



Legislative Fiscal Bureau

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

M

May 9, 2001

Joint Committee on Finance

Paper #935

DNR Payments for DOT Radio Services (DOT -- State Patrol)

CURRENT LAW

The 1999-01 budget consolidated the radio maintenance facilities of the Departments of Natural Resources and Transportation under the management of the Department of Transportation. The budget transferred 7.0 positions from DNR to DOT and required DNR to make quarterly payments for radio services in 1999-00 and 2000-01. DNR has \$445,800 in its base budget for general program operations for making this payment

GOVERNOR

No provision.

MODIFICATION

Require DNR to make quarterly payments of \$111,450 to DOT for radio services, if DOT provides such services.

Explanation: The 1999-01 budget required DNR to make payments to DOT for radio services in 1999-00 and in 2000-01, but there is no ongoing requirement for DNR to make such payments. DNR has base funding for making these payments and intends to continue making such payments, even though the Department is not statutorily required to make them. The transportation fund revenue estimates under the bill assume that these payments will be made. This modification would create a statutory requirement that DNR make the payments.

Prepared by: Jon Dyck

MO#

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

AYE 16 NO 0 ABS 0

Modification

TRANSPORTATION -- STATE PATROL

Prohibit DOT from Charging Farm Progress Days a Fee for Traffic Patrol

Motion:

Move to prohibit DOT from charging a sponsor of Farm Progress Days for any costs incurred by the Department associated with Farm Progress Days. Require DOT to promulgate rules specifying eligibility as a sponsor of Farm Progress Days and determining conditions that must be satisfied to qualify as Farm Progress Days.

Note:

Farm Progress Days is an annual event organized cooperatively by a nonprofit organization, Farm Progress Days, Inc., the UW-Extension and the host county.

The State Patrol provides traffic patrol services at special events when such events have a significant impact on traffic. DOT is authorized to charge for providing such services at any public event organized by a private organization for which an admission fee is charged. Although DOT has had this authority since June, 2000, the Department has not yet charged the organizer of any event for traffic enforcement services. Revenue collected from such charges would be deposited in a PR appropriation for providing the services. Although no fees were charged, in 2000 the State Patrol incurred costs of \$18,700 for providing traffic patrol services for Farm Progress Days in Fond du Lac County.

MO#

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

AYE 16 NO 0 ABS _____

TRANSPORTATION

State Patrol

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Motor Carrier Safety Assistance Program
2	Digital Microwave Communications Equipment
3	Public Safety Radio Program
4	Fees for State Patrol Services

MO# _____

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

AYE _____ NO _____ ABS _____

AGENCY: DOT - Other Divisions

PAPER: #940

ISSUE: Safe-Ride Program

RECOMMENDATION: Alternative 3 (maintain current law)

SUMMARY: Need to be careful here so as not to appear to be against funding for the safe-ride program. The gov's proposal could possible be interpreted that way. Seems safest to just maintain current law, but I suppose alt 2 would also be ok.

BY: Barry

2 ok
3 ok
Gard-3



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May 9, 2001

Joint Committee on Finance

Paper #940

Safe-Ride Grant Program (DOT -- Other Divisions)

[LFB 2001-03 Budget Summary: Page 679, #8]

CURRENT LAW

The operating while intoxicated (OWI) driver improvement surcharge, which is currently \$345, is assessed upon every OWI conviction. Of the revenue generated from the surcharge, 38.5% is deposited in a Department of Health and Family Services clearinghouse appropriation and transferred to various agencies for programs related to alcohol abuse and law enforcement. (A separate item in the bill would increase the surcharge to \$355 to partially fund an increase for the Wisconsin State Laboratory of Hygiene.)

The Secretary of the Department of Administration must transfer 3.76% of the OWI driver improvement surcharge revenue that is deposited in the DHFS clearinghouse appropriation to the DOT appropriation for the safe-ride grant program. Under the safe-ride program, DOT makes grants to counties, municipalities or nonprofit corporations to cover 50% of the cost of transporting intoxicated persons from the premises of an establishment that is licensed to sell alcoholic beverages to their residences.

GOVERNOR

Delete the requirement that the DOA Secretary must transfer 3.76% of the OWI driver improvement surcharge revenue deposited in the DHFS clearinghouse appropriation to the DOT appropriation for the safe-ride grant program. Instead, specify that the DOA Secretary may transfer funds to this appropriation after consultation with the DOT Secretary. Specify that the unencumbered balance in the safe-ride grant program appropriation shall be transferred back to the DHFS appropriation on June 30 of each year.

DISCUSSION POINTS

1. The bill would replace the formula for determining how much OWI surcharge revenue is credited to the safe-ride grant program with a requirement that the amount be determined by the DOA Secretary in consultation with DOT, which is the same procedure used for the allocation of surcharge revenue to the other programs funded from this source.

