delete 5.0 GPR positions annually and increase PR funding and position authority by a corresponding amount to properly allocate the costs of the program of assertive community treatment (PACT) between the state and Dane County.

PACT is a community mental health program administered by MMHI that develops and evaluates different treatments for people with mental illness who have not benefitted from other programs. The program is located in Dane County and most of the of the program costs ($661,000 of the annual budget of approximately $1 million) are supported by Dane County. Under the Governor's proposal, 5.0 GPR positions would be converted to PR funding, supported by funding contributed by Dane County. Because these positions are currently supported by GPR, DHFS is able to credit funds it receives from Dane County to reduce MMHI's deficit in its program revenue

appropriation. The reduction of GPR funding would eliminate this mechanism for reducing the deficit at MMHI.

13. STATE MENTAL HEALTH INSTITUTES DEFICIT [LFB Paper 460]

	Chg. to Base
GPR-REV	$1,664,700

Governor: Modify the Department's current statutory responsibility to eliminate operating deficits at the two MHIs by: (a) repealing the requirement that all accumulated deficits at the state MHIs be eliminated by 1999; and (b) repealing the requirement that the Department increase rates at the MHIs by at least 10% each year until the revenues of the MHIs are in balance with expenses. Instead, DHFS would be required to implement a plan that is approved by the Department of Administration that assures that projected revenues meet or exceed projected expenditures in each year and DHFS would be required to submit quarterly reports to the Department of Administration concerning the implementation of this plan. In addition, authorize DHFS to have an accumulated deficit in the program revenue appropriation used to support the MHIs up to the total value of equipment and buildings, in addition to accrued accounts receivable outstanding, inventories, and work in process, as provided under current law.

Based on a March, 1996, report prepared by the Legislative Audit Bureau, the annual deficit at the MHIs totaled $1.4 million in 1994-95, resulting in an unsupported negative cash balance of $8.1 million due to previous annual losses. DHFS projects that the unsupported negative cash balance would total $10.6 million at the end of the 1996-97 fiscal year.

Joint Finance/Legislature: Modify the Governor's recommendations as follows:

MA Rate Increase. Provide $848,000 GPR and $1,214,200 FED in 1997-98 and $879,000 GPR and $1,245,000 FED in 1998-99 to increase MA rates paid to the MHIs. (These costs are reflected under "Medical Assistance.") The additional MA expenditures would increase state GPR revenues through two mechanisms. First, part of the increase in MA payments to the MHIs ($733,200 annually) would be received as GPR-earned to reflect the part of MA claims related to reimbursement of GPR-supported administrative overhead and depreciation costs. Second, the higher MA revenues would reduce the accumulated deficit, resulting in additional estimated general fund interest earnings of $48,400 in 1997-98 and $149,900 in 1998-99.

Permitted Deficit. Delete the provision in the bill that would permit the MHIs to have an accumulated deficit up to the value of outstanding account receivables, inventories and the value of equipment and buildings.

Required Deficit Reduction. Require the MHIs to reduce the accumulated deficit by at least $500,000 per year.

Report to Joint Finance. Require DHFS to submit an annual report to the Joint Committee on Finance by December 31 of each year that: (a) identifies the actual or estimated change in the amount of the unsupported cash deficit during the previous state fiscal year; (b) provides information on actions taken by DHFS to reduce the deficit during the previous state fiscal year; and (c) identifies actions DHFS will take in the current fiscal year to reduce the cumulative unsupported cash deficit at the MHIs.

[Act 27 Sections: 2106b and 2107]

14. MANAGEMENT SERVICES DIRECTOR [LFB Paper 461]

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $31,400	- 0.21
PR	31,400	0.21
Total	$0	0.00

Joint Finance/Legislature: Delete $15,500 GPR in 1997-98 and $15,900 GPR in 1998-99 and increase PR funding by corresponding amounts to fund half of the costs of the management services director position at the Mendota Mental Health Institute from Central Wisconsin Center's budget. Convert 0.21 GPR position to 0.21 PR position, beginning in 1997-98, to reflect this funding change. This funding change results from: (a) an increase in Central Wisconsin Center's funding of $37,800 PR in 1997-98 and $38,500 PR in 1998-99; and (b) a decrease in Mendota Mental Health Institute's funding of $15,500 GPR and $22,300 PR in 1997-98 and $15,900 GPR and $22,600 PR in 1998-99. Since Central Wisconsin Center's PR expenditures are supported by medical assistance, the increase in PR spending authority for Central Center would increase MA spending by $15,500 GPR and $22,300 FED in 1997-98 and $15,900 GPR and $22,600 FED in 1998-99. (The fiscal effect of this change is shown under "Medical Assistance.")

15. CONSOLIDATION OF STATE CENTERS

Joint Finance: Create a five-member Committee to develop and recommend a plan by January 1, 1998, for the consolidation of the three state centers for the developmentally disabled.

Specify that the Committee would include an appointee of the Governor and the following four legislative members or their designees: (a) the Speaker of the Assembly; (b) the Assembly Minority Leader; (c) the Senate Majority Leader; and (d) the Senate Minority Leader. A Committee member could not be a legislator that represents a district in which a center is located.

Specify that, in developing a plan for the consolidation of the three state centers, the Committee would be required to consider all of the following factors: (a) the availability of community-based support services for residents in place of institutional care; (b) the effect that consolidation of the centers would have on employment; (c) the fiscal effect that consolidation of the centers would have on the state; (d) the ability of relatives of center residents to maintain contact with those residents if

the residents are relocated as a result of the consolidation; and (f) possible alternative uses of any state center that is closed as a result of the consolidation. Specify that the Committee terminates immediately following the submission of the plan.

Authorize the Committee to call upon any state agency or officer for the facilities and data of that agency or officer, and require those agencies and officers to cooperate with the Committee to the fullest extent possible.

Require DHFS to consolidate the three centers in accordance with the recommendation of the Committee unless the Legislature, by joint resolution, rejects the recommendation of the Committee within 60 days after the date on which the report is submitted.

Specify that if the Committee recommends a plan for the consolidation of the centers that involves relocating residents of the centers, and if the Legislature does not reject such a plan, DHFS would be required to request the Joint Committee on Finance to transfer funds to the MA benefits appropriation to support the costs of relocating these residents. If the Joint Committee on Finance determines that funds are available to fund that cost, the Joint Committee on Finance would be required to transfer up to $600,000 GPR in 1998-99 to the MA benefits appropriation, and increase funding for the Centers by up to $1,450,000 PR in 1998-99.

In implementing any consolidation plan, authorize DHFS to: (a) refuse new admissions at any center that is recommended for closing; (b) transfer residents among centers without following statutory procedures that would otherwise apply; and (c) relocate the intensive treatment programs from their current locations at Southern and Northern Centers to another center.

Senate/Legislature: Delete all provisions relating to the creation of a five-member, bipartisan Committee to develop and recommend a plan for the consolidation of the three state centers for the developmentally disabled. Instead, direct DHFS to conduct a study on the future of the state centers, and specify that the study be completed by September 1, 1998.

[Act 27 Section: 9132(1xyg)]

16. COUNTY LIABILITY FOR COSTS FOR PROTECTIVE PLACEMENTS

Joint Finance/Legislature: Extend the provisions of 1995 Wisconsin Act 92 to persons who were first committed to an institution prior to the effective date of Act 92, but who seek a change in services from the county after the effective date of the bill.

Act 92 limits counties' liability for the costs of protective placements and services provided under Chapter 55 of the statutes to available state and federal funds and county funds used to match state funds, and requires courts, even if funding is available, to consider additional factors in

determining the placement of the protectively placed person. The provisions of Act 92 first applied to a cause of action that arose on the Act's effective date (December 15, 1995). A circuit court has interpreted this provision to mean that the limited liability extended to counties under Act 92 does not apply to persons committed prior to the effective date of the Act 92, who subsequently, as a result of a Watts review, seek protective placement services in a different setting.

[Act 27 Section: 5503m]

17. INSTITUTIONAL FACILITIES FOR SEXUALLY VIOLENT PERSONS

Joint Finance/Legislature: Delete statutory language that allows courts to place sexually violent persons for institutional care in facilities other than the Wisconsin Resource Center or a secure mental health unit or facility. This change only relates to types of facilities that can be used for a commitment for institutional care and would not affect the court's ability to place a sexually violent person in supervised release in the community.

[Act 27 Sections: 568m, 5491c, 5491g, 5491L, 5491p, 5491t and 5491x]

18. PLACEMENT OF SEXUALLY VIOLENT PERSONS UNDER SUPERVISED RELEASE

Assembly/Legislature: Modify current provisions concerning court placements of sexually violent persons (SVPs) under supervised release to prohibit a court, in cases where DHFS is unable to place the SVP in his or her county of residence or other county, from placing the SVP in the county in which the facility that housed the SVP is located, unless that county is also the county of residence for the SVP. Currently, courts are prohibited, in these circumstances, from placing an SVP in the same county in which the facility to which the person was committed as an SVP is located. Since SVPs are not currently committed to specific facilities, the current provision may not prohibit placement of a person to the county in which is located the facility that housed the sexually violent person.

Veto by Governor [C-9]: Delete provision.

[Act 27 Vetoed Sections: 5491d and 5491y]

Children and Family Services and Supportive Living

1. COMMUNITY AIDS FUNDING [LFB Papers 466, 475, 476 and 478]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	- $64,425,600	$1,240,900	$0	- $63,184,700
FED	- 15,486,900	- 2,074,200	0	- 17,561,100
PR	63,600,000	1,550,000	- 1,300,000	63,850,000
Total	- $16,312,500	$716,700	- $1,300,000	- $16,895,800

Governor: Reduce funding for community aids by $7,701,600 (all funds) in 1997-98 and $8,610,900 (all funds) in 1998-99 to reflect: (a) an increase of $31,800,000 PR annually from moneys the state receives under the temporary assistance for needy families (TANF) block grant that federal law permits states to use for the same purposes as the social services block grant, and a corresponding reduction of GPR base funding for community aids; (b) a reduction of $412,800 GPR annually to transfer tribal child care funding from DHFS to the Department of Workforce Development; (c) projected reductions in the availability of funding under the federal social services block grant (-$6,381,700 FED in 1997-98 and -$6,951,200 FED in 1998-99), the substance abuse prevention and treatment block grant (-$791,300 FED in 1997-98 and -$1,061,100 FED in 1998-99) and Title IV-B child welfare funds (-$115,800 FED in 1997-98 and -$185,800 FED in 1998-99).

Joint Finance: Provide $500,600 ($320,500 GPR, -$719,900 FED and $900,000 PR) in 1997-98 and $216,100 ($920,400 GPR, -$1,354,300 FED and $650,000 PR) in 1998-99 to reflect the following modifications to community aids funding.

Tribal Child Care. Delete the Governor's recommendation to transfer $412,800 GPR annually for tribal child care, which is currently part of the tribal consolidated family services program under community aids, to the Department of Workforce Development for W-2 child care.

Foster Care Rate Increase. Provide $229,300 ($157,700 GPR and $71,600 FED) in 1997-98 and $736,300 ($507,600 GPR and $228,700 FED) in 1998-99 to fund a 2.5% increase in the uniform foster care rates effective January 1, 1998 and January 1, 1999.

SAPT Block Grant Funding. Reduce community aids funding by $791,500 FED in 1997-98 and $1,583,000 FED in 1998-99 to reflect the transfer of these funds from Milwaukee County's SAPT block grant allocation to a separate appropriation in the Division of Supportive Living to provide substance abuse services to adults with children in the Milwaukee child welfare system, beginning January 1, 1998.

OWI Surcharge. Provide $650,000 PR annually from revenues received from the surcharge paid by individuals convicted of operating a vehicle while intoxicated (OWI surcharge). The bill reduces funding to supplement counties' intoxicated driver programs by a corresponding amount.

Drug Abuse Program Improvement Surcharge. Provide $250,000 PR in 1997-98 and reduce GPR funding by a corresponding amount to reflect the expenditure of a balance in the appropriation for the drug abuse program improvement surcharge.

Assembly: Delete Joint Finance provision that would have transferred $650,000 PR annually from revenues received from the OWI surcharge.

Senate/Legislature: Reduce funding for community aids by $650,000 PR annually to reflect modifications made by the Assembly.

The following table summarizes all of the community aids funding changes in Act 27.

Act 27
1997-99 Community Aids Funding

	1997-98				1998-99			
	GPR	FED	PR	Total	GPR	FED	PR	Total
Base Funding	**$206,685,600**	**$105,091,800**	**$0**	**$311,777,400**	**$206,685,600**	**$105,091,800**	**$0**	**$311,777,400**
Act 27 Modifications								
Transfer of TANF Funds from DWD	-$31,800,000	$0	$31,800,000	$0	-$31,800,000	$0	$31,800,000	$0
Federal Funding Reductions								
Substance abuse block grant	0	-791,300	0	-791,300	0	-1,061,100	0	-1,061,100
Social services block grant	0	-6,381,700	0	-6,381,700	0	-6,951,200	0	-6,951,200
Title IV-B - child welfare	0	-115,800	0	-115,800	0	-185,800	0	-185,800
Foster Care Rate Increase	157,700	71,600	0	229,300	507,600	228,700	0	736,300
SAPT Block Grant - Milw. Child Welfare	0	-791,500	0	-791,500	0	-1,583,000	0	-1,583,000
DAPIS Reserve	-250,000	0	250,000	0	0	0	0	0
Total Modifications	**- $31,892,300**	**- $8,008,700**	**$32,050,000**	**- $7,851,000**	**- $31,292,400**	**- $9,552,400**	**- $31,800,000**	**- $9,044,800**
Total Community Aids Funding	**$174,793,300**	**$97,083,100**	**$32,050,000**	**$303,926,400**	**$175,393,200**	**$95,539,400**	**$31,800,000**	**$302,732,600**

2. COMMUNITY AIDS STATUTORY CHANGES

Governor: The Governor's budget bill makes the following statutory changes:

Basic County Allocation. Distribute $284,851,700 in 1997-98 and $284,212,200 in 1998-99 to counties as the community aids basic county allocation (BCA) for social services, mental health and alcohol and drug abuse services and services for the developmentally disabled. Authorize DHFS to distribute, within the amounts identified as the BCA, $3,804,000 in 1997-98 and $3,734,000 in 1998-99 of Title IV-B (child welfare) funds for child welfare services. Delete references to statutory allocations for the 1995-97 biennium.

Categorical Allocations. Distribute up to $10,493,900 in 1997-98 and $10,224,100 in 1998-99 from the federal substance abuse prevention and treatment (SAPT) block grant and $2,513,400 annually from the community mental health block grant as categorical allocations under community aids. Delete references to statutory allocations for the 1995-97 biennium. Funding received under these allocations must be spent on eligible services as required by federal law.

Foster Care and AFDC Payments for Dependent Children. Authorize DHFS and county departments of human services or social services to provide foster care payments on behalf of a dependent child, regardless of the cause or prospective period of dependency, to: (a) a nonrelative who cares for the dependent child in a licensed foster home or treatment foster home, or a foster home or treatment foster home located within the boundaries of a federally recognized tribal reservation in the state and licensed by the tribal governing body of the reservation, or a licensed group home; or (b) a nonrelative who cares for a minor custodial parent caring for a dependent child. Additionally, authorize counties to make AFDC payments to a minor custodial parent who cares for a dependent child.

Under current law, county departments are authorized to provide grant aid on behalf of dependent children residing in licensed foster homes or treatment foster homes, or a foster home or treatment foster home located within the boundaries of a federally recognized tribal reservation in the state and licensed by the tribal governing body of the reservation or in a licensed group home, regardless of the cause or prospective period of dependency.

Child Welfare Funding of State Operations. Authorize DHFS to expend up to $273,700 annually of federal Title IV-B (child welfare) funds for expenses in connection with administering Title IV-B funds and for child abuse and neglect independent investigations. Delete the Department's authority to use these funds for child welfare projects and services provided or purchased by DHFS and for providing child-at-risk field training to counties.

Appropriation Structure. Create a GPR appropriation for foster care payments to nonlegally responsible relatives licensed as foster homes or treatment foster homes and payments made on behalf of minor custodial parents caring for a dependent child. Further, transfer funding from the SAPT

block grant earmarked for community aids prevention activities from the appropriation for the Division of Supportive Living to the Division of Children and Family Services to consolidate funding for prevention activities. Additionally, create PR appropriations for: (a) kinship care funding transferred from the Department of Workforce Development (DWD); and (b) community aids funding transferred from DWD. All unencumbered funds remaining in these PR appropriations as of June 30, would be transferred back to DWD. Finally, provide that community aids allocations include funding available under the new appropriations for federal foster care reimbursement under federal Title IV-E (foster care and adoption assistance) and TANF funds transferred from DWD.

Joint Finance: Make the following statutory modifications:

Basic County Allocation. Modify the basic county allocation to counties to specify that DHFS distribute $285,731,000 in 1997-98 and $285,598,500 in 1998-99 to counties to reflect modifications to funding provided for community aids.

SAPT Block Grant Allocation. Modify statutory allocations for community aids distributions from the federal substance abuse prevention and treatment (SAPT) block grant to specify that DHFS distribute to counties $9,702,400 FED in 1997-98 and $8,641,100 FED in 1998-99. This modification reflects the reduction in Milwaukee County's SAPT block grant allocation by $791,500 in 1997-98 and $1,583,000 in 1998-98.

Tribal Child Care. Create a categorical allocation under community aids for tribal child care. Require DHFS to distribute $412,800 GPR annually to tribes for low-income child care or crisis and respite child care in accordance with the requirements of the federal child care and development block grant.

Appropriation Structure. Create a federal appropriation in DCFS for prevention activities funded from the SAPT block grant categorical allocation under community aids and transfer $2,710,100 FED annually from a local assistance appropriation in DCFS to the new appropriation.

In addition, modify community aids PR appropriation title to reflect the transfer of OWI surcharge revenues.

Assembly: Make the following statutory modifications:

Foster Care and AFDC Payments for Dependent Children. Delete the provision that would authorize DHFS and county departments of human services or social services to provide AFDC payments for a minor custodial parent caring for a dependent child.

Appropriation Structure. Delete the modification to the community aids PR appropriation title made by the JFC to reflect the transfer of revenues received from the OWI surcharge.

Senate/Legislature. Make the following statutory modifications:

Basic County Allocation. Modify the basic county allocation to counties to specify that DHFS distribute $285,081,000 in 1997-98 and $284,948,500 in 1998-99 to reflect Assembly modifications to funding for community aids.

[Act 27 Sections: 584, 590m, 606, 632, 1411, 1450, 1479 thru 1484g, 1505, 1506, 1527, 1536, 1605, 1735, 1736, 1860, 2131 and 2132]

3. COMMUNITY OPTIONS PROGRAM [LFB Paper 467]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	$4,210,700	$1,945,600	$3,040,000	$9,196,300
FED	47,400	0	84,800	132,200
Total	$4,258,100	$1,945,600	$3,924,800	$9,328,500

Governor: Provide $1,067,600 GPR and $15,800 FED in 1997-98 and $3,143,100 GPR and $31,600 FED in 1998-99 to: (a) increase the number of placements made under the community options program (COP); and (b) increase funding for quality assurance activities for the COP medical assistance waiver (COP-W) program.

Additional Slots. Provide $1,015,600 GPR in 1997-98 and $3,075,300 GPR in 1998-99 to fund: (a) 120 additional placements that would be supported entirely with GPR (regular COP slots, or COP-R) and 280 placements that would be made under the COP medical assistance waiver (COP-W) program, beginning January 1, 1998; and (b) an additional 120 COP and 280 COP-W slots, beginning January, 1, 1999. Thus, in total, 800 additional slots would be provided by the end of the 1997-99 biennium. Based on 1995 actual costs of COP-W placements, the funding provided in SB 77 would support 346 slots in 1997-98 and 346 slots in 1998-99, or a total of 692 additional slots by the end of the 1997-99 biennium. The additional COP-W slots and base adjustments will decrease federal medical assistance funding by $117,800 in 1997-98, and increase it by $1,174,400 in 1998-99, which is reflected under "Health and Family Services -- Medical Assistance".

Currently, there are 16,426 budgeted COP placements (9,760 COP-R and 6,666 COP-W placements), although counties are not required to fund a specified number of placements. Historically, the number of budgeted placements has exceeded the average number of persons actually served under the program because actual county expenditures per placement have exceeded budgeted average costs. Based on 1995 average costs, current funding would support 11,855 placements.

There are two major differences between COP-R and COP-W placements. First, COP-W expenditures are eligible for 59% federal funding under the medical assistance program, while COP-R

expenditures are 100% funded by state-GPR dollars. The advantage of COP-R placements, however, is that counties have much broader flexibility with the use of those funds, and can use COP-R dollars to fund services and groups not eligible under COP-W or other MA programs.

Quality Assurance. Provide $52,000 GPR and $15,800 FED in 1997-98 and $67,800 GPR and $31,600 FED in 1998-99 to contract for quality assurance services for the COP-W program. The increase in funding would meet the additional quality assurance activities resulting from the recommended increase in COP-W slots in the bill, as well as additional COP-W slots provided by 1995 Wisconsin Act 464 and the 1994-95 COP transfer from the MA appropriation. Under federal law, the state must maintain a quality assurance program for the COP-W program.

Joint Finance: Provide $1,945,600 GPR in 1998-99 to fund 800 additional COP-W placements, beginning in January, 1999. The funding provided per placement for these additional 800 placements is based on 1995 actual costs. The additional state-GPR funding will result in additional federal funding of $2,890,400, which is reflected under "Health and Family Services -- Medical Assistance."

Assembly/Legislature: Provide $830,600 GPR and $9,900 FED in 1997-98 and $2,209,400 GPR and $74,900 FED in 1998-99 to increase the number of COP slots by 250, beginning January 1, 1998, and by an additional 250, beginning January 1, 1999. The funding amount assumes that 70% of the new slots would be COP-waiver slots (eligible for 59% federal funding) while the remaining 30% would be 100% state-funded COP slots. In addition, specify that $9,900 GPR and $9,900 FED in 1997-98 and $74,900 GPR and $74,900 FED in 1998-99 of this funding would be allocated for the required contract costs for quality assurance services for the new COP-W slots. The additional state-GPR funding will result in additional federal funding of $470,400 in 1997-98 and $1,338,600 in 1998-99, which is reflected under "Health and Family Services -- Medical Assistance."

In total, Act 27 would increase funding for the COP program by $1,898,200 GPR and $378,300 FED in 1997-98 and $7,298,100 GPR and $5,509,900 FED in 1998-99 to support an estimated 1,992 additional COP slots in the 1997-99 biennium. These slots would be allocated as follows: (a) 179 COP-R slots and 417 COP-W slots, beginning January, 1998; and (b) 179 COP-R slots and 1,217 COP-W slots, beginning in January, 1999.

4. INDIVIDUAL LIMIT ON COP FUNDING

Governor/Legislature: Repeal the statutory provision that limits total COP payments to a COP recipient to the average monthly cost of nursing home care, as determined by DHFS. These limits have not been in effect since March, 1996, when a Dane County Circuit Court suspended the Department's implementation of this provision pending promulgation of DHFS rules.

The limit on COP-funded services, which was created in 1995 Wisconsin Act 27, is commonly referred to as the "COP cap." The limit on COP-funded services does not apply to any recipient: (a) who is under the age of 22; (b) who is ventilator-dependent; (c) for whom nursing home costs would exceed the cost of providing the care in the community; (d) for whom nursing home care is not available; and (e) who cannot obtain public funding for nursing home care.

[Act 27 Section: 1459]

5. LONG-TERM CARE SINGLE-ENTRY POINT PILOT PROGRAM [LFB Paper 468]

Governor: Authorize DHFS to establish, in geographic areas determined by DHFS, a pilot project under which the Department could contract with a private or public entity to: (a) serve as a clearinghouse of information for individuals who are interested in home or community-based long-term support services or institutional long-term care services; (b) perform assessments, similar to those required under the community options program (COP), using the assessment method established by DHFS, to determine an individual's functional abilities, disabilities, personal preferences and need for community-based or institutional long-term services; and (c) collect information specified by DHFS on the individuals served by the entity and provide that information to DHFS.

Specify that in areas where a pilot project is established, the county COP agency would not be required to perform a COP assessment. In these areas, require the COP county planning committee, in its required COP plan, to describe how the activities of the pilot project relate to, and are coordinated with, the county's proposed COP program.

Specify that the general COP appropriation would be used to fund contract payments, and allow COP funds in 1997-98 that are not expended, encumbered or carried forward under current limits, to be carried forward to 1998-99 by the Department for contract payments under the pilot project. In addition, specify that reimbursements to these entities can be made, where eligible, as an administrative cost under the medical assistance (MA) program.

Require, in areas where a pilot program is established, that an individual who resides in the area receive an assessment from the entity contracted with by the Department before that individual can enter a nursing home or community-based residential facility (CBRF) or participate in the COP program. Further, in areas where a pilot program is established, prohibit CBRFs from admitting an individual until the individual is assessed or is exempt from or waives assessment under the current exemption/waiver standards for a COP assessment. (This requirement currently applies to nursing homes with respect to the COP assessment.) The exemption/waiver standards are:

(a) Emergency admissions to a nursing home for long-term care as determined by a physician, except that an assessment must be conducted within 10 days of the admission;

(b) Private pay patients who waive the assessment, unless they would be eligible for MA within six months of being assessed;

(c) Any person who is readmitted to a nursing home from a hospital within six months of being assessed;

(d) Current residents of a nursing home who are eligible for, but choose not to receive an assessment;

(e) Any person who enters a nursing home for recuperative care (defined as a stay of 90 days or less);

(f) Any person who enters a nursing home for respite care (defined as care provided in a nursing home for a period of 28 days or less for the purpose of temporarily relieving the caregiver from daily caregiving duties);

(g) Any person who seeks admission to, or is about to be admitted to the Wisconsin Veterans Home at King who requests that the assessment be waived; and

(h) A person who is admitted to a nursing home from another nursing home, unless the person requests an assessment and funds are available to conduct the assessment.

Finally, authorize DHFS to require, for residents of the pilot program area, that the results of a client's assessment be submitted at the time that a provider submits a request for prior authorization for MA services.

Joint Finance/Legislature: Adopt the following two technical changes to the recommended pilot program: (a) specify that only COP carryover funds could be used for the pilot program; and (b) modify the COP exemption/waiver provisions to include references to CBRFs.

[Act 27 Sections: 599, 1455 thru 1458, 1461, 1465 thru 1468, 1910, 2048, 2052 and 9123(2)]

6. SSI ADMINISTRATION AND BENEFITS [LFB Paper 973]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $9,823,400	$336,400	- $9,487,000
PR	3,685,800	- 1,656,300	2,029,500
Total	- $6,137,600	- $1,319,900	- $7,457,500

Governor: Reduce funding by $3,319,800 (all funds) in 1997-98 and $2,817,800 (all funds) in 1998-99 to reflect: (a) reduced funding for state supplemental SSI benefits (-$4,974,100 GPR annually); (b) payments to SSI recipients with dependent children ($1,576,500 PR in 1997-98 and $2,109,300 PR in 1998-99); and (c) enhancements to the state SSI payment system ($77,800 GPR in 1997-98 and $47,000 GPR in 1998-99).

SSI Maintenance of Effort Requirement. Reduce funding for SSI benefits by $4,974,100 annually, so that a total of $128,113,400 GPR would be budgeted for state SSI supplement payments and supplemental payments for children of SSI recipients (commonly referred to as the "caretaker supplement"). Authorize DHFS to make both types of payments from the appropriation currently used to fund state SSI supplement payments. The total reduction represents a combination of the following two items.

1. The Governor's budget would reduce funding by $11,636,700 GPR in 1997-98 and $12,751,700 GPR in 1998-99 to reflect projected decreases in caseload resulting from recent federal legislation (P.L. 104-121 and P.L. 104-93) that: (a) eliminated drug addiction and alcoholism as a basis for a disability, effective January 1, 1997; and (b) limited eligibility for SSI and other federal benefits for certain legal aliens and changed the standards used for determining disability in children.

2. The Governor's budget would increase funding by $6,662,500 GPR in 1997-98 and $7,777,500 GPR in 1998-99 to reflect that a portion of the caretaker supplement would be paid with GPR funds.

The total funding for SSI supplement payments ($128,113,400 GPR) is intended to enable the state to comply with the federal maintenance of effort requirement, under which states that supplement the federal SSI benefit are required to provide total benefits greater than or equal to the level of benefits paid in the previous year.

Caretaker Supplement. Provide $1,576,500 PR in 1997-98 and $2,109,300 PR in 1998-99 from federal temporary assistance to needy families (TANF) block grant funds transferred from DWD to DHFS to make monthly caretaker supplement payments of $77 per child to certain custodial parents who are SSI recipients. In total, DHFS would be budgeted $8,239,000 (all funds) in 1997-98 and $9,886,800 (all funds) in 1998-99 to make these payments. Specify that a custodial parent would be eligible for such a payment if: (a) the custodial parent is a recipient of federal or state SSI benefits,

or, in cases where there are two custodial parents, both custodial parents are receiving federal or state SSI benefits; (b) the child meets eligibility criteria for AFDC or would meet AFDC eligibility requirements if AFDC was eliminated; and (c) the child does not receive federal or state SSI benefits. In addition, a custodial parent would be required to meet one of two conditions: (a) the custodial parent is ineligible for AFDC benefits solely due to the receipt of SSI benefits; or (b) the custodial parent is ineligible to participate in the Wisconsin Works employment program.

Provide that individuals receiving SSI and dependent children of SSI recipients are not eligible for Wisconsin Works employment positions or job access loans under the Wisconsin Works program. Further, provide that no AFDC payments may be made for a child on whose behalf a caretaker supplement payment is made, but that these children are eligible for medical assistance benefits.

The proposed benefit would be available beginning on the first day of the third month after the effective date of the bill, or the first day of the first month beginning after the first regularly scheduled reinvestigation under AFDC conducted after the effective date of the bill, whichever is later.

Enrolled 1995 Assembly Bill 591 (enacted as 1995 Act 289, which established the W-2 program), contained a provision to establish the caretaker supplement for certain SSI recipients with dependent children. The Governor vetoed this provision and, in his veto message, directed DHFS to pursue separate legislation to replace AFDC benefits for children of SSI recipients.

State Administration. Provide $77,800 GPR in 1997-98 and $47,000 GPR in 1998-99 to partially fund the costs of enhancing and maintaining the state SSI payment system, including: (a) one-time programming costs to expand capacity of the data base from 18 to 36 months; (b) system enhancements to accommodate the year 2000 in all data fields; (c) additional file storage costs; (d) increased check stock printing and processing charges; and (e) projected increases in staff salaries and office management costs. The bill would provide a total of $1,245,600 GPR in 1997-98 and $1,214,800 GPR in 1998-99 for administration of the SSI program.

Joint Finance: In addition, provide $168,200 GPR annually in order for the state to comply with the SSI maintenance of effort requirement. Reduce funding by $5,800 PR in 1997-98 and $1,650,500 PR in 1998-99 to reflect reestimates of the TANF funding required to fund the caretaker supplement benefit.

Also, provide $14.0 million in 1997-98 in a new, federal appropriation for the Joint Committee on Finance in the event that the federal government does not consider the GPR share of the caretaker supplement an SSI payment and, therefore, does not apply payment of those benefits towards the state's maintenance-of-effort requirement under federal law. DHFS and DWD would be required to submit a joint request to the Committee for release of these funds. If the federal government considers the GPR share of the caretaker supplement an SSI payment and applies those payments

towards the state's maintenance-of-effort requirement, the Committee could release the TANF funds to DWD to fund learning labs and customized labor training programs under W-2.

Assembly: Delete the provision that would authorize Joint Finance to release $14.0 million in TANF funds to DWD to fund learning labs and customized labor training programs under W-2.

Instead, specify that if the federal government considers the GPR share of the caretaker supplement an SSI payment and applies those payments towards the state's maintenance-of-effort requirement, JFC could release up to $14.0 million to DHFS to fund the caretaker supplement so that a corresponding amount of GPR would be reallocated to fund the restoration of SSI benefits to legal immigrants. The estimated cost of restoring SSI benefits for legal immigrants totals $3.8 million in 1997-98 and $5.1 million in 1998-99.

Effective Date. Specify that the caretaker supplement is effective with the bill's general effective date, (rather than the first day of the third month after the effective date of the bill), or the first day of the first month beginning after the first regularly scheduled reinvestigation under AFDC conducted after the effective date of the bill, whichever is later.

Child Support. Require SSI beneficiaries that receive the caretaker supplement to assign any right of support for the custodial parent or the dependent child to the state. Provide that any money received by DWD under an assignment to the state must be paid to the custodial parent.

Senate/Legislature: Specify that if the federal government considers the GPR share of the caretaker supplement an SSI payment, the benefit would increase to $100 per child per month. Assuming this increase is effective beginning January, 1998, the cost to increase the payment to $100 per month is estimated to be $1.5 million in 1997-98 and $3.0 million in 1998-99.

Veto by Governor [C-26]: Delete the provision that would make the caretaker supplement benefit effective beginning on the latter of the effective date of Act 27 or the first day of the first month beginning after the first regularly scheduled AFDC reinvestigation conducted after the effective date of Act 27. Consequently, DHFS would be required to begin making the caretaker supplement with the effective date of Act 27.

[Act 27 Sections: 603, 639b, 725r, 1802, 1862, 1951, 1984, 4963, 9132(2z) and 9323(5)]

[Act 27 Vetoed Section: 9123(3)]

7. MILWAUKEE CHILD WELFARE SERVICES -- FUNDING [LFB Papers 478, 479, 480, 481, 482 and 483]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$29,990,000	89.43	- $5,102,000	0.00	$3,021,400	0.00	$27,909,400	89.43
FED	34,620,200	37.20	- 25,385,500	0.00	358,700	0.00	9,593,400	37.20
PR	88,510,800	1.12	20,744,500	0.00	0	0.00	109,255,300	1.12
Total	$153,121,000	127.75	- $9,743,000	0.00	$3,380,100	0.00	$146,758,100	127.75

Governor: Provide $56,289,100 ($9,533,600 GPR, $13,961,600 FED and $32,793,900 PR) in 1997-98 and $96,831,900 ($20,456,400 GPR, $20,658,600 FED and $55,716,900 PR) in 1998-99 and 127.75 positions (89.43 GPR positions, 37.20 FED positions and 1.12 PR positions), beginning in 1997-98, to support costs associated with the state's assumption of the responsibility for providing child welfare services in Milwaukee County, beginning January 1, 1998.

1995 Wisconsin Act 303 provided DHFS with initial funding and 40.0 positions to plan for the transfer of responsibility for child welfare services in Milwaukee County to DHFS. Act 303 also established the Milwaukee Child Welfare Partnership Council to formulate suggested policies and plan for the improvement of the child welfare system in Milwaukee County and make recommendations to DHFS and the Legislature. In addition, Act 303 required that community advisory committees be established for five service delivery sites within Milwaukee County. Positions and funding provided in Act 303 would be incorporated into the plan for the transfer, effective January 1, 1998.

Joint Finance: Modify the total funding provided for Milwaukee child welfare services by -$4,402,400 (-$3,062,400 GPR, -$8,254,800 FED and $6,914,800 PR) in 1997-98 and -$5,340,600 (-$2,039,600 GPR, -$17,130,700 FED and $13,829,700 PR) in 1998-99 to reflect the following modifications:

Reestimate of Funding Recommended by the Governor. Reduce funding by $8,941,600 ($6,260,700 GPR and $2,680,900 FED) in 1997-98 and $17,242,600 ($10,666,200 GPR and $6,576,400 FED) in 1998-99 to reflect: (a) a reestimate of funding needed for mental health and substance abuse evaluations conducted while assessing a child's safety in his or her home; (b) a reestimate of funding needed for safety services; (c) a reestimate of the federal share provided for case management services provided by contract staff; (d) funding available from the portion of Milwaukee County's SAPT block grant allocation under community aids used to provide substance abuse services to adults with children in the child welfare system; and (e) technical corrections and updated caseload data.

Continuing Services. Provide $665,400 GPR in 1997-98 and $2,463,300 GPR in 1998-99 for substance abuse and mental health services for adults living in families with children in out-of-home

care. Funding is provided for adults that would not be eligible for services under medical assistance (MA). In addition to the amounts provided under this item, $1,410,000 GPR and $2,019,100 FED in 1997-98 and $3,517,300 GPR and $4,983,300 FED in 1998-99 is budgeted in MA to expand MA eligibility statewide to include parents of children in out-of-home care in order to provide substance abuse and mental health services. Of this amount, $1,348,100 ($554,300 GPR and $793,800 FED) in 1997-98 and $3,530,200 ($1,460,700 GPR and $2,069,500 FED) in 1998-99 could be provided to health maintenance organizations in Milwaukee County to ensure that intensive mental health and substance abuse services are available to women whose children have been placed in out-of-home care. (The fiscal effect of this increase in MA funding is shown under "Department of Health and Family Services -- Medical Assistance.")

Child Care for Foster Parents. Provide $1,791,700 ($1,158,700 GPR and $633,000 FED) in 1997-98 and $3,702,700 ($2,400,500 GPR and $1,302,200 FED) in 1998-99 to provide child care to foster parents in Milwaukee County.

Contract Staff -- Administrative Costs. Provide $439,600 ($307,700 GPR and $131,900 FED) in 1997-98 and $756,000 ($529,200 GPR and $226,800 FED) in 1998-99 to fund administrative overhead costs for vendors under contract with DHFS to provide case management, foster care and adoption placement services in Milwaukee County beginning January 1, 1998.

Safety Services -- Administrative Costs. Provide $1,642,500 ($1,066,500 GPR and $576,000 FED) in 1997-98 and $4,980,000 ($3,233,600 GPR and $1,746,400 FED) in 1998-99 for administrative staff costs for vendors under contract with DHFS to manage safety services provided to children in the child welfare system that remain in their home.

County Contribution. Provide $6,914,800 PR in 1997-98 and $13,829,700 PR in 1998-99 and reduce federal funding by a corresponding amount to reflect the transfer of federal funds from community aids to DCFS for Milwaukee child welfare services.

Prevention Activities. In addition to the funding provided under this item, provide $744,800 GPR in 1997-98 and $1,489,700 GPR in 1998-99 in the Committee's supplemental appropriation for the provision of child abuse and neglect prevention activities in Milwaukee County. The Committee could approve release of these funds to DHFS if requested by the administration under a 14-day passive review to maintain support for prevention activities in Milwaukee County beginning January 1, 1998. In its request, the administration must demonstrate the need to maintain support for these activities. This funding is reflected under "Program Supplements."

Assembly: Modify the provision by authorizing DHFS to spend not more than $202,500 PR in 1997-98 budgeted in an aids to individuals and organizations appropriation for general program operations, as intended by the Joint Committee on Finance.

Senate/Legislature: Provide $1,324,500 ($1,192,600 GPR and $131,900 FED) in 1997-98 and $2,055,600 ($1,828,800 GPR and $226,800 FED) in 1998-99 for: (a) salary and fringe benefit costs for case management staff under contract with DHFS ($884,900 GPR in 1997-98 and $1,299,600 GPR in 1998-99); and (b) administrative costs for vendors under contract with DHFS for case management and foster care and adoption placement services ($307,700 GPR and $131,900 FED in 1997-98 and $529,200 GPR and $226,800 FED in 1998-99).

The following table summarizes funding provided in 1997 Act 27 for each of the cost components included in this item.

Milwaukee Child Welfare Services
Act 27

	1997-98			1998-99		
	GPR	FED	TOTAL	GPR	FED	TOTAL
State Staff	$3,173,300	$1,360,000	$4,533,300	$4,239,600	$1,817,000	$6,056,600
Contracted Staff Services						
Case management	$5,939,000	$2,968,800	$8,907,800	$10,282,000	$5,911,700	$16,193,700
Foster care placements	1,993,900	854,500	2,848,400	3,896,400	1,669,900	5,566,300
Adoption placements	1,105,000	473,600	1,578,600	2,155,700	923,900	3,079,600
Financial eligibility determinations	152,100	124,400	276,500	304,100	248,800	552,900
Subtotal	$9,190,000	$4,421,300	$13,611,300	$16,638,200	$8,754,300	$25,392,500
Temporary Care	$581,100	$317,400	$898,500	$1,165,100	$632,000	$1,797,100
Evaluations	185,800	0	185,800	371,500	0	371,500
Safety Services	5,805,000	576,000	6,381,000	17,591,900	1,746,400	19,338,300
Wraparound Services	348,500	47,500	396,000	697,000	95,000	792,000
Continuing Services	3,345,500	2,400,300	5,745,800	13,082,100	6,340,500	19,422,600
Out-of-home Placements						
Foster care	$7,257,100	$3,964,300	$11,221,400	$15,628,700	$8,478,100	$24,106,800
Group homes	184,100	100,600	284,700	433,700	235,300	669,000
Child caring institutions	1,599,600	873,800	2,473,400	3,020,600	1,638,600	4,659,200
Treatment foster homes	187,500	102,400	289,900	1,311,900	711,700	2,023,600
Subtotal	$9,228,300	$5,041,100	$14,269,400	$20,394,900	$11,063,700	$31,458,600
Automated Information System	$2,236,400	$6,436,400	$8,672,800	$1,643,600	$1,643,600	$3,287,200
Child Care for Foster Parents	1,158,700	633,000	1,791,700	2,400,500	1,302,200	3,702,700
Administrative Costs for Vendors	615,400	263,800	879,200	1,058,400	453,600	1,512,000
Independent Investigations	63,000	27,000	90,000	126,000	54,000	180,000
Foster Care Review Board	42,000	18,000	60,000	84,000	36,000	120,000
Staff Training	313,500	256,500	570,000	277,100	226,700	503,800
Furniture and Travel	974,800	417,800	1,392,600	367,800	157,600	525,400
Total Funding Required	**$37,261,300**	**$22,216,100**	**$59,477,400**	**$80,137,700**	**$34,322,600**	**$114,460,300**
Funding Available						
Offsetting program revenue	-$26,685,600	-$6,914,800	-$33,600,400	-$53,371,200	-$13,829,700	-$67,200,900
Offsetting base funding	-710,400	-3,647,700	-4,358,100	-1,420,600	-3,810,300	-5,230,900
Funds budgeted in MA	-1,410,000	-5,814,900	-7,224,900	-3,517,300	-12,927,900	-16,445,200
Offsetting SAPT block grant funds	-791,500	0	-791,500	-1,583,000	0	-1,583,000
Subtotal	-$29,597,500	-$16,377,400	-$45,974,900	-$59,892,100	-$30,567,900	-$90,460,000
Total Increase	**$7,663,800**	**$5,838,700**	**$13,502,500**	**$20,245,600**	**$3,754,700**	**$24,000,300**

State Staff. Funding is provided to support 127.75 additional positions, including: (a) 85.0 social workers located at five neighborhood sites to provide investigative services; (b) 9.0 caseworkers and 2.0 clerical staff to provide intake services at a central site in the City of Milwaukee; (c) 8.0 program evaluation managers; (d) 6.0 administrative assistants, one for each neighborhood site manager and one for the system director located in Milwaukee; (e) 1.0 legal counsel; (f) 2.0 training officers; (g) 11.0 clerical workers located at the five neighborhood sites; (h) 0.75 payroll and benefit specialist; and (i) 3.0 project accountants.

Case Management Services. DHFS would contract with private vendors for three of the neighborhood sites and with Milwaukee County for two of the sites to provide case management services for children in out-of-home care. (Federal funding for these services is included under "Health & Family Services -- Medical Assistance.")

Foster Care Placement Services. DHFS would contract with Milwaukee County for staff to recruit and license foster homes and provide placement and counseling services to foster families.

Adoption Placement Services. DHFS would contract with Milwaukee County for staff to recruit potential adoptive families and provide assessments and placements in adoptive homes.

Financial Eligibility Determination Services. DHFS would contract with Milwaukee County for staff to determine whether costs for children referred to DHFS are eligible for federal foster care reimbursement funding.

Temporary Care. Temporary care is short-term, nonsecure residential care and physical custody of children pending court action. Hold-over rooms, families and group homes can be licensed as shelter care facilities to provide temporary care.

Mental Health and Substance Abuse Evaluations. Mental health and substance abuse evaluations of parents will be used to determine a child's safety in his or her home. Funding is provided for evaluations of parents and children who are not MA-eligible and for whom private insurance or other third party funding is not available.

Safety Services. DHFS would contract for the provision of safety services, which would be provided to children and their families if, after an allegation of abuse of neglect or risk of abuse or neglect, an investigation finds that certain services provided to the child and family would provide a safe environment for the child. Safety services include substance abuse treatment, mental health treatment, marital counseling, family counseling, and child development education.

Wraparound Services. Wraparound services are currently provided in Milwaukee County to children with severe emotional disturbances. Wraparound services involve developing an integrated service plan encompassing all services received by social systems in which the child might come into contact, including education, juvenile justice, mental health, law enforcement and child welfare

services. Funding would be provided to ensure that wraparound services are provided to children in the child welfare system in order to prevent their placement in child caring institutions (CCIs).

Continuing Services. Continuing services are services provided to children placed in out-of-home care and their families, including counseling, substance abuse and mental health treatment. Continuing services are required as part of a permanency plan ordered by the court to allow the child either to eventually return home or be placed for adoption.

Of the amounts in the table, $4,094,500 ($2,075,400 GPR and $2,019,100 FED) in 1997-98 and $10,963,900 ($5,980,600 GPR and $4,983,300 FED) in 1998-99 was provided by Joint Finance for mental health and substance abuse services for parents and adults living in families with children in out-of-home care. Funding is provided to: (a) expand MA eligibility statewide to parents whose children are placed in out-of-home care ($855,700 GPR and $1,225,300 FED in 1997-98 and $2,056,600 GPR and $2,913,800 FED in 1998-99); (b) ensure that intensive mental health and substance abuse services are available to women in Milwaukee County who could become eligible for MA under this provision ($554,300 GPR and $793,800 FED in 1997-98 and $1,460,700 GPR and $2,069,500 FED in 1998-99); and (c) provide services for adults in these families who would not be MA-eligible ($665,400 GPR in 1997-98 and $2,463,300 GPR in 1998-98). (Funding for the expansion of MA eligibility and MA services is summarized under "Department of Health and Family Services -- Medical Assistance.")

Out-of-home Placements. DHFS would be required to pay for the care and maintenance of children from Milwaukee placed in out-of-home care.

