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1 **SECTION 76m.** 16.15 (1) (ab) of the statutes is amended to read:

2 16.15 (1) (ab) "Authority" has the meaning given under s. 16.70 (2), but
3 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
4 River Remediation Authority, and the Health Insurance Risk-Sharing Plan
5 Authority.

6 **SECTION 76r.** 16.19 of the statutes is created to read:

7 **16.19 Civil legal services for the indigent.** Annually, the department shall
8 pay the amount appropriated under s. 20.505 (1) (e) to the Wisconsin Trust Account
9 Foundation, Inc., to provide civil legal services to indigent persons. The Wisconsin
10 Trust Account Foundation, Inc., shall distribute the amount received as grants to
11 programs that provide civil legal services to indigent persons, and those programs
12 may use the grant funds to match other federal and private grants. The grants may
13 be used only for the purposes for which the funding was provided.

14 **SECTION 77.** 16.22 (4) of the statutes is created to read:

15 16.22 (4) STATE FUNDING. The department shall annually determine the
16 amount of funding for administrative support of the board that is required for this
17 state to qualify for federal financial assistance to be provided to the board. The
18 department shall apportion that amount equally among the departments of
19 administration, health and family services, public instruction, and workforce
20 development and shall assess those entities for the necessary funding. The
21 department shall credit the moneys received to the appropriation account under s.
22 20.505 (4) (kb).

23 **SECTION 78.** 16.257 of the statutes is created to read:

1 **16.257 Postsecondary education promotion.** For the purpose of
2 promoting attendance at nonprofit postsecondary institutions in this state, the
3 department shall do all of the following:

4 (1) Serve as the state's liaison agency between the higher educational aids
5 board, the department of public instruction, the University of Wisconsin System, the
6 technical college system, and other public and private organizations that are
7 interested in promoting postsecondary education in this state.

8 (2) (a) Contract with The Wisconsin Covenant Foundation, Inc., if the secretary
9 determines it appropriate, to pay The Wisconsin Covenant Foundation, Inc., an
10 amount not to exceed the amount appropriated under s. 20.505 (4) (bm), to establish
11 and implement a campaign to promote attendance at nonprofit postsecondary
12 educational institutions in this state. Funds may be expended to carry out the
13 contract only as provided in pars. (b) and (c).

14 (b) No funds appropriated under s. 20.505 (4) (bm) may be expended until the
15 The Wisconsin Covenant Foundation, Inc., submits to the secretary a report setting
16 forth the amount of private contributions received by The Wisconsin Covenant
17 Foundation, Inc., since the date on which The Wisconsin Covenant Foundation, Inc.,
18 last submitted a report under this paragraph. After receiving the report, the
19 secretary may approve the expenditure of funds up to the amount set forth in the
20 report. Total funds expended in any fiscal year may not exceed the amounts in the
21 schedule under s. 20.505 (4) (bm).

22 (c) The Wisconsin Covenant Foundation, Inc., shall expend funds appropriated
23 under s. 20.505 (4) (bm) in adherence with the uniform travel schedule amounts
24 approved under s. 20.916 (8). The Wisconsin Covenant Foundation, Inc., may not
25 expend funds appropriated under s. 20.505 (4) (bm) on entertainment, foreign travel,

1 payments to persons not providing goods or services to The Wisconsin Covenant
2 Foundation, Inc., or for other purposes prohibited by contract between The
3 Wisconsin Covenant Foundation, Inc., and the department.

4 (3) Coordinate the postsecondary education promotional activities of the
5 department, the persons specified in sub. (1), and The Wisconsin Covenant
6 Foundation, Inc., and prevent duplication of effort in conducting those activities.

7 (5) On or before July 1, 2009, and every July 1 thereafter, submit to the chief
8 clerk of each house of the legislature, for distribution to the appropriate standing
9 committees under s. 13.172 (3), a report on the postsecondary education promotional
10 activities conducted by The Wisconsin Covenant Foundation, Inc., using funds
11 provided under s. 20.505 (4) (bm).

12 **SECTION 79m.** 16.40 (24) of the statutes is created to read:

13 16.40 (24) AIDS FOR CERTAIN LOCAL PURCHASES AND PROJECTS. Provide funding
14 from the appropriation under s. 20.855 (4) (fs) on a one-time basis in the 2007-08
15 fiscal year for the purposes specified in 2007 Wisconsin Act (this act), section 9155
16 (5a).