2. The formula for determining the amount of surcharge revenue that is deposited in the safe-ride grant appropriation and the safe-ride grant program were created by 1999 Act 109. Act 109 also raised the surcharge by \$5, from \$340 to \$345. The intention of the formula was to credit \$5 to the safe-ride grant program from each OWI surcharge that is paid.

3. DOA indicates that the bill would replace the formula in order to simplify the allocation of funds and avoid problems that may be caused when the amount of the surcharge is changed. For instance, if the surcharge is raised to fund a certain program, the percentage formula, unless modified, would dictate that the amount of funds allocated to the safe-ride grant program would increase as well, even if this may not be the Legislature's intent. Eliminating the formula would allow DOA to continue to fund the program at a constant level and provide an increased amount to the programs that were intended to benefit from the increase.

4. Unlike the other programs funded with surcharge revenue, there is no funding reflected in the Chapter 20 appropriation schedule for the safe-ride grant program. As long as the amount of funding for the program is determined by formula, the appropriation schedule does not determine how much funding is available for the program. Eliminating the formula would allow the DOA Secretary, in consultation with the DOT Secretary, to determine how much funding is transferred for this program without any legislative guidance. The Committee could reflect an amount in the Chapter 20 schedule to make clear the intended level of funding.

5. DOA estimates that the surcharge will generate \$3,598,900 annually during the 2001-03 biennium, absent any increase in the surcharge. If the 3.76% formula were used to allocate funds to the safe-ride grant program, \$135,400 PR would be provided for the program. This amount could be reflected in the appropriation schedule.

6. Although the safe-ride program is currently funded with a continuing appropriation, the bill would require unencumbered amounts to lapse to the DHFS clearinghouse appropriation on June 30 of each year. This change effectively converts the appropriation into an annual appropriation, though it would still be designated as a continuing appropriation in the Chapter 20 schedule. If the Committee decides to reflect an amount in the Chapter 20 schedule for the program, it may also be desirable to change the appropriation to an annual appropriation, similar to most other appropriations funded with OWI surcharge revenue.

ALTERNATIVES

1. Approve the Governor's recommendation to delete the requirement that the DOA

Secretary must transfer 3.76% of the OWI driver improvement surcharge revenue deposited in the DHFS clearinghouse appropriation to the DOT appropriation for the safe-ride grant program. Instead, specify that the DOA Secretary may transfer funds to this appropriation after consultation with the DOT Secretary. Specify that the unencumbered balance in the safe-ride grant program appropriation shall be transferred back to the DHFS appropriation on June 30 of each year.

2. Modify the Governor's recommendations as follows: (a) provide \$135,400 PR annually for the safe-ride grant program to reflect an amount of funding in the Chapter 20 appropriation schedule equal to an estimate of 3.76% of the state's share of OWI surcharge revenue; and (b) convert the safe-ride grant program appropriation to an annual appropriation.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	\$270,800

3. Maintain current law.

MO# Alt. 3

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

AYE 15 NO 1 ABS _____



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May 9, 2001

Joint Committee on Finance

Paper #941

Funding for Payments for Municipal Services (DOT -- Other Divisions)

CURRENT LAW

DOT is assessed by DOA an amount necessary to reimburse the general fund for payments made under the payments for municipal services (PMS) program based on services provided for DOT facilities. In 2000-01, DOT was assessed \$216,700, although the base level of funding for this purpose is \$182,000 SEG.

GOVERNOR

The bill would establish reserves in the transportation fund of \$58,900 in 2001-02 and \$83,000 in 2002-03 for the purpose of supplementing the departmental management and operations appropriation for the payment of PMS assessments.

MODIFICATION

Provide \$34,700 SEG annually in the appropriation for departmental management and operations for the payment of PMS assessments. Delete \$58,900 SEG-Reserve in 2001-02 and \$83,000 SEG-Reserve in 2002-03.

Explanation: The bill would place an amount in reserve in the expectation that DOT's PMS assessment will increase. Under the bill, however, the GPR appropriation for making PMS payments to municipalities would not increase above the base level and so it is not expected that DOT's assessment for this program will increase. The modification would appropriate the difference between the amount that DOT has in its base for paying the assessment and what DOT actually paid in 2000-01 (the increase corresponded to a 19.4% increase from 1999-01 to 2000-01 in the GPR appropriation for making PMS payments