Automated Case Management Information System. This system would provide for the automation of all stages of the child protective services system. It would permit on-line tracking of all cases, generate routine documents, generate task and scheduling notices, produce reports, interface with other information systems such as CARES and KIDS, and manage fiscal processes.

Child Care for Foster Parents. Funding is provided so that employed foster parents could receive child care funding for children placed in their care.

Administrative Costs for Vendors. Funding for administrative overhead costs is provided for vendors under contract with DHFS to provide case management, foster care and adoption placement services. This funding was provided by Joint Finance in addition to funding for administrative costs which were provided in the Governor's recommendations and included in funds budgeted separately for case management, foster care and adoption placement services.

Independent Investigations. When an allegation of abuse or neglect or the risk of abuse or neglect is made involving a child placed by DHFS in out-of-home care, DHFS would contract with an independent organization to investigate the allegation.

Foster Care Review Board. Current law requires either the court or a panel appointed by the court to review the permanency plan of any child placed in out-of-home care. The bill would provide funding to partially support these services.

Training. Funding is provided for initial staff training, on-going staff development and training for safety services vendors.

Furniture and Travel. Funding is provided for furniture purchases and fleet vehicle travel.

Offsetting Program Revenue. The total recommended funding included in the table would be reduced by $26,685,600 GPR and $6,914,800 FED in 1997-98 and $53,371,200 GPR and $13,829,700 FED in 1998-99 to reflect: (a) Milwaukee County's required contribution towards the cost of providing child welfare services in that county ($31,280,700 in 1997-98 and $62,561,400 in 1998-99); and (b) projected refunds and recoveries from supplemental security income and child support ($2,319,700 in 1997-98 and $4,639,500 in 1998-99).

Offsetting Base Funding. Funding in the DHFS base budget ($710,400 GPR and $3,647,700 FED in 1997-98 and $1,420,600 GPR and $3,810,300 FED in 1998-99) would be used to offset costs to reflect funding available from: (a) 1995 Wisconsin Act 303 for training, which is included in the training budget ($176,600 GPR and $162,700 FED in 1997-98 and $353,100 GPR and $325,300 FED in 1998-99); (b) the repeal of the Milwaukee foster care and adoption project and African-American foster parent recruitment program effective January 1, 1998 ($533,800 GPR in 1997-98 and $1,067,500 GPR in 1998-99); and (c) base federal funding budgeted for the automated information system ($3,485,000 FED annually).

Funds budgeted in MA. Of the amounts in the table, a total of $7,224,900 ($1,410,000 GPR and $5,814,900 FED) in 1997-98 and $16,445,200 ($3,517,300 GPR and $12,927,900 FED) in 1998-99 is included under "Health & Family Services -- Medical Assistance." This funding is provided for: (a) the federal share of costs for case management services provided to children eligible for MA ($3,795,800 FED in 1997-98 and $7,944,600 FED in 1998-99); and (b) the cost of expanding MA eligibility to parents whose children are placed in out-of-home care $3,429,100 ($1,410,000 GPR and $2,019,100 FED) in 1997-98 and $8,500,600 ($3,517,300 GPR and $4,983,300 FED) in 1998-99.

Offsetting SAPT Block Grant Funds. A portion of Milwaukee County's SAPT block grant allocation ($791,500 in 1997-98 and $1,583,000 in 1998-99), will be used to offset the costs of providing substance abuse services to adults with children in the child welfare system.

In addition to the amounts in the table, $6,108,300 PR in 1997-98 and $2,345,700 PR in 1998-99 is provided for transfer within DHFS for administrative support provided by the Division of Management and Technology.

[Act 27 Section: 9123(1)]

8. MILWAUKEE CHILD WELFARE SERVICES -- STATUTORY CHANGES

Governor: Make the following statutory changes to reflect the state's assumption of providing child welfare services in Milwaukee County, effective January 1, 1998.

DHFS Authority to Administer Child Welfare Services in Milwaukee County. Require DHFS to provide child welfare services in Milwaukee County, effective January 1, 1998. Specify that the requirement of statewide uniformity with respect to the organization and governance of human services would not apply to child welfare services in Milwaukee County. Require DHFS to employ personnel in Milwaukee County who devote all of their time directly or indirectly to child welfare services. Specify that, whenever possible, these personnel would be certified social workers. Provide DHFS with permissive authority to do the following.

1. Investigate the conditions surrounding nonmarital children and children in need of protection or services within Milwaukee County and take every reasonable action to secure for them the full benefit of all laws. Unless provided by another agency, DHFS would be required to offer social services to the caretaker of any child who is referred to it. This duty would be discharged in cooperation with the court and with the public officers or boards legally responsible for the administration and enforcement of these laws.

2. Accept legal custody of children transferred to it by the court and provide special treatment and care if ordered by the court if such care is not the responsibility of Milwaukee County. However, the court could not order DHFS to administer psychotropic medications to children who receive special treatment or care.

3. Provide appropriate protection and services for children in its care, including providing services for children and their families in their own homes, placing children in licensed foster homes, licensed treatment foster homes or licensed group homes in this state or another state within a reasonable proximity to the agency with legal custody or contracting for services for them by licensed child welfare agencies. As under current law, DHFS would prepare written permanency plans for children in its custody, or placed in out-of-home care.

4. Provide for the moral and religious training of children in its care according to the religious belief of the child or of his or her parents.

5. Place children in a county children's home in Milwaukee County, accept guardianship of children when appointed by the court and place children under its guardianship for adoption.

6. Provide intake, investigative and dispositional services for child welfare cases to the Milwaukee County children's court.

7. Contract with any parent, guardian or other person for the care and maintenance of any child.

8. License foster homes or treatment foster homes in Milwaukee County.

9. Use in the media, a picture or description of a child in its guardianship for the purpose of finding adoptive parents for that child.

10. Administer kinship care in Milwaukee County including: (a) determining kinship care eligibility; (b) performing background investigations; and (c) distributing kinship care payments of $215 per child per month in Milwaukee County.

11. Contract with Milwaukee County or with a licensed child welfare agency to provide any of the services that DHFS is authorized to provide under Chapter 48.

Specify that, in carrying out these functions, DHFS may avail itself to the cooperation of any individual or private agency or organization interested in the social welfare of children in Milwaukee County.

Extension of Responsibilities Regarding Child Welfare Matters to DHFS. Extend to DHFS current responsibilities of county departments in counties other than Milwaukee County regarding child welfare matters by authorizing DHFS to:

- Accept custody of a child without a living parent for whom the court finds that adoption is not in the child's best interest;

- Provide foster care aid on behalf a child: (a) in the legal custody of DHFS; (b) placed in a licensed child caring institution; (c) placed in a licensed foster home, treatment foster home, group home or child caring institutions by a child welfare agency or by a federally recognized American Indian tribal governing body in this state or by its designee; or (e) if the child was removed from the home of a relative as a result of a judicial determination that continuance in the home of the relative would be contrary to the child's welfare for any reason and the placement is made pursuant to an agreement with DHFS;

- Authorize the state adoption center to provide training to DHFS staff providing child welfare services; and

- Provide public licensing agencies the authority to license foster home and treatment foster homes and define public licensing agencies as a county department or DHFS in Milwaukee County.

Continuation of Maintenance Payments for Certain Students. Authorize DHFS to provide funding for the maintenance of any child who: (a) is 18 years of age or older; (b) is enrolled in and regularly attending a secondary education classroom program leading to a high school diploma; (c) received GPR-supported Milwaukee child welfare services or services provided under community aids immediately prior to his or her 18th birthday; and (d) is living in a foster home, treatment foster

home, group home or child caring institution. Specify that the amount of maintenance funding would be an amount equal to that which the child would receive if the child were 17 years of age.

Changes in Milwaukee County Authority for Child Welfare Services. Modify Milwaukee County's authority to administer child welfare services by: (a) specifying that the County's authority to provide "human services" does not include child welfare services administered by DHFS; (b) authorizing the County to administer child welfare services only under contract with DHFS; (c) deleting the authority of the Milwaukee County Board of Supervisors to adopt policies for the management, operation, maintenance and improvement of the children's court center under Chapter 48; (d) authorizing the County to perform investigations for adoption petitions to determine whether the child is a proper subject for adoption and whether the petitioner's home is suitable for the child, only if contracted to do so by DHFS and if directed by the court; and (e) requiring physicians to report infants testing positive for controlled substances or controlled substance analogs, in Milwaukee County, to the county Department of Human Services and require that department to provide appropriate services and treatment to the child and the child's mother or make arrangement for such services or treatment.

DHFS Appropriations for Milwaukee County Child Welfare Services. Create appropriations in DHFS to support: (a) GPR-, PR- and FED-supported aids for child welfare services in Milwaukee County; and (b) PR-funded expenditures for services supported by moneys transferred to DHFS from other state agencies and within DHFS.

Further, modify current appropriations to: (a) authorize funding for GPR- and FED-supported DHFS general program operations for Milwaukee child welfare services, rather than for activities specified under 1995 Wisconsin Act 303; and (b) exclude interagency and intra-agency transfers for the provision of Milwaukee child welfare services from three current interagency and intra-agency appropriations for state operations, aids to individuals and organizations and local assistance.

Required Milwaukee County Contribution. Require Milwaukee County to contribute $24,365,900 in 1997-98 and $48,731,700 in 1998-99 for the provision of child welfare services in Milwaukee County by DHFS. Authorize DOA to collect this amount by deducting all or part of that amount from any state payment due that county, or add a special charge to the amount of taxes apportioned to and levied upon the county. Specify that, in making a deduction, DOA first make deductions to payments due under community aids and shared revenue. Direct DOA to credit all amounts deducted or charged to the county to the PR (interagency and intra-agency transfer) appropriation for Milwaukee child welfare services, and to notify Milwaukee County of its action.

Allocations for Grants for Community Programs. In 1997-98, reduce by one-half the statutory funding allocations for grants provided under the Milwaukee foster care and adoption project and for the recruitment of African-American foster parents and delete these statutory allocations, effective January 1, 1998 to reflect the state's assumption of foster care services in Milwaukee County on that date.

Private Day Treatment Programs. Prohibit DHFS from purchasing the educational component of private day treatment programs unless DHFS, the school board and the state Superintendent of Public Instruction determine that an appropriate public education program is not available.

Milwaukee County Community Advisory Committees. Delete all statutory references to Milwaukee County community advisory committees and, instead, require community steering committees established by Wisconsin Works agencies that serve Milwaukee County to communicate with and make recommendations to DHFS with respect to the delivery of child welfare services in the neighborhood.

Miscellaneous Changes. Make the following changes relating to the provision of child welfare services.

- Specify that, in Milwaukee County, persons required to report suspicion of child abuse or neglect shall immediately inform DHFS or a licensed child welfare agency under contract with DHFS or the sheriff or city police department of the fact and circumstances contributing to a suspicion of child abuse or neglect or to a belief that abuse or neglect will occur.

- Clarify the distinction between services provided under Chapter 48 (the Children's Code) and Chapter 938 (the Juvenile Justice Code).

- Make technical reference changes to Chapter 48 in order to comply with provisions of Chapter 938 pursuant to 1995 Act 77.

Joint Finance: Make the following statutory modifications:

County Contribution. Increase the statutory contribution required from Milwaukee County to $31,280,700 in 1997-98 and $62,561,400 in 1998-99. Delete the provision that would authorize DOA to collect Milwaukee County's contribution by deducting all or part of that amount from any state payment due Milwaukee County, or add a special charge to the amount of taxes apportioned to and levied upon the county and requiring DOA to first make deductions to payments due under community aids and shared revenue. Instead, require DOA to consult with Milwaukee County to determine the manner in which Milwaukee County's contribution will be collected by the state. Specify that if, by September 15 of each year, no determination has been made in consultation with Milwaukee County, DOA will determine the manner in which the contribution will be collected.

Coordination of Implementation of Wisconsin Works. Specify that two members of the Milwaukee Child Welfare Partnership Council will be appointed by children's services networks which will be established by W-2 agencies in Milwaukee County and that these members will rotate among the members of the six networks. Delete the provision in that would establish the W-2 steering committees in Milwaukee County as providing the forum for discussion of child welfare issues and instead, modify the responsibility and authority of the children's services networks to provide a forum for those persons who are interested in the delivery of services to children and

families and to communicate with and make recommendations to providers of services to children and families, including the delivery of child welfare services in that area.

Administrative Site Selection. Require DOA, in consultation with DHFS, to submit a proposal for the selection of five administrative sites for the delivery of child welfare services in Milwaukee County to the Joint Committee on Finance for approval in a manner similar to the passive review process under s. 16.505/515 of the statutes.

Assembly/Legislature. Specify that in 1997-98, if DOA and the county have not reached an agreement within 30 days of enactment of the biennial budget as to the method the State will use to collect the county's contribution, DOA will determine that method.

Veto by Governor [C-11]: Veto the provision that would require the Secretary of DOA, in consultation with DHFS, to submit a proposal for the selection of five administrative sites for the delivery of child welfare services in Milwaukee County to the Joint Committee on Finance.

[Act 27 Sections: 64d, 64g, 574, 575, 580, 585 thru 590, 1404 thru 1406, 1408, 1414, 1415, 1427m, 1428, 1430 thru 1432, 1436, 1445, 1449, 1451 thru 1453, 1488 thru 1500, 1504, 1550, 1552 thru 1570, 1572 thru 1578, 1580 thru 1583, 1585, 1586, 1589, 1592, 1593, 1594 thru 1599, 1600d thru 1602, 1604, 1606 thru 1608, 1610, 1612 thru 1614, 1615 thru 1630, 1678 thru 1690, 1692 thru 1694, 1696, 1697, 1699 thru 1733, 1801g, 2984, 3877, 4957, 5232 thru 5240, 9123(1) and 9423(2)&(3)]

[Act 27 Vetoed Section: 9123(1)]

9. KINSHIP CARE PAYMENTS [LFB Papers 462 and 463]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$5,975,600	$665,000	$6,640,600
FED	8,184,600	- 3,865,000	4,319,600
PR	37,836,800	0	37,836,800
Total	$51,997,000	- $3,200,000	$48,797,000

Governor: Provide $22,840,700 ($3,004,800 GPR, $4,115,500 FED, and $15,720,400 PR) in 1997-98 and $29,156,300 ($2,970,800 GPR, $4,069,100 FED and $22,116,400 PR) in 1998-99 for DHFS to reimburse counties for payments made to individuals for the care of related children in need of protection and services.

Foster Care and Kinship Care Payments. Provide $7,120,300 ($3,004,800 GPR and $4,115,500 FED) in 1997-98 and $7,039,900 ($2,970,800 GPR and $4,069,100 FED) to reimburse counties for payments made to relatives who become licensed foster parents, based on kinship care

assessments. In addition, provide $15,720,400 PR in 1997-98 and $22,116,400 PR in 1998-99 from TANF block grant funds transferred from DWD to fund kinship care payments to relatives who care for children in need of protection and services and are not licensed foster parents.

Kinship Care Assessments. Extend the date, from July 1, 1997, to December 31, 1997, by which county departments of social services and human services must complete all assessments and background investigations to determine whether an individual receiving an AFDC payment as a non-legally responsible relative (NLRR) is eligible for kinship care payments. Further, require DHFS or a county department conducting background investigations of the individual to determine whether the employe or prospective employe of the individual has any arrests or convictions that could adversely affect the child or the kinship care relative's ability to care for the child.

Under current law, individuals receiving NLRR payments under the AFDC program must be assessed by DHFS or a county department of social services or human services to determine if the individual is eligible for a kinship care benefit. An individual is eligible if all of the following conditions are met.

• The county determines that there is a need for the child to be placed with the relative and that placement of the child with the relative is in the best interests of the child;

• The county determines that the child is in need of protection and services or would be at risk of being in need of protection and services if he or she remained in his or her home;

• The county conducts a criminal background investigation of the relative, the relative's employes or prospective employes, who would have regular contact with the child, and any other adult resident in the relative's home to determine if the individual or adult resident has any arrests or convictions that could adversely affect the child or the relative's ability to care for that child;

• The individual states that he or she, any adult resident in his or her home, and any employe or prospective employe, does not have any arrests or convictions that could adversely affect the child or the relative's ability to care for the child; and

• The individual cooperates with the county department in the application process, including applying for other forms of assistance for which the relative may be eligible.

Supplemental Security Income Recipients. Prohibit DHFS from making kinship care payments to a kinship care relative if the child for whom the kinship care relative is providing care receives federal or state SSI benefits.

Termination of AFDC Payments. Delete a requirement that DWD request and receive a waiver from federal AFDC regulations to permit DWD to terminate NLRR payments by July 1, 1997. Instead, prohibit DWD from making NLRR payments to an individual who is receiving NLRR payments on behalf of a child on the bill's effective date from receiving NLRR payments after either:

(a) December 31, 1997; or (b) the date of the first reinvestigation of the individual occurring after the bill's effective date, whichever comes first. If an individual is not receiving NLRR on behalf of a dependent child on the bill's effective date, no NLRR payment can be made to the individual on or after the bill's effective date.

Clarify DHFS Authority to Make Kinship Care Payments. Delete a reference to the payment of kinship care payments to clarify that, under current law, DHFS, rather than DWD, is responsible for the payments, effective July 1, 1997.

Joint Finance: Modify funding provided for kinship care and related foster care payments and assessments by -$134,900 ($1,861,000 GPR and -$1,995,900 FED) in 1997-98 and -$3,065,100 (-$1,196,000 GPR and -$1,869,100 FED) in 1998-99 to reflect reestimates of the costs for kinship care and related foster care payments and assessments. In addition: (a) specify that GPR funds budgeted under this item can be used to support the cost of kinship care payments; and (b) create separate appropriations to fund assessments.

The following table identifies the funding that would be provided under Act 27 for kinship care benefits and assessments and related foster care payments and assessments.

Act 27
Kinship Care Funding

	1997-98	1998-99	Total
Kinship Care			
Benefits	$17,314,500	$20,841,200	$38,155,700
Assessments	1,735,100	1,464,100	3,199,200
Foster Care			
Benefits	3,282,200	3,560,300	6,842,500
Assessments	374,000	225,600	599,600
Total	$22,705,800	$26,091,200	$48,797,000

Appeals Process. Create an appeals process for kinship care payments consistent with the appeals process established for the AFDC and MA program, but specify that appeals of a determination for eligibility of kinship care based on information regarding the criminal background investigation would not be subject to this appeals process.

DHFS Authority to Administer Kinship Care in Milwaukee County. Authorize DHFS to jointly administer the kinship care program in Milwaukee County, effective with the bill's general effective

date, and beginning, January 1, 1998, specify that DHFS will be responsible for administering the kinship care program in Milwaukee County.

Assembly/Legislature: Make the following statutory modifications:

Eligibility. Specify that if an individual is denied a kinship care payment because the individual or an adult resident in the individual's home or an employe or prospective employe of the individual has any arrests or convictions or has been assessed a penalty that would prohibit the individual from receiving a kinship care payment, the individual may request that denial be reviewed by the director of the county department or, in Milwaukee County, the DHFS Secretary or his or her designee, or an individual designated by an Native American tribe or band.

The review would determine whether the violation or penalty assessment would adversely affect the child or the relative's ability to care for the child and would consider the following factors in making that determination: (a) the length of time between the violation or penalty assessment and the date of the review; (b) the nature of the violation or penalty and how it relates to the relative's ability to care for the child; and (c) whether approving the kinship care payment despite the violation or penalty, would be in the best interest of the child.

If the county director, the DHFS Secretary or his or her designee, or the individual designated by the tribe determines that the criminal background of the individual, the individual's employe, or prospective employe, or an adult resident in the relative's home would likely not adversely affect the child or the relative's ability to care for the child, the county, DHFS, or the tribe, may approve a kinship care payment to the individual. This provision would be repealed after enactment of the 2001-03 biennial budget.

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

[Act 27 Sections: 576m, 576p, 584m, 584r, 584t, 1609, 1611, 1614g, 1614h, 1622, 1622d, 1623, 1623d, 1624, 1624d, 1626g, 1628g, 1863, 5507, 9226(1n) and 9423(2)(10f)&(10r)]

10. FOSTER CARE AND ADOPTION ASSISTANCE PAYMENTS [LFB Paper 469]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$5,479,300	$3,168,800	$8,648,100
FED	4,072,200	3,940,700	8,012,900
Total	$9,551,500	$7,109,500	$16,661,000

Governor: Provide $2,807,900 ($1,893,600 GPR and $914,300 FED) in 1997-98 and $6,743,600 ($3,585,700 GPR and $3,157,900 FED) in 1998-99 to reflect reestimates for foster care and adoption assistance payments for special needs children under the guardianship of the state. Under the bill, total funding available for foster care and adoption assistance would be $13,721,300 GPR and $12,169,600 FED in 1997-98 and $15,413,400 GPR and $14,413,200 FED in 1998-99.

The state serves as guardian for special needs children following termination of parental rights by the court. The state pays the cost of out-of-home placements for these children while they are awaiting adoption and makes adoption assistance payments to families who adopt a special needs child.

Joint Finance/Legislature: Provide $2,835,800 ($1,070,500 GPR and $1,765,300 FED) in 1997-98 and $4,273,700 ($2,098,300 GPR and $2,175,400 FED) in 1998-99 to reflect reestimates of the total cost of providing foster care and adoption assistance payments to children with special needs.

11. FEDERAL FOSTER CARE REIMBURSEMENT AND INCOME AUGMENTATION [LFB Paper 470]

Governor: Make the following statutory modifications:

DHFS Authority to use Title IV-E Funds. Authorize DHFS to use funds the state receives under Title IV-E of the federal Social Security Act (foster care and adoption assistance) for administration of programs that assist children and families. Currently, DHFS is required to distribute all Title IV-E funds for services and projects to assist children. Federal law considers Title IV-E funds reimbursement for costs incurred by the state for foster care and adoption assistance for children from AFDC families and places no restriction on the use of these funds.

Excess Title IV-E Funds. Specify that if, by December 31 of any year, there remains unspent or unencumbered funds in the community aids basic county allocation that exceeds the amount of Title IV-E funds allocated in that year, DHFS would be required to carry forward the excess moneys and distribute at least 50% of these excess moneys to counties that have populations less than 500,000 (all counties other than Milwaukee County) for services and projects to assist children and families. Counties would be required to distribute at least 50% of these additional funds for services for children who are at risk of abuse or neglect to prevent the need for child abuse and neglect intervention services. Counties would be prohibited from using these additional funds to supplant any other moneys expended by the county for services and projects to assist children and families in a base year determined by DHFS. DHFS would be authorized to expend any other moneys carried forward but not distributed to counties for administering programs to assist children and families.

Require DHFS to include any funds received as reimbursement for foster care in Milwaukee County in 1996 and 1997 in its plan for use of any unanticipated federal funds received for foster care and adoption assistance, substance abuse prevention and treatment, and community mental health.

This provision would be repealed effective January 1, 1998. Under current law, this plan is submitted to the DOA Secretary for approval, after which the plan is forwarded to the Joint Committee on Finance for its approval under a 14-day passive review process. Further, require that counties' community aids budgets, which must be submitted to DHFS by December 1 annually, include proposed expenditures for any unanticipated funds received under Title IV-E and any funds carried over from a prior contract period. Finally, correct an inaccurate reference in current law to Title IV-E funds.

Income Augmentation Services. Finally, create an appropriation that would authorize DHFS to expend all moneys it receives from the federal government as the result of income augmentation activities for which the state has contracted, for the state administration of continuing programs.

Joint Finance/Legislature: Make the following statutory modifications:

DHFS Authority to Use Title IV-E Funds. Delete the provision which would authorize DHFS to use funds the state receives under Title IV-E for administration of programs that assist children and families. Instead, specify that any Title IV-E revenues received as reimbursement for services provided by counties must be used for services and projects to assist children and families and for income augmentation services.

Income Augmentation Services. Specify that funds credited to the new appropriation for income augmentation, must be used to support costs that are exclusively related to the operational costs of augmenting federal income received for foster care, medicare and MA. If DHFS proposes to use any funds in the new appropriation for purposes other than to support costs exclusively related to the operational costs of augmenting federal income, DHFS must submit a plan for the proposed use of the funds to the Secretary of DOA. If the Secretary of DOA approves the plan, then he or she must submit it to the Joint Committee on Finance for approval under a 14-day passive review process.

Under this provision, DHFS would be required to distribute at least 50% of any additional Title IV-E funds to counties other than Milwaukee County. The remainder of any additional Title IV-E and any additional federal medicare and MA funds received as a result of federal income augmentation activities will be credited to the new appropriation and could be used by DHFS to support costs for items required to increase claims for federal funds, such as improved data collection systems, training for counties regarding eligibility and reporting guidelines and increased state monitoring of county reporting. Any additional federal funds not used to support these costs could only be expended by DHFS if approved by DOA and the Joint Committee on Finance under a 14-day passive review process.

Veto by Governor [C-15]: Delete the requirement that DOA submit the proposed plan to spend any federal funds in the new income augmentation appropriation for purposes other than to

support costs exclusively related to augmentating federal revenue to the Joint Committee on Finance. Rather, DHFS could implement the plan with approval from DOA.

[Act 27 Sections: 608d, 1480, 1481, 1485, 1486, 1486m and 1503]

[Act 27 Vetoed Section: 1486m]

12. FOSTER PARENT TRAINING [LFB Paper 471]

	Chg. to Base
GPR	$129,000
FED	78,000
Total	$207,000

Governor: Provide $69,000 ($43,000 GPR and $26,000 FED) in 1997-98 and $138,000 ($86,000 GPR and $52,000 FED) in 1998-99 for DHFS to provide voluntary training of foster parents who care for children with special needs. Parents would receive training specifically related to the special needs of the child in their care. This training would be available in addition to general training provided by many counties for all foster parents. General training includes such topics as communication skills, child development and health issues. It is estimated that this funding would be sufficient to fund special needs training to approximately 600 foster parents in 1997-98 and 1,200 foster parents in 1998-99.

Joint Finance/Legislature: Adopt the Governor's recommendations to provide funding for voluntary training of foster parents who care for children with special needs. Of the funding provided, $25,700 GPR in 1997-98 and $51,500 GPR in 1998-99 would be placed in unallotted reserve for release to DHFS by DOA only if federal reimbursement of costs for foster parent training are consistent with the funding provided under this item. In the event that federal funds are more than anticipated under this item, a corresponding amount of GPR funding provided in unallotted reserve would lapse to the state's general fund.

13. SPECIAL NEEDS ADOPTION SERVICES [LFB Paper 472]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$62,000	- $12,000	$50,000
FED	38,000	12,000	50,000
Total	$100,000	$0	$100,000

Governor: Provide $50,000 ($31,000 GPR and $19,000 FED) annually for DHFS to study potential adoptive homes and foster homes outside of the southeastern region of the state that intend to adopt children with special needs from Milwaukee County.

Currently, the state is responsible for providing adoption services for children with special needs for whom parental rights have been terminated, except for children from Milwaukee County.

Milwaukee County is assigned this responsibility for children with special needs living in Milwaukee County. Funding would be used to supplement efforts by DHFS staff in regional offices to increase the number of adoptions of special needs children in Milwaukee.

Joint Finance/Legislature: Reduce funding by $6,000 GPR and increase funding by $6,000 FED annually to reflect a reestimate of the total amount of GPR and FED required to fund this item, since 50% of these costs are reimbursable under federal law, rather than 38%, as assumed in the Governor's recommendations.

14. TRANSFER AND CONSOLIDATION OF PREVENTION PROGRAMS [LFB Papers 669 and 473]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$14,550,000	0.00	- $14,550,000	0.00	$0	0.00
FED	0	- 1.00	0	1.00	0	0.00
PR	5,344,300	6.00	- $5,344,300	- 6.00	0	0.00
Total	$19,894,300	5.00	- $19,894,300	- 5.00	$0	0.00

Governor: Provide $9,929,100 ($7,275,000 GPR and $2,654,100 PR) in 1997-98 and $9,965,200 ($7,275,000 GPR and $2,690,200 PR) in 1998-99 and 5.0 positions (6.0 PR positions and -1.0 FED position), beginning in 1997-98, to reflect the transfer of: (a) the community intervention program from the Department of Corrections ($3,750,000 GPR annually); (b) alcohol and other drug abuse (AODA) prevention programs from the Department of Public Instruction ($3,525,000 GPR and $2,623,500 PR in 1997-98 and $3,525,000 GPR and $2,659,600 PR and 5.0 positions, beginning in 1997-98); and (c) the foster grandparent program from the Division of Supportive Living to the Division of Children and Family Services ($30,600 PR annually and 1.0 PR position and -1.0 FED position, beginning in 1997-98).

The community intervention program provides funding to counties for early intervention services for juvenile first offenders and intensive community-based intervention services for seriously chronic juvenile offenders. [Additional information on the transfer of the programs currently administered by DPI to DHFS is provided under "Public Instruction."]

In addition, transfer funding and programs currently administered in the Division of Supportive Living (DSL) to the Division of Children and Family Services (DCFS) to consolidate prevention programs and programs that provide services to children and families within DCFS. Change the name of the community alcohol and other drug abuse prevention pilot program to the community alcohol and other drug abuse prevention program.

Substance Abuse Block Grant Prevention Funding. Transfer $4,829,400 ($250,000 GPR and $4,579,400 FED) in 1997-98 and $4,780,700 ($250,000 GPR and $4,530,700 FED) from DSL to DCFS to consolidate funding available under the substance abuse prevention and treatment (SAPT) block grant for prevention programs with other substance abuse prevention activities.

Funding that would be transferred to DCFS includes: (a) $2,710,100 FED annually for community aids prevention activities; (b) $1,112,300 FED in 1997-98 and $1,083,600 FED in 1998-99 for neighborhood violence and drug use prevention; (c) $250,000 GPR and $231,700 FED in 1997-98 and $250,000 GPR and $225,800 FED in 1998-99 for the community AODA prevention program; (d) $249,000 FED in 1997-98 and $242,200 FED in 1998-99 for high-risk youth tribal prevention projects; (e) $90,700 FED in 1997-98 and $88,400 in 1998-99 for the Wisconsin Clearinghouse on Alcohol and Drug Abuse Information which is administered by the University of Wisconsin; (f) $115,900 FED in 1997-98 and $112,900 FED in 1998-99 for prevention and education programs primarily targeted to Milwaukee's African-American community; (g) $69,500 FED in 1997-98 and $67,700 FED in 1998-99 to supplement the substance abuse portion of HIV prevention programs administered by the Division of Health.

AIDS Prevention Activities. Delete an outdated provision that DHFS provide $25,000 annually in the 1989-91 biennium from the SAPT block grant to provide training for persons who provide AODA services and counseling in order to enable these persons to educate individuals who are drug dependent with respect to the use of shared intravenous equipment and acquired immunodeficiency syndrome (AIDS) and its prevention.

Foster Grandparent Project. Create a GPR appropriation in DCFS for the foster grandparent project and transfer $266,300 GPR annually from DSL for programs for senior citizens to DCFS. Additionally, transfer a total of $959,000 FED and 1.0 position for the foster grandparent program from DSL to DCFS. Require DHFS to provide funds under the new, GPR appropriation to supplement any federal funds received for the foster grandparent project. Finally, transfer 1.0 position between DSL appropriations and provide $30,600 PR annually to reflect the transfer of funding from DCFS to DSL for this position.

The foster grandparent project provides opportunities for low-income elderly persons at least 60 years of age to provide supportive services to children with exceptional needs. These provisions reflect the consolidation of funding for programs providing services to children and families.

Joint Finance/Legislature: Make the following modifications:

Transfer of Prevention Programs. Delete $9,929,100 ($7,275,000 GPR and $2,654,100 PR) in 1997-98 and $9,965,200 ($7,275,000 GPR and $2,690,200 PR in 1998-99) and the provision to transfer: (a) the community intervention program from the Department of Corrections; (b) AODA prevention programs from DPI; and (c) the foster grandparent program from DSL to DCFS.

Appropriation Structure. Modify the Governor's recommendations to transfer $2,710,700 FED annually from community aids in DSL to a new appropriation in DCFS for community aids prevention activities, rather than a DCFS federal local assistance appropriation.

[Act 27 Sections: 590m, 600m, 604, 605, 1411, 1479, 1505, 1506, 1524, 2131, 2132, 2142, 3406 and 3407]

15. ADOLESCENT PREGNANCY PREVENTION AND PREGNANCY SERVICES (APPPS) BOARD [LFB Paper 160]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$1,015,200	- $1,015,200	$0

Governor: Modify funding for adolescent pregnancy prevention services as follows.

Repeal APPPS Board Appropriations and Transfer Funding and Positions to DHFS. Repeal the APPPS Board appropriation and transfer funding ($544,800 in 1997-98 and $470,400 in 1998-99 and 1.5 position in 1997-98) to DHFS. Specify that all incumbent employes holding positions in the APPPS Board would be transferred to DHFS on the bill's general effective date, and that these employes would have all the employe rights in DHFS that they enjoyed in the APPPS Board immediately before the transfer. Funding and position authority for these transferred positions ($74,400 and 1.5 position) would be deleted in the 1998-99 fiscal year. Specify that the Board's operating expenses would be paid from a DHFS general program operations appropriation.

As part of this proposal, base level funding of $439,300 in 1997-98 and 1998-99 would be budgeted in DHFS for the Board to distribute as grants to organizations to provide adolescent pregnancy programs and pregnancy services that include health care, education, counseling and vocational training.

Transfer Administration of DHFS Adolescent Programs to the APPPS Board. Transfer, from DHFS to the APPPS Board, responsibility for awarding grants for three adolescent programs currently administered by DHFS: (a) adolescent self-sufficiency grants; (b) adolescent pregnancy prevention services grants; and (c) adolescent choices project grants.

Delete References to Obsolete Statutory References and Funds Earmarked for Technical Assistance. Delete provisions relating to: (a) grants for comprehensive, community-based adolescent demonstration projects, which were previously administered by the APPPS Board; (b) allocations for adolescent pregnancy prevention and pregnancy services administered by the APPPS Board in the

1995-97 biennium; and (c) DHFS authority to allocate $65,500 GPR annually for technical assistance for providers of the adolescent choices program.

Joint Finance: Delete $544,800 GPR in 1997-98 and $470,400 GPR in 1998-99 and 1.5 positions in 1997-98 and the provision to transfer staff and funding for the APPPS Board and retain the Board as an independent state agency, as provided under current law. In addition, delete the provision that would transfer the adolescent self-sufficiency, adolescent pregnancy prevention services and adolescent choices project grant programs from DHFS to the APPPS Board.

In addition, require DHFS to submit a plan developed in consultation with the APPPS Board, to the Joint Committee on Finance, on specific activities the state will conduct to reduce the state's out-of-wedlock births by federal fiscal year 1998-99 in order to receive federal funds that will be made available to five states that experience the greatest decline in out-of-wedlock births during the previous two years. Require DHFS to submit this plan no later than December 31, 1997.

Under federal welfare reform legislation enacted in August, 1996, the five states that experience the greatest decline in out-of-wedlock births during the prior two-year period will be eligible for supplemental TANF block grant funds. The total amount available for these five states is $100 million. States are eligible for this supplemental funding if the number of abortions performed in the state does not increase above the rate of abortions in federal fiscal year 1994-95.

Assembly/Legislature: Require DHFS to consult DWD in developing a plan on specific activities that the state will conduct to reduce the state's out-of-wedlock births.

[Act 27 Sections: 18, 1528c, 1529c, 1544 and 9123(10n)]

16. FEDERAL REVENUE REESTIMATES [LFB Papers 475 and 478]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	- $16,736,100	0.00	$1,522,300	- 7.00	- $15,213,800	- 7.00

Governor: Reduce federal funding budgeted for the Division of Children and Family Services and the Division of Supportive Living by $7,993,600 in 1997-98 and $8,742,500 in 1998-99 to reflect: (a) the difference between federal funds budgeted and the amount of federal funds actually received by the Department in the 1995-97 biennium; and (b) projected changes in the availability of federal funds in the 1997-99 biennium. This item includes projected changes in funds available under a variety of federal programs. For example, funding for programs supported by the federal social services block grant (Title XX of the Social Security Act) are projected to decrease by 15% annually due to provisions contained in the federal welfare reform legislation enacted in August, 1996

(P.L. 104-193). These modifications do not include adjustments to community aids funding, which are summarized in Item #1.

As part of this item, transfer $809,900 and 13.95 positions currently supported from the social service block grant to federal funds available for: (a) foster care reimbursements under Title IV-E of the Social Security Act ($283,800 and 5.0 positions annually); and (b) medical assistance administration ($526,100 and 8.95 positions annually).

Joint Finance/Legislature: Provide $365,400 FED in 1997-98 and $1,156,900 FED in 1998-99 and delete 7.0 FED positions, beginning in 1997-98, to reflect the following modifications.

SAPT Block Grant. Provide $791,500 FED in 1997-98 and $1,583,000 FED in 1998-99 to provide substance abuse services to adults in Milwaukee County with children in the child welfare system. DHFS would contract with providers in Milwaukee County to provide these services, beginning January 1, 1998, when DHFS becomes responsible for providing child welfare services in Milwaukee County. Under this provision, Milwaukee County's SAPT block grant allocation under community aids would be reduced, beginning January 1, 1998.

Federal Projects. Delete $426,100 FED and 7.0 FED positions annually to reflect the termination of federal funding for case management services to individuals who receive SSI benefits for a disability due to alcoholism or drug addiction.

The following table identifies the modifications to federal funding in Act 27, by source and purpose.

Act 27
Federal Revenue Reestimates

	1997-98				1998-99			
	Local Assistance	Aids	State Operations	Total	Local Assistance	Aids	State Operations	Total
Child Welfare Block Grant	$0	$0	-$235,000	-$235,000	$0	$0	-$235,000	-$235,000
Community Services Block Grant	0	59,800	0	59,800	0	-245,000	0	-245,000
Community Mental Health Block Grant	0	-142,000	-15,700	-157,700	0	-142,000	-28,000	-170,000
Federal Aging Programs	0	0	-123,400	-123,400	0	0	-168,400	-168,400
Federal Foster Care Reimbursement	0	0	283,800	283,800	0	0	283,800	283,800
Federal Programs and Projects	-7,275,300	-69,900	-52,900	-7,398,100	-7,275,300	-72,300	-52,900	-7,400,500
Medical Assistance	0	0	529,900	529,900	0	0	531,900	531,900
Social Services Block Grant	0	-21,000	-855,900	-876,900	0	-21,000	-979,100	-1,000,000
Substance Abuse Block Grant	-534,700	910,800	-86,700	289,400	-709,900	1,642,700	-115,100	817,700
TOTAL	-$7,810,000	$737,700	-$555,900	-$7,628,200	-$7,985,200	$1,162,400	-$762,800	-$7,585,600

17. SUBSTANCE ABUSE AND MENTAL HEALTH BLOCK GRANTS [LFB Paper 474]

Governor: Authorize DHFS to distribute, from the federal substance abuse prevention and treatment (SAPT) block grant, annual funding up to: (a) $1,200,000 for neighborhood drug use and violence prevention programs; (b) $900,000 for a multidisciplinary prevention and treatment program for cocaine-abusing women and their children in Milwaukee County; (c) $35,000 for services to women and children in Dane county provided by the ARC community services center; and (d) $300,000 distributed by the Department of Corrections for a youth gang diversion program. Similarly, provide DHFS the authority to distribute, from the federal community mental health (CMH) block grant, annual funding up to: (a) $240,000 for mental health programs for children with severe emotional disturbances; (b) $350,000 to assist in relocating individuals with mental illness from institutional or residential care to the community by providing community-based services; (c) $182,000 for training for mental health treatment professionals; (d) $180,000 for services to consumers of mental health services and their families; and (e) $75,000 for community mental health protection and advocacy services.

Under current law, DHFS is required to distribute the total funding identified above from the SAPT and CMH block grants for the programs listed. The bill would require DHFS to distribute up to the funding amounts indicated.

In addition, authorize DHFS to distribute grants provided for neighborhood drug use and violence prevention programs to community-based nonprofit organizations. Under current law, DHFS may provide grants to: (a) cities, villages or towns; (b) a community-based organization in the City of Milwaukee that represents city-wide interests, has a membership that represents diverse neighborhood interests and organizations and has a board of directors that is elected by its membership; and (c) county human services departments and county departments of community programs.

Joint Finance/Legislature: Modify the statutory allocations for mental health programs for children with severe emotional disturbances ($1,330,500) and consumer support grants ($480,000) to reflect total funding that could be provided for these programs. Under the Governor's recommendations, DHFS would be limited to provide funds up to the increase in funding provided for these programs in the 1995-97 biennium and would not reflect base funding available for these programs.

[Act 27 Sections: 1501, 1507 thru 1509, 1514 thru 1516, 1525, 1526, 2157 and 3856]

18. LICENSING OF CHILDREN'S FACILITIES

	Chg. to Base Funding	Positions
PR-REV	$163,900	
PR	$41,000	1.00

Governor/Legislature: Provide $41,000 and 1.0 position in 1998-99 to meet projected workload related to licensing of children's programs, including day care facilities, residential care

programs, child placing agencies and shelter care facilities. Funding to support this position would be provided by revenues received from children's facilities licensing fees.

Licensing Fee Increases. Increase current biennial license fees by 10% in 1997-98 and an additional 10% in 1998-99, as identified in the following table.

License Type	Current Biennial License Fee	Act 27 1997-98	Act 27 1998-99
Family Day Care	$50	$55	$60.50
Group Day Care	$25 + $7/child	$27.50 + $7.70/child	$30.25 + $8.47/child
Residential Care	$100 + $15/child	$110 + $16.50/child	$121 + $18.15/child
Child Placing Agency	$210	$231	$254.10
Shelter Care	$50 + $15/child	$55 + $16.50	$60.50 + $18.15/child

The recommended fee increases are projected to increase program revenues by approximately $50,400 in 1997-98 and $113,500 in 1998-99.

Non-Expiring Licenses. Authorize DHFS to continue, rather than renew, licenses for child welfare agencies, group homes, family and group day care centers and shelter care facilities. Specify that licenses for these facilities are valid until they are revoked or suspended, rather than for a two-year period, as provided under current law. Require licensees, within 30 days prior to the continuation date of the license, to submit an application for continuance of the license in the format and containing the information that DHFS requires. Require DHFS to continue the license for an additional two-year period if DHFS determines that: (a) the minimum requirements for such facilities, established by DHFS rules, are met; (b) the applicable license fee is paid; and (c) any outstanding forfeitures and penalties assessed against the licensee are paid. Require DHFS to issue a warning if an application is not timely filed. Authorize DHFS to revoke a license if the licensee fails to apply for continuance of the license within 30 days after receipt of the warning.

Delete a current requirement that child welfare agencies and group homes report, upon application for renewal of licensure, all formal complaints regarding their operation and the disposition of each. However, require DHFS to consider all formal complaints and dispositions during the previous two-year period prior to continuing a license.

[Act 27 Sections: 1631, 1633 thru 1639, 1640 thru 1652, 1656, 1660, 1661, 1663, 1664, 1667 thru 1669, 1673, 1675, 1676, 5250 thru 5253, 9323(4) and 9423(1)]

19. ADULT FACILITIES LICENSING

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$128,400	2.00	- $10,300	0.00	$118,100	2.00

Governor: Provide $41,000 and 1.0 position in 1997-98 and $87,400 and 2.0 positions in 1998-99 to meet projected workload relating to licensing and monitoring community-based residential facilities (CBRFs), adult family homes and adult day care centers. DHFS is currently authorized 15.5 positions to license and monitor these providers.

Nonexpiring Licenses. Authorize DHFS to continue, rather than renew, licenses for nursing homes, CBRFs, adult family homes, home health agencies, rural medical centers and hospices. In addition, authorize DHFS to continue, rather than renew, certification for adult family homes. Specify that licenses for these facilities and certifications for adult family homes are valid until they are revoked or suspended, rather than for a one-year or two-year period, as provided under current law. Require nursing homes, CBRFs, adult family homes, home health agencies, hospices and hospitals to submit a report to DHFS in a form and containing the information that DHFS requires, including any required licensure or certification fee. The frequency of the report would correspond to the current period for licensure or certification renewal, which is 12 months (nursing homes, certified adult family homes, hospitals, home health agencies and hospices) or 24 months (CBRFs, licensed adult family homes and rural medical centers). If a report is not timely filed, DHFS would be required to issue a warning to the licensee, hospital or adult family home, but DHFS would be authorized to revoke a license or certification for failure to timely and completely report within 60 days after the report date.

The administration projects that this change to nonexpiring licenses would result in staff time savings equal to approximately 1.25 positions annually.

Assembly/Legislature: Delete $10,300 in 1997-98 for the new staff position in 1997-98 to reflect a three-month delay in the starting date of the position.

[Act 27 Sections: 2007 thru 2010, 2012 thru 2015, 2017, 2018, 2021 thru 2027, 2030 thru 2032, 2034 thru 2036, 2038, 2039, 2041 thru 2046, 2050, 2051, 2054, 2055, 2061, 2064 thru 2070, 2073 thru 2075, 2076 thru 2078, 2080 thru 2090, 2092 thru 2098, 2100 and 9323(2)&(4)]

20. FACILITY LICENSING AND CERTIFICATION SYSTEM

	Chg. to Base
GPR	$300,000
PR	100,000
Total	$400,000

Governor: Provide $250,000 ($150,000 GPR and $100,000 PR) in 1997-98 and $150,000 GPR in 1998-99 for the development of the

Bureau of Quality Assurance's facility licensing and certification information system and to extend the use of the system to the Division of Children and Family Services for licensing children's facilities. Authorize the Secretary of DOA to withhold approval of these funds until he or she determines that DHFS has adequately explored and planned for the use of a common licensing and certification system with the Department of Regulation and Licensing. These funds would be placed in unallotted reserve for release upon approval of the DOA Secretary.

Joint Finance/Legislature: Modify the Governor's recommendations to correct references to appropriations affected by this item.

[Act 27 Section: 9123(7)]

21. BUREAU OF QUALITY ASSURANCE FUNDING

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $616,300	- 5.37
FED	- 457,800	- 3.41
PR	1,074,100	8.78
Total	$0	0.00

Governor: Reduce funding by $267,100 GPR and $228,900 FED and increase funding by $496,000 PR in 1997-98 and reduce funding by $349,200 GPR and $228,900 FED and increase funding by $578,100 PR in 1998-99 to modify support for current positions in the Bureau of Quality Assurance, as follows: (a) convert 0.59 GPR and 3.41 FED positions to 4.0 PR positions, beginning in 1997-98, which would be supported by home health and health facilities licensing fees to more closely align the activities of these positions with the appropriate funding source; and (b) convert 3.39 GPR positions in 1997-98 and 4.78 GPR positions in 1998-99 to PR positions funded by health facility fees and adult facility licensing fees. The Bureau of Quality Assurance regulates 41 different types of health providers, including nursing homes, hospitals, home health agencies, adult family homes and community-based residential facilities.