17 **SECTION 79n.** 16.40 (24) of the statutes, as created by 2007 Wisconsin Act
18 (this act), is repealed.

19 **SECTION 80b.** 16.41 (4) of the statutes is amended to read:

20 16.41 (4) In this section, "authority" means a body created under subch. II of
21 ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, ~~or 237,~~ or 279.

22 **SECTION 81b.** 16.417 (1) (b) of the statutes is amended to read:

23 16.417 (1) (b) "Authority" means a body created under subch. II of ch. 114 or
24 ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 279.

25 **SECTION 86b.** 16.52 (7) of the statutes is amended to read:

1 16.52 (7) PETTY CASH ACCOUNT. Petty cash account. With the approval of the
2 secretary, each agency that is authorized to maintain a contingent fund under s.
3 20.920 may establish a petty cash account from its contingent fund. The procedure
4 for operation and maintenance of petty cash accounts and the character of
5 expenditures therefrom shall be prescribed by the secretary. In this subsection,
6 "agency" means an office, department, independent agency, institution of higher
7 education, association, society, or other body in state government created or
8 authorized to be created by the constitution or any law, that is entitled to expend
9 moneys appropriated by law, including the legislature and the courts, but not
10 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
11 231, 233, 234, ~~or~~ 237, or 279.

12 **SECTION 86d.** 16.527 (2) (a) of the statutes is renumbered 16.527 (2) (am).

13 **SECTION 86h.** 16.527 (2) (ad) of the statutes is created to read:

14 16.527 (2) (ad) "Aggregate expected debt service and net exchange payments"
15 means the sum of the following:

16 1. The aggregate net payments expected to be made and received under a
17 specified interest exchange agreement under sub. (4) (e).

18 2. The aggregate debt service expected to be made on obligations related to that
19 agreement.

20 3. The aggregate net payments expected to be made and received under all
21 other interest exchange agreements under sub. (4) (e) relating to those obligations
22 that are in force at the time of executing the agreement.

23 **SECTION 87.** 16.527 (4) (e) of the statutes is amended to read:

24 16.527 (4) (e) ~~At~~ Subject to pars. (h) and (i), at the time of, or in anticipation
25 of, contracting for the appropriation obligations and at any time thereafter so long

1 as the appropriation obligations are outstanding, the department may enter into
2 agreements and ancillary arrangements relating to the appropriation obligations,
3 including trust indentures, liquidity facilities, remarketing or dealer agreements,
4 letter of credit agreements, insurance policies, guaranty agreements,
5 reimbursement agreements, indexing agreements, or interest exchange
6 agreements. Any payments made or received pursuant to any such agreement or
7 ancillary arrangement shall be made from or deposited as provided in the agreement
8 or ancillary arrangement. The determination of the department included in an
9 interest exchange agreement that such agreement relates to an appropriation
10 obligation shall be conclusive.

11 **SECTION 88.** 16.527 (4) (h) of the statutes is created to read:

12 16.527 (4) (h) 1. Subject to subd. 2., the terms and conditions of an interest
13 exchange agreement under par. (e) shall not be structured so that, as of the trade date
14 of the agreement, both of the following are reasonably expected to occur:

15 a. The aggregate expected debt service and net exchange payments relating to
16 the agreement during the fiscal year in which the trade date occurs will be less than
17 the aggregate expected debt service and net exchange payments relating to the
18 agreement that would be payable during that fiscal year if the agreement is not
19 executed.

20 b. The aggregate expected debt service and net exchange payments relating to
21 the agreement in subsequent fiscal years will be greater than the aggregate expected
22 debt service and net exchange payments relating to the agreement that would be
23 payable in those fiscal years if the agreement is not executed.

24 2. Subd. 1. shall not apply if either of the follow occurs:

1 a. The department receives a determination by the independent financial
2 consulting firm that the terms and conditions of the agreement reflect payments by
3 the state that represent on-market rates as of the trade date for the particular type
4 of agreement.

5 b. The department provides written notice to the joint committee on finance of
6 its intention to enter into an agreement that is reasonably expected to satisfy subd.
7 1., and the joint committee on finance either approves or disapproves, in writing, the
8 department's entering into the agreement within 14 days of receiving the written
9 notice from the commission.

10 3. This paragraph shall not limit the liability of the state under an agreement
11 if actual contracted net exchange payments in any fiscal year exceed original
12 expectations.