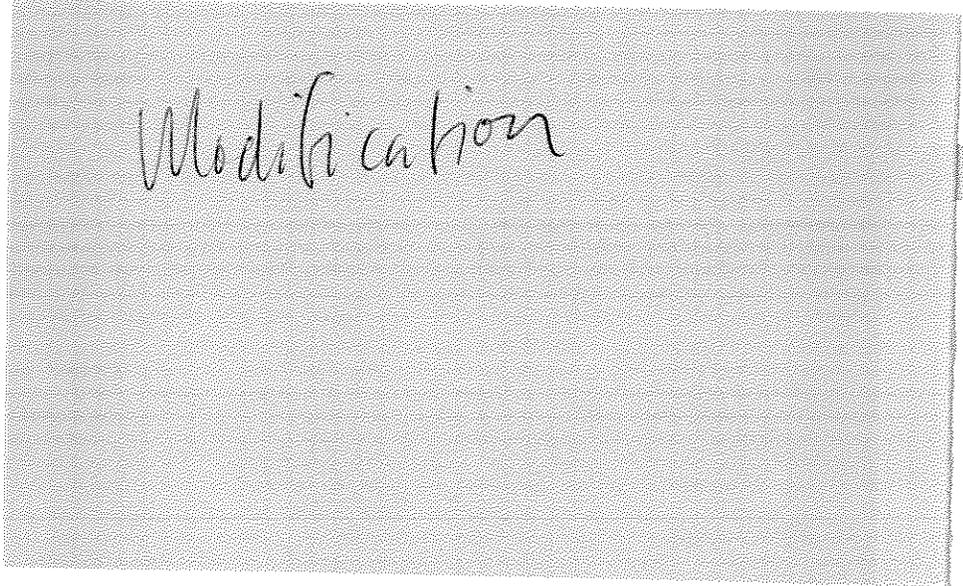
under 1999 Act 9). The reserves in the bill would be eliminated, since these amounts would not be needed if amounts are appropriated for making the payment.

<u>Modification</u>	<u>SEG</u>
2001-03 RESERVES (Change to Bill)	- \$141,900
2001-03 FUNDING (Change to Bill)	\$69,400

Prepared by: Jon Dyck

MO# _____

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



AYE 16 NO 0 ABS _____

TRANSPORTATION -- OTHER DIVISIONS

Joint Committee on Finance Review of DOT Safety Contracts

Motion:

Move to prohibit DOT from entering into a contract using federal transportation safety funds if the contract is related to alcohol or traffic enforcement activities unless the Department first notifies the Joint Committee on Finance of the proposed contract. Specify that if the Co-chairs do not notify DOT within 14 working days after the date of the Department's notification that the Committee has scheduled a meeting to review the proposed contract, DOT may enter into the proposed contract. Specify that if, within 14 working days after the Department's notification, the Co-chairs notify DOT that the Committee has scheduled a meeting to review the proposed contract, DOT may enter into the contract only upon approval of the Committee.

Note:

DOT enters into contracts with local law enforcement agencies using federal transportation safety funds for a variety of law enforcement activities, such as enhanced speed or alcohol enforcement projects. This motion would require DOT to notify the Committee prior to entering into such a contract, for the Committee's review under a 14-day passive review process.

MO#

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

AYE 13 NO 3 ABS

TRANSPORTATION

Other Divisions

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Standard Budget Adjustments
2	Administrative Facility Bonding
3	Rent and Leasehold Improvements
4	Scholarship and Loan Repayment Incentive Grant Program
5	Transportation Planning Grants Transfer
6	Transportation Information Center Transfer
7	Position Transfers

MO# Remove item 4

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

AYE 8 NO 0 ABS _____

Moore motion - maybe
 remove # 4

Decker motion - approval for
 all contracts.
 Welch - study on remote sensing devices

AGENCY: Shared Revenue and Tax Relief – Direct Aid Payments

Paper #: 825

ISSUE: Shared Revenue Modifications and Expenditure Restraint Funding
Level

ALTERNATIVES: 2

SUMMARY:

LFB prepared a brief summary of the Kettl Commission recommendations regarding the municipal shared revenue program. The Commission proposed two major changes to the current system: changing the equalizing component to a program that equalizes a municipalities ability to purchase a basic package of services; and changing the per capita component into a program that creates incentives for municipalities to collaborate and share in the economic growth that their collaboration helps to generate.

What's notable about the recommendations is that the governor does not provide any additional funding to the formula, so the recommendations basically just shift money around. It is unclear what effect these recommendations will actually have on municipalities statewide. Milwaukee may do slightly better under the proposed system, but other places, like Beloit do not fare as well.

Overall, it's best just to take this stuff out of the budget. Approving Alternative 2 would end the Committee's consideration of the proposed changes. This seems like the way to go.

BY: Julie

Most want 2
no action necessary



Legislative Fiscal Bureau

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May 9, 2001

Joint Committee on Finance

Paper #825

Shared Revenue Modifications and Expenditure Restraint Funding Level (Shared Revenue and Tax Relief -- Direct Aid Payments)

[LFB 2001-03 Budget Summary: Page 600, #1 and Page 605, #4]

CURRENT LAW

The shared revenue program is comprised of two separate distributions and funding levels -- one for municipalities and one for counties. The funding level for the municipal distribution is set at \$761.5 million, and payments are calculated under a formula that consists of four components: (1) aidable revenues; (2) per capita; (3) public utility; and (4) minimum guarantee/maximum growth.