Joint Finance/Legislature: Make technical changes to correct cross-references to fees used to support the Bureau of Quality Assurance to reflect the transfer of this Bureau from the Division of Health to the Division of Supportive Living.

[Act 27 Sections: 553m, 558, 597m, 2062m and 2075c]

22. PROVIDER TRAINING

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$209,300	1.00	- $12,400	0.00	$196,900	1.00

Governor: Provide $89,900 in 1997-98 and $119,400 in 1998-99 and 1.0 position, beginning in 1997-98, to expand the number of industry training workshops for nursing homes and other long-term care providers and for DHFS to begin offering workshops for home health agencies and other non-long-term care providers. In addition, expand the Department's statutory authority to conduct fee-supported provider workshops to include assisted living facilities, adult family homes, hospitals, home health agencies, rural medical centers and hospices.

Under current law, the Department is authorized to conduct workshops for long-term care providers under a program revenue appropriation funded exclusively by fees charged to workshop participants. The Department conducted nine workshops in 1994-95 and 16 workshops (three of which were for a combination of long-term and non-long-term care providers) in 1995-96.

Assembly/Legislature: Delete $12,400 in 1997-98 for the new staff position in 1997-98 to reflect a three-month delay in the starting date of the position.

[Act 27 Sections: 558, 597m, 2062, 2072, 2079 and 2101]

23. CBRF LICENSE FEES

Governor/Legislature: Modify provisions relating to license fees paid by community-based residential facilities (CBRFs) by specifying that the per resident fee, which is added to the current biennial base fee of $170, is a biennial, rather than annual, fee of $22 per resident. This provision would correct an error contained in 1995 Wisconsin Act 27, which changed the period during which a CBRF license is valid from one year to two years, effective January 1, 1996.

[Act 27 Sections: 2049 and 9323(3)]

24. TOBACCO CONSUMPTION BY MINORS

	Chg. to Base
FED	- $67,000

Governor/Legislature: Reduce funding for the Division of Supportive Living that is supported by the federal substance abuse prevention and treatment block grant (SAPT) by $33,500 annually to reflect: (a) a decrease of $107,500 in funding provided in unallotted reserve under 1995 Act 27; and (b) an increase of $74,000

in funding for retail inspections ($19,800) and public education activities ($54,200) related to underage smoking.

These activities would help the state to comply with a federal provision that requires states to take certain steps to reduce the sale of tobacco products to minors, including performing random, unannounced inspections of licensed tobacco vendors to determine the percentage of vendors who sell to minors, and to reduce the percentage of vendors who sell to minors by 20% by the year 2000. The U.S. Department of Health and Human Services is authorized to withhold 40% of a state's SAPT block grant if a state fails to comply with this requirement.

25. ALLIANCE FOR A DRUG-FREE WISCONSIN

	Chg. to Base
PR	$200,000

Governor: Provide $50,000 annually to fund grants awarded by the Alliance for a Drug-Free Wisconsin. Funding would be provided from the drug abuse program improvement surcharge (DAPIS), a surcharge assessed to persons convicted of certain controlled substance-related offenses. In addition, provide $50,000 annually as program revenue-service funds to reflect that these funds would be transferred from the Division of Supported Living to the Division of Children and Family Services for distribution to the Alliance for a Drug-Free Wisconsin. In 1996-97, DHFS provided $100,000 in DAPIS funds for the Alliance as part of alcohol and drug abuse initiatives funded by DHFS. Of this amount, $44,000 in grants were awarded to local alliances for a drug-free Wisconsin to support initiatives to prevent substance abuse.

Joint Finance/Legislature: Adopt the Governor's recommendations, but specify that $112,500 of the $150,000 that would be provided annually for the Alliance for a Drug-Free Wisconsin would be distributed as grants to local alliances.

Veto by Governor [C-12]: Delete the provision would require DHFS to distribute $112,500 of the $150,000 that would be provided for the Alliance for a Drug-Free Wisconsin as grants to local alliances. In his veto message, the Governor indicates that he will request the DHFS Secretary to distribute a minimum of $94,000 annually in grants to local alliances.

[Act 27 Sections: 595m and 9423(2g)]

[Act 27 Vetoed Sections: 595m, 595n and 9423(2g)]

26. BUREAU OF SUBSTANCE ABUSE SERVICES [LFB Paper 475]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $189,400	- 1.00	$0	0.00	- $189,400	- 1.00
PR	142,400	1.00	250,000	0.00	392,400	1.00
Total	- $47,000	0.00	$250,000	0.00	$203,000	0.00

Governor: Reduce funding for alcohol and other drug abuse research evaluations conducted by the Bureau of Substance Abuse Services (BSAS) by $23,500 GPR annually. In addition, convert 1.0 GPR position in BSAS from GPR to PR supported from the drug abuse program improvement surcharge (DAPIS), beginning in 1997-98, and reduce funding by $71,200 GPR and increase funding by $71,200 PR annually to reflect this position conversion. DAPIS revenues are collected from fines levied on individuals convicted of controlled substances-related charges.

Joint Finance/Legislature: Provide $250,000 PR in 1997-98 from the available balance of DAPIS revenues to be used for community aids.

Limit on DAPIS Expenditures. Limit DHFS expenditures of DAPIS revenues to the amounts budgeted by the Legislature. Under current law, DHFS is authorized to expend all moneys received from DAPIS revenues.

Veto by Governor [C-12]: Delete the provision that would limit DHFS expenditures of DAPIS revenues to the amounts budgeted by the Legislature. Consequently, DHFS would be authorized to expend all moneys received from DAPIS revenues.

[Act 27 Sections: 595m, 595n, 606, 606b and 9423(2g)]

[Act 27 Vetoed Sections: 595m and 595n]

27. INTOXICATED DRIVER PROGRAM [LFB Paper 476]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
PR	$0	- $1,300,000	$1,300,000	$0

Governor: Repeal one of two appropriations DHFS uses to distribute funds generated from the operating while intoxicated (OWI) surcharge to counties and transfer base funding from the repealed appropriation ($1,000,000 PR annually) to the remaining appropriation. Under the bill, a total of $1,150,000 PR annually would be provided for DHFS to allocate according to a plan developed by DHFS. The appropriation that would be repealed under the bill is currently used by

DHFS to supplement funding to counties that otherwise have costs in excess of revenues for treatment of drivers referred through assessment. Under current law, 14.2% of all moneys received from the OWI surcharge was credited to this appropriation.

Credit all moneys received from the OWI surcharge to a current DHFS appropriation, from which moneys are transferred to other DHFS, Department of Public Instruction, University of Wisconsin, Department of Transportation, and Department of Justice appropriations. Under current law, 15% of all moneys received from the OWI surcharge is credited to this appropriation, which may be transferred to other agencies.

Modify the distribution of the OWI surcharge revenues by directing municipal treasurers to submit 32.6% of the OWI surcharge collected by counties, cities, towns and villages to the state treasurer. Current law requires treasurers to submit 29.2% of OWI revenues to the state; the balance is either retained or submitted to the county to support community alcoholism and drug abuse services for OWI offenders referred through assessments.

Other provisions in the bill would increase the OWI surcharge from $300 to $315 and authorize the Department of Transportation to use funding from this source to purchase and maintain breath screening equipment. These provisions are summarized under "Transportation -- State Patrol."

Joint Finance: Reduce funding for county treatment programs for OWI offenders by $650,000 PR annually and increase community aids by a corresponding amount. Under the provisions adopted by JFC, a total of $500,000 PR annually would be available to supplement counties' driver treatment programs.

Assembly: Delete JFC provisions that would authorize the transfer of funding from revenues received from the OWI surcharge to community aids.

Senate/Legislature: Increase DHFS funding for county driver treatment programs by $650,000 PR annually to reflect modifications made by the Assembly.

[Act 27 Sections: 597 and 605]

28. ENFORCEMENT OF STATUTORY RAPE [LFB Paper 346]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$210,000	- $210,000	$0

Governor: Provide $105,000 annually to support a pilot program to increase enforcement of the state's statutory rape laws. These funds would support 1.0 project assistant district attorney

position to work with an investigator from DHFS to develop successful prosecution of statutory rapists and to increase convictions.

Joint Finance/Legislature: Delete provision.

29. DOMESTIC VIOLENCE GRANTS [LFB Paper 477]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$0	$2,234,100	$2,234,100
FED	300,000	0	300,000
PR	180,000	180,000	360,000
Total	$480,000	$2,414,100	$2,894,100

Governor: Provide $150,000 FED and $90,000 PR annually to distribute as grants to domestic violence services organizations to fund eight additional local domestic violence programs in counties where such programs are not currently available. Increased federal funding is projected to be available from federal family violence and services grants distributed by the U.S. Department of Health and Human Services.

Joint Finance/Legislature: Modify the Governor's recommendation to provide $834,700 ($744,700 GPR and $90,000 PR) in 1997-98 and $1,579,400 ($1,489,400 GPR and $90,000 PR) in 1998-99 to: (a) fund grants for 28 local domestic violence programs in counties and tribes that currently do not have a local domestic violence program, beginning January 1, 1998 ($420,000 GPR in 1997-98 and $840,000 GPR in 1998-99); (b) fund grants for programs to provide services to children from violent homes, beginning January 1, 1998 ($450,000 GPR in 1997-98 and $900,000 GPR in 1998-99); (c) reflect funds transferred from the Office of Justice Assistance for three local domestic violence programs, beginning July 1, 1997 ($90,000 PR annually); and (d) reflect the deletion of funds currently distributed directly to counties and tribes with no local domestic violence program to provide some domestic violence services (-$125,300 GPR in 1997-98 and -$250,600 GPR in 1998-99).

In addition, specify that DHFS must award $545,000 in 1997-98 and $995,000 in each fiscal year thereafter as grants to organizations for domestic violence programs targeted to children to reflect the additional funding provided.

Finally, transfer $863,200 FED annually from the DCFS federal project operations appropriation to the DCFS federal program aids to individuals and organizations appropriation and transfer $44,500 FED and 0.575 FED position annually from the appropriation for federal project

operations to the appropriation for federal program operations to allocate funding and positions in the proper appropriation.

[Act 27 Section: 1532c]

30. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)

	Chg. to Base Funding	Chg. to Base Positions
GPR-Lapse	$65,200	0.00
GPR	- $30,000	0.00
FED	- 118,000	-0.10
Total	- $148,000	-0.10

Governor/Legislature: Reduce the budget by $74,000 ($15,000 GPR and $59,000 FED) annually to reflect reduced federal funding available to support: (a) grants to public and nonprofit private entities for the costs of providing mental health services to homeless individuals with chronic mental illness (-$15,000 GPR and -$53,100 FED annually); and (b) DHFS staff support for these activities (-$5,900 FED and -0.10 FED positions annually). Modify the statutory allocation of GPR funding for this program by directing DHFS to allocate up to $45,000 GPR annually for grants, rather than $125,000 GPR annually, as provided under current law. Finally, convert the current continuing GPR appropriation for this program to an annual appropriation. The administration estimates that this change will result in a lapse of $65,200 GPR from the appropriation to the general fund at the end of the 1997-98 fiscal year.

Under current law, DHFS is authorized to allocate up to $125,000 GPR as the state match for federal funds available for projects for assistance in transition from homelessness (PATH).

[Act 27 Sections: 600 and 1534]

31. HUMAN SERVICES REPORTING SYSTEM ENHANCEMENTS

	Chg. to Base
GPR	- $69,900
FED	38,300
Total	- $31,600

Governor/Legislature: Reduce funding for the human services reporting system (HSRS) by $28,300 GPR and increase funding by $24,100 FED in 1997-98 and reduce funding by $41,600 GPR and increase funding by $14,200 FED in 1998-99 to: (a) delete $214,000 ($107,000 GPR and $107,000 FED) annually of funding provided on a one-time basis for enhancements that would enable DHFS to comply with federal regulations regarding case-specific data on all children in foster care and adopted children placed by a child welfare agency or receiving adoption assistance; (b) provide $72,000 ($36,000 GPR and $36,000 FED) in 1997-98 to complete enhancements that would allow DHFS to comply with federal regulations regarding case-specific data on all children in foster care and adopted children placed by a child welfare agency or children receiving adoption assistance; (c) provide $40,000 ($20,000 GPR and $20,000 FED) in 1998-99 to enable HSRS to interface with the Wisconsin child protective services system (WCPSS), an automated information system under development for the state's administration of Milwaukee County child welfare services; (d) provide $137,700 ($42,700 GPR and

$95,100 FED) in 1997-98 and $146,600 ($45,400 GPR and $101,200 FED) in 1998-99 for the maintenance of HSRS.

HSRS is a client-specific, information reporting system used by the state to comply with federal and state reporting requirements. The system includes a number of modules that collect and report detailed information on certain programs and client groups.

32. STAFF SUPPORT FOR GOVERNOR'S COMMITTEE FOR PEOPLE WITH DISABILITIES

	Chg. to Base Funding	Positions
GPR	- $122,500	- 1.50

Governor/Legislature: Reduce funding by $52,500 in 1997-98 and $70,000 in 1998-99 and delete 1.5 position, beginning in 1997-98, to eliminate staff support for the Governor's Committee for People with Disabilities and instead, assign this responsibility to staff that support the Council on Developmental Disabilities. The Governor's Committee advises the Governor and state agencies on issues that affect people with disabilities. The Council on Developmental Disabilities provides a similar function for issues that affect people with developmental disabilities.

33. COMMUNITY SERVICES PILOT PROJECT WITH THE RED CLIFF BAND

Governor/Legislature: Modify session law provisions contained in 1995 Wisconsin Act 27 relating to the Department's contract with the Red Cliff Band of Lake Superior Chippewas for the provision of certain social services for tribal members by: (a) deleting the requirement that the Department establish such a contract prior to June 30, 1997, and instead directing DHFS to administer such a project through June 30, 1999; and (b) placing these provisions in statute. Under the pilot project, the Red Cliff Band is responsible for providing or contracting with service providers to obtain services for tribal members residing on the reservation and for an independent evaluation of the pilot project. Funding for this project is provided under the community aids program.

[Act 27 Sections: 1513tj, 5501z, 5502 and 5503]

34. ELDERLY BENEFIT SPECIALISTS PROGRAM

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR	$2,320,000	- $71,200	$2,248,800

Joint Finance/Legislature: Provide $1,160,000 annually for the elderly benefit specialist program in order to: (a) support higher wages for the benefit specialists and increase the number of

hours of services ($960,000 annually); (b) create a tribal benefit specialist program ($150,000 annually); and (c) expand legal services for benefit specialists ($50,000 annually).

The elderly benefit specialist program assists older persons with their private and government benefits. Benefit specialists are employed in each county aging unit and are trained and monitored by regional attorneys. Currently, $1,224,000 GPR is budgeted for grants to support elderly benefit specialists. In addition, the state allocates $132,500 GPR annually to area agencies on aging to hire attorneys for the purpose of training, supervision and legal back-up services for benefit specialists.

Veto by Governor [C-14]: Delete $35,600 annually from funding for the creation of a tribal benefit specialist program to reflect elimination of funding for an attorney that would serve as a resource for the tribal elderly benefit specialists.

[Act 27 Vetoed Section: 169 (as it relates to s. 20.435(7)(dj))]

35. FOSTER CARE RATE INCREASE

	Chg. to Base
GPR	$677,400
FED	339,100
Total	$1,016,500

Joint Finance/Legislature: Provide $232,100 ($155,000 GPR and $77,000 FED) in 1997-98 and $784,400 ($522,400 GPR and $262,100 FED) in 1998-99 to provide a 2.5% increase in uniform foster care rates beginning January 1, 1998 and again in January, 1999. The funds provided under this item reflect funds budgeted for DHFS costs due to the increase in foster care rates. Funds provided for foster care rate increases for all counties other than Milwaukee County are identified under community aids.

Statutory Modification. In addition, modify the monthly foster care rates established in statute to reflect the 2.5% increase in January 1998 and January 1999. Under this provision, the foster care rates would be established, effective January 1, 1998 at: (a) $289 for a child less than five years of age; (b) $315 for a child age five through eleven; (c) $358 for a child age 12 through 14; and (d) $374 for a child age 15 and over. Effective January 1, 1999 the rates would increase to: (a) $296 for a child less than five years of age; (b) $323 for a child age five through eleven; (c) $367 for a child age 12 through 14; and (d) $383 for a child age 15 and over.

[Act 27 Sections: 1639m and 9423(9g)]

36. ELDER ABUSE SERVICES

	Chg. to Base
GPR	$800,000

Joint Finance/Legislature: Provide $400,000 annually for distribution to counties to fund elder abuse services. Currently, the state provides grants of $225,000 GPR annually to counties to provide services to elderly persons who are victims of physical abuse, financial abuse, neglect or self-neglect.

37. INDEPENDENT LIVING CENTERS

	Chg. to Base
GPR	$272,400

Joint Finance/Legislature: Provide $90,800 in 1997-98 and $181,600 in 1998-99 to increase funding for independent living centers. Independent living centers (ILCs) assist persons with severe disabilities to achieve a greater level of independence in the community. Services provided by ILCs include information, referral, peer counseling, independent living skills training and advocacy, employment and personal care.

State funding for ILCs is $1,039,400 GPR in 1996-97. The Governor's recommendations would maintain funding for ILCs at this level in each year of the 1997-99 biennium. The additional funding included in this item would be sufficient to establish funding for each of the eight ILCs at $250,000, beginning January 1, 1998.

38. RUNAWAY SERVICES GRANTS

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Veto (Chg. to Leg.)	Net Change
GPR	$200,000	- $100,000	$100,000	$0	$100,000
GPR-Lapse	$0	$0	$0	$100,000	$100,000

Joint Finance: Provide $100,000 annually to increase funding available for grants to runaway programs. DHFS currently distributes grants to 25 programs that provide services to runaways. These grants are supported by federal funds totalling $458,600 FED annually that are available under Title IV-B of the federal Social Security Act. In addition, these programs receive funds from the Wisconsin Association of Runaway Services under the federal Runaway Homeless Youth Act ($738,600 in 1996-97). Each of these programs provides 24-hour hotline services, crisis intervention counseling and short-term shelter care. In 1995, these programs provided services to 2,674 clients.

Assembly: Reduce funding by $50,000 annually for a total annual increase of $50,000.

Senate/Legislature: Provide $50,000 each year to restore the total increase in funding for runaway service grants to $100,000 annually, as provided by the Joint Committee on Finance.

Veto by Governor [C-10]: Delete the reference to "each fiscal year" in the provision that would require DHFS to distribute $100,000 annually to programs that provide services for runaways. Consequently, DHFS is required to distribute $100,000 for services to runaways. In his veto message, the Governor indicates that he would request the Secretary of DOA to place $50,000 annually in

unalloted reserve so that $50,000 annually would be available to distribute as grants to runaway programs. The funds placed in unalloted reserve would lapse to the general fund.

[Act 27 Section: 1500m]

[Act 27 Vetoed Section: 1500m]

39. COURT-APPOINTED SPECIAL ADVOCATES

	Chg. to Base
GPR	$100,000

Joint Finance/Legislature: Provide $50,000 annually to fund grants to local organizations that provide court-appointed special advocate services and are recognized by the county to perform advocacy services for children alleged to be in need of protection and services. Generally, these programs involve volunteers that provide advocacy services to children involved in court proceedings where abuse or neglect have been alleged. These services supplement services provided by guardians ad litem which are appointed by the juvenile court to advocate on behalf of a child involved in children in need of protection or services (CHIPS) proceedings. Costs which would be supported by these grants include training both staff and volunteer advocates, supervising volunteers and administrative costs.

Under current law, court-appointed special advocates are recognized as individuals who may participate in a CHIPS proceeding and receive confidential information regarding a child. Currently, no state funding is used to directly fund these programs.

[Act 27 Section: 1500p]

40. INSTITUTES FOR MENTAL DISEASE FUNDING

	Chg. to Base
GPR	- $200,000

Joint Finance/Legislature: Reduce funding to support the costs of care for residents in institutes for mental diseases (IMDs) by $100,000 GPR annually.

41. USE OF COP AND CIP II FUNDING FOR CBRF SERVICES

Joint Finance: Eliminate the current restriction that prohibits counties from using more than 25% of funds allocated under the community options program (COP) and the community integration program (CIP II) for services in community-based residential facilities (CBRFs). Define COP and CIP II as primarily home care programs, and limit use of COP and CIP II funds to services to people who live in their own homes or apartments, except in certain circumstances where in-home care is not feasible and alternative care is appropriate.

Specify that a county may elect to spend COP and CIP II funds for alternate residential care settings in the following situations:

a. Placement in independent apartment CBRFs, residential care apartment complexes (formerly known as "assisted living facilities") and adult family homes;

b. Placement of a person with Alzheimer's or related dementia in a CBRF with a dementia care program; and

c. Placement in a CBRF when the county determines that all of the following conditions have been met:

1. COP assessment and care plan have been completed prior to admission for any person entering a CBRF after January 1, 1998, whether or not the person is a private pay admittee at the time of admission.

2. County documents that the in-home care option has been discussed with the individual, thoroughly evaluated, and found to be infeasible, as defined by rule.

3. The CBRF is the applicant's preferred place of residence or is the setting preferred by the applicant's guardian.

4. The CBRF provides a quality environment and quality care services.

5. CBRF placement is cost effective compared to other options, including home care and nursing home care.

Permit counties to establish more restrictive conditions on the use of COP and CIP II funds in CBRFs. These restrictions must be included in the county's COP plan and be subject to DHFS approval. Authorize DHFS to revoke its approval of county policies and to prohibit counties from placing persons in a CBRF under condition (c) above if it determines that there is a pattern of inappropriate use of COP or CIP II funds for alternate care. Require CBRFs to notify prospective residents of the requirement for pre-admission assessment and care planning.

Assembly/Legislature: Clarify that counties may not use state-only community options program (COP-R) funds to support services for persons living in residential care apartment complexes (formerly known as "assisted living facilities"), as provided under current law.

[Act 27 Sections: 1454m, 1459m, 1459mf, 1464g, 1464h, 1464j, 1471m, 1471p, 1471q, 1471qi, 2048m and 9323(11t)]

42. CHILD ABUSE AND NEGLECT PREVENTION FUNDING

Joint Finance: Provide $1.4 million GPR in 1997-98 in the Joint Finance Committee's supplemental appropriation to support the costs of enacting the legislation recommended by the Joint Legislative Council's special committee on the prevention of child abuse and neglect relating to the creation of a home visiting program and flexible grant program. This funding could be released to DHFS upon enactment of the legislation, up to the amounts specified in the legislation. (Funding for this item is budgeted under "Program Supplements.")

The legislation, as recommended by the special committee, would create home visiting program grant program, medical assistance case management services and technical assistance training.

Assembly/Legislature: Delete the provision that would reserve the $1.4 million in the Joint Finance Committee's supplemental appropriation to support the costs of enactment of the legislation recommended by the special committee. Under this provision, the $1.4 million would remain in the Joint Finance Committee's supplemental appropriation.

43. ADOPTION ASSISTANCE FUNDING

Joint Finance/Legislature: Provide $241,500 GPR in 1997-98 in the Joint Finance Committee's supplemental appropriation to support the costs of enacting legislation recommended by the Joint Legislative Council's Special Committee on Adoption Laws relating to adoption assistance. This funding could be released to DHFS upon enactment of the legislation, up to the amounts specified in the legislation. (Funding for this item is reflected under "Program Supplements.")

The legislation, as approved by the Committee, would provide medical assistance eligibility to children adopted by families, when the child is determined to be at-risk of developing special needs. The legislation would also provide an exception to the requirement that an adoption assistance agreement be signed prior to adoption.

The state provides adoption assistance to certain families who adopt children with special needs in cases where such assistance is necessary to ensure the child's adoption. Adoption assistance can be provided as cash payments or medical care for the child or as reimbursement for nonrecurring adoption expenses. Under current law, adoption assistance agreements are required prior to the finalization of an adoption.

44. FEE ON ASSISTED LIVING FACILITIES FOR OMBUDSMAN SERVICES [LFB Paper 190]

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
PR-REV	$125,800	- $125,800	$0
PR	$125,800	- $125,800	$0

Joint Finance: Require all certified and registered assisted living facilities to pay, in addition to any other required fees, an annual fee of up to $100 per bed, which would first be applicable at the time that 500 assisted living beds have been registered or certified, as determined by the DHFS. Require the Department to set the fee at a rate that would generate sufficient revenues to support one ombudsmen position in 1997-98 ($34,300) and 2.0 ombudsmen positions in 1998-99 ($91,500). Specify that all revenue collected from this fee be credited to a new continuing appropriation for DHFS and that the Department transfer funds credited to this appropriation to support these additional ombudsman positions for the Board on Aging and Long-Term Care.

Assembly/Legislature: Delete provision.

45. STUDY OF TAX CREDIT FOR PERSONS CARING FOR SENIORS

Assembly/Legislature: Direct DHFS, in conjunction with DOR, to develop legislation that would create a tax credit for individuals who provide care for persons over the age of 65. Specify that this legislation be submitted to the appropriate Senate and Assembly standing committees by January 30, 1998.

[Act 27 Section: 9123(12j)]

46. TRANSFER OF MA FUNDS TO COP

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

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

integration programs CIP IA, CIP IB, and CIP II. The average daily costs of care would be derived by dividing total MA expenditures for that type of care by the total number of days of that type of care provided in facilities in that fiscal year.

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

Veto by Governor [C-3]: Delete provisions that: (a) establish a December 1 report date; (b) require that the comparison of utilization of nursing homes be for the prior two consecutive fiscal years; (c) outline a specific formula for the recommended transfer amount; and (d) provides for review and possible modification by the Joint Committee on Finance. With these partial vetoes, DHFS would be required to annually submit a report to the Joint Committee on Finance on utilization of nursing home services, but there would not be any specific deadline for the report, and the amount of the transfer, if any, would be left to the discretion of DHFS and would not be subject to review and approval by the Joint Committee on Finance.

[Act 27 Sections: 529, 599 and 1932m]

[Act 27 Vetoed Section: 1932m]

47. EXTENSION OF AGREEMENT FOR SHEPHERDS HOME

Assembly/Legislature: Specify that a "community-based residential facility" does not include a residential facility in the village of Union Grove that was authorized to operate without a license under a final judgement entered by a court before January 1, 1982 and that continues to comply with the judgement, notwithstanding the expiration of the judgement. This provision would allow for the continuation of a court agreement between the Shepherds Home and DHFS. The agreement enables the Shepherds Home to operate as an unlicensed residential care facility as long as the facility complies with the conditions of the court agreement, which includes: (a) compliance with all state health and safety regulations; and (b) regular inspections by DHFS.

[Act 27 Section: 2006r]

48. BACKGROUND CHECKS AND REPORTING AND INVESTIGATING CLIENT ABUSE FOR CERTAIN HEALTH CARE AND CHILDREN'S FACILITIES

	Chg. to Base Funding	Positions
GPR	$415,300	9.50
FED	178,800	4.15
Total	$594,100	13.65

Assembly/Legislature: Provide $415,300 GPR and $178,800 FED in 1998-99 to support 9.50 GPR positions and 4.15 FED positions, beginning in 1998-99, to meet workload associated with expanding requirements for reporting of misconduct and use of criminal background and nurse registry checks, and expanding restrictions for employing or hiring persons with records of misconduct and for allowing persons with records of misconduct who are not clients to reside in the facility. In addition, provide $420,000 GPR in 1998-99 in the Joint Committee on Finance supplemental appropriation for development of a linked computer system. (Funding for this purpose is reflected under "Program Supplements.")

Effective Date. Most of these provisions would take effect on the first day of the twelfth month beginning after the publication of Act 27 (November 1, 1998). However, provisions relating to background checks for existing employes of health care and children facilities would take effect on the first day of the 24th month after the publication of Act 27 (November 1, 1999).

Reporting and Investigation of Misconduct. Require home health agencies, nursing homes, hospitals, CBRFs, adult day care centers, adult family homes, assisted living facilities, hospices, treatment facilities, personal care agencies and supportive care agencies to report any client abuse or neglect or misappropriation of the client's property by a nurse's assistant, home health aide or other person to DHFS for persons not licensed by the Department of Regulation and Licensing (R&L) and to R&L for persons licensed by R&L. Require the respective agency to review and investigate the report. If the allegation is substantiated, the finding must be recorded on the DHFS nurse registry at DHFS for cases investigated by DHFS or recorded at R&L for cases investigated by R&L. Authorize DHFS to contract for field investigators for its investigations.

Reporting requirements of child abuse and neglect would not be modified. However, DHFS would be required to study the feasibility of developing an automated interface for utilizing information on substantiated findings of child abuse or neglect.

Required Use of Nurse Registry and Criminal Background Checks. Specify that the following health care and children facilities would be subject to new criminal, nurse aide registry and R&L sanction checks: (a) home health agencies; (b) nursing homes; (c) hospitals; (d) CBRFs; (e) adult day care centers; (f) adult family homes; (g) residential care apartment complexes; (h) hospices; (i) treatment facilities; (j) personal care agencies and (k) supportive care agencies; (l) state-licensed group and family child day care centers; (m) before- and after-school day care contracted for by a local school district; (n) child caring institutions; (o) group foster homes; (p) shelter care facilities; (q) child placing agencies; and (r) county-certified child care providers. Children's facilities and programs licensed or administered by counties would not be included, except for county-certified child care providers. (Although unintended, these provisions would also apply to other DHFS-regulated entities, such as hotels, restaurants and tattoo facilities.)

Prohibit DHFS from issuing or renewing a license to any of these entities and prohibit these entities from employing or contracting with someone or permitting a person who is not a client to reside in the facility who may have access to its residents or patients if DHFS or the entity knows or should have known any of the following: (1) that the person has been convicted of a serious crime; (2) that the person has pending against him or her a charge for a serious crime; (3) that a unit of government, state agency or contracted entity has made a finding that the person has abused or neglected any client or misappropriated the property of any client; (4) that a county department or agency has made a determination that the person has abused or neglected a child; and (5) that for employes who are state-licensed, the person's credentials is not current or is limited so as to restrict the person from providing adequate care.

In order to determine if any of these conditions exist, require DHFS, the county, school board, or provider to: (a) request from the Department of Justice (DOJ) a criminal history record search of the person and make a determination that the person does not have a conviction or pending charge relating to patient or resident abuse and has not been convicted of a serious crime (persons less than 18 years old would be exempt from criminal background checks unless there is evidence of an adult conviction); (b) request from DHFS a check of the nurse registry and make a determination that the person does not have any record of patient, resident or client abuse or misappropriation of property; (c) for employes who are licensed by R&L, verify with R&L that the person has a valid license and has no record of patient, resident or client abuse; (d) request from DHFS any information maintained by DHFS regarding any substantiated reports of child abuse or neglect; and (e) for child care providers, information maintained by DHFS regarding any previous denials to the person for a license, continuation of a license, certification or a contract to operate an entity as a result of one of the above background checks. Entities would be allowed to obtain the required information (except for child abuse and neglect findings) from other entities, such as a temporary employment agency, if those other entities obtained that information within the last four years. Also, for covered child care providers only, the information outlined in (a) to (d) would not have to be obtained if it is determined that the person was previously denied a license, certification, contract or employment as a result of previous background checks. Counties and school boards would be required to inform DHFS of any person denied certification or a contract as a child care provider because of the required background checks.

For persons employed on or before the first day of the month beginning after publication of the bill, and who have been continuously employed, the provider would have 24 months after the effective date of the bill to conduct the required checks. A provider would be allowed to employ a person on a provisional basis for up to 60 days with supervision in order to allow time for the required information to be obtained if there is no indication that the person has any prior conviction or pending charge. A provider would not be required to obtain background checks for contracted employes that provide infrequent or sporadic services that are not directly related to the care of a client. In addition, counties, for certified child care providers, and school boards, for contracted child care providers, could provisionally certify or contract with the provider conditioned on receipt of the required background information.

If a person is not a resident of this state, or if any time within the three years preceding the person has not been a resident of this state, DHFS, the county, school board, or provider would be required to make a good faith effort to obtain a criminal records search for that person from any state in which that person resided in that time period.

In addition, require DHFS, counties, school boards, and providers to conduct the criminal and other background checks every four years for the various groups subject to the background checks. Someone with a conviction for a serious crime or finding of client abuse or neglect, or misappropriation of the client's property could be employed if the person demonstrates evidence of rehabilitation under a waiver, as specified by DHFS by rule. Waiver requests involving state-licensed providers would be filed with DHFS, waiver requests involving county-certified child care providers would be filed with the county, and those involving school boards would be filed with the Department of Public Instruction. If the waiver request is rejected, the person could appeal to the Secretary of DHFS or designee (state-licensed providers), the director of the county department or designee (county-certified child care providers) or the Superintendent of Public Instruction or designee (child care providers contracting with school boards). If a waiver request is denied, the person would be allowed to appeal for a hearing under ch. 227 (appeals of state agency decisions) or under ch. 68 (appeal of a county decision). A provider that violates any of these requirements would be subject to a forfeiture of up to $1,000 or other penalty established by DHFS by rule. Applicants (employes) could be subjected to penalties established by rule for false information. DHFS would be required to prepare an annual report for the Legislature on the number of waiver applications (to demonstrate rehabilitation), number of waivers granted and reasons for granting waivers.

Authorize DHFS, counties and school boards to charge a fee for obtaining the required background information. Specify that the fee could not exceed the reasonable cost of obtaining the information and a fee could not be charged to a nurse's assistant if it would be inconsistent with federal law.

Require that computer linkages be developed between DHFS, R&L and DOJ so that, eventually, providers could be provided one-stop shopping at DHFS, which would have access through computer linkages to the records of the other two agencies. Until the computer linkages have been established, a provider would contact each of the three agencies.

Require DHFS to study the feasibility of establishing a computer linkage to the statewide child welfare information system (SACWIS), which DHFS is currently developing and the use of child abuse and neglect findings on SACWIS as another source for background checks.

Repeal the current statutory provisions for criminal background checks for state-licensed child care providers, county-certified child care providers, and before- and after-school child care under contract with local school districts. Current statutory provisions differ from the new requirements in three major ways: (a) the criminal convictions that would preclude employment are listed specifically in statute under current law, rather than established by DHFS by rule; (b) current law does not provide for any intermediate sanctions or evidence of rehabilitation (waiver); and (c) a background

check of F.B.I. criminal records is required under current law for nonresidents and persons who lived outside of Wisconsin at some time during the preceding five years, whereas the new provision would require a good faith effort to obtain criminal records from any state in which the person has resided in the last three years; and (d) current law does not require any checks of the nurse aide registry or of R&L records, if applicable.

Background Form. Require the following groups to fill out and submit to DHFS a background information form designed by DHFS: (a) state-licensed providers who are subject to the various background checks; (b) child care providers who contract with school boards; and (c) child care providers certified by counties. In addition, require providers to have the following persons complete a background information form developed by DHFS: (a) a person that the provider employs or contracts with, or intends to employ or contract with, if the person has, or is expected to have, access to any client; and (b) a person who is a resident or prospective resident at the facility and who is not a client or prospective client of the provider, if the person has, or is expected to have, access to any client of the provider. Require that background information forms of employes of the provider who are specified by rule and non-client residents be sent to DHFS. For other employes, the provider would maintain the background form on file for inspection. A person who provides false information on a background information form would be subject to a forfeiture of not more than $1,000 and could be subject to other sanctions specified by DHFS by rule. Background forms would have to be updated every four years and would have to include the person's date of birth.

Intermediate Sanctions. Require DHFS to promulgate a rule that specifies types of abuse, neglect or misappropriation of property for which intermediate sanctions would be allowed. Specify that the established sanctions be consistent with federal laws and regulations.

Protection from Discrimination Laws. Authorize providers to refuse to employ a person who may have access to the provider's residents, patients or clients if the person has been convicted of an offense that DHFS has not defined as a "serious crime" if the provider believes that the offense is significantly related to the care of a vulnerable person.

Definition of Serious Crime. Require DHFS to establish by rule a definition of "serious crime," but the definition could only include crimes that are substantially related to the care of a vulnerable adult. The definition of serious crime would have to include: (a) first-degree intentional homicide under s. 940.01; (b) first-degree sexual assault under s. 940.225(1); (c) first degree sexual assault of a child under s. 948.02(1); (d) second degree sexual assault of a child under s. 948.02(2) if the person was, at the time of the sexual contact or sexual intercourse, more than four years older than the child with whom the person had the sexual contact or sexual intercourse; and (e) repeated acts of sexual assault of the same child under s. 948.025 if the child had not attained the age of 13, or if the child had attained the age of 13 and had not attained the age of 16 and the person was, at the time of the sexual contact or sexual intercourse, more than four years older than the child with whom the person had the sexual contact or sexual intercourse. These five crimes, plus any others established by rule would permanently preclude employment.

Training Sessions. Require DHFS to conduct periodic training sessions throughout the state covering criminal background investigations, reporting and investigating misappropriation of property or abuse or neglect of a client and any other material that will better enable providers to comply with these new requirements.

Study of Uniform Fees. Require DOJ to prepare a report for the Legislature, by July 1, 1998, on the feasibility of establishing a uniform fee for criminal history searches.

Study on Determining Convictions in Other States. Require DHFS and DOJ to submit a report to the Legislature prior to July 1, 1998, on methods to check for criminal convictions and reports of abuse, neglect and misappropriation of property that occur in other states.

Audit of Abuse Investigations and Contracting for Investigations. Request the Legislative Audit Bureau to perform an evaluation audit, within 25 months of the bill's general effective date or by June 30, 2000, whichever is earlier, to compare the investigation processes of misconduct reports by DHFS, R&L and any private investigators. The audit would be required to compare methods and outcomes of the investigations. Also, request the Audit Bureau to compare the quality of investigations by DHFS employes and contracted agents.

Clarification of Types of Misconduct Requiring Reporting. Clarify current statutory provisions relating to the types of misconduct that are reported to DHFS for investigation and noted on the nurse aide registry. Modify statutory references of the phrase "neglect, abuse or misappropriation of property" to clarify that the abuse or neglect applies to the resident or patient, not to the resident's or patient's property.

[Act 27 Sections: 1631d, 1640d, 1645d, 1645m, 1653g, 1655p, 1655r, 1661d, 1663d, 1664d, 1664f, 1976m, 2006u, 2059d, 2059f, 2157gv, 2860g, 2986u to 2986un, 3101m, 4196u, 4198n, 5176g, 5250b, 9123(13pt)&(13pu), 9131(3pt) thru 9131(3px), 9132(3pt) and 9423(9pt)&(9ptt)]

49. COMPULSIVE GAMBLING AWARENESS CAMPAIGN

	Assembly/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
PR	$200,000	- $100,000	$100,000

Assembly/Legislature: Provide $100,000 annually to DHFS to fund a public awareness campaign on compulsive gambling. Funding would be transferred from revenues received from Indian gaming activities (50%), racing activities (40%), and lottery funds budgeted for general program operations (36%). DHFS would be required to develop a plan for expenditure of these funds and submit the plan to the Joint Committee on Finance for approval under a 14-day passive review process prior to the expenditure of funds.

Veto by Governor [C-13]: Delete $100,000 in 1997-98 to fund the compulsive gambling awareness campaign and the provision which would require DHFS to develop a plan for the awarding of grants under this program and submit that plan to the Joint Committee on Finance for approval under a 14-day passive review. Consequently, $100,000 would be available in 1998-99 for a compulsive gambling awareness campaign.

[Act 27 Sections: 229m, 605m, 704g and 1410g]

[Act 27 Vetoed Section: 1410g]

50. RETIRED SENIOR VOLUNTEER PROGRAM

	Chg. to Base
GPR	$177,600

Assembly/Legislature: Provide $88,800 annually to increase funding for the retired senior volunteer program (RSVP). The RSVP develops and supports volunteer opportunities for older adults, enabling volunteers to stay or become active in the community through volunteer service. The RSVP recruits, interviews, trains and places men and women with public and private nonprofit agencies requesting service. Funding is provided for out-of-pocket expenses such as transportation and liability insurance for volunteers. This provision would increase total funding for the RSVP and senior companion program to $600,000 GPR annually.

51. BIRTH-TO-THREE PROGRAM -- LIABILITY FOR SERVICES RECEIVED

Assembly/Legislature: Specify that a health insurance policy that provides coverage to a child enrolled in the birth-to-three program is the primary payor for services provided under that program. In addition, prohibit health insurance policies from the following, based on an individual's or an individual's dependents' eligibility for the birth-to-three program: (a) excluding an individual or an individual's dependent from coverage; (b) terminating coverage of an individual or an individual's dependent; (c) providing different benefits or coverage to an individual or an individual's dependent than provided to individuals and their dependents who are not eligible for services under the birth-to-three program.

The birth-to-three program provides early intervention services to children with developmental disabilities who are under the age of three and their families. An interdisciplinary team consisting of county staff and health care professionals evaluate the needs of the child and family and develop an individualized family service plan (IFSP) that identifies necessary services and provides for the coordination of services.

Counties are required to ensure that services are provided in accordance with the IFSP. By rule, these services could include: (a) assistive technology services and devices; (b) audiology services; (c) speech and language services; (d) family education and counseling services; (e) health

care services; (f) medical services; (g) nursing services; (h) nutrition services; (i) occupational therapy services; (j) physical therapy; (k) psychological services; (l) social work services; (m) special instruction; (n) transportation and related costs of travel; and (o) vision services.

[Act 27 Sections: 4929m, 4929n, 4929p, 4929r and 4929t]

52. MENTAL HEALTH TREATMENT FOR MINORS

Assembly: Include statutory provisions to eliminate the distinctions between a minor under 14 years of age and a minor 14 years of age or older for providing developmental disability and mental health services and services for alcoholism and drug addiction under Chapter 51 of the statutes (the Mental Health Act). Specifically:

Admission to an Inpatient Treatment Facility. Specify that for minors, a parent with legal custody or a guardian would execute an application for voluntary admission of a minor to an inpatient treatment facility rather than requiring an application for admission be executed by the minor and his or her parent or guardian, if the minor is 14 years of age or older.

Specify that for admissions of a minor to an inpatient treatment facility through DHFS or a county, the treatment facility would be required to file a petition in juvenile court to determine if there is a prima facie case showing that the minor is in need of psychiatric services or services for developmental disabilities, or alcoholism or drug addiction and that the facility is the least restrictive therapy or treatment consistent with the needs of the minor. Under current law, the juvenile court would be required to determine whether the admission was voluntary on the part of the minor.

Release from an Inpatient Treatment Facility. Delete the right of a minor 14 years of age or older to request, in writing, discharge from an inpatient treatment facility and the requirement that a facility release a minor, within 48 hours of receiving such a request. Instead, specify that the minor may petition the juvenile court for a hearing to determine the continued appropriateness of admission to an inpatient treatment facility. Under current law, this provision would only apply to minors under 14 years of age.

Outpatient Treatment. Provide that a minor 14 years of age or older may petition for a county mental health review officer to review a refusal of his or her parents to provide informed consent for outpatient mental health treatment for the minor.

Review of Commitment to Treatment Facility. Provide that, except in the case of involuntary commitments for alcoholism, any patient, except when the patient is a minor, the patient's guardian, relative, friend or any person providing treatment under an involuntary commitment order, may request a reexamination or request the court to modify or cancel an order of involuntary commitment for treatment. Under this provision a minor 14 years of age or older would not be able to make such a request, as provided under current law.

Consent for Release of Information. Specify that the parent, guardian or person in the place of a parent of a minor may consent to the release of confidential information in court or treatment records of the minor. Minors 14 years of age or older would not be able to consent to the release of confidential information as provided under current law.

Access to Court and Treatment Records. Specify that: (a) the parent, guardian or person in the place of a parent of a minor shall have access to the minor's court and treatment records at all times; (b) a minor would have access to his or her court records only in the presence of a parent, guardian, counsel, guardian ad litem or judge; and (c) a minor would have access to his or her treatment records only in the presence of a parent, guardian, counsel, guardian ad litem or treatment facility personnel. Under current law, a minor 14 years of age or older could file a written objection which would prevent the parent, guardian or person in place of the parent from having access to the minor's court and treatment records at all times.

Transfer to a Treatment Facility. Specify that a minor's parent or guardian must consent to the transfer of a minor from a juvenile correctional facility or a secured child caring institution to a treatment facility if a licensed psychologist of the facility or a licensed physician of the department of corrections (DOC) states that in his or her opinion, the minor is in need of treatment. In addition, specify that the parent or guardian of a minor transferred to a treatment facility may request in writing a return of the minor to the juvenile correctional facility or secured child caring institution. Under current law, if a minor is 14 years of age or older, his or her consent is required for a transfer to a treatment facility, and such a minor could request, in writing, his or her return to the juvenile correctional facility or secured child caring institution.

Patients' rights. Specify that DHFS or counties or agencies with agreements with DHFS or a county have the right to use customary and usual treatment techniques and procedures in a reasonable and appropriate manner in treatment of patients who are receiving services under Chapter 51, if the written, informed consent of the patient is provided. If the patient is a minor, the written, informed consent of the parent or guardian is required, unless a court determines that consent is not required. A court may review a parent or guardian's refusal to provide written, informed consent for the treatment of a minor. Under current law, if the minor to receive treatment is 14 years of age or older, the written, informed consent of the minor is required unless a court determines otherwise.

Technical Corrections. Modify provisions relating to the admission of minors for inpatient and outpatient treatment to make grammatical corrections and to correct a cross-reference to the juvenile justice code.

Senate/Legislature: Delete provision, but retain technical corrections.