13 **SECTION 88d.** 16.527 (4) (i) of the statutes is created to read:

14 16.527 (4) (i) With respect to any interest exchange agreement or agreements
15 specified in par. (e), all of the following shall apply:

16 1. The department shall contract with an independent financial consulting
17 firm to determine if the terms and conditions of the agreement reflect a fair market
18 value, as of the proposed date of the execution of the agreement.

19 2. The interest exchange agreement must identify by maturity, bond issue, or
20 bond purpose the obligation to which the agreement is related. The determination
21 of the department included in an interest exchange agreement that such agreement
22 relates to an obligation shall be conclusive.

23 3. The resolution authorizing the department to enter into any interest
24 exchange agreement shall require that the terms and conditions of the agreement
25 reflect a fair market value as of the date of execution of the agreement, as reflected

1 by the determination of the independent financial consulting firm under subd. 1.,
2 and shall establish guidelines for any such agreement, including the following:

3 a. The conditions under which the department may enter into the agreements.

4 b. The form and content of the agreements.

5 c. The aspects of risk exposure associated with the agreements.

6 d. The standards and procedures for counterparty selection.

7 e. The standards for the procurement of, and the setting aside of reserves, if
8 any, in connection with, the agreements.

9 f. The provisions, if any, for collateralization or other requirements for securing
10 any counterparty's obligations under the agreements.

11 g. A system for financial monitoring and periodic assessment of the
12 agreements.

13 **SECTION 88h.** 16.527 (4) (j) of the statutes is created to read:

14 16.527 (4) (j) Semiannually, during any year in which the state is a party to an
15 agreement entered into pursuant to par. (e), the department shall submit a report
16 to the cochairpersons of the joint committee on finance listing all such agreements.

17 The report shall include all of the following:

18 1. A description of each agreement, including a summary of its terms and
19 conditions, rates, maturity, and the estimated market value of each agreement.

20 2. An accounting of amounts that were required to be paid and received on each
21 agreement.

22 3. Any credit enhancement, liquidity facility, or reserves, including an
23 accounting of the costs and expenses incurred by the state.

24 4. A description of the counterparty to each agreement.

1 5. A description of the counterparty risk, the termination risk, and other risks
2 associated with each agreement.

3 **SECTION 89b.** 16.528 (1) (a) of the statutes is amended to read:

4 16.528 (1) (a) "Agency" means an office, department, independent agency,
5 institution of higher education, association, society, or other body in state
6 government created or authorized to be created by the constitution or any law, that
7 is entitled to expend moneys appropriated by law, including the legislature and the
8 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
9 ch. 149 or in ch. 231, 233, 234, ~~or 237~~, or 279.

10 **SECTION 90b.** 16.53 (2) of the statutes is amended to read:

11 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
12 invoice, the agency shall notify the sender of the invoice within 10 working days after
13 it receives the invoice of the reason it is improperly completed. In this subsection,
14 "agency" means an office, department, independent agency, institution of higher
15 education, association, society, or other body in state government created or
16 authorized to be created by the constitution or any law, that is entitled to expend
17 moneys appropriated by law, including the legislature and the courts, but not
18 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
19 231, 233, 234, ~~or 237~~, or 279.

20 **SECTION 91.** 16.53 (10) (a) of the statutes is amended to read:

21 16.53 (10) (a) If an emergency arises which requires the department to draw
22 vouchers for payments which will be in excess of available moneys in any state fund,
23 the secretary, after notifying the joint committee on finance under par. (b), may
24 prorate and establish priority schedules for all payments within each fund, including
25 those payments for which a specific payment date is provided by statute, except as

1 otherwise provided in this paragraph. The secretary shall draw all vouchers
2 according to the preference provided in this paragraph. All direct or indirect
3 payments of principal or interest on state bonds and notes issued under subch. I of
4 ch. 18 and payments due, if any, under an agreement or ancillary arrangement
5 entered into under s. 18.06 (8) (a) relating to any public debt contracted under
6 subchs. I and IV of ch. 18 have first priority. All direct or indirect payments of
7 principal or interest on state notes issued under subch. III of ch. 18 have 2nd priority.
8 No payment having a 1st or 2nd priority may be prorated or reduced under this
9 subsection. All state employee payrolls have 3rd priority. The secretary shall draw
10 all remaining vouchers according to a priority determined by the secretary. The
11 secretary shall maintain records of all claims prorated under this subsection.