The aidable revenues component distributes most of the aid under a formula that is based on the policy of tax base equalization. Under that policy, aid is allocated to offset variances in taxable property wealth. The aidable revenues distribution formula calculates entitlements using two measures for each municipality: (1) per capita property value; and (2) the three-year average of revenues raised by the municipality. The lower a municipality's per capita property value and the higher its average revenues, the greater is the municipality's aidable revenues entitlement. In 2001, \$605.5 million, or 79.5% of the entire municipal distribution, will be distributed initially under the aidable revenues component.

Under the per capita distribution, aid is distributed to each municipality in proportion to its population. Funding for the distribution has been set at \$142.7 million since 1982 and, for 2001, equals an estimated \$26.71 for each person residing in a municipality. The minimum guarantee ensures that each municipality's combined entitlements under the aidable revenues and per capita components equal at least 95% of the amount the municipality received in the prior year. If the combined entitlements are below the 95% level, the municipality's entitlements are supplemented with a minimum payment. Minimum payments are internally funded by a floating maximum growth limit. Combined aidable revenues and per capita entitlements that are in excess of the maximum limit are "skimmed off" to provide revenues for minimum guarantee

payments. For 2001, an estimated \$28.0 million will be redistributed from municipalities on the maximum to municipalities on the minimum, and year-to-year payment changes are estimated to range from declines of up to 5% to increases of up to 2.9%.

Under the public utility component, aid is provided to municipalities containing certain types of public utility property, which is subject to state taxation, in lieu of local property taxes. In general, utility aid equals the value of the qualifying property multiplied by three mills, if the property is located in a town, or six mills, if the property is located in a city or village. Utility aid payments are estimated at \$13.3 million in 2001. Utility aid is not included in the minimum and maximum calculations described above.

For 2001, \$57 million in state aid will be paid to 270 municipalities under the expenditure restraint program. To receive a payment, a municipality must satisfy two eligibility criteria. First, its municipal purpose tax rate must exceed five mills. Second, the municipality must limit the rate of year-to-year growth in its budget to a percentage that is based, in part, on the percentage change in the Consumer Price Index and, in part, on the percentage change in the municipality's tax base due to new construction. Aid payments for eligible municipalities are calculated according to that part of each eligible municipality's levy in excess of five mills as a percent of that part of all eligible municipalities' levies in excess of five mills.

GOVERNOR

In the biennial budget bill, the Governor proposes replacing the municipal shared revenue program with a municipal aid distribution comprised of payments from two new appropriations, beginning with aid payments in 2002. The total distribution from the two appropriations would equal \$755.5 million in 2002, or \$6.0 million less than will be distributed to municipalities under the shared revenue program in 2001. However, the Governor also proposes increasing the distribution under the expenditure restraint program by \$6.0 million.

Funding for a "municipal growth-sharing account" would be set at an amount equal to 5% of state sales and use tax collections in the fiscal year two years prior to the year of the aid payment. Based on estimated sales and use tax collections for 2000-01, \$182.0 million would be appropriated to the account for the 2002 distribution. The balance of the \$755.5 million, or \$573.5 million, would be appropriated to a "municipal services account."

The bill would create a new municipal aid distribution called "growth-sharing regions entitlements" to be paid from the municipal growth-sharing account. Aid would be allocated to growth-sharing regions in proportion to the amount of state sales and use tax collected from each region. Each region's aid would be reallocated to the municipalities within the region based on each eligible municipality's population as a percent of the population of all eligible municipalities in the region. The Department of Revenue (DOR) would have to define the regions by administrative rule, but the bill stipulates that the total number of regions must range from seven to 25.

All municipalities would receive a growth-sharing entitlement in 2002. Beginning in 2003, municipalities would have to meet two eligibility criteria to receive an entitlement. First, municipalities would have to certify to DOR that they have entered into a specified number of area cooperation compacts with counties or other municipalities. Second, municipalities would have to limit the growth in their budgets to the percentages determined under the budget restraint provision of the expenditure restraint program.

The bill would create a second municipal aid distribution called "aidable expenditures entitlements" to be paid from the municipal services aid account. Funding for the distribution would equal the amount appropriated to the account, less any public utility aid distributed to municipalities. Like the aidable revenues component authorized under current law, aidable expenditures entitlements would be based on the policy of tax base equalization. Aid would be calculated by multiplying each municipality's aidable expenditures by its tax base weight.