[Act 27 Sections: 2112p and 2112vm]

53. ARC COMMUNITY SERVICES GRANT

	Chg. to Base
GPR	$262,500

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

[Act 27 Section: 1500s]

54. BIRTH-TO-THREE PROGRAM -- GREAT LAKES INTER-TRIBAL COUNCIL

	Chg. to Base
GPR	$100,000

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

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$102,215,000	$104,689,100	$104,746,000	$115,583,600	$115,583,600	$13,368,600	13.1%
FED	3,590,200	2,427,800	2,427,800	2,427,800	2,427,800	- 1,162,400	- 32.4
PR	2,000	683,100	683,100	683,100	683,100	681,100	N.A.
SEG	203,600	210,200	210,200	210,200	210,200	6,600	3.2
TOTAL	$106,010,800	$108,010,200	$108,067,100	$118,904,700	$118,904,700	$12,893,900	12.2%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	9.50	9.50	9.50	9.50	9.50	0.00
FED	0.00	3.50	3.50	3.50	3.50	3.50
PR	0.00	5.50	5.50	5.50	5.50	5.50
SEG	1.50	1.50	1.50	1.50	1.50	0.00
TOTAL	11.00	20.00	20.00	20.00	20.00	9.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	- $36,200
SEG	3,400
Total	- $32,800

Governor/Legislature: Adjust the base budget annually for: (a) full funding of salaries and fringe benefits (-$18,900 GPR and $1,700 SEG); (b) full funding of financial services charges ($100 GPR); and (c) delayed pay adjustments ($700 GPR).

2. WISCONSIN HIGHER EDUCATION GRANT (WHEG) PROGRAM FOR UW STUDENTS [LFB Paper 485]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$1,008,500	- $623,000	$1,351,300	$3,443,800	$5,180,600

Governor: Provide $285,700 in 1997-98 and $722,800 in 1998-99 to increase funding for the WHEG program for UW students over the prior year by 2.0% and 3.0%, respectively. Total funding would increase from $14,283,200 in 1996-97 to $14,568,900 in 1997-98 and $15,006,000 in 1998-99.

Joint Finance: Reduce funding for the program by $311,500 annually. The net change in total funding would be -$25,800 in 1997-98 and $411,300 in 1998-99, resulting in percentage changes of -0.2% and 3.1%, respectively. Total funding for the grants would be $14,257,400 in 1997-98 and $14,694,500 in 1998-99.

Assembly: Provide an additional $597,100 in 1997-98 and $754,200 in 1998-99 to fund a 4% annual increase for the program. Total funding for the program would be $14,854,500 in 1997-98 and $15,448,700 in 1998-99.

Senate/Legislature: Provide an additional $1,647,700 in 1997-98 and $1,796,100 in 1998-99 for the program to increase total funding to $16,502,200 in 1997-98 and $17,244,800 in 1998-99, which would represent increases of 15.5% and 4.5%, respectively.

[Note: A provision which was included in the Joint Finance version of the budget, and was subsequently deleted by the Assembly, would have provided for a portion of UW tuition and fee revenues to be used for financial aid to UW students. Although these funds would not have been included in the appropriation for WHEG grants nor administered by HEAB, their distribution would have been based on the methodology used to distribute WHEG awards. A more detailed description of the provision is shown under "University of Wisconsin System."]

3. WISCONSIN HIGHER EDUCATION GRANT (WHEG) PROGRAM FOR TECHNICAL COLLEGE STUDENTS [LFB Paper 485]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	$767,000	$1,227,500	- $673,600	$1,320,900

Governor: Provide $217,300 in 1997-98 and $549,700 in 1998-99 to increase funding for WHEG awards to technical college students over the prior year by 2.0% and 3.0%, respectively.

Total funding would increase from $10,863,200 in 1996-97 to $11,080,500 in 1997-98 and $11,412,900 in 1998-99.

Joint Finance: Provide an additional $434,500 in 1997-98 and $793,000 in 1998-99 to increase total funding for the program by 6% annually. Total funding for the grants would be $11,515,000 in 1997-98 and $12,205,900 in 1998-99.

Assembly/Legislature: Reduce funding by $217,300 in 1997-98 and $456,300 in 1998-99, to provide a net increase of 4% annually. Total funding for the program would increase from $10,863,200 in 1996-97 to $11,297,700 in 1997-98 and $11,749,600 in 1998-99.

4. TUITION GRANT [LFB Paper 485]

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$1,133,100	$818,600	$1,497,500	$3,449,200

Governor: Provide $321,000 in 1997-98 and $812,100 in 1998-99 for the tuition grant program. Total funding would increase from $16,050,200 in 1996-97 to $16,371,200 in 1997-98 (2% increase) and to $16,862,300 in 1998-99 (3% increase). Tuition grants are need-based and are awarded to resident undergraduates who attend private, nonprofit postsecondary institutions in Wisconsin.

Assembly: Provide an additional $321,000 in 1997-98 and $497,600 in 1998-99 to fund a 4% annual increase for the program. Total funding would be $16,692,200 in 1997-98 and $17,359,900 in 1998-99.

Senate/Legislature: Provide an additional $481,500 in 1997-98 and $1,016,000 in 1998-99 for the tuition grant program to fund a 7% annual increase for the program. Total funding for the program would be $17,173,700 in 1997-98 and $18,375,900 in 1998-99.

5. TUITION GRANT PROGRAM FOR STUDENTS ATTENDING TRIBALLY-CONTROLLED COLLEGES

Assembly/Legislature: Provide that a student enrolled at least half-time at a tribally-controlled college in Wisconsin would be eligible to receive an award under the tuition grant program. Specify that the statutory formula used to determine the amount of a grant under the program would not apply to these students. Provide that by April 10, 1998, and annually thereafter, each tribally-controlled college in the state would be requested to develop and submit to HEAB a proposed formula for the awarding of grants to tribal college students for the upcoming academic year. In addition, each

tribally-controlled college would be requested to develop and submit a formula to HEAB, no later than 30 days after the effective date of the bill, for the awarding of grants for the 1997-98 academic year. Require HEAB to approve, modify or disapprove the proposed formula for 1997-98 within 21 days following submission. Provide that no grants could be awarded to tribal college students for 1997-98 unless the applicable formula is approved or modified by HEAB.

[Act 27 Sections: 1224, 1224e, 1225m, 1227 thru 1227m, 1229c thru 1229j and 9156(1g)]

6. TEACHER EDUCATION LOAN PROGRAM

	Chg. to Base
GPR	$400,000

Senate/Legislature: Provide $150,000 in 1997-98 and $250,000 in 1998-99 in a new, annual appropriation for a teacher education loan program to be administered by HEAB. Require the Board to establish a loan program to defray the cost of tuition for persons enrolled in a teacher education program offered by the Milwaukee Teacher Education Center, a nonstock, nonprofit corporation. Provide that after an individual who receives a loan under the program has completed the teacher education program, the Board would be required to forgive 50% of the loan and 50% of the interest on the loan for each school year that the individual is employed as a full-time teacher in the Milwaukee Public Schools. Require the Board to deposit in the general fund, all loan repayments, including interest payments, received under the program. Require the Board to promulgate rules to administer the loan program.

[Act 27 Sections: 236L and 1258m]

7. ACADEMIC EXCELLENCE SCHOLARSHIP PROGRAM FUNDING [LFB Paper 486]

	Chg. to Base
GPR	$201,700

Governor: Provide an additional $201,700 in 1997-98 for the academic excellence scholarship program. Total funding would increase from $3,016,300 in 1996-97 to $3,218,000 in 1997-98 and would be at the 1996-97 base level of $3,016,300 in 1998-99. This program provides scholarships to 12th grade students who have the highest grade point average in each public and private high school in the state. The increase in funding is intended to allow HEAB to avoid prorating the awards in 1997-98.

Joint Finance/Legislature: Change the appropriation for the academic excellence scholarship program from a biennial sum certain to a sum sufficient appropriation and delete the statutory language requiring proration of awards. Specify that this change would first apply to scholars who are awarded or receive scholarships for the 1997-98 academic year.

[Act 27 Sections: 237e, 1277g, 1277j, 1280 and 9356(6p)]

8. ACADEMIC EXCELLENCE SCHOLARSHIP PROGRAM TIEBREAKER

Joint Finance/Legislature: Require HEAB, in consultation with the Department of Public Instruction, to develop guidelines that may be used by the faculty of a high school to select the recipient(s) of an academic excellence scholarship in the case of a tie between two or more students. Require that the guidelines include a method for weighting courses differently in the calculation of grade point averages for the selection of a scholar in the event of a tie.

Veto by Governor [A-2]: Delete provision.

[Act 27 Vetoed Section: 1277d]

9. STUDENT LOAN INTEREST APPROPRIATION [LFB Paper 488]

	Chg. to Base
GPR	- $547,600

Joint Finance/Legislature: Reduce the Board's budget by $273,800 annually and eliminate an appropriation for the payment of interest on monies borrowed from the Investment Board in the 1970s to make student loans. The last of these loans have been written off and the payment to the Investment Board is no longer necessary.

[Act 27 Sections: 239m and 1239]

10. INDEPENDENT STUDENT GRANT

	Chg. to Base
GPR	- $400,000

Governor/Legislature: Reduce the base budget by $200,000 annually to reflect the elimination of funding for the independent student grant program. Provide that no student may receive an initial grant under this program after the 1996-97 academic year. The program provides grants to resident students who are current recipients of aid to families with dependent children. An eligible student must be enrolled for at least six credits in a public or private, nonprofit postsecondary institution in the state. If the student fails to complete the degree, the grant becomes a loan which must be repaid at a 5% annual interest rate.

[Act 27 Section: 1307]

11. NURSING STUDENT STIPEND LOANS

	Chg. to Base
GPR	- $200,000

Governor/Legislature: Delete $100,000 annually to reflect the elimination of funding for the nursing student stipend loan program. The program provides forgivable loans to state residents enrolled in eligible nursing programs as

upperclassmen undergraduate students. A provision in 1995 Act 27 prohibited any new students from participating in the program beginning with the 1995-96 academic year.

12. AGENCY BUDGET REDUCTIONS

	Chg. to Base
GPR-Lapse	- $26,800

Assembly/Legislature: Require that the Secretary of DOA allocate annually reductions of $13,400 to the Board's sum certain GPR state operations appropriations to be achieved by requiring HEAB to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

13. MINNESOTA-WISCONSIN RECIPROCITY PAYMENT

	Chg. to Base
GPR	$4,000,000

Assembly/Legislature: Reestimate the payment to Minnesota under the Minnesota-Wisconsin tuition reciprocity agreement by $2,000,000 annually, which is made from a sum sufficient appropriation. Under the agreement, nonresident tuition is waived for residents of one state who attend public universities and community colleges in the adjacent state. Annually, a payment between the states is made to compensate for the net difference in the cost of educating students enrolled under the agreement.

14. MINNESOTA-WISCONSIN STUDENT RECIPROCITY AGREEMENT

Governor: Modify the statutes governing the Minnesota-Wisconsin higher education reciprocity agreement to allow Wisconsin residents first enrolled in the University of Minnesota Law School in the 1996-97 academic year and thereafter to be charged a reciprocal fee (tuition) equal to that charged a Minnesota resident enrolled in the University of Minnesota Law School. Under current law, the reciprocal fee is the average tuition rate which the student would be charged at a comparable public institution of higher education located in the student's state of residence. This modification would first apply to reciprocal fees for the 1997-98 academic year. This provision would codify a modification to the agreement approved by the Joint Committee on Finance in April, 1996.

Joint Finance: Delete provision.

Assembly/Legislature: Restore provision.

[Act 27 Sections: 1310m and 9356(7g)]

15. STATE STUDENT INCENTIVE GRANT PROGRAM

	Chg. to Base
FED	- $1,506,200

Governor/Legislature: Reduce federal revenues by $753,100 annually to reestimate federal funding for the state student incentive grant program. Total funding is estimated at $1,042,000 annually. These funds are added to GPR monies for the talent incentive program, under which grants are provided to the most needy and educationally disadvantaged students as selected by the staff of the Wisconsin educational opportunity program in DPI.

16. SMALL AGENCY INFRASTRUCTURE SUPPORT

	Chg. to Base
SEG	$3,200

Governor/Legislature: Increase the Board's expenditure authority by $1,600 annually for computer hardware master lease payments and support costs. DOA has recommended that the Board receive a grant of $900 from DOA's information technology investment fund for the first year of a three-year grant to upgrade its computer hardware and software. Of the $1,600 annually provided in the bill, $100 would be used to pay a portion of the master lease payments for capital equipment, in place of monies from the fund. It is anticipated that the remaining $800 annually needed for the master lease payments would be provided through the fund. The additional $1,500 in expenditure authority would be provided annually to pay the costs of support services provided by DOA including installation of hardware and software, on-site training in response to user questions and help desk operations. It is expected that additional support costs of $8,500 annually would be paid from the fund.

17. RECREATE HIGHER EDUCATIONAL AIDS BOARD [LFB Paper 487]

Governor: Recreate the Higher Educational Aids Board (HEAB) as it existed prior to July 1, 1996, except that the Council on Financial Aids would not be restored. Prior to July 1, 1996, HEAB was responsible for administering state-funded student financial aid programs and negotiating interstate higher education reciprocity agreements. The Board was a part-time, independent policy-making body composed of the State Superintendent and 18 members appointed by the Governor (three Board of Regents members, two Wisconsin Technical College System (WTCS) Board members, five private college board of trustee members, three students and five public members). The Board members served at the pleasure of the Governor and were not subject to Senate confirmation. HEAB staff included two unclassified positions: an Executive Secretary and a Deputy Secretary. The Council on Financial Aids, which advised the Executive Secretary of HEAB on financial aid issues, consisted of seven students (three UW System students, two WTCS students and

two private college students) and seven financial aids administrators (three administrators from the UW System, two administrators from the WTCS and two administrators from private colleges).

Provisions in 1995 Act 27 would have restructured the governance of the Department of Public Instruction (DPI) and changed its name to the Department of Education (DOE). An Education Commission, created to serve as the policy-making body for DOE, would have been responsible for the administration of higher educational aids. Act 27 eliminated HEAB, effective July 1, 1996, and transferred its staff and functions to DOE. In addition, the Board's authorization to employ an Executive Secretary and a Deputy Secretary was repealed. The Act also eliminated the Council on Financial Aids effective January 1, 1996. In March of 1996, the Wisconsin Supreme Court ruled that the creation of DOE was unconstitutional. However, the ruling did not restore the Board, its Executive Secretary position, or the Council.

Since July 1, 1996, HEAB staff have continued to carry out the functions of the agency under an executive order of the Governor and a memorandum of understanding between HEAB and DPI. The executive order established a Higher Educational Aids Council, appointed by the Governor, to temporarily replace the Board until legislation to resolve the situation could be enacted. In addition, in June, 1996, the Joint Committee on Finance approved funding and position authorization for a project position to temporarily serve as the Executive Secretary of the agency.

On the effective date of the bill, transfer to HEAB all assets, liabilities, tangible personal property, records, contracts, rules and pending matters that are primarily related to higher educational aids, as determined by the Secretary of DOA. Provide that all contracts that were in effect would remain in effect until their specified expiration date or until they were rescinded or modified by HEAB. Specify that all rules promulgated and orders that were in effect would remain in effect until their specified expiration date or until they were amended or repealed by HEAB. Provide that for pending matters all materials submitted or actions taken concerning the pending matter would be considered as having been submitted to or been taken by HEAB.

Transfer all incumbent employes who were transferred to DOE under Act 27 and any other incumbent employes currently holding positions primarily related to higher educational aids, as determined by the Secretary of DOA. Provide that the persons transferred would retain all employment rights and status they held prior to the transfer and that no transferred employe who had attained permanent status in the classified service would be required to serve a new probationary period.

Restore statutory authorization for the Board to employ an Executive Secretary and a Deputy Secretary. However, the bill would not provide additional position authority for the Deputy position. Further, while the intent of the bill was to provide 1.0 unclassified Executive Secretary position and to eliminate the 1.0 project position in which the Executive Secretary has temporarily been serving, budget documents continue to indicate 1.0 project position and no unclassified positions.

Require that HEAB, with the assistance of the Educational Approval Board, conduct a study to identify all statutes relating to the functions and duties of each board that are obsolete or antiquated. Require HEAB to report to the Legislature and the Governor, on or before July 1, 1998, its findings, conclusions and recommendations including recommended statutory changes.

Joint Finance/Legislature: Reduce Board membership to the following 11 members: (a) the State Superintendent of Public Instruction; (b) three members, including one from each of the UW Board of Regents, the WTCS Board and a Board of Trustees of an independent college or university in the state; (c) three members, including one financial aid administrator from each of the UW System, the Technical College System and a private nonprofit college or university in the state; (d) three members, including one undergraduate student from each of the UW System, the Technical College System and a private nonprofit college or university in the state; and (e) one member of the general public. Provide that the Board members who are not students, excluding the State Superintendent, would be appointed by the Governor to serve staggered, three-year terms and that the student members would be appointed by the Governor to serve two-year terms. Establish differing initial terms for the non-student Board members, so that the terms of two Board members would expire on May 1, 1999, three would expire on May 1, 2000, and two would expire on May 1, 2001.

Delete 1.0 project position and provide 1.0 unclassified position to correct the number of positions authorized to the Board.

[Act 27 Sections: 43, 90m, 236, 238, 239, 240, 241, 247, 253, 751, 1162, 1178, 1216 thru 1224, 1225, 1226, 1227, 1228, 1229c, 1230 thru 1258, 1259 thru 1276, 1278 thru 1306, 1308 thru 1310, 1312, 3300 and 9156(1)]

18. RECREATE EDUCATIONAL APPROVAL BOARD AND ATTACH IT TO HEAB

	Chg. to Base Funding	Chg. to Base Positions
FED	$343,800	3.50
PR	681,100	5.50
Total	$1,024,900	9.00

Governor/Legislature: Provide $171,900 FED and $337,600 PR in 1997-98 and $171,900 FED and $343,500 PR in 1998-99 and 3.5 FED positions and 5.5 PR positions annually to support the functions of the Educational Approval Board (EAB) which would be recreated and attached for administrative purposes to HEAB.

The primary responsibilities of EAB are to approve education and training programs for veterans and war orphans and to regulate private, nonprofit and for-profit schools that offer vocational, technical or degree programs, except baccalaureate or higher degree programs, to Wisconsin residents. Prior to July 1, 1996, EAB consisted of up to seven members appointed by the Governor without Senate confirmation. Provisions of 1995 Act 27 eliminated EAB, which had been attached to the Wisconsin Technical College System (WTCS) Board, and effective July 1, 1996, transferred the staff and functions of EAB to the Department of Education (DOE) which was created in Act 27. In March of 1996, the Wisconsin Supreme Court ruled that the creation of DOE was

unconstitutional. The Court's decision, however, did not restore EAB. Since July 1, 1996, EAB staff have continued to perform the functions of EAB under an executive order of the Governor and a memorandum of understanding between the Board and the Department of Public Instruction.

Under the bill, EAB would be recreated as it existed prior to July 1, 1996, except that the Board would be attached to HEAB, rather than the WTCS Board, for administrative purposes. Require EAB, to the maximum extent practicable, to keep its office with HEAB. On the effective date of the bill, transfer to EAB all assets, liabilities, tangible personal property, records, contracts, rules and pending matters that are primarily related to the functions previously performed by EAB, as determined by the Secretary of DOA. Provide that all contracts that were in effect would remain in effect until their specified expiration date or until they were rescinded or modified by EAB. Specify that all rules promulgated and orders issued that were in effect would remain in effect until their specified expiration date or until they were amended or repealed by EAB. Provide that for pending matters all materials submitted or actions taken concerning the pending matter would be considered as having been submitted to or been taken by EAB.

Transfer all incumbent employes who were transferred to DOE under Act 27 and any other incumbent employes currently holding positions primarily related to EAB, as determined by the Secretary of DOA. Provide that the persons transferred would retain all employment rights and status they held prior to the transfer and that no transferred employe who had attained permanent status in the classified service would be required to serve a new probationary period. Restore the requirement that EAB employ a person to serve as executive secretary.

[Act 27 Sections: 48, 91, 101, 242, 266 thru 268, 1039, 1196 thru 1211, 1313 thru 1315, 2904, 2907, 3132, 5340, 5345 and 9156(2)]

HISTORICAL SOCIETY

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$20,899,000	$21,434,000	$21,374,400	$22,023,900	$22,023,900	$1,124,900	5.4%
FED	1,886,800	2,026,000	2,026,000	2,026,000	2,026,000	139,200	7.4
PR	8,005,400	8,638,200	9,937,000	9,937,000	9,937,000	1,931,600	24.1
SEG	911,000	955,400	998,600	998,600	998,600	87,600	9.6
TOTAL	$31,702,200	$33,053,600	$34,336,000	$34,985,500	$34,985,500	$3,283,300	10.4%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	145.35	143.10	145.50	145.50	145.50	0.15
FED	5.85	5.85	5.85	5.85	5.85	0.00
PR	22.55	22.55	22.80	22.80	22.80	0.25
SEG	3.25	2.25	3.25	3.25	3.25	0.00
TOTAL	177.00	173.75	177.40	177.40	177.40	0.40

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Papers 490 and 494]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov.) Funding	Jt. Finance/Leg. (Chg. to Gov.) Positions	Net Change Funding	Net Change Positions
GPR	$522,300	- 1.75	$30,000	- 0.25	$552,300	- 2.00
FED	10,600	0.00	0	0.00	10,600	0.00
PR	- 250,000	0.00	12,600	0.25	- 237,400	0.25
SEG	- 54,400	- 1.00	0	0.00	- 54,400	- 1.00
Total	$228,500	- 2.75	$42,600	0.00	$271,100	- 2.75

Governor: Adjust the base budget for: (a) removal of noncontinuing items (-$200 GPR and -1.0 GPR position in 1997-98 and -$149,300 GPR and -3.0 GPR positions in 1998-99; and -$36,600 SEG and -1.0 SEG position annually); (b) full funding of salaries and fringe benefits ($222,100 GPR and 0.25 GPR positions, -$6,600 FED, -$157,900 PR and $6,300 SEG annually); (c) full funding of

financial services charges ($14,200 GPR and $9,500 PR annually); (d) position reclassifications ($11,600 GPR, $2,300 FED, $1,800 PR and $1,500 SEG annually); (e) overtime ($4,200 GPR annually); (f) night and weekend differential ($10,200 GPR annually); (g) fifth week of vacation as cash ($20,900 GPR annually); (h) full funding of lease costs ($1,000 GPR annually); (i) minor transfers within the same appropriations (1.0 GPR position annually); and (j) delayed pay adjustments ($51,700 GPR, $9,600 FED, $9,000 PR and $1,600 SEG annually). The executive budget documents indicate that changes in funding and positions would be provided through certain standard budget adjustments that traditionally have not been used for these purposes.

Joint Finance/Legislature: Remove the following items from standard budget adjustments to properly reflect them as program transfers: (a) transfer $13,200 GPR and 0.25 GPR position annually from Pendarvis and First Capitol to the Old Wade House historic site; and (b) transfer the following amounts from the executive and administrative services program to the archives, research and library services program: (1) $291,800 GPR and 5.0 GPR positions annually; and (2) $47,300 PR and 1.0 PR position annually. In addition, delete the $12,600 PR annual increase provided for the archives, research and library services program.

In addition, modify the Governor's recommendations as follows:

a. Delete an additional $5,700 GPR in 1998-99 to remove the remaining funds available for the pilot electronic records program. The pilot electronic records program was created in 1993 Act 257 with a sunset date of June 30, 1998. Under current law, the appropriation will be repealed on July 1, 1998, which is the beginning of the 1998-99 state fiscal year.

b. Restore $73,500 GPR in 1998-99 of base funding previously provided for a four-year archives appraisal project. This funding was incorrectly deleted as part of the decision item related to the removal of noncontinuing items associated with the project that is currently scheduled to terminate on December 31, 1999.

c. Adjust the Governor's recommendation related to the executive and administrative services program, in each year, as follows: (1) -$18,900 GPR and -0.25 GPR position; (2) $18,900 PR and 0.25 PR position; and (3) convert 1.0 GPR classified position to unclassified. Historical Society staff indicate that the modifications under (1) and (2) were inadvertently omitted from the agency budget submission. When combined with the Governor's recommendations, these changes would adjust base funding and positions within the executive and administrative services program as recommended by the agency. The position conversion would align position totals shown in budget documents with the statutes and with current practice at the Society.

2. NORTHERN GREAT LAKES CENTER [LFB Paper 491]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$93,900	1.00	$86,200	2.00	$180,100	3.00
SEG	0	0.00	48,000	1.00	48,000	1.00
Total	$93,900	1.00	$134,200	3.00	$228,100	4.00

Governor: Provide $34,100 and 0.5 position in 1997-98 and $59,800 and 1.0 position in 1998-99 as staff for Historical Society related functions at the Northern Great Lakes Center. The facility is scheduled to be opened in December, 1997.

Joint Finance/Legislature: Provide an additional $10,200 GPR and 0.5 GPR position in 1997-98 and $76,000 GPR and 2.0 GPR positions in 1998-99. These GPR amounts, when combined with the Governor's recommendations, reflect the Society's initial request for staff, but have been modified to reflect an opening date of December, 1997, and funding for the operating costs directly attributable to the Historical Society. Transfer $16,000 SEG in 1997-98 and $32,000 SEG and 1.0 SEG position beginning in 1997-98 from the Department of Natural Resources (DNR) to the Historical Society for interpretative programming at the Northern Great Lakes Center. Create an annual SEG appropriation under the Society funded from the forestry account of the conservation fund. Specify that the vacant DNR position would be transferred effective January 1, 1998.

[Act 27 Sections: 244r and 9124(1m)]

3. LIBRARY AUTOMATION

	Chg. to Base
GPR	$40,000

Governor/Legislature: Provide $20,000 annually to begin bar coding the most heavily used print items to replace paper slips currently used to check out these materials.

4. MUSEUM SECURITY

	Chg. to Base
GPR	$12,200

Governor/Legislature: Provide $6,100 annually for additional security for five hours daily on Tuesday through Friday during the 28 busiest weeks of the year for school tours at the Museum, located on the Capitol Square in Madison.

5. DEBT SERVICE REESTIMATE

	Chg. to Base
GPR	$273,600
PR	136,600
Total	$410,200

Governor/Legislature: Reestimate debt service costs by $162,600 GPR and $20,200 PR in 1997-98 and $111,000 GPR and $116,400 PR in 1998-99.

6. UTILITIES REESTIMATE [LFB Paper 494]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- $30,200	$61,600	$31,400

Governor: Reestimate the cost of fuel and utilities by -$17,600 in 1997-98 and -$12,600 in 1998-99.

Joint Finance/Legislature: Adjust the Governor's recommendation by $33,300 in 1997-98 and $28,300 in 1998-99 to take into account new storage space and other improvements that have been completed at several historic sites that will increase fuel and utilities costs. As a result, the Society's utilities budget would be reestimated by a net amount of $15,700 annually.

7. UNSPECIFIED FUNDING REDUCTION [LFB Paper 492]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	- $202,400	- $68,000	$270,400	$0

Governor: Reduce funding for general program operations relating to executive and administrative services by $101,200 annually. This reduction, when combined with the reduction shown in Item #8, reflects 2%, annually, of the Society's base GPR appropriations (less debt service). The bill would require the Historical Society to submit a report to the Governor and the Joint Committee on Finance by October 1, 1997, concerning its preference for allocating these reductions among its sum certain GPR appropriations.

Joint Finance: Reduce an additional $34,000 annually, which would result in a total unspecified cut of $135,200 annually. This reduction, when combined with the restoration shown in Item #8, would still represent 2%, annually, of the Society's base GPR appropriations (less debt service). Require the Historical Society to identify a proposed allocation of the unspecified funding reductions subject to Joint Finance approval under a 14-day passive review process.

Assembly: Delay the requirement that the Historical Society submit a report to Joint Finance under a 14-day passive review process on the proposed allocation of a budget reduction from October 1, 1997, to 30 days after the effective date of the budget. In addition, specify that the Society could not include funding for the Burial Sites program as part of the $135,200 annual unspecified funding reduction proposal subject to Joint Finance approval.

Senate/Legislature: Provide $135,200 annually to restore the unspecified funding reduction. Delete the requirement that the Society submit the related report. Delete the Assembly provision that would have protected the Burial Sites program from funding reductions.

8. STAFF AND FUNDING REDUCTION [LFB Paper 492]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $174,400	- 1.50	$68,000	0.65	- $106,400	- 0.85

Governor: Delete $87,200 and 1.5 positions annually, including 0.5 position for a half-time bibliographic instructor and 1.0 position in the conservation lab. The executive budget documents show this funding being deleted entirely from the line for supplies and services, rather than from the salary and fringe benefit lines as well. In addition, the funding would be deleted from executive and administrative services, instead of archives, research and library services.

Joint Finance/Legislature: Restore $34,000 and 0.65 position annually, which would result in a net reduction of $53,200 and 0.85 position annually. Adjust these specified reductions to accurately reflect the Governor's recommendations, which would involve deleting salary and fringe benefit funding and restoring supplies and services funding to properly reflect the deletion of these positions.

9. PROGRAM AND SEGREGATED REVENUE REESTIMATES [LFB Paper 493]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	$0	- $300,000	$300,000	$0
PR	691,200	938,800	0	1,630,000
SEG	98,800	0	0	98,800
Total	$790,000	$638,800	$300,000	$1,728,800

Governor: Provide $338,000 PR and $49,400 SEG annually to reflect increased revenue from admissions and sales at historic sites ($215,000 PR) and the Museum ($123,000 PR), and revenue

from the historical society trust fund ($49,400 SEG). In addition, reestimate funding from gifts and grants to the Museum by $7,600 PR annually.

Joint Finance: Modify the Governor's recommendations, by providing $227,900 in 1997-98 and $410,900 in 1998-99, comprised of the following: (a) $377,900 PR in 1997-98 and $560,900 PR in 1998-99 for the operation and maintenance of the historic sites; and (b) -$150,000 GPR annually to be reduced evenly from supplies and services to the general program operations and Old World Wisconsin. In total, $2,007,000 PR in 1997-98 and $2,190,000 PR in 1998-99 would be provided for the historic sites.

Assembly/Legislature: Provide $150,000 GPR annually to reverse the supplies and services funding shift from GPR to PR. Maintain PR funding levels.

10. FEDERAL REVENUE REESTIMATES

	Chg. to Base
FED	$128,600

Governor/Legislature: Reestimate federal revenues by $64,300 annually for the historic sites program to improve its infrastructure. Funding would be provided from the federal Intermodal Surface Transportation Efficiency Act (ISTEA) through the state Department of Transportation.

11. INTERNAL SERVICES CHARGES [LFB Paper 494]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$55,000	$322,200	$377,200

Governor: Provide $27,500 PR annually to properly account for revenues and expenditures between programs. Currently, the Society reflects these intra-agency charges as refunds of expenditures.

Joint Finance/Legislature: Provide $161,100 PR-S annually to reestimate the level of other agency and intra-agency charges. Include intra-agency charges as an allowable expenditure under the administrative PR-S continuing appropriation. In addition, adjust the Governor's recommended expenditure line authority to reflect the Society's reestimates. Under current law, only expenditures related to other state agencies are allowed under the Historical Society's PR-S appropriation. This modification would allow both intra-agency and other agency related expenditures. The expenditure line authority adjustments would align base amounts with current and estimated expenditures during the 1997-99 biennium.

[Act 27 Section: 244g]

12. FEES FOR CERTAIN NONRESIDENTS

Governor: Allow the Historical Society to charge a fee for research services for nonresidents who are not present when the services are performed, if the Historical Society would submit a fee schedule to the Joint Committee on Finance (JFC) that includes this fee. The fee schedule would be implemented if JFC approves the report, or does not schedule a meeting to review the report within 14 working days after receipt of the report. Currently, the Society does not collect fees for these services.

Assembly/Legislature: Delete provision and, instead, require the Society to charge a fee for the use of the main library by, or for research services to, any nonresident who is not specifically exempted from these fees under a current law. Under current law, the Society has the option to charge fees for use of the main library, but the fee schedule is subject to a 14-day passive review by JFC. Specify that this proposed nonresident fee schedule would also be subject to a 14-day passive review by JFC. Currently, the Society does not collect fees for the use of the main library or for research services.

Require the Society to charge a fee for nonresidents who visit historic sites or museums. Under current law, the Society has permissive authority to charge fees to residents and nonresidents. This provision would make these fees mandatory for nonresidents.

These provisions would take effect on January 1, 1998.

Veto by Governor [A-8]: Delete the provisions that would have required the Society to change a fee for the use of the main library by any nonresident who is not specifically exempted from the fees under current law. Delete the 14-day passive review by JFC of the fee schedule that will be charged to certain nonresidents for research services provided by the Society.

[Act 27 Sections: 918m, 1345eg, 1345ej, 1345em, 1346gm, 1346gp and 9424(1x)]

[Act 27 Vetoed Sections: 1345ej, 1345em and 9424(1x)]

13. BLACK HISTORICAL SOCIETY GRANT

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	$57,800	$80,000	$137,800

Joint Finance: Provide $28,900 annually as a grant to the Black Historical Society in the City of Milwaukee. Under current law, the State Historical Society provides $31,100 annually to the Black Historical Society.

Senate/Legislature: Provide an additional $40,000 annually as a grant to the Black Historical Society, which would provide a total of $100,000 annually as a grant.

14. PROGRAM TRANSFERS [LFB Paper 490]

	Chg. to Base
PR	$25,200

Joint Finance/Legislature: Transfer the following amounts from the executive and administrative services program to the archives, research and library services program: (a) $291,800 GPR and 5.0 GPR positions annually; and (b) $47,300 PR and 1.0 PR position annually. In addition, provide $12,600 PR annually for the archives, research and library services program. The Governor's budget proposal incorrectly accounted for these proposals as standard budget adjustments.

15. CONVERSION OF TRANSPORTATION FUND APPROPRIATIONS TO GPR [LFB Paper 825]

	Chg. to Base
GPR	$4,800
SEG	- 4,800
Total	$0

Joint Finance/Legislature: Provide $2,400 GPR annually and delete $2,400 SEG annually to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. For the Historical Society, this would affect the appropriation for the historical markers program. Specify that an amount equal to the encumbrances or expenditures from these appropriations between July 1, 1997, and the effective date of Act 27 (October 14, 1997) would be transferred from the general fund to the transportation fund. Provide that expenditures or encumbrances from continuing appropriation balances existing on June 30, 1997, would be disregarded in computing the amount of any transfer from the general fund to the transportation fund. Continuing appropriation balances on June 30, 1997, would be retained within the new, GPR appropriations.

[Act 27 Sections: 243m and 9249(1m)]

16. HISTORICAL LEGACY TRUST FUND

Joint Finance: Create a historical legacy nonlapsible trust fund for the operations of the State Historical Society. Direct that the following would be deposited to the fund: (a) all monies received after September 30, 1998, by the Wisconsin Sesquicentennial Commission; (b) all remaining unencumbered funds available to the Wisconsin Sesquicentennial Commission as of June 1, 1999, or the date the Commission ceases to exist, whichever is later; (c) all monies that would have gone to the Sesquicentennial Commission had it not ceased to exist; (d) all monies transferred from the newly created historical grant program on June 1, 1999, or the date the Commission ceases to exist, whichever is later; and (e) gifts or other contributions made to the fund. Delete DOA's newly-created historical grant program, which is summarized in Item #17, on June 1, 1999, or the date the Commission ceases to exist, whichever is later.

Direct that the first $50,000 deposited in the historical legacy trust fund be placed in a separate bicentennial account of the fund. Specify that the $50,000 principal, with earnings, could only be expended during the period from 2046 to 2048 to commemorate the 200th anniversary of Wisconsin statehood.

Specify that the remaining funds could only be released from the trust fund by the Society when it has raised matching monies or pledges. Create an endowment fund and require that the grant from the proposed trust fund and the matching funds could only be deposited to the endowment fund. Specify that the Society could accept gifts to the endowment fund and could convert any noncash gift into cash. Require that the principal in the endowment fund could not be expended and that the Society could use the earnings generated by the endowment fund only for the following purposes: (a) Society programs that increase funds or develop new monies for the Society; and (b) to create and expand historical outreach programs throughout the state related to the Sesquicentennial Commission. Create a sum sufficient appropriation from the historical legacy trust fund to provide the match grants.

Direct the Historical Society to create a ten-member endowment fund council which would include at least one representative from the State Historical Society; the Wisconsin Humanities Council; the Wisconsin Academy of Sciences, Arts and Letters; the Wisconsin Arts Board, Wisconsin Public Radio and Wisconsin Public Television.

The historical legacy trust fund would be a temporary depository for the funds specified under this provision relating to the Sesquicentennial Commission until the Society could raise matching funds or pledges. The endowment fund would be a permanent fund from which earnings could be used for the specified purposes.

Assembly: Specify that the Sesquicentennial Commission would cease to exist on July 1, 1999.

Senate/Legislature: Delete references to the historical grant program, summarized in Item #17.

[Act 27 Sections: 23j, 23k, 23p, 92m, 244m, 244n, 697j, 697m, 698c, 698e, 698f, 698g, 698h, 698m, 832k, 832m, 852f, 852fb, 854m, 912j, 912k, 1345g, 3988m, 5508td, 5508tg, 5509m, 5510d, 5510em, 9256(1m) and 9456(2m)]

17. HISTORICAL GRANT PROGRAM

Joint Finance: Create a grant program under DOA for projects related to the long-term historical significance of Wisconsin. Create a continuing PR appropriation and direct that the net proceeds in excess of $2,700,000 from the sale of sesquicentennial license plates be credited to the appropriation. Specify that the Society and the Sesquicentennial Commission would be eligible to apply for grants funded from the new appropriation. Require that the Society and the Commission

submit grant applications to DOA. Require DOA to review the applications and submit recommendations to the Joint Committee on Finance under a 14-day passive review process.

Under current law, after deducting the total costs to DOT of designing, producing, promoting and distributing the Wisconsin sesquicentennial license plate, the remaining net proceeds are provided to the Sesquicentennial Commission for general program operations.

Senate/Legislature: Delete the overall limitation of $2,700,000 on the total amount of net proceeds from the sale of sesquicentennial license plates which may be credited to the Sesquicentennial Commission. As a result, delete the historical grant program created by Joint Finance.

18. SUNKEN LOGS REVENUES AND A MARITIME GRANTS PROGRAM

Joint Finance/Legislature: Increase the cost of permits for raising sunken logs from submerged state lands from $50 to $500 and extend their period of validity from one to five years. Provide that all sunken log permit fees and the state's share of sale revenues, other than revenues from logs that would show evidence of a Native American tribal mark or brand, would be allocated annually as follows: (a) the first $100,000 in revenue would be deposited in the general fund as an offset on a dollar for dollar basis of the GPR funding provided to the Society for the operating costs of the Northern Great Lakes Center; (b) the next $300,000 in revenue would be credited to a new continuing program revenue appropriation under the State Historical Society for a new grant program related to maritime projects; and (c) any revenue generated above $400,000 in each year would be deposited in the general fund.

Require the Historical Society to establish a grant program for maritime related projects. Direct the Society to create rules to define maritime projects. Specify that the Society could not award more than one grant per fiscal year to an applicant and could not award grants to an applicant for more than two consecutive fiscal years. Specify that grants awarded to any applicant could not exceed $50,000 during the two-year period. Require grant applicants to receive at least 10% of the grant amount as matching monies from a non-state source.

Specify that the Director of the Historical Society may require a field archeology permit for the removal of sunken logs only if it is necessary to protect an identified archeological site. In the absence of such a need, require the Director to waive the permit requirement, except that the Director would be authorized to recommend data gathering requirements for the permit holder

Veto by Governor [F-1]: Delete the grant program for maritime related projects that would have been established by the Historical Society. Delete the allocation of all sunken log permit fees and the state's share of sale revenues as GPR-Earned or as program revenue for the maritime grants program. Under current law, these revenues will be credited to the Common School Fund.

Additional information related to the recovery of sunken logs is provided under "State Treasurer."

[Act 27 Sections: 242m, 693m, 1346m, 1346s, 3123m, 3125g, 3126e, 3126m, 3129c and 9356(8y)]

[Act 27 Vetoed Sections: 244e, 693m, 1346e, 3129c and 9356(8y)]

19. STATE CAPITOL ON TOUR

Joint Finance: Require the Joint Committee on Legislative Organization to develop a touring exhibit during 1997-98 in cooperation with the State Historical Society detailing the Capitol's history and architecture through photographs, videotapes and artifacts. Provide that the Legislature's share of costs associated with this exhibit, not to exceed $100,000, would be funded from the amounts budgeted in the legislative documents appropriation. Specify that the funding would be made available after the Society has raised $100,000 in donations to finance the exhibit.

Senate/Legislature: Specify that the maximum available funding of $100,000 would be released on a dollar-for-dollar basis as the Historical Society raises the matching contributions.

[Act 27 Sections: 716d, 716e, 9124(2c), 9132(2g) and 9432(1g)]

20. HISTORIC SITES TRANSFER [LFB Paper 490]

Joint Finance/Legislature: Transfer $13,200 GPR and 0.25 GPR position annually from Pendarvis and First Capitol to the Old Wade House historic site to properly reflect them as program transfers. The Governor's budget proposal incorrectly accounted for this transfer as a standard budget adjustment.

21. HISTORICAL MARKERS COUNCIL

	Assembly (Chg. to Base)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $78,000	- 1.00	$78,000	1.00	$0	0.00

Assembly: Repeal the Historical Markers Council and associated statutory functions in the Historical Society and delete $39,000 and 1.0 position annually on the general effective date of the budget act. The Council is comprised of the Director of the Historical Society, the Superintendent of Public Instruction, the Secretaries of Natural Resources, Tourism, Transportation and Veterans

Affairs, the Chairperson of the Historic Preservation Review Board, the President of the Wisconsin Trust for Historic Preservation and the President of the Wisconsin Council for Local History, or their designees. The Director of the Historical Society or a designee serves as secretary of the Council. Under current law, the Council is consulted on the placement of markers and plaques of standard design at archeological, historical, geological and legendary sites across the state.

Senate/Legislature: Restore $39,000 and 1.0 position annually. The Council would not be restored.

[Act 27 Sections: 92c, 243j, 1345f, 1346h, 1346hb, 1346hc, 1346he, 1346hf, 1346hg, 1346hj and 1346hk]

22. SUBMERGED CULTURAL RESOURCES COUNCIL

	Chg. to Base
GPR	- $900

Assembly/Legislature: Repeal the Submerged Cultural Resources Council and associated statutory functions in the Historical Society, effective July 1, 1998, and delete $900 in 1998-99. The Council is comprised of the Director of the Historical Society, the Secretaries of Natural Resources, Tourism and Transportation, the administrator of the Coastal Zone Management program, the Director of the Sea Grant Institute at UW-Madison, a representative of the National Park Service, six other members appointed by the Director of the Historical Society, including an archaeologist, a maritime historian and a representative of a maritime museum, four legislative members including one member appointed by the Senate majority leader, one member appointed by the Senate minority leader, one member appointed by the Speaker of the Assembly and one member appointed by the Assembly minority leader. Under current law, the Council advises the Historical Society and DNR regarding the preservation, management and public use of submerged cultural resources, such as shipwrecks. If requested, the Council reviews applications for archeological permits, including those for recovering abandoned property from state-owned bottomlands.

[Act 27 Sections: 92e, 1346k, 1346r and 9424(1t)]

23. 1999-2001 BIENNIAL BUDGET REQUEST

Governor: Require the Historical Society, in preparing its 1999-2001 budget request, to shift $205,000 GPR in 2000-01 from its general program operations appropriation for archives and research services to its general program operations appropriation for library services, before showing any other changes to these appropriations. In 1995 Act 27 (the 1995-97 budget) $200,000 GPR in 1995-96 and $205,000 GPR in 1996-97 and 4.0 GPR project positions annually were provided for the Society to fund a four-year archives appraisal project. Under current law, the $205,000 GPR and 4.0 GPR

project positions would be removed from the Society's budget as part of the 1999-2001 biennial budget request. This provision would allow the Society to retain this funding.

Joint Finance: Delete provision.

Assembly/Legislature: Restore provision.

[Act 27 Section: 9124(2m)]

INFORMATION TECHNOLOGY INVESTMENT FUND

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$0	$4,000,000	$1,829,600	$1,829,600	$1,829,600	$1,829,600	N.A.
SEG	10,000,000	5,600,000	0	0	0	- 10,000,000	- 100.0
TOTAL	$10,000,000	$9,600,000	$1,829,600	$1,829,600	$1,829,600	- $8,170,400	- 81.7%

FTE Position Summary

There are no authorized positions for the Information Technology Investment Fund.

Budget Change Items

1. GENERAL FUND SUPPORT FOR THE FUND [LFB Paper 500]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$4,000,000	- $4,000,000	$0

Governor: Transfer $2,000,000 in 1997-98 and 1998-99 from the general fund to the information technology investment fund. The 1997-98 transfer would occur on the effective date of the bill and the 1998-99 transfer would occur on July 1, 1998. Funding would supplement the base amount of revenue expected to be generated from the bidders list registration fee which was established under 1995 Act 351 as the funding mechanism for ITIF grants and would be used to support grants and ITIF administrative costs. The fiscal effect of the transfer is not shown in the budget as a GPR appropriation but rather is included in the general fund condition statement as an interfund transfer.

Joint Finance/Legislature: Delete provision.

2. REDUCED ANNUAL GRANT LEVEL [LFB Paper 500]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$0	$1,829,600	$1,829,600
SEG	- $4,400,000	- 5,600,000	- 10,000,000
Total	- $4,400,000	- $3,770,400	- $8,170,400

Governor: Reduce base level funding for grants from the fund by $1,900,000 SEG in 1997-98 and $2,500,000 SEG in 1998-99. Total expenditure authority available for grants would be $3,100,000 SEG in 1997-98 and $2,500,000 SEG in 1998-99, to support expenditures for ITIF administration, the continuation of three-year grants initially made in 1996-97 and new ITIF grants in 1997-98 and 1998-99. Revenues to support these expenditures would come from bidder's list registration fees of $1.0 million in 1997-98 and $1.5 million in 1998-99 plus the $2.0 million GPR annual transfer from the general fund.

Joint Finance/Legislature: Provide that no ITIF grants may be made after May 1, 1997. Further, specify that new grants may be awarded under the ITIF only after DOA has received approval from the Joint Committee on Finance under a 14-day passive review process to initiate a new round of grants and that such approval is conditioned on DOA demonstrating that sufficient revenues from the bidder's list registration fee have been collected to restore the fund to a positive balance and will be sufficient to support a new round of grants.

Reduce SEG funding by $3,100,000 in 1997-98 and $2,500,000 in 1998-99. As a result, there would be no SEG expenditure authority in the 1997-99 biennium. Create GPR appropriations for the 1997-99 biennium only, to fund previously-made grant commitments of the fund and for ITIF administrative costs. Provide $914,800 GPR annually for previously approved grant commitments for 1997-99. (Funding of $121,300 GPR annually would also be provided under DOA for ITIF administration. This fiscal effect is shown under Administration.)