12 **SECTION 92b.** 16.54 (9) (a) 1. of the statutes is amended to read:

13 16.54 (9) (a) 1. "Agency" means an office, department, independent agency,
14 institution of higher education, association, society or other body in state
15 government created or authorized to be created by the constitution or any law, which
16 is entitled to expend moneys appropriated by law, including the legislature and the
17 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
18 ch. 149 or in ch. 231, 233, 234, ~~or 237, or 279.~~ (Plan)

19 **SECTION 95.** 16.54 (12) (b) of the statutes is amended to read:

20 16.54 (12) (b) ~~The Except as provided under 2007 Wisconsin Act ... (this act),~~
21 ~~section 9155 (1m), the~~ department of workforce development children and families
22 may not expend or encumber any moneys received under s. 20.445 credited to the
23 appropriation account under s. 20.437 (2) (mm) or (3) (mm) unless the department
24 of ~~workforce development~~ children and families submits a plan for the expenditure

1 of the moneys to the department of administration and the department of
2 administration approves the plan.

3 **SECTION 96.** ~~16.54 (12) (b) of the statutes, as affected by 2007 Wisconsin Act~~ (GMM)
4 (this act), is amended to read:

5 ~~16.54 (12) (b) Except as provided under 2007 Wisconsin Act (this act),~~
6 ~~section 9155 (1m), the~~ The department of children and families may not expend or
7 encumber any moneys credited to the appropriation account under s. 20.437 (2) (mm)
8 or (3) (mm) unless the department of children and families submits a plan for the
9 expenditure of the moneys to the department of administration and the department
10 of administration approves the plan.

11 **SECTION 98.** ~~16.54 (12) (d) of the statutes, as affected by 2007 Wisconsin Act~~ (GMM)
12 (this act), section ~~NO TAG~~ is amended to read:

13 16.54 (12) (d) At the end of each fiscal year, the department of administration
14 shall determine the amount of moneys that remain in the appropriation accounts
15 under ss. 20.435 (8) (mm) and ~~20.445~~ 20.437 (2) (mm) and (3) (mm) that have not been
16 ~~encumbered or expended under 2007 Wisconsin Act (this act), section 9121 9155~~ ✓
17 ~~(1m), or~~ approved for encumbrance or expenditure by the department pursuant to
18 a plan submitted under par. (a) or (b) and shall require that such moneys be lapsed
19 to the general fund. The department shall notify the cochairpersons of the joint
20 committee on finance, in writing, of the department's action under this paragraph.

21 **SECTION 99.** ~~16.54 (12) (d) of the statutes, as affected by 2007 Wisconsin Act~~
22 (this act), section 98, is repealed and recreated to read:

23 ~~16.54 (12) (d) At the end of each fiscal year, the department of administration~~
24 ~~shall determine the amount of moneys that remain in the appropriation accounts~~
25 ~~under ss. 20.435 (8) (mm) and 20.437 (2) (mm) and (3) (mm) that have not been~~

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1 approved for encumbrance or expenditure by the department pursuant to a plan
2 submitted under par. (a) or (b) and shall require that such moneys be lapsed to the
3 general fund. The department shall notify the cochairpersons of the joint committee
4 on finance, in writing, of the department's action under this paragraph.

5 **SECTION 100b.** 16.70 (2) of the statutes is amended to read:

6 16.70 (2) "Authority" means a body created under subch. II of ch. 114 or subch.
7 III of ch. 149 or under ch. 231, 232, 233, 234, 235, ~~or 237~~, or 279.

8 **SECTION 101d.** 16.71 (1m) of the statutes is amended to read:

9 16.71 (1m) The department shall not delegate to any executive branch agency,
10 other than the board of regents of the University of Wisconsin System, the authority
11 to enter into any contract for materials, supplies, equipment, or contractual services
12 relating to information technology or telecommunications prior to review and
13 approval of the contract by the department. No executive branch agency, other than
14 the board of regents of the University of Wisconsin System, may enter into any such
15 contract without review and approval of the contract by the department. Any
16 executive branch agency that enters into a contract relating to information
17 technology under this section shall comply with the requirements of s. 16.973 (13).
18 Any delegation to the board of regents of the University of Wisconsin System is
19 subject to the limitations prescribed in s. 36.11 (49).