The bill would define aidable expenditures to include amounts expended for general government operations, law enforcement, fire protection, ambulance services, other public safety services and health and human services. For each municipality, the bill would define aidable expenditures as the lesser of the amounts expended in these categories in the year two years prior to the aid payment or the average of the amounts expended in the designated categories in 1998, 1999 and 2000. Each year, the average amount for each municipality would be adjusted by a percentage identical to the percentage calculated under the budget restraint provision of the expenditure restraint program.

Under the bill, each municipality's tax base weight would equal one minus the percentage obtained by dividing the municipality's per capita property value in the year before the payment by a standardized per capita property value. The standardized value would change from year to year so that the entire amount of aid in the appropriation would be distributed. The value used under the bill would differ from that used under current law in that the proposed measure would include the value of manufacturing real estate and would exclude the value of exempt computers.

The minimum guarantee and maximum growth provisions authorized under current law would be modified to reflect the proposed entitlements. Each municipality would be guaranteed 95% of its prior year payment, exclusive of any utility aid, and minimum payments would be funded by "skimming" amounts in excess of a floating maximum percentage from municipalities that experience payment increases. However, beginning in 2003, minimum and maximum calculations would be modified to exclude growth-sharing entitlements for municipalities that are not eligible to receive a growth-sharing entitlement in the current year or did not receive a growth-sharing entitlement in the prior year.

Funding would total \$818.5 million both under current law and the proposal. Under current law, aid payments are comprised of \$761.5 million in shared revenue payments and \$57.0 million in expenditure restraint payments. Under the proposal, aid payments would include \$182.0 million in growth-sharing entitlements, \$560.2 million in aidable expenditures entitlements, \$13.3 million in utility aid and \$63.0 million in expenditure restraint payments.

Based on estimated municipal aid payments for 2001, the following table compares funding under current law and the proposal.

**Funding for Municipal Aid
(In Millions)**

	<u>Current Law</u>	<u>Governor</u>
Aidable Revenues	\$605.5	\$0.0
Aidable Expenditures	0.0	560.2
Per Capita	142.7	0.0
Growth-Sharing	0.0	182.0
Utility Aid	13.3	13.3
Expenditure Restraint	<u>57.0</u>	<u>63.0</u>
Total	\$818.5	\$818.5

DISCUSSION POINTS

1. In April, 2000, the Governor created the Commission on State-Local Partnerships for the 21st Century. The Commission was chaired by Professor Don Kettl and consisted of 32 members from throughout the state. Over the succeeding ten months, the Commission examined the organization, functions and finances of Wisconsin local governments and how local governments relate to state government. The Commission made 139 recommendations, including several regarding the system of distributing state aid to municipal governments.

2. The Commission identified several problems with the current shared revenue program for municipalities. These included a "frozen" funding level, local officials' difficulty in predicting the level of state aid they will receive, the program's inability to "reduce disparities between the state's richer and poorer" municipalities, and the distribution formula's inclusion of "incentives for municipalities to increase their spending." The Commission rejected an "incremental" approach to address these problems and, instead, recommended that the program be "significantly revised" to promote a broad set of principles adopted by the Commission. While the Commission made a number of recommendations based on these problems and principles, two of the Commission's recommendations are directly related to the municipal shared revenue proposal:

- the equalizing component of shared revenue should be transformed into a program that equalizes municipalities' ability to purchase a basic package of services" (Recommendation # 44); and
- the per capita component of shared revenue should be transformed ... into a program that creates incentives for municipalities to collaborate and to share in the economic growth that their collaboration helps to generate." (Recommendation #45).

3. While the proposal is based on the Commission's recommendations, additional detail was necessary to transform the recommendations into a legislative draft. In reaction to this process, some former Commissioners have offered legislative testimony questioning the extent to which the proposal reflects the Commission's intent. The Commission recognized that this would be a difficult process because it requires "crafting the right balance ... between the state government's role in equalizing the differences among the state's communities and local governments' pursuit of greater operating flexibility."

4. The proposal would modify the existing distribution formulas, but does not provide additional funding. As a result, the current funding of \$818.5 million would be redistributed among municipalities. The amount of funds redistributed is estimated at more than \$81 million, prior to the application of minimum and maximum payment limitations, and at about \$15 million after the application of minimum and maximum payment limitations.

5. Without additional funding, the proposed changes to the distribution formulas would create "winners" and "losers" relative to current law. It is not possible to accurately identify the winners and losers and the magnitude of their payment changes because the bill does not identify the growth-sharing regions among which \$182.0 million in growth-sharing entitlements would be made. However, entitlements can be estimated, assuming the regions conform to predetermined boundaries. If the regional boundaries reflected those of regional planning commissions (RPCs) and the counties not in an RPC are grouped with Dane County, entitlement decreases are estimated for 38% of all municipalities and entitlement increases are estimated for 62% of all municipalities. Additional information on the potential impact of these changes on individual municipalities was provided in a March 26, 2001, memorandum from this office to all members of the Legislature.