Also, reestimate SEG revenues from the bidders list registration fee at $240,000 annually rather than the $500,000 in 1997-98 and $750,000 in 1998-99 estimated in the Governor's bill.

[Act 27 Sections: 143r thru 146s, 666m, 666n, 740c thru 740j and 9401(3g)]

3. INFORMATION TECHNOLOGY INVESTMENT FUND GRANTS FOR 1997-98 [LFB Paper 500]

Governor: Create nonstatutory language allowing DOA, notwithstanding current law, to award additional grants from the ITIF in 1997-98, based on applications received by the Secretary of DOA by March 1, 1997, or a later date as specified by the Secretary. Subsequent to the awarding of any such grants, the Secretary would be required to notify the Co-chairs of the Joint Committee on

Finance, under a 14-day passive review process, of any proposed supplementation of agency appropriations associated with the awarded grants. Under current law, DOA is required to make grant awards once each year no later than May 15, preceding the fiscal year for which grants are made. Following the awarding of grants, DOA is required to notify the Co-chairs of the Joint Committee on Finance of any proposed supplementation of agency appropriations. Under the bill, DOA would be able to make additional grants later than May 15, during 1997-98.

Joint Finance/Legislature: Delete provision.

INSURANCE

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$4,692,400	$423,100	$423,100	$423,100	$423,100	- $4,269,300	- 91.0%
PR	21,481,600	22,651,600	22,103,400	22,092,400	22,092,400	610,800	2.8
SEG	132,330,000	132,159,000	132,159,000	132,159,000	132,159,000	- 171,000	- 0.1
TOTAL	$158,504,000	$155,233,700	$154,685,500	$154,674,500	$154,674,500	- $3,829,500	- 2.4%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
PR	127.25	112.25	109.25	109.25	109.25	- 18.00
SEG	14.25	12.75	12.75	12.75	12.75	- 1.50
TOTAL	141.50	125.00	122.00	122.00	122.00	- 19.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	- $167,600
SEG	- 383,100
Total	- $550,700

Governor/Legislature: Adjust the agency's base budget by -$83,800 PR annually and -$191,600 SEG in 1997-98 and -$191,500 SEG in 1998-99 to reflect: (a) turnover reduction (-$120,200 PR annually); (b) removal of noncontinuing items (-$9,800 PR and -$200,000 SEG annually); (c) full funding of continuing salaries and fringe benefits (-$8,000 PR and -$5,600 SEG annually); (d) full funding of financial service charge-backs ($5,600 PR and $10,200 SEG annually); (e) reclassifications ($9,400 PR annually and $700 SEG in 1997-98 and $800 SEG in 1998-99); (f) fifth week vacation as cash ($21,200 PR annually); and (g) delayed pay adjustments ($18,000 PR and $3,100 SEG annually).

2. REPEAL ONE-TIME HIRSP PREMIUM SUBSIDY

	Chg. to Base
GPR	- $3,000,000

Governor/Legislature: Eliminate $1,500,000 GPR annually and repeal the appropriation and statutory provisions relating to a premium subsidy for HIRSP enrollees with a household income of more than $20,000 and less than $40,000. Under 1995 Act 463, funding in the amount of $1,500,000 GPR was provided to allow the HIRSP Board to reduce premiums for an additional category of enrollees in HIRSP during the fiscal year beginning on July 1, 1996. The Act authorized the HIRSP Board to use these funds to reduce premiums for eligible HIRSP enrollees who were not eligible for the statutory subsidy program (limited to those with household incomes from $0 to $20,000) but who have a household income less than $40,000.

[Act 27 Sections: 212 and 4895]

3. HIRSP -- PROGRAM MODIFICATIONS AND TRANSFER [LFB Paper 512]

	Governor/Leg. (Chg. to Base)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-Lapse	$0		- $6,000,000		- $6,000,000	
GPR	- $1,269,300	0.00	$0	0.00	- $1,269,300	0.00
PR	- 3,065,700	0.00	0	0.00	- 3,065,700	0.00
SEG	- 141,900	- 1.50	0	0.00	- 141,900	- 1.50
Total	- $4,476,900	- 1.50	$0	0.00	- $4,476,900	- 1.50

Governor: Delete $423,100 GPR, $1,021,900 PR and $47,300 SEG in 1997-98 and $846,200 GPR, $2,043,800 PR and $94,600 SEG in 1998-99 and 1.5 SEG position to reflect the transfer of the Health Insurance Risk Sharing Plan (HIRSP) from OCI to DHFS effective January 1, 1998. Also, transfer to DHFS the Board of Governors which is also currently attached to HIRSP.

The modification of HIRSP and its transfer to DHFS would be effected, as follows:

a. Appropriations Structure. Transfer the GPR, PR and SEG funded appropriations for HIRSP to DHFS. Also, create a continuing PR appropriation for monies recovered from estates of certain policyholders who received subsidy reductions for their HIRSP premiums and/or deductibles. Provide that the funds received under that appropriation would be used to fund additional subsidies of premiums and deductible.

b. Program Changes. Provide the following changes to the HIRSP program:

(1) Transfer of Program. Effective January 1, 1998, transfer HIRSP from OCI to DHFS and make various program changes as described in the following sections. Create a new statutory chapter of the statutes (Chapter 149) for HIRSP to reflect the transfer of the program to DHFS. Provide that

HIRSP would have to comply and be administered in compliance with the statutory chapters regulating insurance.

(2) Allowable Charges. Provide that covered expenses would be limited to the allowable charges paid under the medical assistance program, but only for the services provided by persons licensed and certified under MA statutory provisions. DHFS would be responsible for ensuring timely payment of benefits according to the procedures established for the payment of allowable charges under the MA program. Providers of a covered service or article would have to accept as payment in full for the covered services or article the allowable charge paid under the MA program and could not impose a charge or receive payment from an eligible person in excess of the allowable charge paid under MA.

(3) Covered Services. Direct that DHFS determine, by rule, coverage under HIRSP for inpatient treatment of alcoholism and other drug abuse, which would be consistent with the methodology used for payment of charges that are allowed under the MA program.

(4) Eligibility and Premium Requirements. Modify current HIRSP program requirements as follows: (a) change the current definition of resident to remove the requirement that an individual must be domiciled in Wisconsin for 30 days and instead provide that a person would be considered a resident for purposes of HIRSP if he or she would be legally domiciled in the state by living in this state; (b) provide that the individual premium rates set to cover 60% of the operating and administrative costs of the plan, could not exceed 200% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductible as would be provided under the plan; and (c) repeal preexisting conditions language which provides that conditions which are diagnosed or treated in the six months preceding the filing of an application are not covered for the first six months that the individual is enrolled in HIRSP.

(5) Recovery of Subsidies. Authorize DHFS to file a claim in certain circumstances, against the estate of a policyholder or against the estate of the surviving spouse of a policyholder who received a premium or deductible subsidies, to recover the amount of the subsidy paid after January 1, 1998, on behalf of the policyholder who dies after March 15, 1998. Require the court to reduce the claim by up to $3,000, if necessary, to allow the policyholder's heirs or beneficiaries to retain certain personal property of the decedent. Prohibit DHFS from filing a claim if the decedent has a surviving child, under age 21 or disabled, or a surviving spouse or if DHFS determines that filing a claim would result in an undue hardship in that particular case. Provide that all monies collected from these provisions would be deposited into an appropriation which would then fund additional premium and deductible subsidies.

(6) Program Administration by MA Fiscal Agent. Provide that DHFS's contracted fiscal agent for administration of MA program benefits would also be the plan administrator for HIRSP. The fiscal agent would perform all eligibility and administrative claims payment functions, establish premium billing procedures and pay claims under the direction of DHFS. Current provisions relating to an administrative carrier administering the plan would be repealed and all references to

administering carrier would be replaced with plan administrator to effect the transfer of program responsibilities.

(7) Miscellaneous Changes. Clarify what is considered an insurer for purposes of HIRSP. Also, provide that DHFS establish by rule cost containment provisions including managed care requirements for HIRSP. Provide that sickness care plans operated by a cooperative associations and voluntary nonprofit sickness care plans would be subject to HIRSP provisions. Also, require that DHFS, in consultation with OCI, would develop an alternative plan for eligible persons and delete references regarding the alternative plan as provided under current law.

c. Responsibility Changes -- DHFS, OCI and HIRSP Board

(1) OCI's Retained Responsibilities. Replace references to OCI with DHFS to effect the transfer of program responsibilities between the two agencies, with the exception that OCI would still continue to: (a) collect reports from insurance companies to determine each insurer's proportion of participation in HIRSP; (b) administer and enforce the collection of assessments and levying of financial penalties; (c) advise DHFS of the insurers paying assessments; and (d) notify DHFS if an assessment is not levied because a notice of cancellation was issued on permissible grounds. Also, require DHFS to notify OCI whenever a person is certified as eligible and obtains coverage under the plan as a result of receiving a notice.

(2) OCI and DHFS Joint Responsibilities. Provide that DHFS and OCI work in consultation with each other regarding the following responsibilities: (a) the promulgation of rules requiring insurers to report the information necessary for the DHFS, OCI and Board to make the determination required under the chapter, if current authority is not adequate for DHFS, OCI or Board to carry out their responsibilities; (b) issue penalties if assessments are not paid timely; (c) increase assessments, by rule, to reimburse the plan for premium reductions and deductible reductions if funding is insufficient; and (d) establish, by rule, an assessment to be levied against each insurer that issues a notice of rejection to a person who becomes eligible for and obtains coverage under the plan as a result of receiving the notice.

(3) Board of Governors Membership. Provide that the Board of Governors members would now be appointed by the Secretary of DHFS rather than the Commissioner of Insurance. In addition, retain the Commissioner of Insurance as a member of the Board, but add the Secretary of DHFS, or designee, as a member of the Board and provide that the Secretary shall be the chairperson of the Board.

(4) Board of Governors Responsibilities. Further provide that HIRSP would no longer operate subject to the supervision and approval of the Board. In addition, reduce some of the Board's other responsibilities by providing that DHFS would take over the following Board responsibilities: (a) promulgation of rules specifying other deductible or coinsurance amounts; (b) management of the HIRSP fund; (c) determination of what experimental treatments would be covered; (d) authority to maintain a cause of action against an eligible participant for the recovery of the amount of benefits

paid which are not for covered expenses under the plan and maintain subrogation rights; (e) determination of the timing of billings; (f) reductions of premiums; (g) establishment and implementation of a method for determining the household income of an eligible person for a subsidy; and (h) establishment of different deductible, coinsurance percentages, covered costs and deductible aggregate amounts in accordance with cost containments provisions.

Provide that the Board could levy interim assessments, at the request of the Department. Repeal all responsibilities regarding the administrative carrier, payment of covered expenses and providing an alternative plan under HIRSP.

d. *Staffing.* Transfer 1.5 SEG positions from OCI to DHFS. The positions would provide administrative support to the Board of Governors and serve as liaison between the agency and the plan administrator.

e. *Nonstatutory Provisions.* Provide that DHFS may promulgate any initial rules required for the program as an emergency rule. This emergency rule would operate during the period prior to the promulgation of the permanent rules governing the program. Specify that such emergency rules could remain in effect for a period not exceeding the current statutory limit on emergency rules. (Emergency rules remain in effect only for a period of 150 days but may be extended upon petition to the Joint Committee for Review of Administrative Rules for a period of 60 days. Any number of additional extensions may be granted, but the total period for all extensions may not exceed 120 days.) Stipulate that DHFS would not have to provide evidence of the necessity of the preservation of the public peace, health, safety or welfare in order to promulgate this emergency rule.

Also provide that effective January 1, 1998: (a) all assets and liabilities primarily related to the HIRSP (including tangible personal property and records), as determined jointly by OCI and DHFS or by the Secretary of DOA in the event of disagreement, would be transferred from OCI to DHFS; (b) all incumbent employees holding positions in OCI, that are primarily related to HIRSP, as determined by the Secretary of DOA, would be transferred from OCI to DHFS; (c) employees transferred from OCI to DHFS would have all the rights and the same status under state employment relations provisions, as affected by the bill, that they had in OCI immediately before the transfer; (d) no transferred employe who has attained permanent status in class would be required to serve a probationary period as a result of the transfer; and (e) existing contracts entered into by OCI that are related to HIRSP, and rules and orders in effect prior to the transfer from OCI, remain in effect after the transfer until expired or modified or rescinded by DHFS.

Joint Finance: Make the following program and funding modifications to the HIRSP changes as proposed by the Governor:

a. Delete the provisions in the bill: (1) providing for the use of the allowable charges paid under the MA program for a covered service or article by a MA licensed and certified provider to be the basis for reimbursement under the HIRSP program; (2) requiring that DHFS use the plan administrator selected to administer the plan to be the same fiscal agent used by DHFS for

administration of the MA program; and (3) authorizing DHFS to implement an estate recovery program for HIRSP enrollees similar to the medical assistance estate recovery program;

b. Provide $6,000,000 GPR in 1997-98 and $11,900,000 GPR in 1998-99 in a new, annual appropriation in DHFS to be used to offset total program costs under the HIRSP program beginning January 1, 1998. (This fiscal effect is shown under "Health and Family Services -- Health.") Require that in computing the cost of enrollee premiums as provided for under current law, DHFS shall set the rates at an amount to cover 60% of the projected operating and administrative costs of HIRSP, after first deducting from such costs the amount to be provided to the plan from this new appropriation and except that premium rates shall not be less than 150% nor more than 200% of the rate that would be charged under an individual policy providing substantially the same coverage and deductibles as provided under the plan;

c. Modify current law to provide that, after deducting the amounts projected to be available from enrollee premiums and the amounts available from the new appropriation created under (b) above, all remaining unfunded costs of the program shall be recovered in the following manner:

(1) 50% of the amount shall be assessed against insurers writing health insurance in this state; and

(2) 50% of the amount shall be met by further reducing the rate of reimbursement, otherwise provided currently under the program, by increasing the statutory discount rate to reduce estimated plan costs by that amount. The current law provision that a provider of a covered service or article under the program may not bill an eligible person who receives the service or article for any amount by which the charge is reduced as a result of the statutory discount provision would be applicable to this additional discount.

d. Require that DHFS set by administrative rule for each forthcoming plan year: (1) the amount of increase in the current discount rate that is estimated to be necessary to reduce the estimated unfunded costs of the plan for the forthcoming year by 50%; and (2) the amount of monies to be levied by the Commissioner of Insurance against health insurers writing insurance in Wisconsin which is estimated to be necessary to reduce the estimated unfunded costs of the plan for the forthcoming year by 50%. Provide that DHFS may issue this rule as an emergency rule and may issue a subsequent emergency administrative rule adjusting these amounts if DHFS determines that actual plan costs are exceeding the estimated costs and that additional monies are needed for the operation of the plan.

e. Provide that, in apportioning the estimated plan costs for each forthcoming plan year, DHFS shall:

(1) Include in the setting of enrollee premiums any increase or decrease necessary to reflect the difference in the amount actually received from enrollee premiums in the prior year and the amount that should have been recovered in the prior plan year had exactly 60% of

actual plan costs (after deducting the monies available from the new appropriation established under (b) above) been covered by enrollee premiums;

(2) Include in the calculation of the amounts of unfunded costs to be apportioned to insurer assessments and to the increased statutory discount rate to provider reimbursements any adjustments necessary to reflect amounts that were charged in the prior plan year to either insurer assessments or increased statutory discount amounts that were greater or lesser than the amount that should have been apportioned had those unfunded costs been apportioned at exactly a 50/50 percentage split;

f. Provide that the HIRSP Board be further increased by three members who shall represent health care providers, with one member each to be a representative of the State Medical Society, the Wisconsin Health and Hospital Association and an integrated multidisciplinary health system. Further, provide that one of the three current public members on the Board be a representative of small businesses in this state;

g. Require that the HIRSP Board: (1) study the operation of the HIRSP program and provide a report to the Governor and the Legislature by June 30, 1998, regarding the cost efficiency of the program and specify that the report shall include an evaluation of the impact on the HIRSP program of the greater use of managed care and case management for enrollees and the effects of the federal Health Insurance Portability and Accountability Act; and (2) that annually thereafter, the HIRSP Board provide a report to the Governor and the Legislature on the operation of HIRSP including any recommendations for changes in the program.

Assembly/Legislature: Modify the Joint Finance provisions relating to HIRSP as follows:

a. Create a new, continuing PR appropriation to be funded from payments from the plan administrator to DHFS in an amount equal to the difference between estimated revenues that would have been received from setting enrollee premiums as low as possible after using the new GPR appropriation of $6 million GPR in 1997-98 and $11.9 million GPR in 1998-99 to offset total program costs under the HIRSP program beginning on January 1, 1998, and the amount of premiums estimated to be received by setting enrollee premiums at the minimum required level of the 150% of the rate that would be charged under a comparable standard risk plan;

b. Specify that the 60% of HIRSP plan costs (after first applying the funds in the new GPR appropriation) be funded from the following sources in priority order: (1) first, from enrollee premiums set at 150% of rate charged under a comparable standard risk plan; (2) second, by using any funds available in the new PR appropriation described above; (3) third, from setting enrollee premiums at a rate above 150% of the standard market rate, but not to exceed 200% of that rate; and (4) fourth, from further increasing insurer assessments and adjusting provider payment rates beyond the amounts otherwise required to fund the remaining 40% of plan costs;

c. Require DHFS, prior to the beginning of each plan year, and before setting by rule rates for the plan year, to: (1) estimate the amount of enrollee premiums that would be received by the plan administrator if premiums (plus subsidy payments) were set to recover 60% of estimated plan costs for the new plan and the amount of enrollee premiums that will be received by setting premiums at a rate equal to 150% of that charged under a comparable standard risk plan; and (2) if premium amounts collected under the 150% rate requirement are estimated to be greater than the amounts that would be collected under the straight 60% of costs calculation, require the plan administrator to provide to DHFS prior to the beginning of the plan year the amount of that difference to be deposited in the new PR appropriation described above;

d. Replace references to provider discount rate with provider payment rate. Require DHFS, in consultation with the Board, to establish a program budget for each plan year to be used in setting provider payment rates. Specify that the program budget would be based on the provider payment rate adjustment specified in the statutes (a 10% statutory discount), the most recent provider contracts that are in effect and on the funding sources and methodologies specified for the funding of HIRSP. Require DHFS to derive from this program budget the actual provider payment rate to be set for the new plan year that reflects the providers' proportional share of the plan costs.

e. Modify the Joint Finance provisions relating to administration of HIRSP as follows: (1) provide that covered expenses would be limited to services provided by persons certified under MA statutory provisions; (2) clarify that the HIRSP Board would only advise DHFS on matters relating to the choice of coverage to be provided by the plan; (3) require DHFS in promulgating any rules relating to HIRSP to consult with the Board; and (4) require that the plan administrator selected by DHFS to administer HIRSP be the same fiscal agent (currently EDS) used by DHFS for the administration of the MA program.

Veto by Governor [C-7]: The Governor's partial veto deletes the provision that would have required DHFS to set premium rates, insurer assessments and provider payment rates for the period beginning January 1, 1998, and ending June 30, 1998, as specified under the related funding provisions. In his veto message, the Governor indicates that it is his interpretation that the new funding parameters need not be used until July 1, 1998, because the method of setting the rates will not apply until the beginning of the plan year. However, the January 1, 1998, effective date for the section that establishes the payment of plan costs is not vetoed. This could be interpreted to mean that, effective January 1, 1998, the costs of the plan must be funded under the new cost allocation provisions created in Act 27.

In his veto message, the Governor indicates that he is requesting DHFS to complete the rate setting procedure as quickly as possible. If DHFS implements the rate setting methodology prior to July 1, 1998, $6,000,000 GPR budgeted in 1997-98 to support the plan's costs could be expended, since, under the new cost allocation provisions, these funds must be used to support plan costs prior to other sources (premiums, insurer assessments and adjustments to provider payment rates).

However, if the new cost allocation provisions are not implemented by DHFS until July 1, 1998, $6,000,000 GPR will lapse to the general fund at the end of the 1997-98 fiscal year.

[Act 27 Sections: 210, 211, 214, 591c, 592h, 2300, 3013 thru 3018, 3019c, 3020, 3021 thru 3024, 3026c, 3026f, 3026p, 3027m, 3027r, 3030, 3031, 3031m, 3133m, 3134m, 4796, 4797, 4801 thru 4804, 4808 thru 4817, 4818, 4819 thru 4825, 4826 thru 4829, 4831, 4833 thru 4838, 4839c, 4840c, 4845c, 4846b, 4847, 4848, 4850, 4851, 4852c, 4853, 4854c, 4855c, 4856, 4856v, 4857c, 4859, 4860, 4861 thru 4866, 4867c, 4868, 4869c, 4870 thru 4891, 4893, 4894, 4896 thru 4902, 4912, 4930, 9123(4), 9127(2)&(4m) and 9427(1m)]

[Act 27 Vetoed Section: 3026f]

4. HIRSP -- MODIFICATIONS RELATED TO HIPAA [LFB Paper 512]

Joint Finance: Modify HIRSP statutes in regard to the federal Health Insurance Portability and Accountability Act (HIPAA) relating to the establishment of HIRSP as an acceptable alternative mechanism under the Act as follows:

a. *Definitions.* Provide definitions of the following terms consistent with HIPAA: church plan, creditable coverage, eligible individual, federal continuation provision, federal governmental plan, governmental plan, group health plan, and preexisting condition exclusion. Delete the definition of resident in the bill and provide that resident for the purposes of HIRSP be defined as a person who has been legally domiciled in this state for a period of at least 30 days or, with respect to an eligible individual, an individual who resides in this state;

b. *Determination of creditable coverage.* Require the Commissioner of Insurance, in consultation with the DHFS, to promulgate rules specifying how creditable coverage, as defined in the bill, is to be aggregated for purposes of defining an eligible individual and provide that the rules shall comply with HIPAA. Require that rules relating to determining creditable coverage shall be submitted by the Commissioner to the Legislative Council staff no later than the first day of the 4th month beginning after the effective date of the bill. Provide that Commissioner may promulgate rules required under the creditable coverage section for the period before the effective date of the rules submitted to Legislative Council staff as emergency rules;

c. *Preexisting condition exclusion -- requirement and effective date.* Modify the Governor's preexisting condition exclusion to provide that only eligible individuals as defined under HIPAA who obtain coverage under the plan cannot be subject to any preexisting condition exclusions under the plan. Further repeal the preexisting conditions exclusion effective with the passage of this bill, rather than January 1, 1998, as provided under the Governor's recommendation;

d. *Choice of coverage provisions.* Delete the provision that the HIRSP Board shall, under the direction of DHFS and in consultation with OCI, develop an alternative plan for eligible persons

and instead provide that the Board, in consultation with OCI and DHFS, shall establish a choice of coverage as set forth below;

Provide that beginning on January 1, 1998, in addition to current HIRSP coverage, the plan shall offer to all eligible persons a choice of coverage as described in the applicable HIPAA provisions. Provide that any such choice of coverage shall be major medical expense coverage. Further, provide that an eligible person may elect once each year, as established by the Board, among the coverages offered by HIRSP. Provide that if an eligible person elects new coverage, any preexisting condition exclusion imposed under the new coverage is met to the extent that the eligible person has been previously and continuously covered under this subchapter. Provide that, except as specified by the Board, the terms of coverage, including premium and deductible reductions do not apply to the coverage offered under the alternative plan. Provide that the schedule of premiums for coverage under this section shall be promulgated by rule and allow initial use of emergency rules for this purpose. Further, provide that the rates for coverage under this section shall be set such that they differ from the rates set under the current HIRSP plan by the same percentage as the percentage difference between the following: the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under HIRSP; and the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as the coverage offered under this section.

e. *Eligibility provisions.* Modify the following current law eligibility provisions, beginning January 1, 1998; (1) increase the life-time maximum amount to be paid out per covered individual to $1,000,000; (2) specify that a person who is an eligible individual under HIPAA is eligible for HIRSP; (3) specify that an eligible individual under HIPAA, who is 65 years of age or older is eligible for coverage under HIRSP; and (4) specify that an eligible individual, as defined under HIPAA, is eligible for HIRSP if he or she was covered under HIRSP and voluntarily terminated the coverage under the plan even if less than 12 months have elapsed since the person's latest voluntary termination of coverage under the plan. Provide that the life-time limit of coverage of $1,000,000 first applies to policies that are in effect on January 1, 1998.

Further, modify current law eligibility provisions to provide that person who is eligible for creditable coverage, as defined according to HIPAA, provided by an employer on a self-insured basis or through health insurance is not eligible for coverage under HIRSP.

f. *Small employer health insurance provision.* Repeal the current law provisions which allow a person, eligible for benefits under the small employer health insurance plan, to be eligible for HIRSP if all the following conditions apply: (1) the person is certified by a licensed physician to have a severe and chronic or long-lasting physical or mental illness or disability; (2) the Board determines that coverage under the small employer health insurance plan is not substantially equivalent to or greater than the coverage under HIRSP; and (3) the Board determines the person is eligible for coverage. Further, repeal the requirement that when an eligible employe obtains coverage under HIRSP, his or her employer that participates in the small employer health insurance plan shall pay

a premium contribution to HIRSP that is equal to the amount that the employer would pay on behalf of the employee for coverage under the small employer health insurance plan.

Assembly/Legislature: Modify the Joint Finance provisions as follows:

Modify current law to provide that a person who is eligible for health care benefits provided by an employer, other than those benefits excluded from the definition of health care benefits, is not eligible for HIRSP. Current law provides that a person who is eligible for health care benefits provided by an employer, excepting health care benefits under the small employer health insurance plan, is not eligible for coverage under HIRSP. This provision would be effective with the general effective date of the budget. Further modify this provision, effective January 1, 1998, by replacing the term health care benefits with creditable coverage.

In addition, modify the effective date of the Joint Finance provision which would repeal the current law provision which allows certain persons who are eligible for benefits under the small employer health insurance plan, to be eligible for HIRSP. Change the effective date of this provision from January 1, 1998, to the effective date of the budget bill. (The small employer health insurance plan is repealed under the small group health insurance modifications.)

[Act 27 Sections: 3020p, 4817b, 4817bm, 4817c, 4817cm, 4817m, 4817mm, 4818c, 4818cm, 4818d, 4818dm, 4818g, 4818gm, 4818j, 4818jm, 4824, 4825c, 4825f, 4830b, 4830c, 4830d, 4830ec, 4830em, 4830f, 4830g, 4832b, 4849, 4856, 4857c, 4858b, 4858c, 4858d, 4860, 4860c, 4860d, 4866, 4869d, 4869m, 9127(3m), 9327(3m) and 9427(1m)]

5. HIRSP -- ELIMINATION OF INSURER PENALTY PROVISION

Joint Finance/Legislature: Repeal the current law requirement that whenever a person becomes eligible for and obtains coverage under HIRSP due either to notice of cancellation or reduction in health insurance coverage or notice of a substantial policy-specific premium increase (50% or more), the Commissioner is directed to require the health insurer issuing that notice to pay an assessment of $1,750, effective January 1, 1998.

[Act 27 Sections: 213h, 4841c and 9427(1m)]

6. HIRSP -- ELIGIBILITY

Joint Finance/Legislature: Provide that individuals who qualify for medical assistance are not eligible for HIRSP.

[Act 27 Sections: 3025f, 4830b and 9427(1m)]

7. HIRSP -- STUDY REGARDING FEASIBILITY OF FAMILY PLAN COVERAGE

Joint Finance: Direct DHFS to study the feasibility of providing a family coverage plan under HIRSP. Direct that DHFS report to the Joint Committee on Finance and the Chairpersons of the Assembly and Senate committees dealing with insurance matters by January 1, 1998, on the feasibility of providing such a plan of coverage, including whether such a plan would comply with the federal Health Insurance Portability and Availability Act of 1996 (HIPAA) as a choice of coverage under the requirements for an acceptable alternative mechanism.

Assembly/Legislature: Modify the Joint Finance provision by changing the required reporting date from January 1, 1998, to April 1, 1998.

Veto by Governor [C-16]: Delete provision.

[Act 27 Vetoed Section: 9123(11mp)]

8. HIRSP -- ELIGIBILITY FOR SUBSIDY PROGRAM

Assembly/Legislature: Require the HIRSP Board, until January 1, 1998, and DHFS after that date, to also consider in determining household income, for purposes of determining eligibility, for the HIRSP premium and deductible reduction program information submitted on a completed federal profit or loss form, schedule F, if the applicant is a farmer and was not eligible or did not file for the homestead credit in the preceding taxable year.

Under current law, HIRSP policyholders who have an annual household income of under $20,000 are eligible for a premium and deductible subsidy. Household income is defined as all income received by all persons of a household in a calendar year, reduced by $250 for each dependent who resided in the household for more than six months during the year. This is the same definition used for determining household income for the Wisconsin homestead credit. Under current administrative rules, a HIRSP policyholder may apply for the premium and deductible subsidy program by filing a supplemental application or a homestead credit form, schedule H. Either form can be used to determine household income and thus eligibility for the premium and deductible reduction.

[Act 27 Sections: 4891c, 4891r, 4891t and 9427(1m)]

9. TRANSFER THE OFFICE OF HEALTH CARE INFORMATION TO DHFS

	Chg. to Base Funding	Chg. to Base Positions
PR	- $2,892,600	- 19.00

Governor/Legislature: Delete $1,446,300 annually and 19.0 FTE positions and transfer authority and funding for the functions performed by the Office of

Health Care Information (OHCI) from OCI to DHFS. Also, transfer to DHFS the Board on Health Care Information (Board), which is also currently attached to OHCI. The Board currently advises OHCI on its data collection policies and would continue to advise DHFS on such matters. As of September 1996, OHCI was transferred to DHFS under a memorandum of understanding signed by the Commissioner of Insurance and the Secretary of the DHFS.

Under current law, OHCI is required to collect, analyze and disseminate information about hospital service utilization, charges, revenues, expenditures, mortality and morbidity rates, health care coverage and uncompensated health care services. In addition to data on hospitals, OHCI collects information on selected hospital-based outpatient surgery and ambulatory surgery centers and other health care providers. OHCI and the Board are funded from assessments made on hospitals' respective gross private-pay patient revenues during each hospital's most recently concluded fiscal year. OHCI may also assess ambulatory surgery centers. In addition, OHCI must require user fees for providing data compilations or special reports.

The transfer of OHCI and the Board would be effected, as follows:

a. *Appropriations Structure and Program Responsibility Changes.* Provide program revenue funded appropriations under DHFS to support the Board and health care information activities similar to those appropriations being eliminated from OCI to provide funding from monies from assessments levied on hospitals and ambulatory surgery centers for the general program operations of the health care information program and to allow expenditure of user fees charged for producing special data compilations or reports. Repeal current appropriations which were established for expenditure of gifts and grants, federal funds and of inter- and intra-agency funding transfers received to support activities of OHCI. Replace references to OCI with DHFS to effect the transfer of program responsibilities between the two agencies, with the exception of the preparation of the annual health care insurance report, which would now be jointly prepared by DHFS and OCI. Also, replace all references to OHCI with DHFS to effect the elimination of a separate statutory Office of Health Care Information but transfer all of the functions and authority of that office to DHFS. Finally, repeal the requirement that OHCI may require health insurers in the state to file reports with OHCI regarding health care claims based on uniform patient billing forms and to accept uniform patient billings forms from certain hospitals and ambulatory surgery centers.

b. *Staffing.* Effective with the transfer of OHCI to DHFS, delete funding and position authority for the unclassified director of OHCI and transfer 18.0 classified positions to DHFS, as determined by the Secretary of DOA. Although these provisions do not identify the actual positions to be transferred, 18.0 classified positions would be authorized for DHFS as a result of the transfer and amounts have been budgeted for the transfer of the following positions: 8.0 research analysts, 1.0 research analyst supervisor, 4.0 research technicians, 1.0 accountant, 1.0 program analyst, 1.0 management information specialist, 1.0 administrative officer and 1.0 secretary.

c. *Nonstatutory Provisions.* Specify that assets and liabilities primarily related to OHCI (including tangible personal property and records), as determined jointly by OCI and DHFS or by the

Secretary of DOA in the event of disagreement, would be transferred from OCI to DHFS. Specify that the incumbent employees holding positions in OHCI, that are primarily related to OHCI, as determined by the Secretary of DOA, would be transferred from OCI to DHFS. Specify that employees transferred from OHCI to DHFS would have all the rights and the same status under state employment relations provisions that they had in OHCI immediately before the transfer. Specify that no transferred employee who has attained permanent status in class would be required to serve a probationary period as a result of the transfer. Provide that existing contracts entered into by OCI that are related to OHCI, and rules and orders in effect prior to the transfer from OCI, remain in effect after the transfer until expired or modified or rescinded by DHFS.

[Act 27 Sections: 32, 34, 54, 93, 94, 98, 208, 215 thru 220, 1317, 3041 thru 3087, 3306, 4795, 4798 and 9127(1)]

10. CREATE ADMINISTRATIVE SERVICES UNIT AND APPROPRIATION [LFB Paper 505]

	Chg. to Base
PR	$4,507,800
SEG	240,000
Total	$4,747,800

Governor: Provide $2,353,900 PR annually to create an internal administrative services unit within OCI and create a separate appropriation for this purpose. Provide that this unit would provide administrative and other support services to all the other parts of the agency including those programs funded from segregated funds. The administrative unit would assess the other parts of the agency for their proportional cost of the administrative services unit budget and these assessment revenues would be accredited to the new appropriation.

Delete $100,000 PR from the agency's general program operation appropriation and shift $2,253,900 PR annually from salary, fringe and general support costs to supplies and services to fund the assessments for the services of the administrative unit. In addition, shift 22.0 existing positions from the agency's general program operation appropriation to the new administrative support appropriation.

Also, provide an increase in annual expenditure authority of $90,000 SEG for the patient's compensation fund, $10,000 SEG for the local government property insurance fund and $20,000 SEG for the state life insurance fund to allow these programs to pay for their share of administrative overhead costs of services provided by the administrative services units.

Joint Finance/Legislature: Transfer $2,253,900 PR annually from the permanent position salaries and fringe benefits, LTE funds, supplies and services and permanent property lines within the agency's general program operations appropriation to a separate chargeback line in the same appropriation to correctly reflect the Governor's recommendation that the general program operations appropriation fund this amount of the assessment for the services of the administrative unit.

[Act 27 Section: 209]

11. INFORMATION TECHNOLOGY INITIATIVES -- IT CONTRACTING COSTS [LFB Paper 506]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$2,140,800	- $160,300	$1,980,500
SEG	64,000	0	64,000
Total	$2,204,800	- $160,300	$2,044,500

Governor: Provide $1,255,800 PR and $60,500 SEG in 1997-98 and $885,000 PR and $3,500 SEG in 1998-99 for the information technology (IT) enhancements in OCI. The requested amounts are for:

a. IT base budget changes. Provide $166,000 PR in 1997-98 and $177,000 PR in 1998-99 for: (1) adding IT infrastructure funding into OCI's base budget ($122,000 PR annually); and (2) increasing the agency's base to cover the costs of contracting with a local area network administrator ($44,000 PR in 1997-98 and $55,000 PR in 1998-99).

b. IT contracting costs. Provide $801,800 PR in 1997-98 and $512,000 PR in 1998-99 for: (1) funding for the contracting costs involved in converting the agency's current IT proprietary system to a client server type of architecture to provide two on-going contracted programmers ($167,000 PR annually), one-time funding ($522,600 PR in 1997-98 and $250,600 PR in 1998-99) for three additional programmers, and purchase of three application servers and Oracle database and tools; and (2) funding for contract staff to implement and operate a multistate system electronic rate and form filing program in the Bureau of Market Regulation ($112,200 PR in 1997-98 and $94,400 PR in 1998-99).

c. Records imaging. Provide $218,500 PR in 1997-98 and $193,000 PR in 1998-99 for records imaging technology. Funding would be provided for the following parts of the agency's total imaging technology project: (1) complaint records imaging in the Bureau of Market Regulation ($218,500 PR in 1997-98 and $32,700 PR in 1998-99); and (2) agent licenses, central files and policy holder files in the state life fund, imaging ($160,300 PR in 1998-99). Feasibility studies must be conducted for the agent licenses, central files and policyholder files imaging projects and, with DOA approval, funds may be released from unallotted reserve.

d. Processing of fee payments by credit card. Provide $53,000 PR in 1997-98 and $3,000 PR in 1998-99 to fund the installation of a system to allow payment of insurance agent renewal fees by credit card. Currently, renewal fee payments are processed only through OCI's lock box. Funding is provide for: (1) one-time funding for consultant in 1997-98 ($50,000 PR); and (2) on-going telecommunications costs ($3,000 PR annually).

e. *State Life Fund IT projects.* Provide $60,500 SEG in 1997-98 and $3,500 SEG in 1998-99 for: (1) funding for the cost of a hardware system upgrade for the State Life Insurance Fund ($50,000 SEG in 1997-98 and $2,500 SEG in 1998-99); and (2) consultant funding to allow integration of the fund's accounting system into the state accounting system ($10,500 SEG in 1997-98 and $1,000 SEG in 1998-99).

f. *Public resource center.* Provide $16,500 PR in 1997-98 for the purchase of computers for public use to review OCI records, brochures and other documents.

Joint Finance/Legislature: Modify the Governor's recommendations for IT contracting costs as follows:

a. *IT contracting costs.* Modify funding for contracting costs as follows:

(1) Client server system migration. Provide expenditure authority for contracting costs involved in converting the agency's current IT proprietary system to a client server type of architecture: (a) two contracted programmers ($167,000 PR annually); and (b) three additional programmers and the purchase of three application servers and Oracle database and tools ($522,600 PR in 1997-98 and $250,600 PR in 1998-99) be one-time funding in 1997-99.

(2) System for electronic rate and form filing (SERFF). Provide that all of the funding for this item ($112,200 PR in 1997-98 and $94,400 PR in 1998-99) would be provided as one-time funding in 1997-99 except for $3,300 PR in 1997-98 and $7,300 PR in 1998-99 in supplies and services costs which would be provided as on-going funding.

b. *Records imaging.* Transfer $160,300 PR in 1998-99 to the Joint Committee on Finance and place this amount in reserve for OCI imaging projects for agent licenses, central files and state life insurance fund policyholders files. Release of funds to OCI would occur under s. 16.515 upon completion of feasibility studies for one or more of these imaging projects.

12. INCREASED STAFFING [LFB Paper 508]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$325,600	4.00	- $230,900	- 3.00	- $11,000	0.00	$83,700	1.00

Governor: Provide $160,300 in 1997-98 and $165,300 in 1998-99 and 4.0 positions to meet increased workload related to the Office's supervision of the insurance industry. Funding would be provided for: (a) 3.0 additional positions (2 financial examiners and 1 program assistant) in the

Bureau of Financial Analysis and Examinations ($111,900 in 1997-98 and $119,000 in 1998-99); and (b) 1.0 additional position (accountant) to handle accounting duties associated with the implementation of WiSMART and revenue collections and to work on budget development and implementation ($48,400 in 1997-98 and $46,300 in 1998-99).

Joint Finance: Delete $111,900 in 1997-98 and $119,000 in 1998-99 and 3.0 FTE positions for the Bureau of Financial Analysis and Examinations follows: (a) $83,000 PR in 1997-98 and $89,700 PR in 1998-99 and 2.0 FTE financial examiner positions; and (b) $28,900 in 1997-98 and $29,300 in 1998-99 and 1.0 FTE program assistant position.

Assembly/Legislature: Approve Joint Finance's provision, except reduce funding by $11,000 in 1997-98 for 1.0 accountant position. This funding reduction reflects a delay in the starting date of this new position from October 1, 1997, to January 1, 1998.

13. INCREASE TRAVEL COSTS FUNDING [LFB Paper 509]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$100,000	- $75,000	$25,000

Governor: Provide $45,000 in 1997-98 and $55,000 in 1998-99 for increased funding for financial examiners' travel costs incurred when conducting financial examinations of domestic insurers.

Joint Finance/Legislature: Delete $36,800 in 1997-98 and $38,200 in 1998-99 from Governor's recommended funding for financial examiners' travel costs.

14. EXPANSION OF INFORMATION TECHNOLOGY INTERNSHIP PROGRAM [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$70,000	- $52,000	$18,000

Governor: Provide $35,000 annually for increased LTE expenditure authority to provide funding for two half-time minority students to participate in the agency's minority IT internship program. Currently, OCI is funding one half-time minority student from the agency's base level funding.

Joint Finance/Legislature: Delete $35,000 in 1997-98 and $17,000 in 1998-99 and one half-time IT intern position in 1997-98. The modifications made by the Committee would provide expenditure authority for an additional half-time minority student IT intern beginning in 1998-99. OCI could continue to fund the current half-time intern from the agency's base level funding.

15. FUNDING FOR RENTAL SPACE

	Chg. to Base
PR	$60,400

Governor/Legislature: Provide $30,200 annually for OCI to rent additional space in the agency's current building. The space that would be rented with this additional funding would be for space that was formerly occupied by OHCI and paid for from that entity's own appropriation.

16. INCREASE FUNDING FOR ACTUARIAL SERVICES [LFB Paper 511]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$30,000	- $30,000	$0

Governor: Provide $10,000 in 1997-98 and $20,000 in 1998-99 to reflect inflationary increases for the cost of actuarial services contracted to assist financial examiners in examinations of large insurance companies. This funding would allow OCI to contract for five examinations per year during the biennium.

Joint Finance/Legislature: Delete provision.

17. INCREASED FUNDING OF BOALT HOTLINE

	Chg. to Base
PR	$22,400

Governor/Legislature: Provide increased funding of $9,700 in 1997-98 and $12,700 in 1998-99 in OCI's general program operations appropriation for transfer to the Board on Aging and Long-Term Care (BOALT) for increased staff and other costs related to operation of the BOALT's medigap hotline. The medigap hotline provides information and counseling to medicare consumers and others about insurance policies that are available as a supplement to federal medicare insurance coverage and about long-term care insurance.

18. TRAINING ROOM FACILITY

	Chg. to Base
PR	$38,900

Governor/Legislature: Provide $37,300 in 1997-98 and $1,600 in 1998-99 to relocate the existing training facility and upgrade training equipment for OCI staff. The current training facility which also serves as a conference room would

be relocated to a training room located on the first floor of the OCI office building. In addition, the existing training equipment would be upgraded to multi-media personal computers to provide information technology based training and to accommodate staff with disabilities by providing self-paced video and large screen displays.

19. STATE LIFE INSURANCE FUND AUDIT CHARGES

	Chg. to Base
SEG	$50,000

Governor/Legislature: Provide $50,000 in 1998-99 for the costs of an audit of the State Life Insurance Fund by the Legislative Audit Bureau. The increased funding would be added to the agency's base supplies and services base in 1998-99. The Audit Bureau is required by statute to perform a financial audit of the fund at least once every three years and to charge OCI for the costs of the audit. The last audit of the fund was completed in November of 1996 for the period of January 1, 1994 through December 31, 1995.

20. REQUIREMENTS REGARDING HEALTH INSURANCE COVERAGE OF ALCOHOLISM AND OTHER DISEASES

Joint Finance: Amend current law regarding required health insurance coverage of nervous and mental disorders and AODA problems as follows:

a. Minimum Coverage Level Increases. Modify the current minimum requirements for coverage of nervous and mental disorders and alcoholism and other drug abuse (AODA) problems by: (a) modifying the requirement that group or blanket disability insurance policies providing coverage for any outpatient treatment shall provide coverage for any outpatient hospital services for the treatment of AODA problems in an amount of not less than $2,000 minus a copayment of up to 10%, to increase the minimum coverage to not less than $7,000 minus a copayment of up to 10%, or if the coverage is provided by a health maintenance organization, to increase the required minimum $1,800 or the equivalent benefits measured in services rendered to $6,300 or the equivalent benefits measured in services rendered; and (b) modifying the requirement that group or blanket disability insurance policies providing coverage of any inpatient hospital treatment or any outpatient treatment provide minimum coverage for transitional treatment arrangements for the treatment of AODA problems in an amount not less than the first $3,000 less a copayment of up to 10% to increase the minimum coverage to not less than $7,000 minus a copayment of up to 10%, or if the coverage is provided by a health maintenance organization, to increase the required minimum amount from $2,700 or the equivalent benefits measured in services rendered to $6,300 or the equivalent benefits measured in services rendered.

Provide that while affected policies would be required to provide the required minimum coverage of inpatient, outpatient or transitional services up to $7,000, total minimum coverage for all three types of treatment for a policy year for coverage of AODA problems need not exceed a total

of $7,000, or if the coverage is provided by a health maintenance organization, the equivalent benefits measured in services rendered.

b. *Deductibles.* Provide that coverage of AODA services be subject to generally applicable deductibles.

c. *Applicability.* Provide that the above provisions first apply to policies that are issued or renewed on the first day of the fifth month beginning after publication of the budget act, excepting policies covering employes who are affected by a collective bargaining agreement containing provisions inconsistent with these provisions. Require that policies covering employes who are affected by a collective bargaining agreement provide these increases in required minimum coverage amounts on the earlier of: the day on which the collective bargaining agreement expires or the day on which the collective bargaining agreement is extended, modified or renewed.

Assembly/Legislature: Modify the Joint Finance provisions as follows:

a. *Minimum Coverage Level Increases.* Eliminate the Joint Finance provision which would have modified the current minimum requirements for coverage of nervous and mental disorders and AODA problems.

b. *Deductibles and Applicability.* Retain the Joint Fiance provision specifying that the coverage of these services would be subject to generally applicable deductibles and that this change be effective on the fifth month beginning after the effective date of the budget bill.

[Act 27 Sections: 4930d, 4930f, 4930h, 4930pm, 4930rm, 9327(3g) and 9427(4g)]

21. MANDATED HOSPITAL SERVICES, ANESTHETICS AND DENTAL COVERAGE PROVISIONS

Joint Finance: Require every disability insurance policy, and every self-insured health plan of the state or a county, city, village, town or school district to cover hospital services and anesthetics that are provided in conjunction with dental care which is provided to a covered individual in a hospital, if any of the following apply: (a) the individual is a child under the age of five; (b) the individual has a chronic disability which is defined as a disability which: (1) is attributable to a mental or physical impairment or combination of mental and physical impairments; (2) is likely to continue indefinitely; and (3) has resulted in substantial functional limitations in one or more of the following areas of major life activity: self-care; receptive and expressive language; learning; mobility; capacity for independent living; and economic self-sufficiency; or (c) the individual has a medical condition that requires hospitalization or general anesthesia for dental care. Provide that this coverage may be subject to any limitations, exclusions or cost-sharing provisions that apply generally under the disability insurance policy or self-insured plan.