**Percent Change in Initial Entitlements By Type of Municipality
Growth-Sharing Regions Based on RPC Boundaries**

	<u>Towns</u>	<u>Villages</u>	<u>Cities</u>	<u>Total</u>	<u>Percent</u>
<i>Decreases</i>					
Over 50%	20	52	12	84	4.5%
25% to 50%	117	137	53	307	16.6
0% to 25%	<u>181</u>	<u>76</u>	<u>61</u>	<u>318</u>	<u>17.2</u>
Total Decreases	318	265	126	709	38.3%
<i>Increases</i>					
0% to 25%	370	48	32	450	24.3%
25% to 50%	377	43	14	434	23.5
Over 50%	<u>200</u>	<u>39</u>	<u>18</u>	<u>257</u>	<u>13.9</u>
Total Increases	947	130	64	1,141	61.7%
Total Municipalities	1,265	395	190	1,850	100.0%

6. The Assembly created a Select Committee on State and Local Finance to consider the recommendations of the Commission on State-Local Partnerships for the 21st Century. The Committee held public hearings on the municipal shared revenue proposal and eight other bills related to recommendations of the Commission in Brookfield, Cleveland, La Crosse, Madison, Oshkosh and Platteville. Based on testimony offered at those hearings and a concern over the redistributive impacts of the proposal, the Committee has asked the Joint Committee on Finance to remove the proposed shared revenue changes from the budget. The Assembly Committee intends to continue to evaluate problems and develop alternatives to the current aid distribution system. In this pursuit, the Assembly Committee has requested the assistance of the Legislative Fiscal Bureau and intends to also involve the University of Wisconsin-Extension, local officials, members of the Commission and the Departments of Administration and Revenue.

7. If the Committee elects to continue its consideration of the Governor's recommendations on this subject, additional issue papers would be prepared relative to the features that could be incorporated into a new aid program. On the other hand, the Committee could decide to take no action on this proposal. This would end the Committee's consideration of the proposed changes to the municipal shared revenue formula for inclusion in the state's 2001-03 budget.

ALTERNATIVES TO BASE

1. Continue to review and analyze the shared revenue modifications of the bill.
2. Take no action on the proposed modifications to the municipal shared revenue formula.

MO# _____

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

AYE _____ NO _____ ABS _____

SHARED REVENUE AND TAX RELIEF

Direct Aid Payments

LFB Summary Items to be Addressed in a Subsequent Paper

Item #	Title
2	Shared Revenue Payments on Property of Wholesale Merchant Plants
3	Use of County Shared Revenue
5	State Aid for Exempt Computers

MO# _____

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

AYE _____ NO _____ ABS _____

SHARED REVENUE AND TAX RELIEF

Property Taxation

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Taxation of Property of Public Utility Holding Companies
2	Property Tax Exemption for Treatment Plant and Pollution Abatement Equipment
5	Objections to Manufacturing Assessments
6	Classification of Manufacturing Property
7	Manufacturing Report Forms
8	Correcting Assessment Roll Errors

LFB Summary Items for Introduction as Separate Legislation

Item #	Title	MO#
3	Property Tax Exemption for Regional Planning Commissions	
4	Payment of Refunds on Manufacturing Property	
9	Special Charges for Municipal Services that are Available	
10	Assignment of Tax Deeds on Brownfield Property	
11	Sale of Tax Delinquent Brownfield Properties	
12	Environmental Remediation Tax Incremental Financing Dist	
		BURKE Y N A
		DECKER Y N A
		MOORE Y N A
		SHIBILSKI Y N A
		PLACHE Y N A
		WIRCH Y N A
		DARLING Y N A
		WELCH Y N A
		GARD Y N A
		KAUFERT Y N A
		ALBERS Y N A
		DUFF Y N A
		WARD Y N A
		HUEBSCH Y N A
		HUBER Y N A
		COGGS Y N A

Decker -

narrow prop. tax exemption
for non medical foundations.
(Marshfield Clinic)
- Shibilsci off

Russ - use value

3 motions

- penalty + definition support
- fractional assessment?

SHARED REVENUE AND TAX RELIEF

Local Revenue Options

LFB Summary Item to be Addressed in a Subsequent Paper

<u>Item #</u>	<u>Title</u>
1	Local Exposition District Tax Administration

LFB Summary Item for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
2	Municipal Industrial Revenue Bonds

MO# _____

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

AYE _____ NO _____ ABS _____

AGENCY: Court Commissioner Judicial Education (Supreme Court)

Paper #: 860

ISSUE: Creates a court commissioner training program funded with PR.