Further, require every disability insurance policy, and every self-insured health plan of the state or a county, city, village, town or school district, that provides coverage of any diagnostic or surgical procedure involving a bone, joint, tissue or muscle to provide coverage for diagnostic and surgical procedures, including prescribed intraoral splint therapy devices, involving a bone, joint, tissue or muscle of the face, neck, head or skeletal structure, for the treatment of a condition when all of the following apply: (1) the condition is caused by congenital, developmental or acquired deformity, disease or injury; (2) the procedure or device is reasonable and appropriate for the diagnosis or treatment of the condition, under the accepted standards of the profession of the health care provider rendering the service; and (3) the purpose of the procedure or device is to control or eliminate infection, pain, disease or facial disfigurement or to restore functional swallowing or chewing. Provide that the coverage required under this subsection may be subject to any limitations, exclusions or cost-sharing provisions that apply generally under the disability insurance policy or self-insured health plan.

Provide that required coverages under both provisions above first apply to disability insurance policies that are issued or renewed and self-insured health plans that are established, extended, modified or renewed, on January 1, 1998. Except disability insurance policies and self-insured plans covering employes who are affected by a collective bargaining agreement containing provisions inconsistent with these provisions to provide that they first apply to a disability insurance policy that is issued or renewed and to a self-insured plan that is established, extended, modified or renewed, on the earlier of the following: the day on which the collective bargaining agreement expires or the day on which the collective bargaining agreement is extended, modified or renewed.

Assembly/Legislature: Modify the Joint Finance provision relating to coverage of hospital services and anesthetics for dental care which is provided to a covered individual in a hospital to instead specify that the required coverage is for any hospital or ambulatory surgery center charges incurred, and anesthetics provided, in conjunction with dental care that is provided to a covered individual, as defined in the Joint Finance provision, in a hospital or ambulatory surgery center.

Further, delete the Joint Finance provisions which would have required disability insurance policies and state and local governmental self-insured plans that provide coverage of any diagnostic or surgical procedure involving a bone, joint, tissue or muscle to provide coverage for diagnostic and surgical procedures, including prescribed intraoral splint therapy devices, involving a bone, joint, tissue or muscle of the face, neck, head or skeletal structure.

Instead, require that such disability policies and self-insured plans which provide coverage of any diagnostic or surgical procedure involving a bone, joint, muscle or tissue also provide coverage for diagnostic procedures and medically necessary surgical or nonsurgical treatment (including prescribed intraoral splint therapy devices) for the correction of temporomandibular disorders, including medically necessary surgery for the correction of functional deformities of the maxilla or mandible, if all of the following apply: (a) the condition is caused by congenital, developmental or acquired deformity, disease or injury; (b) the procedure or device is reasonable and appropriate for the diagnosis or treatment of the condition, under the accepted standards of the profession of the

health care provider rendering the service; and (c) the purpose of the procedure or device is to control or eliminate infection, pain, disease or dysfunction. Specify that no coverage is required for cosmetic, elective orthodontic, periodontic or general dental care.

Veto by Governor [C-18]: The Governor's partial veto deletes the phrase "including medically necessary surgery for the correction of functional deformities of the maxilla and mandible." The Governor's veto message indicates the intent of this veto is to limit coverage under this provision to the correction of temporomandibular disorders.

[Act 27 Sections: 1324m, 1325m, 2178p, 2210m, 2693p, 2860f, 3133m, 3134m, 4804c, 4804e, 4930t, 4930u, 9327(3rcg) and 9427(4rcg)]

[Act 27 Vetoed Section: 4930t]

22. LIABILITY INSURANCE COVERAGE UNDER DRY CLEANER ENVIRONMENTAL RESPONSE PROGRAM

Joint Finance/Legislature: Direct the Commissioner of Insurance to promulgate rules related to the dry cleaner environmental response program under DNR that define "liabilities that are excluded from coverage in liability insurance policies for bodily injury" and "liabilities that are excluded from coverage in liability insurance policies for property damage." Direct that the definitions be consistent with standard insurance industry practices. (See "Natural Resources -- Air, Waste and Contaminated Land.")

[Act 27 Section: 3721e]

23. MANDATED COVERAGE OF BREAST RECONSTRUCTION INCIDENT TO A MASTECTOMY PROCEDURE

Assembly: Require that health care plans which provide coverage of a mastectomy also provide coverage of breast reconstruction incident to the mastectomy. Provide that this requirement may be subject to any limitations, exclusions or cost-sharing provisions that apply generally under the health care policy or plan. Specify that this requirement applies to both individual and group health insurance plans, including: HIRSP, health maintenance organizations, limited service health organizations, preferred provider plans and cooperative sickness care associations; health plans offered by the state to its employees, including a self-insured plan; and self-insured health plans of counties, cities, towns, villages and school districts. Provide that these provisions be first effective on January 1, 1998.

Senate/Legislature: Modify the Assembly provision to specify that the required coverage of a breast reconstruction be limited to breast reconstruction of the affected tissue incident to the mastectomy.

[Act 27 Sections: 1324m, 1325m, 2178p, 2210m, 2693p, 2860f, 3133m, 3134m, 4804b, 4851, 4930v, 9327(3rcg) and 9427(4rcg)]

24. EXEMPTION FOR CERTAIN NON-PROFIT, CHARITABLE AND RELIGIOUS ORGANIZATIONS FROM INSURANCE REGULATIONS

Assembly/Legislature: Provide that certain publications and clearinghouse activities, the association undertaking those activities and the association's periodic publication resulting from and furthering those activities would not be subject to the insurance regulation statutes, if all of the following apply: (a) the publication and clearinghouse activities are undertaken by a nonprofit association that is organized for charitable and religious purposes; (b) the publication activities of the association are limited to subscribers who are members of the same church or religious denomination; (c) the publication activities of the association function as an organizational clearinghouse that matches subscribers who have financial, physical or medical needs and subscribers who desire to financially assist with those needs and have a present ability to pay; (d) no payments between subscribers are made through the association; (e) the association and subscribers do not assume any risk or make any promise of payment, although the association through its publication, may suggest amounts to pay that are voluntary among the subscribers; (f) the association provides to each subscriber a written monthly statement listing both the total dollar amount of qualified needs submitted for publication in the previous month and the amount actually published and assigned for payment; and (g) the association provides a statutorily required written disclaimer on or accompanying all written materials distributed by or on behalf of the association, including all applications, guidelines, promotional or informational materials and all periodic publications.

[Act 27 Section: 4794c]

25. GROUP HEALTH INSURANCE MODIFICATION RELATED TO HIPAA

Assembly/Legislature: Modify state insurance law, with respect to regulation of group and small employer group health insurance plans in response to the new federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), as described below. Provide that these provisions would be effective with the general effective date of the budget bill.

Group Health Insurance Modifications

Modify current law with respect to group health benefit plans as follows. Define a group health benefit plan as one that is issued by an insurer to or through an employer on behalf of: (a)

a group consisting of at least two employes or at least two eligible employes; or (b) individual health benefit plans covering eligible employes when three or more are sold to or through an employer. Define a health benefit plan to mean any hospital or medical policy or certificate, but excluding the following: (a) accident only or disability income insurance; (b) coverage issued as a supplement to liability insurance; (c) liability insurance; (d) worker's compensation or similar insurance; (e) automobile medical payment insurance; (f) credit-only insurance; (g) coverage for on-site medical clinics; (h) coverage specified in federal regulations under which benefits for medical care are secondary or incidental to other insurance benefits; (i) limited-scope insurance coverage such as: dental or vision benefits and long-term, nursing home, home health or community-based care insurances; (j) certain hospital indemnity or other fixed indemnity insurance for only a specified disease or illness; (k) medicare supplemental health insurance provided under a separate policy, certificate or contract of insurance; and (l) other insurance exempted by rule.

Repeal the current law requirement that self-insured plans must comply with statutory requirements relating to preexisting conditions and portability.

Preexisting conditions. Provide that an insurer offering a group health benefit plan may impose a preexisting condition exclusion, with respect to a participant or beneficiary under the plan, only if the exclusion relates to a condition for which medical advice, diagnosis, care or treatment was recommended or received within the six-month period ending on the participant's or beneficiary's enrollment date under the plan. Also, provide that a preexisting condition exclusion may not extend for more than 12 months after the participant's or beneficiary's enrollment date under the plan (nor more than 18 months for a late enrollee).

Prohibit an insurer, offering a group health benefit plan, from treating genetic information as a preexisting condition without a diagnosis of a condition related to the information and from imposing a preexisting condition exclusion relating to pregnancy as a preexisting condition.

Also prohibit an insurer, offering a group health benefit plan, from imposing a preexisting condition exclusion with respect to a newborn or adopted child under age 18 within 30 days of birth, adoption or placement for adoption, unless the individual was without any creditable coverage for a period of at least 63 days. Provide that any waiting period or affiliation period for coverage under the plan may not be counted as a period of being without creditable coverage.

Portability. Provide that the length of time for which an insurer may impose any preexisting condition exclusion must be reduced, on the individual's enrollment date, by the aggregate of the participant's or beneficiary's periods of creditable coverage (defined to include, for example: coverage under a group health plan, health insurance, medicare, medicaid and HIRSP). Require an insurer to count the creditable coverage period without regard to the specific benefits provided under that coverage unless the insurer uniformly calculates such creditable coverage based on coverage benefits within certain specific classes or categories of benefits as specified in federal regulations and properly discloses the choice to apply such calculation. Such an insurer would be required to count

a period of creditable coverage with respect to any class or category of benefits if any level of benefits is covered within the class or category.

Provide that previous coverage under a group health benefit plan or group health plan may have ceased for up to 63 days before prior coverage is no longer considered creditable with regard to new coverage. Provide that any waiting period (or affiliation period for HMOs) for coverage under a group health benefit plan or group health plan would not be taken into account in determining the period before enrollment in the plan. Further, provide that creditable coverage prior to July 1, 1996, may not be counted except as provided by the Secretary of the U.S. Department of Health and Human Services.

Specify that insurers provide an individual with certification of creditable coverage (commencing with coverage as of October 1, 1996) upon the occurrence of any of the following: (a) the individual ceases to be covered under the group health benefit plan or becomes covered under a federal insurance continuation provision; (b) the individual ceases to be covered under a federal continuation provision; or (c) an individual requests certification no later than 24 months after the cessation of his or her coverage under (a) or (b), whichever is later. Require that the certification be in writing and contain required information regarding the period of creditable coverage and the waiting period imposed under the group health benefit plan.

Require that for the period between June 30, 1996, and October 1, 1996, similar certification be provided if the individual so requests the certification in writing. Provide that if any of the above events occurred before July 1, 1996, individuals may present other evidence of coverage to establish creditable coverage. Also provide that an insurer may not be subject to any penalty or enforcement action regarding crediting coverage for events prior to July 1, 1996, if the insurer has sought to act in good faith.

Require an insurer issuing a certification to promptly disclose information on coverage of classes or categories of health benefits that were available under the coverage on which the certification was based if requested by an insurer or group health benefit plan which has elected to determine creditable coverage based on coverage benefits within certain specific classes or categories of benefits. Provide that the insurer providing the information may charge for the reasonable costs of disclosing the information.

Special Enrollment Periods. Require an insurer offering a group health benefit plan to permit an employe or an employe's dependent who is not enrolled but is eligible for coverage to enroll for coverage, if all of the following apply: (a) the employee or dependent was already covered when the plan was previously offered and stated in writing, as required by insurer, at such time that another source of coverage was the reason for declining enrollment; and (b) the employe or dependent is currently covered under the group health plan or health insurance or, under the terms of the group health benefit plan, the employe or participant requests enrollment no later than 30 days after the date on which the previous coverage ceases.

In addition, require an insurer offering a group health benefit plan to provide a special enrollment period if all of the following apply: (a) the plan provides coverage for dependents of participants under the plan; (b) the individual is a participant under the plan or has met any waiting period and is eligible to enroll but failed to enroll during a previous enrollment period; and (c) a person becomes a dependent of the individual through marriage, birth or adoption.

Require such an insurer to provide for a special enrollment period during which any of the following may occur: (a) a person who marries an individual and is otherwise eligible for coverage may be enrolled as a dependent of the individual; (b) a person who is born to, adopted by or placed for adoption with, an individual may be enrolled as a dependent of the individual; or (c) an individual who has met any waiting period and is eligible to enroll but failed to enroll, or such person's spouse may be enrolled under the plan. Provide that the special enrollment period shall not be less than 30 days beginning on the later of the following: (a) the date of the marriage, birth or adoption; or (b) the date dependent coverage is available under the plan. Provide that if a dependent is enrolled during the special enrollment period, coverage of the dependent would be effective on the: (a) date of birth or adoption or placement for adoption; or (b) if through marriage, not later than the first day of the first month after the completed request for enrollment is received.

Provide that an HMO that offers a group health benefit plan and does not impose any preexisting condition exclusion may impose an affiliation period, if the period is uniformly applied without regard to any health status-related factors and the period does not exceed two months (three months for late enrollees). However, allow an HMO to use alternative methods to address adverse selection, if the methods are approved by the Commissioner of Insurance. Provide that an HMO that imposes an affiliation period would not be required to provide health care services or benefits during the period but would be prohibited from charging a premium to a participant or beneficiary for any coverage that is provided during that period. Require that an affiliation period begin on the enrollment date and run concurrently with any waiting period under the plan.

Minimum Participation and Contribution Requirements. Specify that, similar to current law, the requirements used by an insurer in determining whether to provide coverage under a group health benefit plan to an employer, including requirements for minimum participation of eligible employes and minimum employer contributions, must be uniformly applied to all employers seeking coverage. However, modify current law which provides that an insurer may vary its minimum participation or minimum employer contribution requirements only by size of the employer group based on the number of eligible employes to allow an insurer to: (a) increase uniformly the minimum participation or minimum employer contribution requirement no more than one time during a calendar year, unless more frequent change is permitted by the Commissioner of Insurance; (b) establish, except as otherwise restricted by rule, separate participation requirements or employer contribution requirements that uniformly apply to all employers that provide a choice of coverage to employes or their dependents, including establishing a separate uniform requirement based on the number or type of choice of coverage provided by the employer; and (c) vary requirements used in determining whether to provide coverage under a plan to a large employer (more than 50 employes), but only if the

requirements are applied uniformly among all large employers with the same number of eligible employes and not otherwise prohibited.

Prohibited Coverage Practices. Create an exception to current law allowing the Commissioner of Insurance to promulgate rules permitting exceptions to the requirement that if an insurer offers a plan to an employer, the insurer must offer coverage to all of the eligible employes of the employer and their dependents. Specify, however, that no rule may permit an insurer to refuse to offer to provide coverage to an eligible employe or his or her dependent for reasons related to health condition.

Guaranteed Acceptance Under Group Plans. Modify the current law requirement that an insurer provide coverage under a group health benefit plan to an eligible employe and his or her dependents who become eligible for coverage after the commencement of the employer's coverage, regardless of health condition or claims experience to allow exceptions to this requirement to be authorized by the Commissioner of Insurance by rule. Repeal the current law provision which requires an insurer to provide coverage to eligible employes who waive coverage during an enrollment period during which the employe was entitled to enroll in the plan, regardless of health conditions or claims experience, if all of the following apply: (a) the employe was covered as a dependent under qualifying coverage when the employe waived coverage under the plan; (b) the employe's coverage terminated due to a divorce from the insured spouse, death of the insured, loss of employment by the insured, or involuntary loss of coverage by the insured; (c) the employe applies for coverage under the plan within 30 days of the termination of coverage; and (d) the employer agrees to pay the premiums required under the plan. Instead, supersede these provisions with the newly created similar special enrollment provisions. Modify the remaining current law guaranteed acceptance provisions by replacing references to "qualifying coverage" with references to "creditable coverage," as defined under HIPAA.

Prohibited Discrimination. Prohibit an insurer from establishing enrollment eligibility rules, including applicable waiting periods, under a group health benefit plan on the basis of any of the following factors: (a) health status; (b) medical condition, including physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (e) genetic information; (f) evidence of insurability; or (g) disability.

In addition, prohibit an insurer from offering a group health benefit plan that would use any health status-related factor of an individual or dependent as a basis for charging that individual a higher premium than another similarly situated individual. Provide that to the extent consistent with the provisions regarding preexisting conditions, portability, restrictions and special enrollment periods, insurers would not be required to provide any benefits other than those provided under the terms of the plan; and would not be prevented from establishing limitations or restrictions on the amount, level, extent or nature of benefits or coverage for similarly situated individuals enrolled in the plan.

Further, specify that these provisions would not: (a) restrict the amount that an insurer may charge an employer for coverage under a plan; (b) prevent an insurer from offering a plan from

establishing premiums discounts or rebates, or modifying otherwise applicable copayments or deductibles, in return for adherence to programs of health promotion and disease prevent; or (c) provide an exception from, or limit, the regulation of rates as provided under current law.

Contract Termination and Renewability. Repeal and recreate the provisions relating to contract termination and renewability for group health insurance plans to provide as follows:

a. Require an insurer that offers a group health benefit plan to renew the plan at the option of the employer (and if applicable, plan sponsor). Provide that at the time of renewal, the insurer may modify any such plan that is issued in the large group market. Permit an insurer to not renew or discontinue a plan, if any of the following applies: (a) nonpayment of premiums; (b) fraud or intentional misrepresentation; (c) violation of participation or contribution rules; (d) termination of coverage in the market by the insurer; (e) in the case of network plans, movement by enrollees outside the network service area; or (f) cessation of association membership if coverage is terminated uniformly without regard to any health status-related factor of any covered individual.

b. Allow an insurer to discontinue offering in this state a particular type of plan if the insurer: (a) provides the proper 90 days advance notice; (b) offers each employer and plan sponsor the option to purchase from among all of the other group health benefit plans that the insurer offers in the market in which is included the type of plan that is being discontinued, except that in the case of the large group market, the insurer must offer each employer and plan sponsor the option to purchase one other plan that the insurer offers in the large group market; and (c) acts uniformly when discontinuing coverage and offering the option to purchase different coverage without regard to any health status-related factor of covered individuals.

c. Provide that an insurer may also discontinue offering in this state all group health benefit plans, if all of the following apply: (a) the insurer provides the proper 180 days advance notice; (b) all plans issued in the state in the affected market by the insurer are discontinued and not renewed; and (c) the insurer does not issue or deliver for issuance in this state any plan in the affected market within five years after the date the plan was discontinued. Specify that this section does not apply to a plan offered by the state or group insurance board of municipal employes.

Small Group Health Insurance Modifications

Modify current law provisions relating to group health benefit plans that are issued to or through small employers as follows:

Definition of Small Employer. Provide that an employer with at least two employes but no more than 50 employes be considered a small employer. Current law defines a small employer as one with from two to 25 employes.

Guaranteed Issue. Require an insurer that offers a group health benefit plan in the small group market to: (a) accept any small employer in the state that applies for such coverage; (b) accept

for enrollment under such coverage any otherwise eligible individual who applies for enrollment during the period when the individual first becomes eligible to enroll; and (c) place no restriction on eligible individuals that is inconsistent with the new statutory provisions relating to preexisting conditions, portability, special enrollment periods and prohibited discrimination for group health benefit plans.

Provide the following exceptions to the guaranteed issuance requirement for network plans: (a) allow an insurer to limit the small employers that may apply for coverage to those with eligible individuals who reside, live or work in the service area of the network plan; and (b) allow an insurer to deny coverage if the insurer demonstrates to the Commissioner of Insurance all of the following: (1) that the insurer does not have the capacity to deliver services adequately to enrollees of any additional group because of current obligations; (2) that the insurer is applying this limitation or issuance uniformly to all small employers without regard to the claims experience of those employers, or their employes or employes' dependents or any other health status-related factor; and (3) that the insurer that denies coverage does not offer coverage in the small group market in that service area within 180 days after the date such coverage was denied.

In addition, provide the following general exceptions to the guaranteed issuance requirement for small employer group health benefit plans: (a) allow an insurer to deny coverage to small employers if the insurer demonstrates to the Commissioner of Insurance: (1) that the insurer does not have the financial reserves necessary to underwrite additional coverage; (2) that the insurer is applying this exception uniformly to all small employers in the small group market in the state according to state law and without regard to claims experience of the employers or their employes or employes' dependents or any health status-related factor of the employes or their dependents; and (3) that the insurer that denies coverage does not offer coverage in the small group market in the state within 180 days after such coverage was denied or until the Commissioner of Insurance determines that the insurer has sufficient financial reserves to underwrite additional coverage, whichever is later.

Specify that the above guaranteed issuance requirements do not preclude a small employer insurer from establishing rules relating to a minimum level or amount of small employer contribution toward the premium cost or the minimum number or percentage of participants or beneficiaries that must be enrolled in a plan. Further specify that the guaranteed issuance requirement does not apply to plans offered by a small employer insurer in the small group market if all of the following apply: (a) the plan is offer through one or more bona fide associations; (b) the insurer offering the plan makes coverage available to all members of the association regardless of any health status-related factors; and (c) the insurer complies with any rules of the Commissioner of Insurance relating to use of an association for risk segmentation. Lastly, allow the Commissioner to permit by rule an exception to the guaranteed issuance requirement with respect to a small employer for which coverage is nonrenewed or discontinue for failure to pay premiums where the plan or the plan sponsor performed an act or engaged in a practice that constitutes fraud or made an intentional misrepresentation of a material fact under the terms of the coverage.

Repeal the current law provision which prohibits a small employer insurer from refusing to provide coverage for employes of a small employer solely on the basis of the occupation of the employes or the type of business the employer is engaged in which is superseded by the broader guaranteed issuance requirements. Expand current law to require that an insurer, upon the request of a small employer, as part of the insurer's solicitation and sales materials the insurer shall disclose before the sale of the plan or policy the following additional information: (a) provisions, if any, of the plan relating to preexisting condition exclusions; and (b) benefits and premiums available under all health insurance coverage offered by the small employer insurer for which the employer is qualified. Further provide that the information required to be disclosed would have to be provided in a manner that is understandable to a small employer and sufficient to reasonably inform a small employer of his or her rights and obligation under the coverage. Provide an exception to the disclosure requirement for information that is proprietary or trade secret information.

Small Employer Insurance Plan and Board. Repeal current law related to the small employer health insurance plan ("basic benefits plan"), as well as the small employer insurance board. Generally under current law, a small employer defined as an employer with at least two but not more than 25 eligible employes or a village or town that employes no fewer than two nor more than 10 and has not provided health insurance coverage to its employes during the past 12 months, may purchase a basic benefits policy for the health insurance coverage of its employes. The small employer insurance board determines by rule most aspects of the small employer health insurance plans that insurers may offer, including the basic benefits that the policies must contain and the deductible, copayment and maximum benefit requirements for the policies.

[Act 27 Sections: 92v, 92w, 1324c, 1325c, 2178c, 2210c, 2692tc, 2692tm, 2692tp, 2860c, 3133c, 3134c, 4794m, 4910c, 4910e, 4910g, 4910i, 4910k, 4910m, 4915m, 4916m, 4917m, 4918m, 4919m, 4920m, 4921m, 4922m, 4923m, 4924m, 4929w, 4931m, 4932d thru 4937m, 5510j and 5510n]

26. INDIVIDUAL HEALTH INSURANCE MODIFICATIONS RELATED TO HIPAA

Assembly/Legislature: Create the following provisions relating to contract termination and renewability for individual health insurance plans in response to the new federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Provide that these provisions would be effective with the general effective date of the budget bill.

a. Require an insurer to renew individual health benefit plan coverage at the option of the insured individual and if applicable, the association through which the individual has coverage. Allow the insurer to modify the individual health benefit plan coverage policy form as long as the modification is consistent with state law and effective on an uniform basis among all individuals with coverage under the policy form. Permit an insurer to not renew or discontinue an individual health benefit plan, if any of the following applies: (a) nonpayment of premiums; (b) fraud or intentional misrepresentation; (c) termination of coverage in the market by the insurer; (d) in the case of network plans, the insured moves outside the service area, but only if coverage is terminated uniformly

without regard to any health status-related factor; (e) cessation of association membership if coverage is terminated uniformly without regard to any health status-related factor of any covered individual; or (f) the individual is eligible for medicare and the Commissioner by rule permits coverage to be terminated for such reason.

b. Allow an insurer to discontinue offering in this state a particular type of individual health benefit plan coverage, if the insurer does all of the following: (a) provides the proper 90 days advanced notice; (b) offers each individual (and association if applicable) the option to purchase any other type of individual health insurance coverage that the insurer offers for individuals; and (c) acts uniformly without regard to any health status-related factor of any covered individuals. Provide that an insurer may also discontinue offering individual health benefit plan coverage in this state, if all of the following apply: (a) the insurer provides the proper 180 days advance notice; (b) all individual plan coverage issued in the state in the affected market by the insurer is discontinued and not renewed; and (c) the insurer does not issue or deliver for issuance in this state any individual plan within five years after the date the plan was discontinued.

[Act 27 Section: 4925m]

INVESTMENT BOARD

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
PR	$18,182,000	$22,288,800	$24,247,300	$24,164,900	$24,164,900	$5,982,900	32.9%

FTE Position Summary						
Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
PR	96.50	101.50	101.50	101.50	101.50	5.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	$219,000

Governor/Legislature: Provide $109,500 annually for standard budget adjustments for: (a) turnover reduction (-$151,300); (b) full funding of salary and fringe benefits costs ($246,500); (c) full funding of financial services charges (-$9,700); and (d) fifth week of vacation as cash ($24,000).

2. INVESTMENT MANAGEMENT OPERATING SYSTEM [LFB Paper 515]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	$3,476,800	5.00	$2,009,900	0.00	- $82,400	0.00	$5,404,300	5.00

Governor: Provide $2,641,000 in 1997-98 and $835,800 in 1998-99 and 5.0 unclassified positions for the development and installation of an investment management operating system (an integrated data processing system for investment analysis and management reporting that will be linked to a central database for the agency) to improve the Board's internal accounting controls, monitor cash movements and compile comprehensive financial statements. Of the amounts provided,

$2,358,300 in 1997-98 and $491,700 in 1998-99 for systems development would be placed in unallotted reserve for subsequent release by DOA.

The remaining amounts, $282,700 in 1997-98 and $344,100 in 1998-99 would be provided for 3.0 permanent positions (2 systems analysts and 1 database analyst) to install the new operating system and to provide ongoing system maintenance and support and for 2.0 two-year project positions (systems analyst and accountant) to provide additional staffing during the development and implementation phase related to project management assistance and general accounting support.

Joint Finance: Modify provision by deleting $94,000 in 1997-98 of excess funding in unallotted reserve for the investment management operating system project and providing an additional $2,103,900 in 1998-99 in unallotted reserve to fully fund projected second-year costs associated with the project.

Assembly/Legislature: Reduce funding by $82,400 in 1997-98 for the 5.0 FTE unclassified positions associated with the installation and support of the agency's new investment management operating system. This funding reduction reflects a delay in the starting date of these positions from October 1, 1997, to January 1, 1998.

3. BONUS COMPENSATION FUNDING AND ELIGIBILITY MODIFICATIONS [LFB Paper 516]

	Chg. to Base
PR	$207,000

Governor: Make the following changes to the Investment Board's performance-based bonus compensation program:

Additional Funding. Provide $103,500 annually in unallotted reserve to fully fund the salary bonus pool from which annual bonus incentives may be awarded by the Board to its unclassified staff when certain assets under management exceed Board-established investment performance benchmarks. Under current law, the total bonuses awarded for any fiscal year may not exceed 10% of the total annualized salaries of all unclassified Board employes at the beginning of the fiscal year. Base level funding for the bonus pool is $525,500. Under the Governor's recommendation, the total available in unallotted reserve for bonus compensation would be $629,000 annually.

Limitation on Bonus Compensation Eligibility for Certain Unclassified Employes. Provide that unclassified Board employes who: (a) perform functions primarily related to information technology; and (b) are appointed to perform those functions after the general effective date of the 1997-99 biennial budget act would not be eligible for awards under the Board's performance-based bonus compensation program. Further, direct the Board to specify, in its required plan governing the awarding of bonus compensation, all of the unclassified agency positions that perform functions primarily related to information technology

Under current law, the Board's executive director and all unclassified staff (a total of 89.5 FTE employes) are eligible for the bonus compensation program. Seven classified agency positions are not eligible for bonus compensation awards. Bonus compensation may be awarded only pursuant to a plan adopted by the Board's trustees specifying: (a) the conditions under which bonuses will be awarded; (b) a specification of the portion of the bonus pool that will be awarded on the basis of beneficial investment performance and the portion that will be awarded on the basis of other meritorious performance; and (c) the specific criteria that will be used to determine whether or not to award a bonus to a particular employe.

Joint Finance/Legislature: Modify the provision to delete the language establishing a limitation on bonus compensation eligibility for Board unclassified employes first appointed after the general effective date of the budget act who perform functions primarily related to information technology.

4. LEASED SPACE INCREASES [LFB Paper 517]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	$152,000	- $51,400	$100,600

Governor: Provide $76,600 in 1997-98 and $75,400 in 1998-99 to fund increased leased space to be obtained for staff additions authorized by 1995 Wisconsin Act 274 and the new positions under the Governor's recommendations. Of the amounts recommended in 1997-98, $1,200 would be provided as one-time funding for data/voice cable installation costs.

Joint Finance/Legislature: Delete $25,700 annually for lease costs associated with space which the Board has already acquired and is being funded from base level resources.

5. INCREASED LTE AND PER DIEM FUNDING [LFB Paper 518]

	Chg. to Base
PR	$52,000

Governor: Provide net additional funding of $28,100 in 1997-98 and $23,900 in 1998-99 for increased LTE salary and fringe benefit amounts for the agency. Of these amounts, $29,700 annually would be provided for increased LTE salaries and fringe benefits funding to: (a) provide additional LTE funding for clerical and administrative support workload increases ($17,900); (b) fund a graduate student internship with agency investment staff as a means of developing and recruiting entry-level investment analysts ($7,200); and (c) fund increased per diem expenses arising from a greater number of Board and committee meetings and the addition of a ninth trustee to the Board ($4,600). A total of $5,100 in 1997-98 and $900 in 1998-99 would be provided for increased supplies and services and permanent property costs associated with the additional LTE staffing described above.

Finally, delete $6,700 annually from the agency's base level of funding for permanent position salaries. The Governor's apparent intent was to delete $7,200 annually for LTE salaries and fringe benefits associated with the graduate student internship portion of the agency request. However, the intended deletion was applied against the agency's permanent salary line rather than against the increased LTE salary line. A technical correction is needed to accomplish the Governor's intent.

Joint Finance/Legislature: Restore $6,700 annually to the agency's project position salary line and instead delete an additional $6,700 annually from the agency's LTE salary line to accomplish the Governor's original intent.

6. CHARGING EXPENSES TO CURRENT INCOME ACCOUNTS [LFB Paper 519]

Governor: Prohibit the Board from charging expenses to or paying costs from the current income accounts of funds under the Board's financial management if the expenses or costs would be for data processing services, information technology and telecommunications services, accounting services (other than actuarial services) or general management services. Further, require the Board to submit to DOA no later than 45 days after the conclusion of each calendar quarter a report detailing all costs and expenses which have been charged during that calendar quarter to the current income accounts of funds under the Board's financial management.

Under current law, the Board may employ special legal or investment counsel in any matter arising out of the scope of the Board's investment authority. Further, the Board may employ professionals, contractors or other agents to evaluate or operate any property if a fund managed by the Board has an interest in, or is considering purchasing or lending money based on the value of the property. Any expenses incurred for these purposes (as well as for: selling insurance for loss of securities or property owned by the Board; employing professionals to evaluate and operate properties managed by Board; and for insuring against or paying for actions of its employes involving activities carried out while acting as an officer or director of a company in which the Board has invested money) may be charged against the current income accounts of the funds to which the services have been provided. Amounts expensed from current income accounts are not appropriated by the Legislature but rather are charged off against the gross revenues receipts of the fund. As such, costs for services paid in this manner represent an "off-budget" source of funding for the agency. Under the Governor's recommendation, if the Board wished to make a future expenditure for a type of service which could no longer be charged to current income accounts, the Board would have to seek a specific appropriation of funds for the undertaking.

Joint Finance/Legislature: Delete the Governor's provision creating a statutory prohibition against the Board charging expenses to or paying costs from the current income accounts of funds under the Board's financial management if the expenses or costs would be for data processing services, information technology and telecommunications services, accounting services (other than actuarial services) or general management services.

Instead, create a session law provision applicable only to the period from the effective date of this budget bill until the enactment of the 1999-2001 biennial budget act and providing that the types of services for which costs could not be expensed against current income would be limited to expenses relating to the design or installation of computerized information systems. Specify that this session law provision would not apply to costs incurred in connection with transfers between the Board and third parties of data relating to investment matters.

Modify the proposed statutory provision requiring the Board to submit quarterly reports to DOA detailing all costs and expenses charged to current income accounts to require that such reports also be submitted to the Joint Committee on Finance.

[Act 27 Sections: 837, 838 and 9128(1m)]

7. STATUTORY CHANGES AFFECTING SENIOR MANAGEMENT STAFF [LFB Paper 520]

Governor: Include statutory language to: (a) authorize the executive director to appoint a chief legal counsel, chief financial officer and chief risk officer; (b) designate these three positions as "state public officers" under the state code of ethics and as "officials required to file" an annual statement of economic interests with the Ethics Board; (c) enumerate these three positions under the existing prohibitions applicable to all Board employes which bar employees from having a financial interest, either directly or indirectly, in any firm selling or marketing real estate or investments of any kind or from rendering investment advice to others for remuneration. The designation of a chief legal counsel, chief financial officer and chief risk officer at the Board as state public officials would have the effect under current law of qualifying these individuals for a higher retirement multiplier factor and increasing their paid leave benefits.

Also, repeal the current enumeration of one division administrator to be appointed by the executive director and an associated cross-reference exempting that position from the requirement that the position be assigned to an executive salary group.

Modify the current requirement for the Board's trustees to appoint one of the agency's investment directors as assistant executive director by expanding the list of employes eligible to be appointed to include the agency's executive assistant, internal auditor, chief investment officer, chief financial officer, chief legal counsel or chief risk officer. Enumerate the agency's executive assistant, chief financial officer, chief legal counsel and chief risk officer as being subject to rules promulgated by the Board's trustees which: (a) restrict employes from having direct or indirect financial interests in entities providing service to the agency; (b) govern the receipt of gifts or favors; and address personal investments of employees to prevent conflicts of interest.

Under the recommendation, it is anticipated that the incumbent division administrator who currently functions as a financial officer would be redesignated as the Board's chief financial officer.

All the other positions have previously been authorized; consequently, there would be no net additional position authority associated with this recommendation. However, the bill does not provide additional funding for increased fringe benefits costs associated with a net of two additional positions newly designated as state public officials: the chief legal counsel and chief risk officer (the increased chief financial officer fringe benefits costs would be expected to be offset by the eliminated division administrator fringe benefits costs). To the extent that any increased fringe benefits costs are incurred by the Board, such costs would have to be supported from base level resources.

Joint Finance/Legislature: Include additional statutory language specifying that the Executive Director of the Board may appoint a total of eleven investment directors.

[Act 27 Sections: 158, 159, 749, 827, 828, 831 and 3297]

8. INVESTMENTS IN CERTIFICATES OF DEPOSIT OF AT LEAST $25,000 FOR THE PURPOSE OF SUPPORTING SMALL BUSINESS LOANS

Joint Finance: Require that the Board invest in certificates of deposit of at least $25,000 issued by solvent Wisconsin financial institutions. Specify that the funds received by the financial institution from the purchase of the certificates must be used by the financial institution to make loans to small businesses. Require the Board to: (a) accept applications for the purchase of the certificates of deposit on a continual basis; (b) purchase the certificates of deposit on a continual basis; and (c) actively market its program to purchase the certificates of deposit for the purpose of supporting loans by financial institutions to small businesses. Finally, require the Board to include in its annual March 31 report to the Legislature on investment activities, a statement of the amounts invested in certificates of deposit under this program.

Assembly/Legislature: Delete provision.

JUDICIAL COMMISSION

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
GPR	$364,400	$435,400	$435,400	$435,400	$435,400	$71,000	19.5%

FTE Position Summary						
Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	2.00	2.00	2.00	2.00	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$1,000

Governor/Legislature: Provide $300 in 1997-98 and $700 in 1998-99 for the following: (a) full funding of salary and fringe benefits ($200 annually) and (b) full funding of lease costs ($100 in 1997-98 and $500 in 1998-99).

2. JUDICIAL COUNCIL FUNDING

	Chg. to Base
GPR	$70,000

Governor/Legislature: Provide $35,000 annually to fund Judicial Council expenses. Prior to 1995 Act 27, the Judicial Council had two staff and an operating budget of $146,800 annually. Under Act 27, Judicial Council staff and funding were eliminated. Instead, the two existing Judicial Commission staff were required to provide services to the Judicial Council with no additional funding. The bill would provide $35,000 annually for supplies and services and contracting for research services.

JUSTICE

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Act 27 Change Over Base Year Doubled Percent
GPR	$68,866,800	$67,283,200	$70,111,600	$70,021,900	$69,895,600	$1,028,800	1.5%
FED	7,427,200	9,145,800	9,145,800	9,137,800	9,137,800	1,710,600	23.0
PR	36,823,000	44,624,800	42,556,900	42,831,700	42,831,700	6,008,700	16.3
SEG	2,548,400	2,552,400	455,400	455,400	455,400	- 2,093,000	- 82.1
TOTAL	$115,665,400	$123,606,200	$122,269,700	$122,446,800	$122,320,500	$6,655,100	5.8%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	410.15	411.90	408.40	408.40	407.40	- 2.75
FED	18.75	9.00	9.00	9.00	9.00	- 9.75
PR	104.25	100.75	121.25	128.25	128.25	24.00
SEG	5.75	5.75	2.75	2.75	2.75	- 3.00
TOTAL	538.90	527.40	541.40	548.40	547.40	8.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 530]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov.) Funding	Jt. Finance/Leg. (Chg. to Gov.) Positions	Net Change Funding	Net Change Positions
GPR	- $1,194,700	- 7.50	$6,300	0.00	- $1,188,400	- 7.50
FED	- 912,800	- 11.50	0	0.00	- 912,800	- 11.50
PR	- 685,600	- 19.00	- 233,400	0.00	- 919,000	- 19.00
SEG	4,000	0.00	0	0.00	4,000	0.00
Total	- $2,789,100	- 38.00	- $227,100	0.00	- $3,016,200	- 38.00

Governor: Reduce the budget by $214,200 in 1997-98 and $2,574,900 in 1998-99 for the following adjustments: (a) turnover reductions (-$516,500 GPR annually); (b) nonrecurring costs (-$94,200 FED and -$272,500 PR and -1.0 FED and -12.0 PR positions in 1997-98 and -$366,700

GPR, -$1,170,600 FED and -$1,203,400 PR and -7.5 GPR, -11.5 FED and -19.0 PR positions in 1998-99); (c) full funding of salaries and fringe benefits (-$298,300 GPR, $164,500 FED, $312,300 PR and -$300 SEG annually); (d) full funding of financial services charges ($14,800 GPR, $1,900 FED, $26,100 PR and -$1,600 SEG annually); (e) reclassifications ($2,200 GPR, $2,300 FED and $15,100 PR in 1997-98 and $5,200 GPR, $2,300 FED, $21,600 PR and $3,800 SEG in 1998-99); (f) risk management costs ($3,100 PR and $100 SEG annually); (g) overtime ($258,800 GPR and $15,600 PR annually); (h) night and weekend differential ($8,300 GPR and $1,700 PR annually); (i) fifth week of vacation as cash for certain long-term employes ($66,100 GPR, $7,600 PR and $900 SEG annually); (j) full funding of lease costs ($5,700 GPR annually); and (k) delayed adjustment full funding ($43,400 GPR, $7,300 FED, $10,400 PR and $1,000 SEG annually).

Joint Finance/Legislature: Delete $233,400 PR in 1998-99 to reflect federal anti-drug program funding that reaches its four-year funding limit allowed under the program in 1997-99. In addition, provide $6,300 GPR in 1998-99 to technically adjust the standard budget adjustment for nonrecurring costs. Further, reflect the deletion of 1.0 PR position from the subprogram for crime laboratories rather than the subprogram for the crime information bureau.

2. BUDGET REDUCTIONS [LFB Paper 531]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly (Chg. to JFC)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $928,300	- 1.00	$791,300	0.00	$0	0.00	$0	0.00	- $137,000	- 1.00
GPR-Lapse	$0		$0		$1,105,000		- $1,105,000		$0	

Governor: Delete $647,500 in 1997-98 and $280,800 in 1998-99 to reflect budget reductions. The reductions represent a cut of 2% in 1997-98 and 0.9% in 1998-99 from the agency's $31.1 million base budget for state operations. (DOA's calculation of the 2% budget reduction in 1998-99 includes -$366,700 GPR deleted under the standard budget adjustments, which are matching funds for the federal anti-drug programs that would no longer be required under the bill.) The reductions include the following: (a) -$68,500 and -1.0 position annually to remove a criminal history records project administrator that was changed from GPR to FED by the Joint Committee on Finance under s. 16.505 in October, 1996; (b) -$94,700 annually to eliminate funding for 2.0 program and planning analysts that were restored without funding under 1995 Act 27, but included under DOJ's standard budget adjustment for full funding of salaries and fringe benefits; and (c) -$484,300 in 1997-98 and -$117,600 in 1998-99 in unspecified reductions from the general operations appropriation under the Law Enforcement Services program. The bill would require the Department of Justice (DOJ) to submit a report to the Governor and Joint Committee on Finance, by October 1, 1997, concerning the Department's recommendations of how to allocate the unspecified reductions among DOJ's sum certain GPR appropriations.

Joint Finance: Provide $579,000 in 1997-98 and $212,300 in 1998-99 to: (a) restore funding eliminated under 1995 Act 27 for two program and planning analysts ($94,700 annually); and (b) eliminate unspecified budget reductions ($484,300 in 1997-98 and $117,600 in 1998-99). In addition, eliminate the nonstatutory language that would require DOJ to report to the Governor and Joint Committee on Finance by October 1, 1997, concerning the Department's recommendations on how to reallocate the unspecified reductions.

Assembly: Require DOJ to lapse $552,500 annually to the general fund.

Senate/Legislature: Delete Assembly provision.

3. REPLACE FEDERAL ANTI-DRUG PROGRAM FUNDS [LFB Paper 532]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$600,000	11.0	- $600,000	- 11.00	$0	0.00
PR	4,913,700	16.0	- 2,232,300	16.00	2,681,400	32.00
Total	$5,513,700	27.0	- $2,832,300	5.00	$2,681,400	32.00

Governor: Provide $750,700 PR and 3.0 PR and 1.0 GPR positions in 1997-98 and $600,000 GPR and $4,163,000 PR and 11.0 GPR and 16.0 PR positions in 1998-99 to fund DOJ anti-drug programs which reach their four-year federal funding limit in the 1997-99 biennium. (The related 32.0 anti-drug positions, including 10.5 FED, 14.0 PR and 7.5 GPR positions, and funding were removed as non-continuing elements under standard budget adjustments.) The restored positions include the following: (a) 10.0 GPR and 7.0 PR special drug agents in 1998-99 ($600,000 GPR and $948,800 PR from OJA penalty assessment funds in 1998-99); (b) 6.0 PR forensic scientists for the crime labs in 1998-99 ($413,300 PR in 1998-99 from the new crime laboratory assessment, described under item #12); (c) 3.0 PR DNA analysts annually ($150,700 PR in 1997-98 and $200,900 PR in 1998-99 from the new crime laboratory assessment; and (d) 1.0 GPR drug tip hotline operator annually (no funding would be provided under the bill; DOJ would be required to absorb the cost of the position with current funding levels). The following 5.0 PR anti-drug program positions would not be restored under the bill: (a) 1.0 management information specialist in the Division of Narcotics Enforcement (funding expires June 30, 1998); (b) 1.0 custodian in the crime labs (funding expires June 30, 1998); and (c) 1.0 attorney, 1.0 administrative assistant, 1.0 legal secretary and LTE funding for a law clerk in the Division of Legal Services (funding expires February 28, 1998). [It should be noted that, in addition to the funding provided for the positions, the bill incorrectly appropriates, from the new crime laboratory assessment, an additional $600,000 PR in 1997-98 and $2,600,000 PR in 1998-99. The expenditure is double-counted under the bill and should be removed.]

In addition, include statutory language to: (a) provide for the transfer of $948,800 in penalty assessment revenue from DOA to DOJ (under current law, these funds are used to match the federal funding provided for DOJ anti-drug programs; however, under the bill, the federal funding would be

used for justice system information technology and would be matched with justice information system fee revenue); and (b) eliminate the requirement, effective July 1, 1998, that GPR funds be provided to match federal anti-drug abuse funding for the crime laboratories, if revenue from the penalty assessment is insufficient. (Federal funds for the crime laboratories expire June 30, 1998, and therefore, the match will no longer be needed.)

Joint Finance/Legislature: Provide additional program revenue funding from the newly-created crime laboratory and drug law enforcement assessment of $26,900 PR and 1.0 PR position in 1997-98 and $940,800 PR and 16.0 PR positions in 1998-99 to restore funding for additional federal anti-drug grant positions, for which funding expires in 1997-99 and to replace 11.0 GPR positions (1.0 in 1997-98) and GPR funding of $600,000 in 1998-99 provided under the bill. Funding would be provided for the following: (a) $26,900 PR and 1.0 PR position annually for the drug tip hotline operator; (b) $55,000 PR and 1.0 PR position in 1998-99 to restore the management information specialist under the Division of Narcotics Enforcement; (c) $24,000 PR and 1.0 PR position in 1998-99 to restore the custodian position at the Wausau Crime Lab; (d) $234,900 and 3.0 PR positions in 1998-99 to restore funding for the drug prosecution team; and (e) $600,000 PR and 10.0 PR positions in 1998-99 to convert 10.0 GPR special agent positions provided under the bill to program revenue positions. In addition, reduce the program revenue appropriation by $600,000 PR in 1997-98 and $2,600,000 PR in 1998-99 to accurately reflect actual expenditure authority under the bill.