ALTERNATIVE: Alt. 3. Oppose Alt. 2

SUMMARY:

Currently court commissioners can attend OJE training courses provided to court and municipal judges on an "as available" basis. Under this provision OJE would provide specific training for court commissioners. Training for a full time commissioner would be \$500 and \$250 for a part timer. It is unclear who would actually be responsible for these costs. Some counties currently pay the fees some do not.

Oppose Alt. 2. It mandates that counties bear the cost of the continuing education as required by the Supreme Court.

Alt. 3 creates the program and allows for county-specific reimbursement policies to continue.

BY: Tanya

3 OK

Gard SK



Legislative Fiscal Bureau

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

May 9, 2001

Joint Committee on Finance

Paper #860

Court Commissioner Judicial Education (Supreme Court)

[LFB 2001-03 Budget Summary: Page 627, #5]

CURRENT LAW

Under current law, counties with a population of 100,000 or more may create full-time court commissioners, while a county with a population of 500,000 or more must establish at least one full-time court commissioner to assist in small claims actions. In any county, circuit judges must appoint the number of part-time court commissioners as the proper transaction of business requires, except in counties with a population of 200,000 or more, each judge may not appoint more than two part-time commissioners and in counties with a population of less than 200,000, each judge must, as nearly as possible, appoint an equal number of commissioners within the county.

Under current law, with the approval of the chief judge of the judicial administrative district, a court commissioner may perform certain duties otherwise performed by judges, generally in the areas of criminal, juvenile, family, probate, small claims, traffic and other ordinance actions. In criminal matters, for example, this includes the authority to issue summonses, arrest warrants or search warrants; conduct initial appearances of persons arrested; and set bail. Full-time court commissioners may conduct preliminary examinations and arraignments to the same extent as a judge and, with the consent of both the state and the defendant, may accept a guilty plea.

Under current Supreme Court rule, a court commissioner is required to participate in programs of continuing education designed for court commissioners. Specifically, a court commissioner is required to earn at least 60 education credits during each six-year period and must earn not less than 10 nor more than 30 education credits every two years. A full-time court commissioner must earn these credits by participating in continuing education programs approved by the Judicial Education Committee and a part-time court commissioner must earn not more than 40 of the required 60 credits in any six-year period by participating in continuing legal education programs approved by the Board of Bar Examiners. The remaining credits for a part-

time court commissioner must be approved by the Judicial Education Committee. Finally, a supplemental court commissioner (a person authorized to perform specified duties of a court commissioner on a temporary or occasional basis) must earn not less than three education credits in programs approved by the Judicial Education Committee in any year in which his or her performance of court commissioner duties requires 40 or more hours. Under Supreme Court rule, the Judicial Education Committee is responsible for approving continuing legal education courses for circuit court and municipal judges and court commissioners, while the Board of Bar Examiners is responsible for approving continuing legal education courses for Wisconsin attorneys.

The Supreme Court's Office of Judicial Education (OJE) provides continuing education programs for court and municipal judges. Current statutes do not address continuing education programs for court commissioners.

GOVERNOR

Provide \$42,700 PR in 2001-02 and \$56,500 PR in 2002-03 and a 0.5 PR education manager position annually. Create a program revenue court commissioner training appropriation to provide training programs for court commissioners and provide that program revenue would be generated by fees charged for the court commissioner training program.

DISCUSSION POINTS

1. The Supreme Court rule requiring court commissioner education does not require OJE to provide such continuing education programs. The bill would provide 0.5 position and associated funding to allow OJE to plan for and provide court commissioner education programs. According to the Supreme Court, its Planning and Policy Advisory Committee recommended that court commissioner education be planned for and provided by OJE. Since OJE does not now have the resources to provide education programs specifically designed for court commissioners, the Judicial Education Committee has adopted an interim policy that permits full-time court commissioners to earn credits for the judicial education component through Board of Bar Examiner, State Bar, local bar and State Public Defender programs not specifically designed for court commissioners.

2. Currently, court commissioners are able to participate in OJE continuing legal education courses provided to court and municipal judges on an "as space is available" basis. The Court indicates that, under the bill, OJE would provide continuing education programs for court commissioners that are more tailored to the continuing education needs of court commissioners than other legal continuing education programs.

3. The bill would create a program revenue appropriation to receive fees for court commissioner training programs. In its budget request, the Court estimated that fees of \$500 per year per full-time court commissioner and \$250 per year per part-time court commissioner would be

needed to cover the costs of the court commissioner training program. Based on current employment of full- and part-time court commissioners by the counties, these fees would generate an estimated \$56,000 in program revenue annually. The Court indicates that these flat yearly fees would allow unlimited participation by a given court commissioner in the OJE court commissioner training programs. Depending on the number of court commissioners in the future and the cost of the programs, the Court may need to increase these fees to maintain the self-funding nature of the program.