[Act 27 Sections: 643, 644, 687 and 9431(1)]

4. FEDERAL VICTIMS OF CRIME ACT (VOCA) FUNDING

	Chg. to Base
FED	$2,430,000

Governor/Legislature: Provide $1,215,000 annually to reflect increased federal funding available under the Victims of Crime Act (VOCA). Funds are available under VOCA to provide grants to nonprofit and governmental agencies that serve victims of crime. Base funding is $1,218,000.

5. SEXUAL ASSAULT VICTIM SERVICES

	Chg. to Base
PR	$1,400,000

Governor/Legislature: Provide $700,000 annually for the sexual assault victim services program to increase grant funding to local organizations that provide services to sexual assault victims. Funding for the grants comes from "part B" of the crime victim and witness surcharge ($20 on each misdemeanor and felony offense). The bill would also transfer the base funding for the program ($300,000 annually) from unallocated reserve to aids to individuals and organizations.

6. VICTIM/WITNESS ASSISTANCE FUNDING AND NEW SURCHARGE ON JUVENILES [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR-REV	$275,000	$25,000	$300,000
PR	$1,200,000	- $122,800	$1,077,200

Governor: Provide $600,000 annually to increase reimbursement to counties for the costs of operating victim/witness assistance programs. Counties may receive reimbursement for up to 90% of their costs. However, due to an increased number of counties providing services and the increased costs of the services, the amount of funding available has allowed for reimbursement of approximately 78% to 83% of counties' costs in recent years. While the actual percentage of costs reimbursed, under the bill, would depend on the number of participating counties and their operational costs, it is estimated that the additional funding would provide approximately 80% reimbursement. Funding is currently provided from general purpose revenues and program revenues from the victim/witness surcharge, federal anti-drug funding and state matching funds.

A portion of the increase in funding would come from a new delinquency victim and witness assistance surcharge of $20 on juveniles adjudicated delinquent, effective on the date of enactment. The bill would provide that if a juvenile does not pay the surcharge, as ordered, the court could vacate the surcharge and order other alternatives or, after a notice and hearing, could suspend the juvenile's hunting, fishing or driver's license for not less than 30 days and for up to five years (or until the surcharge is paid). The parent with custody could be held liable for payment. The court could also order that the juvenile perform community service work in lieu of paying the surcharge or, if the parent agrees, the court could order the parent to perform community service work in lieu of paying the surcharge. Under the bill, if a juvenile placed in a secured correctional facility or secured child caring institution fails to pay the surcharge, the Department of Corrections would be required to collect the amount owed from the juvenile's wages or other moneys. The administration estimates that revenue from the juvenile surcharge will total $75,000 in 1997-98 and $200,000 in 1998-99.

Joint Finance: Reduce funding for reimbursement to counties for operating victim/witness programs by $19,000 PR in 1997-98 and $103,800 PR in 1998-99 to reflect reestimates of program revenues. In addition, modify the surcharge on juveniles to provide that the surcharge would apply to all adjudications for arrests that occur on or after October 1, 1997. Revenue from the surcharge is estimated at $100,000 in 1997-98 and $200,000 in 1998-99. The funding provided is estimated to reimburse counties 82% of their costs in 1997-98 and 77% in 1998-99.

Assembly/Legislature: Modify the effective date of the new surcharge on juveniles to apply to all adjudications for arrests that occur on or after October 1, 1997, or the effective of the budget bill, whichever is later.

[Act 27 Sections: 646m, 646p, 1418, 2160m, 2160p, 2163m, 2163p, 3857, 3910bb, 5220 thru 5222, 5263, 5265, 9331(1x) and 9431(1x)]

7. VICTIM RESOURCE CENTER

	Chg. to Base
PR	$27,200

Governor/Legislature: Provide $13,600 annually for the Victim Resource Center to continue development of a state crisis response network. The Victim Resource Center maintains a toll-free telephone number to provide crime victims and witnesses the following services: (a) information and referral to available services; (b) crisis counseling and emotional support; and (c) assistance in securing resources and protection. Current funding for the center is $110,000 ($25,000 GPR and $85,000 PR from federal Victims of Crime Act funding).

8. ELIMINATE BANKRUPTCY POSITIONS [LFB Paper 534]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	- $600,000		$0		- $600,000	
PR	- $695,600	- 5.50	$200,400	1.50	- $495,200	- 4.00

Governor: Delete $347,800 and 5.5 positions annually due to insufficient revenue generated from a DOJ bankruptcy initiative created under 1995 Act 27. Under Act 27, DOJ was provided funding and positions (3.5 PR positions in 1995-96 and 5.5 PR positions in 1996-97) for an expanded initiative to collect tax liabilities in bankruptcy cases. In addition, DOJ was expected to generate GPR-Earned of $938,000 in 1995-96 and $1,876,000 in 1996-97 from recoveries of tax obligations. However, in 1995-96, only $7,500 was collected and, in 1996-97, $28,200 has been collected through February, 1997. The collections of $35,700, to date, in this biennium have been deposited in the PR appropriation to offset DOJ costs (no revenue was deposited in the general fund). The bill would delete the 5.5 positions associated program revenue funding and $300,000 GPR-Earned annually. Statutory authority allowing DOJ to handle bankruptcy proceedings would remain and any revenue collected from future proceedings would be deposited to the general fund.

Joint Finance/Legislature: Provide $100,200 and 1.5 project positions annually to retain 1.0 paralegal and 0.5 attorney to continue to pursue cases relating to debts owed to state agencies. In addition, allow DOJ to recoup its reasonable and necessary costs in these cases to fund the 1.5 project

positions and the estimated deficit of $78,800 on June 30, 1997, in the delinquency obligations appropriation.

Veto by Governor [D-9]: Delete the Joint Finance provision which would allow DOJ to recoup its reasonable and necessary costs in cases it pursues relating to debts owed to state agencies (other than cases involving tax liabilities in bankruptcy cases, for which it already has authority to recoup costs).

[Act 27 Vetoed Section: 3096m]

9. LAW ENFORCEMENT TRAINING

	Chg. to Base
PR	$565,300

Governor/Legislature: Provide $294,100 in 1997-98 and $271,200 in 1998-99 for increased costs associated with law enforcement training services. The statutes require DOJ to reimburse state or local law enforcement agencies at least $160 annually for approved recertification training for every state and local law enforcement officer. Of the funding provided under the bill, $222,100 in 1997-98 and $177,200 in 1998-99 would be for local law enforcement officers. The remaining funding, $72,000 in 1997-98 and $94,000 in 1998-99, would be for increased costs associated with state law enforcement officers. Law enforcement training reimbursement is funded from penalty assessment surcharge revenue.

10. CONVERT CRIMINAL RECORDS PROJECT POSITIONS TO PERMANENT

	Chg. to Base	
	Funding	Positions
FED	$146,200	1.00
PR	261,400	5.00
Total	$407,600	6.00

Governor/Legislature: Provide $73,100 FED and $36,100 PR in 1997-98 and $73,100 FED and $225,300 PR in 1998-99 to convert 1.0 FED and 5.0 PR positions from project to permanent. (Project positions and funding were removed as non-continuing elements under standard budget adjustments.) The five program revenue positions were originally authorized as part of a federally-funded program to overhaul DOJ's criminal records system. Two of the positions, which end on September 30, 1998, are officers who train local law enforcement agencies on how to report data to the Crime Information Bureau. The remaining three PR positions, which end April 1, 1998, staff the criminal history improvement project. DOJ officials indicate that due to the ongoing nature of automating criminal history records, permanent staff is required. The federally-funded management information specialist position was created to design and implement the criminal investigation records automation system. The position currently provides technical support for the automated systems for the Divisions of Narcotics Enforcement and Criminal Investigation. The project position terminates on July 1, 1997; however, DOJ officials indicate that federal funds will continue to be available from the asset forfeiture program.

11. DIVISION OF NARCOTICS ENFORCEMENT -- TECHNICAL SERVICES UNIT EQUIPMENT

	Chg. to Base
PR	$330,000

Governor/Legislature: Provide $175,000 in 1997-98 and $155,000 in 1998-99 in one-time funding for surveillance equipment for the technical service unit in the Division of Narcotics Enforcement. The unit assists law enforcement agencies by providing, installing and monitoring surveillance equipment for investigations in cases involving a wide variety of illegal activities such as illegal drugs, murder-for-hire, arson and organized theft rings. Funding would be used for equipment such as night vision and remotely controlled video cameras, dialed number recorders, body wires and recorders and other equipment associated with crime scene recording, thermal imaging and tracking devices. Funding would come from the Office of Justice Assistance federal anti-drug funds and state matching funds.

12. ELECTRONIC IMAGING

	Chg. to Base
PR	$300,000

Governor/Legislature: Provide $100,000 in 1997-98 and $200,000 in 1998-99 to begin conversion of paper criminal history records to electronic documents and images. The Federal Bureau of Investigation requires that all states submit documents electronically beginning in March, 1998. The funding would allow all information on first-time offenders to be stored electronically, with existing files converted whenever new activity affects a file. The funding would come from fees for criminal history background checks and would be placed in unallotted reserve, pending completion of DOJ's feasibility study and coordination of an implementation plan with DOA.

13. DNA CRIME LAB INITIATIVE AND FEE [LFB Paper 532]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR-REV	$3,200,000	$611,200	$3,811,200
PR	$225,000	$0	$225,000

Governor: Provide $75,000 in 1997-98 and $150,000 in 1998-99 to perform polymerase chain reaction (PCR) analysis. PCR analysis is a new type of DNA identification tool to replace conventional blood type analysis (ABO typing). Materials used for ABO typing are no longer being produced and therefore, ABO typing is no longer being performed by the crime labs. Currently, the only type of DNA technology available at the state crime labs is restriction fragment length polymorphism (RFLP) analysis, which is the most definitive type of DNA technology. However, because of the cost of RFLP analysis, its use is limited to only the most serious cases. PCR analysis is a faster, less expensive and more sensitive (for example, it can be used in cases where the sample size is minute or degraded) type of analysis than RFLP and could be used as a screening device to

determine if RFLP analysis is required. DOJ officials indicate that they have secured a federal grant totalling $300,000 for equipment needed to perform PCR analysis and for supplies to perform the test until January, 1998. The funding under the bill would allow testing to continue for the remainder of the biennium.

To fund the DNA crime lab initiative, the bill would create a $4 crime laboratories assessment, to be imposed on convictions for arrests that occur on or after January 1, 1998. The fee would be applied to the same offenses for which the penalty assessment is applied (any violation of state law or municipal or county ordinance except for violations of smoking laws, nonmoving traffic violations or safety belt use violations). In addition, for multiple offenses, the assessment would be imposed on each separate offense. The creation of the assessment is in response to the lack of revenue generated by the $250 DNA surcharge created under 1993 Wisconsin Act 16. The surcharge was imposed on burglaries and sexual assault convictions and generated only $70,000 in 1995-96, well below the $763,500 projected annual revenue. It should be noted that, under the bill, the DNA surcharge on sexual assault convictions would continue to be collected; however, the surcharge on burglaries was declared unconstitutional by the Wisconsin Court of Appeals, is not currently being collected and would be eliminated under the bill. The crime laboratories assessment is estimated to generate $600,000 in 1997-98 and $2.6 million annually thereafter (this includes any revenue from the remaining DNA surcharge on sexual assault convictions) and would be deposited into an appropriation for crime lab activities relating to DNA analysis. In addition, the bill would provide that a portion of the revenue from the crime lab assessment be transferred to another appropriation which would be used to fund crime lab activities relating to drug law enforcement assistance and drug investigations and analysis (described under Item #3).

Joint Finance: Rename the crime laboratory assessment, created under the bill, "the crime laboratories and drug law enforcement assessment," and provide that the revenue could be used for crime laboratories, drug law enforcement and prosecutions and drug investigations and analysis. In addition, modify the effective date of the $4 assessment imposed on convictions for arrests that occur on or after October 1, 1997. Total revenues are estimated at $1,270,400 in 1997-98 and $2,540,800 in 1998-99.

Assembly/Legislature: Modify the effective date of the new crime laboratories and drug law enforcement assessment to be imposed on convictions for arrests that occur on or after October 1, 1997, or the effective date of the budget bill, whichever is later.

[Act 27 Sections: 644, 645, 791 thru 806, 2160m, 2160p, 2163m, 2163p, 2201 thru 2208, 2620 thru 2629, 3100, 4138 thru 4152, 4169, 5137 thru 5162, 5166 thru 5174, 5185, 5192, 5445 thru 5448 and 5451]

14. ELIMINATE CORRECTIONS COMPLAINT EXAMINERS

	Chg. to Base Funding	Positions
GPR	- $185,400	- 2.00

Governor/Legislature: Delete $92,700 and 2.0 positions annually to eliminate the corrections complaint examiner function from DOJ. The Department of Corrections (DOC) administrative code requires corrections complaint examiners to be persons outside of DOC who are designated to investigate complaints and make recommendations to the Secretary of Corrections. Currently, there are three examiners at DOJ, one of which is a DOC employe. Complaint examiners review inmate appeals of decisions made by the superintendent of their institution on complaints that inmates have filed regarding rules, living conditions and staff. According to DOJ officials, an average of 250 inmate appeals of complaints are referred to the examiners by DOC each month; however, each examiner is only able to investigate about 75 each month. As a result, there is a constant backlog in the examiners' caseloads. In addition, once the complaint examiner makes a recommendation, the Secretary of DOC is required to review the decision and either accept, adopt with modifications or reject the decision. Under the bill, the DOJ examiner positions would be eliminated and, according to DOA, DOC will modify its administrative code to streamline and consolidate the review of inmate complaint appeals internally.

15. APPEALS ATTORNEY -- SEXUAL PREDATORS [LFB Paper 535]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$105,300	1.00	$105,300	1.00	- $28,200	0.00	$182,400	2.00

Governor: Provide $48,900 in 1997-98 and $56,400 in 1998-99 and 1.0 attorney position annually for the criminal appeals unit to handle increased workload associated with sexual predator cases. According to DOA, the position would be a project position, which would expire June 30, 1999. However, a permanent position is created in the bill. Under the sexual predator law, each person committed is entitled to file a total of three petitions a year with the court (two for supervisory release and one for full discharge). In addition, each release decision may be appealed. The appeals are handled by the DOJ criminal appeals unit.

Joint Finance: Make a technical correction to the bill to convert the 1.0 appeals attorney position to a project position. In addition, provide an additional $48,900 in 1997-98 and $56,400 in 1998-99 and 1.0 project position annually for a total of two additional DOJ project appeals attorney positions to handle increased workload associated with sexual predator and other types of appeals cases.

Assembly/Legislature: Delete $28,200 in 1997-98 to reflect a delayed starting date of January 1, 1998, for the new positions.

16. MEDICAID FRAUD INVESTIGATION

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$19,500	0.25	- $3,000	0.00	$16,500	0.25
FED	55,200	0.75	- 8,000	0.00	47,200	0.75
Total	$74,700	1.00	- $11,000	0.00	$63,700	1.00

Governor: Provide $9,100 GPR and $23,900 FED in 1997-98 and $10,400 GPR and $31,300 FED and 1.0 position annually (.25 GPR and .75 FED) for a regulation and compliance investigator for the Medicaid fraud control unit. The unit currently includes a total of nine positions: two attorneys, four investigators, one auditor, one program assistant and one legal secretary. The position would address an increasing number of Medicaid fraud cases involving health care providers. Funding would come from federal medicaid dollars and a required 25% state match.

Assembly/Legislature: Delete $3,000 GPR and $8,000 FED in 1997-98 to reflect a delayed starting date of January 1, 1998, for the new position.

17. MILWAUKEE COUNTY DNA PROSECUTION MATCHING GRANT

	Chg. to Base
PR	- $39,600

Governor/Legislature: Delete $19,800 annually to eliminate DOJ matching funds for federal anti-drug moneys which funded a Milwaukee County DNA prosecutor. The position is a project position that will expire on July 1, 1997. In addition, eliminate the statutory requirement which requires DOJ to provide matching funds for the position from the DNA surcharge.

[Act 27 Section: 645]

18. INCREASE SHERIFF FEES IN REAL ESTATE SALES [LFB Paper 536]

Governor: Increase, to $150, the fees paid to sheriffs for activities related to the sale of real estate by a sheriff or other officer, under a judgment or court order. Further, provide that $75 of the fee must be prepaid and would be nonrefundable. Under current law, sheriffs receive a fee of $50, of which $25 must be prepaid and is nonrefundable, for costs involved with the sale of real estate by the sheriff or other officers, under judgment or court order. The fees are intended to cover the costs of advertising, issuing certificates of sale, drawing, executing and acknowledging a deed pursuant to sale, posting notices of the sheriff's sale, recording a certificate of sale with the register of deeds and travel required in making the sale. The increased fees would apply to sales commenced on or after the effective date of the bill.

Joint Finance/Legislature: Eliminate the increase in the statutory fee. Instead, authorize county boards to establish higher fees, up to $150, for sheriffs in real estate sales. In addition, require

sheriffs, prior to conducting a sale of foreclosed property, to contact the clerk of the federal bankruptcy court, to ascertain whether there has been a stay of relief granted on that property.

[Act 27 Sections: 2160r, 2160s, 2179m, 2181p, 2182m, 5195g, 5195m, 5195r and 9356(6)]

19. SEXUAL PREDATOR PROSECUTORS [LFB Papers 345 and 539]

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$302,200	2.50	- $41,000	0.00	$261,200	2.50

Joint Finance: Provide $136,300 in 1997-98 and $165,900 in 1998-99 and 2.5 project positions annually for 2.0 attorneys and 0.5 paralegal to assist district attorneys with sexual predator caseload. In addition, allow DOJ attorneys to litigate sexual predator cases in Dane County, regardless of the county in which the person subject to the petition was convicted or adjudicated will be released or will reside.

Assembly/Legislature: Delete $41,000 in 1997-98 to reflect a delayed starting date of January 1, 1998, for the new positions.

[Act 27 Sections: 5491b and 9131(1m)]

20. DOCUMENTS EXAMINER AND COMPUTER CRIME LAB ANALYST

	Chg. to Base	
	Funding	Positions
PR	$262,100	3.00

Joint Finance/Legislature: Provide $262,100 PR and 3.0 PR positions for 1.0 document examiner position and 2.0 computer crime laboratory analyst positions in 1998-99. Funding would come from the newly-created crime laboratory and drug law enforcement assessment. The document examiner position would be located at the state crime laboratory in Wausau, and the two computer crime laboratory analysts would be located in Madison. The funding includes one-time costs of $79,000 in 1998-99 for equipment costs related to the documents examiner.

21. INDIAN LAW INITIATIVE [LFB Paper 537]

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$126,300	1.00	- $17,500	0.00	- $126,300	- 1.00	- $17,500	0.00

Joint Finance: Provide $57,300 in 1997-98 and $69,000 in 1998-99 and 1.0 project position annually for an attorney to litigate cases involving Indian law issues and coordinate Indian law litigation.

Assembly/Legislature: Delete $17,500 in 1997-98 to reflect a delayed starting date of January 1, 1998, for the new position.

Veto by Governor [D-10]: Delete the position and reduce funding by $57,300 in 1997-98 and $69,000 in 1998-99. It should be noted that the funding reduction under the veto did not take into account Assembly action to decrease funding for the position to reflect a delayed starting date. Therefore, under the veto funding was reduced by an additional $17,500 in 1997-98.

[Act 27 Vetoed Section: 169 (as it relates to 20.455(1)(a)&(1)(d))]

22. DIVISION OF NARCOTICS ENFORCEMENT -- REGIONAL OFFICE

	Chg. to Base
PR	$58,100

Joint Finance/Legislature: Provide $34,900 in 1997-98 and $23,200 in 1998-99 to establish a regional office under the Division of Narcotics Enforcement which would be located in Wausau. Funding would be provided from the newly-created crime laboratory and drug law enforcement assessment, and includes one-time funding of $17,000 in 1997-98 for equipment costs.

23. CONVERT TIME SYSTEM FUNDING FROM SEG TO GPR [LFB Paper 825]

	Chg. to Base	
	Funding	Positions
GPR	$2,097,000	3.00
SEG	- 2,097,000	- 3.00
Total	$0	0.00

Joint Finance/Legislature: Provide $1,048,500 GPR and 3.0 GPR project positions annually and delete $1,048,500 SEG and 3.0 SEG project positions annually to convert funding for DOJ's TIME system from segregated transportation revenues to general purpose revenues to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from this appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Sections: 645m and 9249(1m)]

24. STUDY OF DNR HAZARDOUS SUBSTANCE CLEANUP AGREEMENTS [LFB Paper 615]

Joint Finance/Legislature: Direct DOJ to review the effectiveness of hazardous substance cleanup agreements entered into between DNR and persons who possess, control or discharge a hazardous substance. Direct that DOJ submit a report of its findings to the Joint Committee on Finance and the appropriate standing committees of the Legislature by January 1, 2000.

Veto by Governor [D-11]: Delete the provision.

[Act 27 Vetoed Section: 9131(1t)]

25. DOJ REPRESENTATION IN CLOUDED TITLE CASES

Assembly/Legislature: Allow the Department of Justice to provide legal representation to a state or local public official or any member of his or her immediate family, who claims that title to a property owned in whole or in part by a state or local official, a member of the official's immediate family or by a family corporation in which the official is a shareholder has been clouded. Representation would be provided only if: (a) the title was clouded by false filing of a legal instrument relating to the title during the period of time the official held public office; and (b) the official agrees to conditional payment of legal representation costs if the court finds the claim to be false. Any payments for legal expenses would be deposited to the general fund.

Veto by Governor [D-8]: Delete the provision.

[Act 27 Vetoed Sections: 642q, 3092c and 3094g]

26. CRIMINAL BACKGROUND CHECKS FOR CERTAIN HEALTH CARE AND CHILDREN'S FACILITIES

	Chg. to Base	
	Funding	Positions
PR	$274,800	7.00

Assembly/Legislature: Provide $274,800 and 7.0 positions in 1998-99, including 1.0 permanent position to establish and maintain computer linkages required under the bill and 6.0 project positions (ending on July 1, 2000) to conduct additional criminal history searches that are expected to result from modified background check requirements provided under the bill for health care and children's facilities. Under the bill, DOJ would be required to cooperate with the Departments of Regulation and Licensing and Health and Family Services to develop and maintain a computer linkup to provide DHFS access to the information obtained from a criminal history search. The Departments would be required, no later than six months after the effective date of the bill, to submit a plan for the computer linkup to the chairpersons of the Joint Committee on Finance. The plan would include a projected implementation date which may not be later than 18 months after the submission of the plan. The plan may not require DOJ to expend more than 30% of the difference

between $390,000 and revenues received from background checks in any quarter of fiscal year 1998-99, or $200,000 in 1998-99, whichever is less. In addition, DOJ would be required to prepare a report to the Legislature, no later than July 1, 1998, on the feasibility of establishing uniform fees for criminal history searches. DOJ would also be required, in conjunction with DHFS, to conduct a study to determine whether efficient methods exist to ascertain whether a person for whom a criminal history search must be conducted has a relevant conviction or has been reported in another state for misappropriation of property or abuse or neglect of a person who is considered a vulnerable person in that state. A report to the Legislature, detailing the findings of the study, would be required no later than July 1, 1998.

[Act 27 Sections: 1664d, 2059d, 3101m, 4198n, 9131(3pt), 9131(3pu), 9131(3pv) and 9131(3px)]

27. ELIMINATION OF THE UNIVERSITY AND CRIME LABORATORIES COOPERATION COUNCIL

Assembly/Legislature: Repeal the University and Crime Laboratories Cooperation Council effective the date of the budget act. Under current law, the Council acts as an advisory board for coordinating the work of the crime laboratories with various University research departments, including any use of University laboratories or physical facilities, and any exchange and utilization of personnel between the crime laboratories and the University. Members are appointed by the President of the University of Wisconsin from departments that the President determines are working with DOJ crime laboratories.

[Act 27 Sections: 66f and 3101g]

28. APPROPRIATION MODIFICATION

Senate/Legislature: Modify the appropriation for payments to crime victims funded from the crime victim and witness assistance surcharge from a program revenue appropriation to a program revenue-service appropriation to properly reflect that the appropriation consists of moneys transferred from another appropriation. In addition, renumber the appropriation to reflect the change.

[Act 27 Sections: 646m, 646p, 646r and 5346d]

LEGISLATURE

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$100,144,000	$100,996,300	$105,906,600	$107,641,900	$107,641,900	$7,497,900	7.5%
PR	2,749,000	2,644,200	2,644,200	2,644,200	2,644,200	- 104,800	- 3.8
TOTAL	$102,893,000	$103,640,500	$108,550,800	$110,286,100	$110,286,100	$7,393,100	7.2%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	805.17	805.17	809.17	809.17	809.17	4.00
PR	21.80	19.80	19.80	19.80	19.80	- 2.00
TOTAL	826.97	824.97	828.97	828.97	828.97	2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 540]

	Chg. to Base Funding	Positions
GPR	$3,004,200	0.00
PR	- 104,800	- 2.00
Total	$2,899,400	- 2.00

Governor: Provide $1,491,100 GPR, -$61,600 PR and -2.0 PR project positions in 1997-98 and $1,513,100 GPR, -$43,200 PR and -2.0 PR project positions in 1998-99 to adjust the agency's base budget for: (a) turnover reductions (-$76,100 GPR annually); (b) removal of noncontinuing elements from the base (-$163,400 PR annually and -2.0 PR project positions); (c) full funding of salary and fringe benefits costs ($1,488,700 GPR and $86,600 PR in 1997-98 and $1,491,800 GPR and $86,600 PR in 1998-99); (d) full funding of financial services charges ($17,700 GPR and $400 PR annually); (e) reclassifications ($6,000 GPR and $14,800 PR in 1997-98 and $10,800 GPR and $33,200 PR in 1998-99); (f) overtime ($3,000 GPR in 1997-98 and $14,800 GPR in 1998-99); (g) night and weekend differential ($1,100 GPR in 1997-98 and $1,200 GPR in 1998-99); (h) fifth week of vacation as cash ($49,800 GPR in 1997-98 and $52,000 GPR in 1998-99); (i) full funding of lease costs ($300 GPR annually); and (j) full funding of delayed pay adjustments ($600 GPR annually).

Joint Finance/Legislature: Shift $8,800 GPR annually from the project position salary line to the permanent position salary line under the Assembly budget for payment of the fifth week of vacation as cash to eligible employes.

2. BASE LEVEL FUNDING ADJUSTMENTS [LFB Papers 541 and 544]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	- $1,996,800	$4,636,000	$1,786,400	$4,425,600
GPR-Lapse	$0	$0	$1,786,400	$1,786,400

Governor: Reduce the Legislature's budget by a total of $998,400 annually as follows:

Legislative Sum Sufficient Appropriations. Reestimate the Legislature's sum sufficient appropriations for operation of Assembly and Senate, preparation of legislative documents and the payment of dues for membership in national associations by a total of -$737,200 annually to reflect an overall base level reduction to those appropriations of 2%. The sum sufficient reduction reestimates are as follows:

Appropriation	1997-98	1998-99
Assembly	-$378,700	-$378,700
Senate	-254,000	-254,000
Legislative Documents	-100,100	-100,100
Memberships in National Associations	-4,400	-4,400
Total	-$737,200	-$737,200

Legislative Service Agency Appropriations. Reduce the Legislature's sum certain service agency appropriations by a total of $261,200 annually to reflect an overall base level reduction to those appropriations of 2%. The sum certain appropriation reductions are as follows:

Appropriation	1997-98	1998-99
Legislative Audit Bureau	-$72,400	-$72,400
Legislative Council	-48,700	-48,700
Legislative Data Processing	-18,200	-18,200
Legislative Fiscal Bureau	-43,700	-43,700
Legislative Reference Bureau	-62,000	-62,000
Retirement Committees	-3,400	-3,400
Retirement Committee Actuarial Studies	-300	-300
Revisor of Statutes Bureau	-11,800	-11,800
Uniform State Laws Commission	-700	-700
Total	-$261,200	-$261,200

Joint Finance: Modify the Governor's recommendation by exempting: (a) the legislative documents sum sufficient appropriation from the base level funding reduction and increase estimated expenditures from the appropriation by a total of $2,225,100 in 1997-98 and $2,402,100 in 1998-99 to fully fund master lease and documents costs payable from the appropriation; and (b) the Legislature's membership in national associations sum sufficient appropriation from the base level funding reduction and increase estimated expenditures from the appropriation by $4,400 annually to fully fund scheduled dues payments from the appropriation.

Assembly/Legislature: *Legislative Sum Sufficient Appropriations.* Delete provisions imposing a 2% base level reduction on the Legislature's sum sufficient appropriation for operation of the Assembly and Senate and restore a total of $632,700 annually to these appropriations. [No further adjustments were made to the legislative documents and membership in national associations sum sufficient appropriations, as the base level funding reductions applied to these two appropriations were deleted by Joint Finance action.]

Legislative Service Agency Appropriations. Delete provisions imposing a 2% base level reduction on the Legislature's sum certain service agency appropriations and restore a total of $260,500 annually to these appropriations. [No adjustment was made to the Uniform State Laws Commission appropriation, which was deleted by Joint Finance.]

Lapse Requirement. Include nonstatutory language providing that the Joint Committee on Legislative Organization shall endeavor to assure that the expenditures from all of the Legislature's GPR-funded appropriations be less than the total of such appropriations shown in the appropriations schedule for the Legislature by at least $893,200 annually.

[Act 27 Section: 9132(6zg)]

3. JFC APPROVAL OF FEDERAL BLOCK GRANTS [LFB Paper 542]

Governor: Modify current law regarding approval by the Joint Committee on Finance of certain federal block grants. Under current law, whenever any new federal law is enacted which authorizes the distribution of federal block grants, the Governor is prohibited from administering and any state agency is prohibited from encumbering or expending any monies received as a part of the block grant until the Committee has had an opportunity to review and approve the proposed expenditure of funds under a 14-day passive review process.

The bill would modify current law to require that such review and approval of federal block grants by the Committee would be required only if the Secretary of DOA determines that the block

grant funding is not reflected in the federal revenue estimates contained in the biennial budget act for the fiscal year in which the block grant monies will be encumbered or expended.

Joint Finance/Legislature: Delete provision.

4. REPLACEMENT OF ASSEMBLY COPIERS [LFB Paper 543]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$104,000	- $79,200	$24,800

Governor: Provide $91,600 in 1997-98 and $12,400 in 1998-99 to fund: (a) the purchase of five copiers for the Assembly to replace current equipment ($79,200 in 1997-98); and (b) on-going maintenance and servicing costs ($12,400 annually) for the new equipment.

Joint Finance/Legislature: Modify provision by deleting $79,200 in 1997-98 for the purchase of five copiers for the Assembly to reflect the fact that the copiers will be purchased during the 1996-97 fiscal year.

5. NCSL MILWAUKEE MEETING APPROPRIATION

	Chg. to Base
GPR	- $300,000

Governor/Legislature: Delete $150,000 annually to reflect the elimination of funding erroneously included in the adjusted base budget level for the Legislature. This funding level ended in 1995-96 when the appropriation which funded promotional and planning expenses associated with the 1995 annual meeting of the National Conference of State Legislatures in Milwaukee was repealed. Provisions of 1989 Wisconsin Act 66, which originally created the appropriation, provided for its repeal on January 1, 1996. Although no monies were provided to the appropriation for the 1996-97 fiscal year (the base year for the purpose of constructing the 1997-99 biennial budget), base level funding of $150,000 for the repealed appropriation was not deleted from the Legislature's base budget. This recommendation would delete those funds.

6. INCREASED DUES PAYMENTS [LFB Paper 544]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$15,700	- $204,600	- $188,900

Governor: Reestimate the sum sufficient appropriation that supports the costs of the Legislature's membership in national associations by $5,500 in 1997-98 and $10,200 in 1998-99 to fully fund projected dues increases. The current base level expenditure estimate for the appropriation is $222,500 annually. Total projected membership costs in the 1997-99 fiscal biennium payable from this appropriation are projected as follows:

Organization	Projected Dues Payments 1997-98	1998-99
National Conference of State Legislatures	$116,200	$120,900
Council of State Governments	102,300	102,300[a]
State and Local Legal Center	6,000	6,000
National Conference of Insurance Legislators	2,000	2,000
National Committee on Uniform Traffic Laws and Ordinances	1,000	1,000
National Association on Administrative Rules Review	500	500
Total	$228,000	$232,700

[a] 1998-99 dues level not yet determined.

Joint Finance/Legislature: Modify the statutory purposes of the Legislature's membership in national associations sum sufficient appropriation and DOA's special and executive committees and interstate bodies appropriation to reflect the transfer of dues payment responsibilities for the Council of State Governments from the Legislature to the DOA special and executive committees appropriation. Reduce the Legislature's membership in national associations sum sufficient appropriation by $102,300 annually to reflect this transfer. A comparable funding increase is provided under DOA's special and executive committees and interstate bodies appropriation.

[Act 27 Sections: 678 and 716p]

7. COMMISSION ON UNIFORM STATE LAWS [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$4,100	$700	$4,800

Governor: Provide $1,500 in 1997-98 and $2,600 in 1998-99 for the following increased costs associated with the state's participation in the Commission on Uniform State Laws: (a) $1,100 in 1997-98 and $2,300 in 1998-99 for increased annual state dues payments; and (b) $400 in 1997-98 and $300 in 1998-99 for increased travel expenses for state delegates' attendance at the annual meetings of National Conference of the Commission. Base level funding in this appropriation is $34,600, of which $22,400 is for Commission dues and $14,000 is for travel expenses.

Joint Finance/Legislature: Repeal the separate appropriation for the Commission on Uniform State Laws. Transfer the $23,500 in 1997-98 and $24,700 in 1998-99 recommended by the Governor for annual dues payments for the National Conference of the Commission on Uniform State Laws to the Legislature's membership in national associations appropriation and enumerate such dues payments under the listed purposes of the appropriation. Transfer base level travel and meeting expense funding to the respective budgets of the Legislative Council ($2,400 annually), the Legislative Reference Bureau ($2,400 annually) and the Revisor of Statutes ($7,400 annually). Include statutory language specifying that National Conference delegates who are appointed by the Governor would receive travel and meeting expense reimbursement from the general program operations appropriation of the Revisor of Statutes.

[Act 27 Sections: 14r, 716g and 716p]

8. LEGISLATIVE REFERENCE BUREAU

	Chg. to Base
GPR	$21,100

Governor: *Supplies and Services Cost Increases.* Provide $14,400 in 1997-98 and $6,700 in 1998-99 to fund the following supplies and services costs: (a) maintenance expenses ($4,700 annually) and DOA help desk service fees ($2,000 annually) to support the conversion of the LRB library's card catalogue to an electronic, on-line format; and (b) purchase of an image scanner, associated data retrieval software and increased data storage capacity ($7,700 in 1997-98) to permit the LRB to convert to electronic document imaging for its newspaper and periodical clippings.

Assembly: *Entities Authorized to Use Legislative Reference Bureau Drafting Services.* Specify that only the following entities would be authorized to use the drafting services of the Legislative Reference Bureau: (a) any member or member-elect of the Legislature and the chairperson of a legislative committee for drafts on behalf of the committee; (b) any executive, legislative, or judicial branch agency in state government created by the constitution or by statute (authorities would not be

included); (c) the chief clerk of either house of the Legislature, for requests pertaining to its operation; and (d) the party caucuses of either house of the Legislature.

Currently, the Legislature's Joint Rule 51 grants LRB drafting privileges to "any agency of Wisconsin state government." By convention, this term has been interpreted to permit the following entities to use LRB drafting services: Wisconsin Alliance of Cities, Wisconsin Association of School Boards, Wisconsin Counties Association, Wisconsin League of Municipalities, Wisconsin Towns Association, State Bar of Wisconsin, Milwaukee County, the City of Milwaukee, the Milwaukee Public School System, Dane County and the City of Madison. Under this provision, drafting privileges for these entities would be revoked. Any of these entities would still be able to seek and have an individual legislator enter a drafting request on their behalf.

Senate/Legislature: *Unclassified Chief of the Legislative Reference Bureau.* Provide that the position of Chief of the Legislative Reference Bureau be a position in the unclassified service of the state and subject to appointment by the Joint Committee on Legislative Organization (JCLO). The position is presently subject to appointment by JCLO under the classified civil service.

[Act 27 Sections: 14mm, 14n, 14np and 3298e]

9. LEGISLATIVE AUDIT BUREAU [LFB Papers 372 and 632]

Joint Finance: *Environmental Cooperation Program Audit.* Authorize the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to monitor the environmental cooperation program which would be created under DNR and submit annual reports to the Legislature regarding its findings from monitoring the program.

Under the new program, DNR would be authorized to enter into a limited number of cooperative agreements with persons who own or operate facilities that are required to be covered by licenses or permits under current law, such as water pollution discharge elimination permits, air pollution control permits and landfill operation licenses. The agreement would replace a license or permit identified in the cooperative agreement and would supersede the provisions of those identified licenses or permits. Persons entering into a cooperative agreement would pay the same fees under the agreement as under superseded licenses or permits.

Audit of Department of Employment Relations Public Employe Training Function. Request the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to conduct a financial and performance evaluation audit of DER regarding: (a) whether DER should continue to have any role in the direct provision of training courses; (b) what DER's role should be in employe training and whether its current statutory requirements in this area should be modified; (c) whether continued staffing should be provided in DER for training activities; and (d) how any such functions might be made reliably self-supporting. Request that the audit report be submitted by September 1, 1998.

Assembly/Legislature: *Study on the Feasibility of Replacing the Sales Tax on Vending Machine Sales.* Direct the Legislative Audit Bureau to conduct a study of the feasibility of replacing the current sales tax provisions for vending machine purchases of food and beverages with an annual permit requirement, including the potential impact on state revenues and issues of constitutionality. Direct the Audit Bureau to submit its study to the Legislature by February 1, 1998.

Review of State Fair Park Racetrack Operation Contract Compliance. Direct the Legislative Audit Bureau to review no later than July 1, 1998, any contract entered into by the State Fair Park Board with respect to the operation of a racetrack on the State Fair Park grounds. Specify that the review determine whether the racetrack operator has complied with all the terms of the contract. Direct the Audit Bureau to notify the Building Commission upon completion of this review. [The review must be completed before the Building Commission could release program revenue supported bonding authority for additional racetrack improvements, as described under "State Fair Park"]

Audit of Investigations of Abuse in Certain Health Care and Children's Facilities. Request the Legislative Audit Bureau to perform an evaluation audit by June 30, 2000, to compare the investigation processes of misconduct reports by the Departments of Health and Family Services, Regulation and Licensing and any private investigators. Require the audit to compare methods, timeliness and outcomes of the investigations.

Audit of University of Wisconsin System Mass Transit Services. Require the Legislative Audit Bureau to conduct a financial audit of mass transit services provided by the campuses of the UW System and to submit the audit to the Joint Committee on Finance by December 31, 1998. Require the Audit Bureau, as part of the review, to examine the subsidies provided to mass transit systems by the UW System and compare the revenues derived from fares to the operating expenses of mass transit systems.

Vetoes by Governor [B-29 and E-16]: Delete audit provisions relating to the Department of Employment Relations public employe training function and the State Fair Park racetrack operation contract compliance review.

[Act 27 Sections: 10r and 9132(1to),(3pt)&(3x)]

[Act 27 Vetoed Sections: 9132(1g)&(2t)]

10. REVISOR OF STATUTES

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$68,400	1.00	- $9,600	0.00	$58,800	1.00

Joint Finance: Provide $28,800 in 1997-98 and $39,600 in 1998-99 and authorize 1.0 classified publications supervisor position in the Revisor of Statutes Bureau.

Assembly/Legislature: Reduce funding by $9,600 in 1997-98 for 1.0 FTE classified publications supervisor position. This funding reduction reflects a delay in the starting date of the position from October 1, 1997, to January 1, 1998.

11. LEGISLATIVE COUNCIL

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$86,200	- $12,200	$0	$74,000

Joint Finance: Provide $37,400 in 1997-98 and $48,800 in 1998-99 to support a vacant, unfunded position on the Legislative Council Staff. The position would function as a staff analyst and would be assigned to staff the Joint Committee on Information Policy.

Assembly: *Staff Analyst Position.* Reduce funding by $12,200 in 1997-98 to support a vacant, unfunded staff analyst position on the Legislative Council Staff. This funding reduction reflects a delay in the starting date of the position from October 1, 1997, to January 1, 1998.

Senate/Legislature: *Study of Limits on the Number of Children Cared for by Child Care Providers.* Request the Joint Legislative Council to study the appropriate statutory limits concerning the number of children that can be cared for by the different types of child care providers and the appropriate education and training requirements for regulated child care providers. Request that the study include an examination of the appropriate limits for non-licensed and non-certified child care providers, as well as for regulated child care providers, and that the study consider the appropriate limits by age of the child and by relationship to the provider (related or unrelated child). If the Joint Legislative Council conducts the study, request it to report its findings on or before January 1, 1999.

Veto by Governor [C-24]: Delete provision requesting the Legislative Council to study the limits on the number of children cared for by child care providers.

[Act 27 Vetoed Section: 9132(7h)]

12. ESTABLISH WILIS AS A LEGISLATIVE SERVICE AGENCY

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$402,800	3.00	- $29,300	0.00	$373,500	3.00

Joint Finance: Reconstitute the current Wisconsin Integrated Legislative Information System (WILIS) staff function in the Legislature as a separate legislative service agency, as follows:

Creation of a New Legislative Service Agency. Establish the Legislature's current WILIS staff function as a separate legislative service agency as the Integrated Legislative Information System Staff, headed by a director. Specify that the service agency be strictly nonpartisan and at all times observe the confidential nature of data and information originated, maintained or processed by electronic equipment supported by it. Provide a GPR-funded biennial appropriation for the agency and set the appropriation amounts in the new appropriation at the same level as in the current WILIS appropriation. Transfer current WILIS staff to the staff of the new service agency and clarify that certain members of the current WILIS staff who have restoration rights in the classified service would continue to have such rights upon becoming employes in the new service agency. Clarify that agency staff would be exempt from the current law provision prohibiting certain public officials from appearing, for compensation, on behalf of another person before an agency with which the official was formerly associated.

Duties of the Agency. Specify that the duties of the new service agency would be to provide and coordinate information technology support and services to the legislative branch. Repeal a current law provision directing the LRB to coordinate and administer the scheduling and use of computer programs and machines for the legislative branch and to provide and maintain a data system to meet the Legislature's text processing and related needs.

Duties of the Director. Under current law provisions, the Joint Committee on Legislative Organization (JCLO) appoints the directors of all legislative service agencies. JCLO would also appoint the director of the new service agency. Specify that the director would be required to direct the operations of staff; employ, train and supervise agency personnel; supervise all expenditures of the agency; oversee the execution and completion of all contracts for information technology-related equipment, software and services; plan for and execute the electronic information programs and services needed within the legislative branch; and participate in such midwest and national meetings and organizations as will benefit the operations of the new agency. Assign the director to executive salary group 5 (currently $59,646 to $91,707 annually), provide that the director would set staff salaries and specify that the director and all staff of the new agency would be in the unclassified service.

JCLO Governance. Provide that JCLO shall be the policy-making board for the new service agency. Clarify that JCLO would determine the types of tasks to be assigned to the new service

agency, approve its budget and promulgate any administrative rules required for the proper operation of the agency. Authorize JCLO to designate a joint committee or another body within the legislative branch to oversee the provision of information technology support and services by the new service agency. Repeal a current provision authorizing JCLO to designate an officer of the Senate or Assembly or a director of a legislative service agency to administer expenses and supervise the current WILIS staff function.

Distribution of Public Documents. Specify that the new service agency would receive one copy each of the following official documents under s. 35.84: the Wisconsin Statutes (hard cover and soft cover); Annotations; and Laws of Wisconsin.

Funding and Additional Position Authorizations. Provide additional funding $117,000 in 1997-98 and $156,000 in 1998-99 in the new appropriation and authorize 3.0 FTE additional positions (1.0 unclassified director and 2.0 unclassified staff) for the new service agency. In addition, provide $64,900 annually for reclassification costs for current WILIS staff.

Assembly/Legislature: Reduce funding by $29,300 in 1997-98 for 1.0 FTE unclassified director position and 2.0 FTE unclassified staff positions for WILIS. This funding reduction reflects a delay in the starting date of the positions from October 1, 1997, to January 1, 1998.

[Act 27 Sections: 14g, 14h, 14i, 14j, 14m, 14p, 18m, 148m, 161g, 716m, 716r, 754m, 757m, 1154m, 3298m and 9132(2a)]

13. LARGE INFORMATION TECHNOLOGY SYSTEMS OVERSIGHT

Joint Finance: Require DOA to submit a semi-annual report to the Joint Committee on Information Policy and to the Joint Committee on Finance which identifies and describes all existing or planned information technology system development and procurement projects which will cost the state more than $1 million in any fiscal biennium. Require that the first such report be submitted no later than September 1, 1997.

In addition, authorize the Joint Committee on Information Policy and the Joint Committee on Finance to jointly direct DOA to submit a report to the Joint Committees on any specific IT system which is being designed, developed, implemented or tested and which will cost the state more than $1 million in any fiscal biennium. Require that any such report shall include all of the following: (a) the major stages and substages of the project, including the assessment of need, design, implementation and testing stages and their major substages; (b) the scheduled, estimated and actual completion dates for each major stage and substage of the project; (c) the budgeted amounts and amounts actually expended on each major stage and substage of the project; and (d) an evaluation of the project, including problems encountered and risks associated with proceeding to the next stage of the project.

Assembly/Legislature: Modify the provision related to the submission of the first semiannual report to the Joint Committee on Information Policy and the Joint Committee on Finance on information technology system development and procurement projects which will cost the state more than $1 million in any fiscal biennium by changing the required reporting date from no later than September 1, 1997, to no later than January 1, 1998.

Veto by Governor [E-5]: Delete the provision requiring DOA to semiannually submit a report to the Joint Committee on Information Policy and the Joint Committee on Finance which identifies and describes all existing or planned information technology system development and procurement projects which will cost the state more than $1 million in any fiscal biennium.

[Act 27 Sections: 7m and 10s]

[Act 27 Vetoed Sections: 143n and 9101(11g)]

14. ASSEMBLY LAPTOP COMPUTERS

Joint Finance/Legislature: Include a session law provision requesting the Assembly Committee on Organization to enter into a master lease agreement during 1997-98 to fund costs associated with the purchase of 100 laptop computers for Assembly offices. Provide that the costs associated with the master lease would be funded from the amounts already budgeted in the legislative documents appropriation. It is estimated that the cost associated with the purchases would be $100,700 GPR in 1997-98 and $96,100 GPR in 1998-99 for the first two years of a four-year master lease and would be funded from the budgeted amounts in the appropriation. The remaining two annual payments (estimated at $91,600 GPR and $87,000 GPR respectively) would be made during the 1999-2001 biennium.

[Act 27 Section: 9132(1t)]

15. WISCONSIN STATE CAPITOL ON TOUR EXHIBIT

Joint Finance: Include a session law provision requesting the Joint Committee on Legislative Organization (JCLO) to develop a touring exhibit during 1997-98 in cooperation with the State Historical Society detailing the State Capitol building's history and architecture through photographs, video and artifacts. Provide that the Legislature's share of costs associated with this exhibit, not to exceed $100,000, would be funded from amounts budgeted in the legislative documents appropriation and revise the program purpose of the appropriation during 1997-98 to permit this expenditure. Specify that the funding would be made available by JCLO after the State Historical Society has raised $100,000 in private funds.

Senate/Legislature: Modify provision by specifying that the maximum available funding of $100,000 would be released by JCLO on a dollar-for-dollar basis as the State Historical Society raises the matching contributions.

[Act 27 Sections: 716d, 716e, 9124(2c), 9132(2g) and 9432(1g)]

16. SERVICE BY ELECTED STATE OFFICIALS IN OTHER SALARIED STATE POSITIONS

Joint Finance/Legislature: Prohibit any elected state official from holding any other position or being retained in any other capacity with any agency or authority in state government, other than an unsalaried position or unpaid service with such entities that is compatible with the official's duties and the emoluments of which are limited to reimbursement for actual and necessary expenses incurred in the performance of those duties.

Under current law, no individual who is employed or retained in a full-time position or capacity with a state agency (including the Legislature) or authority (other than the World Dairy Center Authority) may hold any position or be retained in any capacity with any other state agency or authority from which the individual receives more than $12,000 as compensation during the same year.

Applicable only for elected state officials, delete a current law exception to the above provision for any individual who has a full-time appointment for less than twelve months, during a period of time that is not included in the appointment. Current law does not apply to any individual who has a full-time appointment for less than twelve months (for example, certain university faculty appointments), during a period of time that is not included in the appointment.

[Act 27 Sections: 3g, 3h, 3i, 3j, 105g, 105h, 105i, 105j, 105k and 105L]

17. RETIREMENT RESEARCH COMMITTEE STUDIES

Joint Finance: *Study of Feasibility of Requiring the Variable Trust Fund.* Include a session law provision requesting the Retirement Research Committee, in cooperation with the Department of Employe Trust Funds and the State Investment Board, to study the feasibility and cost implications of reopening the variable retirement investment trust to Wisconsin Retirement System (WRS) participants. Direct that the study include: (a) an assessment of the impact of the reopening the variable retirement investment trust fund on employer-required contribution rates; (b) an examination of the potential impact on fixed retirement investment trust fund investments, if assets are transferred to the variable retirement investment trust fund; (c) an evaluation of whether there would be additional administrative workload associated with reopening the variable fund; and (d) a review of the implications for active participants on selecting the option of participating in the variable trust.

Request that a report containing a summary of the Committee's findings and recommendations be submitted to the Joint Committee on Finance by January 1, 1998.

Assembly/Legislature: *Study of the Feasibility of Reopening the Variable Trust Fund.* Modify provision by changing the requested submittal date of the report from January 1, 1998, to April 1, 1998.

Double Dipping Study. Include a session law provision requesting the Retirement Research Committee to study the extent to which WRS participants are concurrently receiving a salary from a WRS participating employer and a WRS annuity. If the Retirement Research Committee conducts the study, require the Committee to report its findings and recommendations, along with any proposed implementing legislation, to the Joint Survey Committee on Retirement Systems no later than March 8, 1998.

Veto by Governor [E-18]: Delete both study provisions.

[Act 27 Vetoed Sections: 9132(1h)&(4z)]

LIEUTENANT GOVERNOR

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
GPR	$951,800	$941,000	$941,000	$941,000	$941,000	- $10,800	- 1.1%

FTE Position Summary						
Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	8.00	7.75	7.75	7.75	7.75	- 0.25

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$8,200

Governor/Legislature: Annually provide $4,100 for base budget adjustments for: (a) full funding of salary and fringe benefits costs ($3,800); and (b) full funding of financial services charges ($300).

2. BASE LEVEL FUNDING AND POSITION REDUCTIONS [LFB Paper 548]

	Chg. to Base	
	Funding	Positions
GPR	- $19,000	- 0.25

Governor: Make the following adjustments to the agency's base level budget: (a) reduce the Office's supplies and services line by $3,200 annually; and (b) delete 0.25 FTE classified position authority and $6,300 annually of associated salary and fringe benefits funding. This reduction is equal to 2%, annually, of the Office's base, GPR budget.

Joint Finance/Legislature: Modify provision by deleting 0.25 FTE unclassified position rather than 0.25 FTE classified position, as originally recommended in the bill, to reflect that all positions in the Office are unclassified. The original base level salary and fringe benefits funding reduction of $6,300 annually associated with this position deletion would remain the same under this modification.

3. ELIMINATION OF CERTAIN STATE GOVERNMENT BOARDS, COUNCILS AND COMMISSIONS

Assembly: Include statutory language deleting the following 53 state agency boards, councils and commissions, effective on the date indicated for each entity. The repeal of these entities is based on the recommendations of the Lieutenant Governor. Under provisions of 1995 Wisconsin Act 27, the Lieutenant Governor reviewed 143 state government boards, councils and commissions to determine if they should be continued, merged with another body or repealed. A more detailed description of the repeal of each of these entities, the associated fiscal effect (if any) and sections of the budget act are indicated under the budget summaries for the state agency to which the repealed board, council or commission is administratively attached.

Entity Repealed	State Agency	Termination Date
Acid Deposition Research Council	DNR	Budget Effective Date
Agricultural Chemical Cleanup Council	DATCP	January 1, 1999
American Indian Language and Culture Education Board	DPI	Budget Effective Date
Animal Health and Disease Research Board	DATCP	Budget Effective Date
Animal Health and Disease Research Council	DATCP	Budget Effective Date
Aquatic Nuisance Control Council	DNR	Budget Effective Date
Badger Board	Commerce	Budget Effective Date
Board of State Canvassers	Elections Board	Budget Effective Date
Board on Hunger	DHFS	July 1, 1998
Consumer Credit Review Board	DFI	Budget Effective Date
Construction Wage Rate Council	DWD	Budget Effective Date
Council on Aeronautics	DOT	Budget Effective Date
Council on Affirmative Action	DER	Budget Effective Date
Council on American Indian Health	DHFS	December 31, 1997
Council on Business and Education Partnerships	DPI	Budget Effective Date
Council on Charitable Gaming	Gaming Board	Budget Effective Date
Council on Child Labor	DWD	Budget Effective Date
Council on Fire Service Training Programs	WTCS	Budget Effective Date
Council on Food Protection Practices	DHFS	July 1, 1999
Council on Information Technology	DOA	Budget Effective Date
Council on Instructional Telecommunications	DPI	Budget Effective Date
Council on Public Radio	ECB	Budget Effective Date
Council on Public Television	ECB	Budget Effective Date
Council on State-Local Relations	DOA	Budget Effective Date
Council on Suicide Prevention	DPI	Budget Effective Date

Entity Repealed	State Agency	Termination Date
Council on Traffic Law Enforcement	DOT	Budget Effective Date
Depository Selection Board	DOA	Budget Effective Date
Elections Advisory Council	Elections Board	Budget Effective Date
Equal Rights Council	DWD	Budget Effective Date
Farm Mediation and Arbitration Board	DATCP	Budget Effective Date
Fire Prevention Council	Commerce	Budget Effective Date
Gang Violence Prevention Council	DOC	Budget Effective Date
Hazardous Pollution Prevention Council	Commerce	Budget Effective Date
Historical Markers Council	Historical Society	Budget Effective Date
Housing Advisory Council	DOA	Budget Effective Date
Inland Lakes Protection and Rehabilitation Council	DNR	Budget Effective Date
Labor Standards Council	DWD	Budget Effective Date
Land Information Board	DOA	July 1, 2003
Low-Level Radioactive Waste Council	DOA	July 1, 2002
Metallic Mining Council	DNR	Budget Effective Date
Milwaukee River Revitalization Council	DNR	Budget Effective Date
Nonmetallic Mining Council	DNR	Budget Effective Date
Off-the-Road Vehicle Council	DNR	Budget Effective Date
Pesticide Review Board	DHFS	Budget Effective Date
Pharmacy Internship Board	UWS	July 1, 2001
Radiation Protection Council	DHFS	Budget Effective Date
Small Employer Insurance Board	OCI	Budget Effective Date
State Emergency Response Board	DMA	July 1, 1998
Submerged Cultural Resources Council	Historical Society	July 1, 1998
Telecommunications Retraining Board	WTCS	July 1, 1999
Uniform Commercial Code Lien System Council	DFI	Budget Effective Date
University and Crime Laboratories Cooperation Council	UWS	Budget Effective Date
Wisconsin Sesquicentennial Commission	Governor	July 1, 1999

Senate/Legislature: Modify provision by retaining: (a) the Acid Deposition Research Council, attached administratively to the Department of Natural Resources; and (b) the Milwaukee River Revitalization Council, also attached administratively to the Department of Natural Resources.

Veto by Governor [E-14]: Delete provisions repealing: (a) the Depository Selection Board, attached administratively to the Department of Administration; (b) the Council on Affirmative Action, attached administratively to the Department of Employment Relations; and (c) the Metallic Mining Council attached administratively to the Department of Natural Resources. These vetoes and affected bill sections are described respectively under "Administration," "Employment Relations" and "Natural Resources."

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$58,600	$0	$0	$0	$0	- $58,600	- 100.0%
SEG	159,000	224,700	224,700	224,700	224,700	65,700	41.3
TOTAL	$217,600	$224,700	$224,700	$224,700	$224,700	$7,100	3.3%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
SEG	2.00	2.00	2.00	2.00	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	- $1,800
SEG	3,800
Total	$2,000

Governor/Legislature: Delete $900 GPR annually and provide $1,900 SEG annually from the water resources account of the conservation fund for base adjustments for: (a) full funding of salary and fringe benefits ($800 SEG annually); (b) full funding of financial service charges (-$900 GPR and $1,000 SEG annually); and (c) risk management costs ($100 SEG annually).

2. GPR SHIFT TO THE CONSERVATION FUND

	Chg. to Base
GPR	- $56,800
SEG	56,800
Total	$0

Governor/Legislature: Delete the Board's GPR appropriation and shift $28,400 annually in base funding from GPR to the forestry account of the conservation fund. The Board's base funding of $79,500 SEG is

from the water resources account of the conservation fund. Under the bill, in 1998-99 the agency would be funded by $81,400 (72%) from the water resources account and $31,200 (28%) from the forestry account.

[Act 27 Section: 299]

3. COMPUTER SERVICES

	Chg. to Base
SEG	$4,000

Governor/Legislature: Provide $2,000 annually from the forestry account of the conservation fund for information technology services, including contracts for hardware and software installation, network design and on-site training.

4. TRAVEL COSTS

	Chg. to Base
SEG	$1,100

Governor/Legislature: Provide $300 in 1997-98 and $800 in 1998-99 from the forestry account of the conservation fund for increased costs associated with travel resulting from field studies, filming and board meetings.

MARQUETTE DENTAL SCHOOL

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
GPR	$2,334,000	$2,334,000	$2,334,000	$2,334,000	$2,334,000	$0	0.0%

FTE Position Summary
Due to the private status of the school, the state does not control positions or nonstate monies received by the Marquette Dental School.

Budget Change Item

1. DENTAL CLINICS FUNDING [LFB Paper 550]

Joint Finance: Provide $500,000 GPR annually to the Marquette University School of Dentistry for dental services to low-income individuals at the health clinics with which the Dental School maintains partnerships. (The fiscal effect of this funding is shown under "Health and Family Services -- Health.")

Under current law, the Marquette University School of Dentistry receives $2,300,000 GPR in 1996-97 in base funding from DHFS to provide dental services to low-income individuals at health clinics in the City of Milwaukee and inmates at correctional centers in Milwaukee County.

Senate/Legislature: Provide an additional $60,500 GPR annually for the provision of dental services at the South-Side Guadalupe Dental Clinic. The nonprofit clinic, with which the School currently maintains a partnership, provides low-cost and free dental services to residents of the near south side, inner city and north side of the City of Milwaukee. (The fiscal effect of this funding is shown under "Health and Family Services -- Health.")

MEDICAL COLLEGE OF WISCONSIN

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$15,979,400	$15,277,600	$15,870,900	$15,552,600	$15,552,600	- $426,800	- 2.7%

FTE Position Summary

The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.

Budget Change Items

1. DEBT SERVICE REESTIMATE

	Chg. to Base
GPR	- $701,800

Governor/Legislature: Reestimate debt service costs by -$380,200 in 1997-98 and -$321,600 in 1998-99 from the base level of $444,600.

2. FAMILY PRACTICE RESIDENCY PROGRAM [LFB Paper 554]

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	$318,300	- $45,500	- $272,800	$0

Joint Finance: Provide $136,400 in 1997-98 and $181,900 in 1998-99 to the Medical College of Wisconsin (MCW) and specify that this funding would have to be used to support the addition of two family medicine physicians for the family medicine residency program. Require that MCW: (a) provide matching funds equal to 50% of this funding; and (b) allocate the additional physicians so as to maximize the number of family practice residents.

Assembly: Delete $45,500 in 1997-98 to reflect a three-month delay in funding the 2.0 family medicine faculty physicians.

Senate/Legislature: Delete entire provision.

3. AREA HEALTH EDUCATION CENTERS

	Chg. to Base
GPR	$275,000

Joint Finance/Legislature: Increase funding for Area Health Education Centers (AHECs) under MCW by $125,000 in 1997-98 and $150,000 in 1998-99 and under the University of Wisconsin (UW) System by $122,300 in 1997-98 and $147,300 in 1998-99. The fiscal effect of the UW AHEC funding is shown under the UW System.

In 1996-97, a total of $500,000 is appropriated for AHECs, with $250,000 under both MCW and the UW System. AHECs are regional centers designed to improve access to primary care health services in underserved rural and inner-city areas. The AHECs provide both access to health care for low-income citizens and community-based primary care training programs for medical, nursing, dentistry, allied health and pharmacy students. The four regional AHECs each serve a specific geographic region of the state, including northern, southwestern, eastern and the Milwaukee area. At the state level, the AHEC system is jointly administered by MCW and the UW Medical School.

MILITARY AFFAIRS

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$23,308,400	$27,977,600	$31,834,500	$34,156,400	$34,156,400	$10,848,000	46.5%
FED	35,693,600	36,477,200	36,477,200	36,430,400	36,430,400	736,800	2.1
PR	6,377,800	6,874,600	6,874,600	6,872,200	6,872,200	494,400	7.8
SEG	5,659,800	5,670,200	1,082,000	1,082,000	1,082,000	- 4,577,800	- 80.9
TOTAL	$71,039,600	$76,999,600	$76,268,300	$78,541,000	$78,541,000	$7,501,400	10.6%

FTE Position Summary

Fund	1996-97 Base	1998-99 Governor	1998-99 Jt. Finance	1998-99 Legislature	1998-99 Act 27	Act 27 Change Over 1996-97 Base
GPR	105.83	106.58	108.08	108.08	108.08	2.25
FED	201.68	206.93	206.93	206.93	206.93	5.25
PR	25.50	26.25	26.25	26.25	26.25	0.75
SEG	1.50	1.50	0.00	0.00	0.00	- 1.50
TOTAL	334.51	341.26	341.26	341.26	341.26	6.75

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	$138,800
FED	- 316,600
PR	110,000
SEG	2,600
Total	- $65,200

Governor/Legislature: Provide annual base budget adjustments of $69,400 GPR, -$158,300 FED, $55,000 PR and $1,300 SEG for: (a) turnover reduction (-$79,200 GPR and -$146,800 FED); (b) full funding of continuing salaries and fringe benefits ($5,500 GPR, -$421,700 FED, -$6,000 PR and -$100 SEG); (c) full funding of financial service charge-backs ($35,100 GPR, $20,500 FED, $11,500 PR and $500 SEG; (d) increased risk management costs ($20,300 GPR); (e) overtime costs ($35,700 GPR, $294,800 FED, $38,900 PR and $900 SEG); (f) night and weekend shift differentials ($1,000 GPR, $57,300 FED and $6,200 PR); (g) fifth week vacation as cash ($8,600 GPR, $9,000 FED and $2,500 PR); and (h) full funding of delayed pay adjustments ($42,400 GPR, $28,600 FED and $1,900 PR).

2. NATIONAL GUARD TUITION GRANT PROGRAM [LFB Papers 555 and 556]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$4,000,000	- $374,000	$3,626,000
GPR-Lapse	$0	- $2,000,000	- $2,000,000

a. Increase Reimbursement Rate to 100%

Governor: Provide additional funding of $2,000,000 annually for the tuition grant program and increase the percentage of tuition reimbursement under the program from 50% to 100%. Estimate a lapse from this $2,000,000 appropriation increase of $1,000,000 annually, so that the net anticipated increase to the general fund under the Governor's recommendation would be $1,000,000 GPR annually. Currently, grants may be paid to reimburse guard members for 50% of the actual cost of tuition at a higher education institution not to exceed a maximum amount equal to 50% of resident undergraduate tuition at the UW-Madison for a comparable academic load. Under the bill, the maximum reimbursement rate would increase to 100% of the actual tuition cost not to exceed 100% of the UW-Madison resident undergraduate tuition for a comparable academic load. This change would first apply to courses completed on or after the effective date of the bill.

Joint Finance/Legislature: Decrease funding by $411,400 in 1997-98 and $19,300 in 1998-99 to reflect a reestimate of total program demand at 100% reimbursement level. Delete the lapse estimate for this program from the general fund condition statement ($1 million annually).

Amend current law to provide that qualifying school for the purpose of the Wisconsin National Guard tuition grant program means any accredited institution of higher education as defined by the rule of the Higher Educational Aids Board, instead of the Department of Education.

b. Repeal Applied Receipts Funding

Governor/Legislature: Repeal provision requiring the Department of Military Affairs (DMA) to use the net proceeds from the sale of the national guard armory located in Whitefish Bay in Milwaukee County as an applied receipt to reduce, on a one-time basis, the GPR cost of the national guard tuition grant program. When this provision was created in 1995 Act 27, it was anticipated that the sale would occur in 1995-97. However, due to needed site remediation, it is now anticipated that sale of the armory will be delayed. The Governor's budget proposes to, instead, use these net sale proceeds for DMA costs associated with operation and maintenance of its armories.

c. Eligibility for Warrant Officers

Joint Finance/Legislature: Restore warrant officers as being eligible to receive tuition grants under the program and provide additional funding of $56,700 for payment of grants to warrant officers at a 100% reimbursement rate ($26,700 in 1997-98 and $30,000 in 1998-99). This change would first apply to courses completed on or after the effective date of the bill.

[Act 27 Sections: 649, 650, 761, 761g, 761m, 762 and 9336(1)]

3. MUNICIPAL ASSESSMENTS FOR STREET IMPROVEMENTS

	Chg. to Base
FED	$658,200
PR	231,600
Total	$889,800

Governor/Legislature: Provide $35,300 PR in 1997-98 and $196,300 PR and $658,200 FED in 1998-99 to pay for special assessments against DMA for its share of municipal improvements on public streets and sidewalk adjacent to state military facilities. The one-time funding would be provided to cover assessment costs for municipal street and sidewalk improvements in: (a) the Truax Air Park and Wright Street areas in Madison; and (b) areas adjacent to armories in Abbotsford, Green Bay and Ripon. Because of federal ownership interest in these specific armories, 75% of the assessment costs would be federally funded and the remaining 25% of the costs would be a state responsibility.

The PR funding would come from use of proceeds from the anticipated sale of the Whitefish Bay armory in Milwaukee County. Current law allows DMA to sell the armory but requires DMA to use the net proceeds of such sale as an applied receipt to reduce, on a one-time basis, the cost of the national guard tuition program. Under the bill, that requirement would be repealed and, instead, DMA would be required to deposit the net proceeds of such sale to its military property operations appropriation. The current allowable uses of this appropriation would be expanded to include the payment of municipal assessments related to state-owned military property as an allowable expenditure. The Governor's budget provides that $231,600 of the total $330,000 in estimated net sale proceeds be used to meet the nonfederal share of these increased assessment costs.

[Act 27 Sections: 648, 649, 650 and 761]

4. FACILITIES REPAIR AND MAINTENANCE FUNDING

	Chg. to Base
PR	$98,400

Governor/Legislature: Provide one-time funding increase of $98,400 in 1997-98 for additional repair and maintenance activities at national guard armories throughout the state. The PR funding would come from a portion of the net proceeds from the sale of the Whitefish Bay armory as described in the municipal assessments entry. The Governor's intent is that the first draw on the proceeds from the sale of the Whitefish Bay armory would be to meet the projected increased assessment costs. Any remaining proceeds amount

(estimated at $98,400) would be available as one-time funding for facility repair and maintenance activities. The Department would be able to determine to which projects these additional repair and maintenance funds would be allocated.

Under the federal Defense Facilities Act of 1950, it is the state's responsibility to maintain and operate military facilities for the training and administration of individual national guard units. Currently, DMA is responsible for the maintenance of a number of buildings including 71 armories.

[Act 27 Sections: 648, 649, 650 and 761]

5. DEBT SERVICE REESTIMATE

	Chg. to Base
GPR	$451,400

Governor/Legislature: Provide $210,000 in 1997-98 and $241,400 in 1998-99 for the increased cost of debt service payments on bonds issued for construction or remodeling of national guard armories and other DMA-owned facilities.

6. ADDITIONAL BASE ENGINEER STAFF SUPPORT

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$65,400	1.00	- $9,400	0.00	$56,000	1.00
FED	327,200	5.00	- 46,800	0.00	280,400	5.00
Total	$392,600	6.00	- $56,200	0.00	336,400	6.00

Governor: Provide $28,000 GPR and $140,200 FED in 1997-98 and $37,400 GPR and $187,000 FED in 1998-99 and 1.0 GPR and 5.0 FED positions, to provide staff support to the base civil engineer (BCE) at each of the Air National Guard's three facilities (Truax Field in Madison, General Billy Mitchell International Airport in Milwaukee and Volk Field at Camp Williams). The BCE is responsible for facility operations and maintenance at each installation. The staffing would be increased by adding a computer assisted drafting and design specialist and an environmental specialist at each facility. Except for the positions at Volk Field, which would be 100% federally-funded, the positions would be 75% FED/25% GPR funded.

Assembly/Legislature: Approve the Governor's provision except reduce funding by $9,400 GPR and $46,800 FED in 1997-98 to reflect a delay in the starting date of these positions from October 1, 1997, to January 1, 1998.

7. INFORMATION TECHNOLOGY COSTS

	Chg. to Base
FED	$77,600
PR	68,600
SEG	7,800
Total	$154,000

Governor/Legislature: Provide $38,800 FED, $34,300 PR and $3,900 SEG annually for agency information technology infrastructure support. Funding would be provided for: (a) a portion of the computer hardware master-lease payments on IT infrastructure upgrades authorized in 1996-97; and (b) obtaining from DOA's small agency support initiative (SASI) staff assistance with such items as operating problem resolution, help desk services, user training, data base development and application development and conversion. Funding would be provided annually as follow: (a) $23,900 FED, $12,800 PR and $2,400 SEG for master-lease payments; and (b) $14,900 FED, $21,500 PR and $1,500 SEG for SASI costs.

8. POSITION FUNDING SHIFT [LFB Paper 556]

	Chg. to Base Funding	Chg. to Base Positions
GPR	- $37,200	- 0.25
FED	37,200	0.25
Total	$0	0.00

Governor: Reduce GPR funding for the Administrator of the Division of Emergency Management by $18,600 annually and provide federal funding of $18,600 annually (25% of total position cost).

Joint Finance/Legislature: Transfer -0.25 GPR and 0.25 FED FTE position authorizations adjustments from the classified positions line to the unclassified positions line.

9. FUEL AND UTILITY COST INCREASES

	Chg. to Base
GPR	$50,800

Governor/Legislature: Provide $3,700 in 1997-98 and $47,100 in 1998-99 for increased fuel and utility costs at national guard armories and other DMA owned facilities.

10. WISCONSIN MILITARY ACADEMY STAFFING

	Governor (Chg. to Base)		Assembly/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$16,500	0.75	- $2,400	0.00	$14,100	0.75

Governor: Provide $7,100 in 1997-98 and $9,400 in 1998-99 and 0.75 PR position (custodian). The position would supervise the LTE custodial workers who clean and maintain individual billeting quarters at the Wisconsin Military Academy in Fort McCoy.

Currently, DMA charges a nightly room fee to overnight guests attending courses at the Academy. The Department uses the program revenue to fund the cleaning and maintenance of the individual billets by LTE custodial workers because federal regulations preclude of the use of federally funded staff to clean the billeting quarters. This position would serve as supervisor over the LTE custodial activities, be responsible for basic administrative functions and perform custodial duties. Total costs of the permanent position ($13,000 in 1997-98 and $17,300 in 1998-99) will be offset by a partial reduction in LTE funding (-$5,900 in 1997-98 and -$7,900 in 1998-99).

Assembly/Legislature: Approve the Governor's provision except reduce funding by $2,400 in 1997-98 to reflect a delay in the starting date of these positions from October 1, 1997, to January 1, 1998.

11. RADIOLOGICAL EMERGENCY PLANNING PROGRAM

	Chg. to Base
PR	- $28,300

Governor/Legislature: Reduce funding for the radiological emergency planning (REP) program by a net of $10,300 in 1997-98 and $18,000 in 1998-99 for: (a) reductions in the supplies and services base level (-$34,500 in 1997-98 and -$31,000 in 1998-99); (b) increases in the permanent property base level ($5,200 annually); and (c) increases for the radon protection unit in the Department of Health and Family Services (DHFS) ($19,000 in 1997-98 and $7,800 in 1998-99). Recommended adjustments to the REP program reflect the utilities planning committee approved operating budgets for the program. Four utilities with nuclear power plants are assessed for the costs of the REP program activities in DMA and DHFS, which are funded from this program revenue appropriation.

12. REPEAL EMERGENCY PLANNING GRANTS GENERAL FUND LOAN APPROPRIATION

Governor/Legislature: Repeal an obsolete general fund appropriation (which has no funding) and provisions requiring the State Emergency Response Board (SERB) to set fees sufficient to allow repayment of a general fund loan made to SERB.

The statutory language proposed to be repealed provided funding for SERB to pay for emergency planning grants that were approved in 1988 and 1989 but not paid at that time because the program revenue appropriated was insufficient. The general fund loan was made in 1991 to pay for those grants and the loan was fully repaid in 1992-93.

[Act 27 Sections: 651, 652 and 3117]

13. REGIONAL EMERGENCY RESPONSE TEAMS APPROPRIATION - LEVEL A TEAMS [LFB Papers 557 and 825]

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	$2,746,700	$53,300	$2,800,000
SEG	- 2,800,000	0	- 2,800,000
Total	- $53,300	$53,300	$0

Joint Finance: Modify the base budget for level A teams as follows:

a. Appropriation level. Delete $53,300 SEG in 1998-99 from the appropriation funding level A regional response teams. Modify the current appropriation for funding level A regional response teams from a SEG continuing appropriation to a sum certain annual appropriation with funding set at $1,400,000 SEG in 1997-98 and $1,346,700 SEG in 1998-99. Further, delete all reference to reimbursement from this appropriation of regional emergency response team for costs incurred by a team in responding to level A releases. In addition, require SERB to notify the Joint Committee on Finance, under a 14-day passive review process, of any funding commitments it is entering into before it agrees to any renewed or new contract with level A regional response teams and provide that SERB may request additional funding for any such contracts, if necessary, at that time.

b. Conversion of funding to GPR. Provide $1,400,000 GPR in 1997-98 and $1,346,700 GPR in 1998-99 and delete $1,400,000 SEG in 1997-98 and $1,346,700 SEG in 1998-99 to reflect a policy decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from this appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund. Provide that expenditures or encumbrances from the continuing appropriation balance existing on June 30, 1997, would be disregarded in computing the amount of any transfer from the general fund to the transportation fund. The continuing appropriation balance on June 30, 1997, would be retained within the new, GPR appropriation.

Senate/Legislature: Approve the Joint Finance provision except provide an additional $53,300 GPR in 1998-99 in the appropriation for level A regional response teams. This would result in a total annual funding level of $1,400,000 for this purpose being provided in both 1997-98 and 1998-99.

[Act 27 Sections: 652c, 854m, 3117m, 3117p and 3117r]

14. EMERGENCY RESPONSE EQUIPMENT APPROPRIATION -- LEVEL B TEAMS [LFB Papers 558 and 825]

	Chg. to Base
GPR	$1,136,000
SEG	- 1,440,000
Total	- $304,000

Joint Finance/Legislature: Modify the base budget for level B teams as follows:

a. Appropriation and program modifications. Delete $152,000 SEG annually from the emergency response equipment appropriation to reflect a reestimate of the projected county participation in the emergency response equipment and computer grant program in 1997-99. In addition, make permanent the provision that is currently in effect only until September 1, 1997, that counties must provide only a 20% match amount for computer and emergency response equipment for costs for which a county seeks an emergency response equipment grant from the State Emergency Response Board.

b. Conversion of funding to GPR. Provide $568,000 GPR annually and delete $568,000 SEG annually to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from this appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Sections: 652d, 854m, 3116s, 3117d, 3117f and 3117h]

15. EMERGENCY RESPONSE SUPPLEMENT APPROPRIATION [LFB Papers 559 and 825]

Joint Finance/Legislature: Modify the current law appropriation as follows:

a. Appropriation modifications. Provide that future funding for the response supplement appropriation be as a continuing appropriation directly from the transportation fund. Repeal funding of the current appropriation from lapses from the emergency response equipment appropriation. Allow the current balance to be retained in the new, modified appropriation.

b. Conversion of funding to GPR. Further, modify the appropriation to provide that future funding for the response supplement appropriation come from GPR to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Continuing appropriation balances on June 30, 1997, would be retained within the new, GPR appropriation.

[Act 27 Sections: 652d, 652g, 3117p and 3117t]

16. CIVIL AIR PATROL AIDS [LFB Paper 825]

	Chg. to Base
GPR	$38,000
SEG	- $38,000
Total	$0

Joint Finance/Legislature: Provide $19,000 GPR annually and delete $19,000 SEG annually to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from this appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Sections: 652b, 854m and 3116m]

17. EMERGENCY RESPONSE ADMINISTRATION [LFB Paper 825]

	Chg. to Base	
	Funding	Positions
GPR	$159,200	1.50
SEG	- $159,200	- 1.50
Total	$0	0.00

Joint Finance/Legislature: Provide $79,600 GPR annually and 1.50 GPR positions and delete $79,600 SEG annually and 1.50 SEG positions to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from this appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Sections: 652cm and 854m]

18. EMERGENCY RESPONSE TRAINING [LFB Paper 825]

	Chg. to Base
GPR	$151,000
SEG	- 151,000
Total	$0

Joint Finance/Legislature: Provide $75,500 GPR annually and delete $75,500 SEG annually to reflect a decision to convert most transportation fund appropriations to agencies other than DOT to general fund appropriations. Specify that an amount equal to the encumbrances or expenditures from this appropriation between July 1, 1997, and the effective date of the bill would be transferred from the general fund to the transportation fund.

[Act 27 Sections: 652x and 854m]

19. REESTIMATE DISASTER RECOVERY AIDS APPROPRIATION

	Chg. to Base
GPR	$1,618,000

Assembly/Legislature: Reestimate the sum sufficient GPR appropriation for disaster recovery aids under the Department's emergency management program to

provide an additional $1,618,000 in 1997-98. The budget, as approved by the Joint Committee on Finance, contained estimated sum sufficient expenditures of $881,200 annually to pay the state share of grants to individuals and to make payment to local governments under federal disaster recovery programs. However, due to the recent Milwaukee metropolitan area flood, a much higher level of claims in 1997-98 is anticipated. Total 1997-98 expenditures from this appropriation as a result of this change would be estimated at $2,499,200.

20. REPEAL STATE EMERGENCY RESPONSE BOARD

Assembly/Legislature: Repeal the State Emergency Response Board (SERB) and transfer all of the current SERB functions and responsibilities to DMA's Division of Emergency Management, effective July, 1, 1998. The seventeen-member Board is comprised of: (a) the Administrator of the Division of Emergency Management; (b) one representative each from the Departments of Agriculture, Trade and Consumer Protection; Commerce; Health and Family Services; Natural Resources and Transportation; and (c) eleven representatives from county government, local response groups, businesses, industry and environmental organizations [one representative each from the local firefighting, law enforcement and public or community health services, two representatives from industry, one representative from small business, two representatives from local government, and one representative each from an agricultural organization, a labor organization and an environmental organization].

Under current law, the Board is required to: (a) carry out all the requirements under Title III of the federal Superfund Amendments and Reauthorization Act (SARA) for a state emergency response entity, including promulgating such administrative rules as are necessary for implementation of SARA in Wisconsin; and (b) oversee the creation of local emergency planning committees (LEPCs) in each county, ensure the implementation of local emergency response plans by the LEPCs and assist the LEPCs in fulfilling their hazardous substances discharge notification responsibilities. The SERB currently administers, in conjunction with DMA's Division of Emergency Management, an emergency planning grant program for LEPCs to assist in the creation and implementation of county-wide and facility-specific emergency response plans which must be approved by SERB. The Board sets fees for facilities which store or use hazardous materials in specific threshold quantities or larger to provide revenue for SERB operations and for grants to LEPCs for program administration and emergency response planning. Emergency planning grant levels are also set by SERB. Finally, SERB has the responsibility of creating a state network of specially trained teams to respond to the most serious hazardous material spills.

[Act 27 Sections: 45t, 47g, 66g, 651d, 651g, 651m, 652am, 652ap, 652bh, 652y, 2169m, 3116p, 3116r, 3116tc, 3116td, 3116tf, 3116th, 3116tm, 3116ts, 3117bg thru 3117g, 3117kc, 3117ke thru 3117ks, 3117mc, 3117qh, 3117qm, 3117w, 5225m, 9136(1m) and 9436(1m)]

21. GPR FUNDING FOR THE BADGER CHALLENGE PROGRAM

	Chg. to Base
GPR	$660,000

Senate/Legislature: Provide $330,000 annually to the Department's appropriation for general program operations of the national guard to fund the Badger Challenge program, which is administered by DMA and is presently federally-funded. The program offers a six-week summer session at Fort McCoy for youths at risk of not graduating from high school.

22. AGENCY BUDGET REDUCTIONS

	Chg. to Base
GPR-Lapse	$216,800

Assembly/Legislature: Require that the Secretary of DOA allocate annually reductions of $108,400 to DMA's sum certain GPR state operations appropriations to be achieved by requiring DMA to lapse the requisite amount from among its state operations GPR appropriations. Further, provide that in the event the Secretary of DOA determines in either fiscal year that any state agency subject to this requirement cannot reduce expenditures as required, the Secretary of DOA shall submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the required reductions. The plan must be approved by the Committee under a 14-day passive review procedure.

[Act 27 Section: 9156(6ng)]

MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

Budget Summary

Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	$137,000	$0	$0	$0	$0	- $137,000	- 100.0%
PR	180,000	180,000	180,000	180,000	180,000	0	0.0
SEG	163,200	345,200	345,200	345,200	345,200	182,000	111.5
TOTAL	$480,200	$525,200	$525,200	$525,200	$525,200	$45,000	9.4%

FTE Position Summary

There are no state authorized positions for the Minnesota-Wisconsin Boundary Area Commission.

Budget Change Items

1. GPR SHIFT TO THE CONSERVATION FUND

	Chg. to Base
GPR	- $137,000
SEG	137,000
Total	$0

Governor/Legislature: Repeal the Commission's GPR appropriation and shift base level funding of $68,500 annually from GPR to the water resources account of the conservation fund. Also, specify that reimbursement of expenses for Commission and advisory committee members be shifted from GPR to SEG.

[Act 27 Sections: 8, 9, 27, 285 and 286]

2. COMPUTER SERVICES

	Chg. to Base
SEG	$22,200

Governor/Legislature: Provide $11,100 annually from the water resources account of the conservation fund for information technology services, including contracts for hardware and software installation, network design and on-site training.

3. MISSISSIPPI RIVER STEWARDSHIP PROJECT

	Chg. to Base
SEG	$16,800

Governor/Legislature: Provide $8,400 annually from the water resources account of the conservation fund for implementation of the Mississippi River Stewardship Project. The project is designed to increase citizen participation in the maintenance and enhancement of habitat along the Upper Mississippi River. The additional funding would be part of Wisconsin's share (Minnesota would pay an equal amount) of a match for a McKnight Foundation grant for this project that the Commission has requested.

4. SUPPLIES AND SALARIES INCREASES

	Chg. to Base
SEG	$6,000

Governor/Legislature: Provide $1,500 in 1997-98 and $4,500 in 1998-99 from the water resources account of the conservation fund for: (a) supplies and services cost increases ($1,500 in 1997-98 and $1,400 in 1998-99); and (b) full funding of salaries and fringe benefits for the contract staff for the Commission ($3,100 in 1998-99).

MISCELLANEOUS APPROPRIATIONS

Budget Summary							
						Act 27 Change Over Base Year Doubled	
Fund	1996-97 Base Year Doubled	1997-99 Governor	1997-99 Jt. Finance	1997-99 Legislature	1997-99 Act 27	Amount	Percent
GPR	$81,142,400	$108,682,000	$107,043,400	$127,593,400	$127,593,400	$46,451,000	57.2%
SEG	26,465,400	29,175,000	29,113,000	29,075,400	29,075,400	2,610,000	9.9
TOTAL	$107,607,800	$137,857,000	$136,156,400	$156,668,800	$156,668,800	$49,061,000	45.6%

FTE Position Summary
There are no positions authorized for Miscellaneous Appropriations.

Budget Change Items

1. OPERATING NOTE INTEREST -- COST ESTIMATE [LFB Paper 565]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	$17,900,000	- $4,500,000	$13,400,000

Governor: Increase funding by $6,300,000 in 1997-98 and $11,600,000 in 1998-99 for estimated interest costs on operating notes. Total funding would be $14.3 million in 1997-98 and $19.6 million in 1998-99. DOA indicates operating notes of $550 million will be issued in 1997-98 and $750 million will be issued in 1998-99. The 1996-97 operating note issuance amount was $150 million.

Joint Finance/Legislature: Decrease funding by $4,500,000 in 1997-98 for total funding of $9.8 million, which is an increase of $1.8 million from the base. The decrease is due to a reestimate of the operating note for 1997-98, which is estimated to be $350 million rather than $550 million.

2. OPERATING NOTE REQUESTS -- JOINT COMMITTEE ON FINANCE 14-DAY PASSIVE REVIEW

Governor/Legislature: Delete the requirement that the Joint Committee on Finance approve an operating note request before DOA could submit the request to the Building Commission. Instead, require the Secretary of DOA to notify the Committee in writing if DOA proposes to submit an operating note request to the Building Commission. If the Co-chairs of the Committee notify the Secretary within 14 working days that the Committee has scheduled a meeting for the purpose of reviewing the operating note, DOA would only be able to submit the request to the Building Commission upon approval of the Committee. If the Co-chairs of the Committee do not notify the Secretary that a meeting to review the submission has been scheduled, DOA could submit the request to the Commission as proposed.

[Act 27 Sections: 103 thru 105]

3. MINNESOTA-WISCONSIN INCOME TAX RECIPROCITY PAYMENTS

	Chg. to Base
GPR	$10,000,000

Governor/Legislature: Provide $4,500,000 in 1997-98 and $5,500,000 in 1998-99 to reflect estimated Minnesota-Wisconsin income tax reciprocity payments under current law. Total funding after these adjustments would be $33.8 million in 1997-98 and $34.8 million in 1998-99.

4. MINNESOTA-WISCONSIN RECIPROCITY BENCH MARK -- STANDARD BUDGET ADJUSTMENT

	Chg. to Base
GPR	- $238,400

Governor/Legislature: Decrease the base level funding for noncontinuing elements by $111,200 in 1997-98 and $127,200 in 1998-99 to reflect the completion of the Minnesota-Wisconsin reciprocity benchmark study. After the adjustment, $16,000 would remain in 1997-98.

5. TRANSFERS TO THE CONSERVATION FUND [LFB Papers 601 and 605]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	- $319,400	$0	$0	- $319,400
SEG	1,909,600	492,600	- 37,600	2,364,600
Total	$1,590,200	$492,600	- $37,600	$2,045,200

Governor: Provide $695,500 SEG in 1997-98 and $1,214,100 SEG in 1998-99 to reflect a reestimate of funds provided under the motor fuel tax transfer to the conservation fund for motorboats, snowmobiles, and all terrain vehicles (ATVs) as follows: (a) $329,400 in 1997-98 and $617,900 in 1998-99 to the water resources account; (b) $285,500 in 1997-98 and $470,400 in 1998-99 to the snowmobile account; and (c) $80,600 in 1997-98 and $125,800 in 1998-99 to the ATV trail aids account. Also reestimate the reimbursement to the conservation fund for debt service on certain land acquisitions by -$207,100 GPR in 1997-98 and -$112,300 GPR in 1998-99.

Joint Finance: Delete $94,400 SEG in 1997-98 and provide an additional $587,000 SEG in 1997-99 related to the gas tax transfers to the conservation fund as follows: (a) -$138,600 in 1997-98 and $354,500 in 1998-99 to the water resources account; (b) $39,900 in 1997-98 and $193,200 in 1998-99 to the snowmobile account; and (c) $4,300 in 1997-98 and $39,300 in 1998-99 to the ATV trail aids account.

Assembly/Legislature: Decrease the estimated transfer to the conservation fund for estimated fuel taxes paid by motorboat users by $37,600 in 1998-99 to reflect the modification of the Joint Finance provision changing the fuel tax indexing formula.

6. TRANSFER NONPOINT TITLE FEE TO TRANSPORTATION FUND

	Chg. to Base
GPR	$20,550,000

Assembly/Legislature: Specify that revenues generated by the $7.50 title fee that are currently deposited in the environmental fund would be deposited in the transportation fund, effective July 1, 1997. Increase estimated transportation fund revenue by $10,275,000 annually and reduce estimated revenue for the environmental fund by an identical amount. Create a GPR, sum sufficient appropriation to transfer an amount from the general fund to the environmental fund equal to the amount attributable to the $7.50 title fee in the prior fiscal year. Require DOT to certify this amount to DOA for 1996-97 by October 1, 1997, or the fifteenth day after the effective date of the bill, whichever is later. In subsequent years, require DOT to certify the transfer amount for the previous fiscal year by October 1. Require DOA to transfer the amount to the environmental fund by October 15, 1997, or the fifteenth day after DOT certifies the amount to be transferred in 1997 and on October 1 annually, thereafter. Estimate the transfer at $10,275,000 GPR annually to reflect the estimated collections from the $7.50 title fee.

[Act 27 Sections: 167, 719r, 849m, 873m, 899m, 2476g, 4044r, 9149(1c) and 9449(3b)]

7. AVIATION FUEL PETROLEUM INSPECTION FEE ALLOWANCE [LFB Paper 275]

	Chg. to Base
SEG	$800,000

Governor/Legislature: Create a sum sufficient appropriation estimated at $400,000 annually from the petroleum inspection fund for DOR payment of petroleum

allowances. Make purchasers of aviation fuel on which the petroleum inspection fee has been imposed eligible for an allowance of two cents for each gallon of aviation fuel purchased in excess of one million gallons per month. [The provision is described under "Commerce -- Building and Environmental Regulation."]

[Act 27 Sections: 720, 3118, 3119, 3120, 3121 and 9310(7)]

8. INTEREST ON OVERPAYMENT OF TAXES

	Chg. to Base
GPR	$200,000

Governor/Legislature: Provide $100,000 annually for estimated interest paid on the overpayment of individual income taxes. Total funding would be $500,000 annually.

9. ELECTION CAMPAIGN FUND REESTIMATE

	Chg. to Base
GPR	- $2,600

Governor/Legislature: Adjust expenditures for payments to election campaign fund of revenues received from the one dollar income tax check-off by $3,700 in 1997-98 and -$6,300 in 1998-99 to reflect estimated check-off revenues. Total budgeted expenditures would be $295,000 in 1997-98 and $285,000 in 1998-99. In 1996-97, $306,955 was transferred to the fund.

10. CAPITOL OFFICES RELOCATION EXPENDITURES REESTIMATE [LFB Paper 546]

	Chg. to Base
GPR	$486,400

Joint Finance/Legislature: Reestimate Capitol offices relocation costs by $182,300 in 1997-98 and $304,100 in 1998-99 to provide total funding of $2,295,800 in 1997-98 and $2,417,600 in 1998-99 for the annual costs associated with the relocation of executive branch, legislative branch and judicial branch agencies from the State Capitol during renovation of the building.

11. TERMINAL TAX DISTRIBUTION [LFB Paper 566]

	Chg. to Base
SEG	- $554,600

Joint Finance/Legislature: Decrease estimated transfers from the transportation fund by $248,000 in 1997-98 and $306,600 in 1998-99 in order to reestimate the amounts to be transferred at $914,100 for 1997-98 and $855,500 for 1998-99. The reestimate reflects anticipated reductions in the statewide average property tax rate, which is a factor used to calculate payments to municipalities containing railroad terminal property.

12. CAPITOL RESTORATION PLANNING FUNDING

	Chg. to Base
GPR-REV	$2,375,000
GPR	$2,375,000

Joint Finance/Legislature: Provide $2,375,000 GPR in 1997-98 for planning of Capitol restoration projects and a facility to house offices relocated from the Capitol or legislative or judicial branch agencies. Specify that if bonds would be issued for the projects planned with this GPR funding, the Building Commission would be required to reimburse the general fund for these planning expenditures from the bond proceeds. It is estimated that $2,375,000 would be received as GPR-Earned in 1998-99 from this reimbursement.

[Act 27 Sections: 719m and 9207(1x)]