4. Court commissioners are county employees. According to the Court, all but eight counties (Bayfield, Burnett, Calumet, Crawford, Menominee, Price, Vilas and Waupaca) use some form of court commissioner. Currently, there are 78 full-time and 68 part-time court commissioners. The largest counties are more likely to employ more full-time court commissioners: Milwaukee County has 25 full-time court commissioners, Dane County has 11, Waukesha County has five, and Brown and Racine Counties each have four.

5. Currently, municipalities are required by statute to bear the costs of OJE-provided municipal judge training and the state pays for the costs of circuit judge training. The bill does not specify who would be responsible for the costs of OJE court commissioner training: whether counties would be required to cover these continuing education costs on behalf of their court commissioners or whether these costs would potentially be the responsibility of the court commissioners themselves.

6. Requiring counties to pay OJE-imposed court commissioner training fees would be consistent with the current provisions concerning municipal and circuit judge training. It would, however, have a disparate impact among counties. According to the Court, some counties currently cover all or a portion of their court commissioner training costs, while other counties do not. Of those counties that do cover these costs, some pay actual expenses, others set a maximum reimbursement limit and some pay for full-time commissioners only. An alternative to requiring counties to bear the costs of OJE-provided court commissioner training programs would be to allow counties to continue to set their own reimbursement policies, by providing that participants bear the costs associated with the OJE education programs.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$42,700 PR in 2001-02 and \$56,500 PR in 2002-03 and a 0.5 PR education manager position annually and create a court commissioner training program revenue appropriation to provide training programs for court commissioners, with revenue generated by fees charged for the court commissioner training programs.

2. Approve the Governor's recommendation. In addition, provide that court commissioners must participate in a program of continuing education as required by the Supreme Court and specify that counties bear the cost of the programs provided by the Supreme Court.

3. Approve the Governor's recommendation. In addition, provide that court commissioners must participate in a program of continuing education as required by the Supreme Court and specify that participants bear the costs of programs provided by the Supreme Court, to allow county-specific reimbursement policies to continue.

4. Maintain current law.

<u>Alternative 4</u>	<u>PR</u>
2001-03 FUNDING (Change to Bill)	- \$99,200
2002-03 POSITIONS (Change to Bill)	- 0.50

Prepared by: Paul Onsager

MO# Alt. 3

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

AYE 16 NO 0 ABS _____

Senator Burke
Senator Moore

SUPREME COURT

Civil Legal Services For Low-Income Individuals

Motion:

Move to provide \$250,000 GPR annually to the Wisconsin Trust Account Foundation, Inc. (WisTAF) to distribute to grantees for the provision of direct civil legal services to low-income individuals in the state.

Note:

WisTAF was created by the Wisconsin Supreme Court in 1986 to manage the Interest on Lawyer's Trust Account (IOLTA) program of Wisconsin. IOLTA is an interest-bearing trust account that receives nominal or short-term client funds from attorneys. WisTAF collects interest from attorney trust accounts and maintains and allocates the funds, usually annually, on a grant application basis to non-profit law firms that service low-income individuals. This motion would provide an additional \$250,000 GPR annually to WisTAF to distribute to grantees for the provision of direct civil legal services to low-income individuals in the state.

[Change to Bill: \$500,000 GPR]

MO# _____

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

AYE 8 NO 8 ABS _____

SUPREME COURT

District and Assistant District Court Administrators

Motion:

Move to delete \$1,146,700 GPR and 11.0 GPR positions annually to delete 10.0 GPR district court administrator positions and 1.0 GPR assistant district court administrator position.

Note:

Currently, the circuit courts are divided into ten judicial administrative districts, with each district headed by a chief judge, appointed by the Supreme Court for two-year terms. Under Supreme Court rule, each judicial administrative district must employ a district court administrator, and the Director of State Courts may recommend to the Supreme Court that assistant district court administrator positions be created in one or more judicial administrative districts. The district court administrators assist the chief judges in carrying out the chief judges' administrative duties in areas such as caseload and jury management, technical assistance and training, court reporting services, court automation, security and facilities and planning and budget. In addition to the ten district court administrators, the First Judicial Administrative District (Milwaukee County) has an assistant district court administrator. This motion would delete the 10 district court administrator and one assistant district court administrator positions and associated funding.

[Change to Bill: -\$2,293,400 GPR and -11.0 GPR positions]

MO#

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

AYE 8 NO 8 ABS

BB - motion

SUPREME COURT

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1 (part)	Standard Budget Adjustments
3	State Law Library Gifts and Grants Appropriation
4	Office of Lawyer Regulation Appropriation
6	Materials and Services Appropriation

LFB Summary Item to be Addressed in a Subsequent Paper

Item #	Title
1 (part)	Standard Budget Adjustments
2	Base Budget Reductions

MO# _____

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

AYE _____ NO _____ ABS _____