20 **SECTION 101k.** 16.72 (2) (e) (intro.) of the statutes is amended to read:

21 16.72 (2) (e) (intro.) In writing the specifications under this subsection, the
22 department and any other designated purchasing agent under s. 16.71 (1) shall
23 incorporate requirements for the purchase of products made from recycled materials
24 and recovered materials if their use is technically and economically feasible. Each
25 authority other than the University of Wisconsin Hospitals and Clinics Authority,

1 the Lower Fox River Remediation Authority, and the Health Insurance
2 Risk-Sharing Plan Authority, in writing specifications for purchasing by the
3 authority, shall incorporate requirements for the purchase of products made from
4 recycled materials and recovered materials if their use is technically and
5 economically feasible. The specifications shall include requirements for the
6 purchase of the following materials:

7 **SECTION 101L.** 16.72 (2) (f) of the statutes is amended to read:

8 16.72 (2) (f) In writing specifications under this subsection, the department,
9 any other designated purchasing agent under s. 16.71 (1), and each authority other
10 than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
11 River Remediation Authority, and the Health Insurance Risk-Sharing Plan
12 Authority shall incorporate requirements relating to the recyclability and ultimate
13 disposition of products and, wherever possible, shall write the specifications so as to
14 minimize the amount of solid waste generated by the state, consistent with the
15 priorities established under s. 287.05 (12). All specifications under this subsection
16 shall discourage the purchase of single-use, disposable products and require,
17 whenever practical, the purchase of multiple-use, durable products.

18 **SECTION 102.** 16.75 (1) (a) 1. of the statutes, as affected by 2005 Wisconsin Act
19 141, is amended to read:

20 16.75 (1) (a) 1. All orders awarded or contracts made by the department for all
21 materials, supplies, equipment, and contractual services to be provided to any
22 agency, except as otherwise provided in par. (c) and subs. (2), (2g), (2m), (3m), (3t),
23 (6), (7), (8), (9), (10e), and (10m) and ss. 16.73 (4) (a), 16.751, 16.754, 16.964(8), 50.05
24 (7) (f), 153.05 (2m) (a), and 287.15 (7), ~~and 301.265~~, shall be awarded to the lowest
25 responsible bidder, taking into consideration life cycle cost estimates under sub.

1 (1m), when appropriate, the location of the agency, the quantities of the articles to
2 be supplied, their conformity with the specifications, and the purposes for which they
3 are required and the date of delivery.

4 **SECTION 102e.** 16.75 (1m) of the statutes is amended to read:

5 16.75 (1m) The department shall award each order or contract for materials,
6 supplies or equipment on the basis of life cycle cost estimates, whenever such action
7 is appropriate. Each authority other than the University of Wisconsin Hospitals and
8 Clinics Authority ~~and, the Lower Fox River Remediation Authority,~~ the Wisconsin
9 Aerospace Authority, and the Health Insurance Risk-Sharing Plan Authority shall
10 award each order or contract for materials, supplies or equipment on the basis of life
11 cycle cost estimates, whenever such action is appropriate. The terms, conditions and
12 evaluation criteria to be applied shall be incorporated in the solicitation of bids or
13 proposals. The life cycle cost formula may include, but is not limited to, the
14 applicable costs of energy efficiency, acquisition and conversion, money,
15 transportation, warehousing and distribution, training, operation and maintenance
16 and disposition or resale. The department shall prepare documents containing
17 technical guidance for the development and use of life cycle cost estimates, and shall
18 make the documents available to local governmental units.

19 **SECTION 103.** 16.75 (6) (bm) of the statutes is amended to read:

20 16.75 (6) (bm) If the secretary determines that it is in the best interest of this
21 state to do so, he or she may waive any requirement under subs. (1) to (5) and ss.
22 16.705 and 16.72 (2) (e) and (f) and (5) with respect to any contract entered into by
23 the department of ~~workforce development~~ children and families under s. 49.143, if
24 the department of ~~workforce development~~ children and families presents the

1 secretary with a process for the procurement of contracts under s. 49.143 and the
2 secretary approves the process.

3 **SECTION 103g.** 16.75 (8) of the statutes is amended to read:

4 16.75 (8) (a) 1. The department, any other designated purchasing agent under
5 s. 16.71 (1), any agency making purchases under s. 16.74, and each authority other
6 than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
7 River Remediation Authority, and the Health Insurance Risk-Sharing Plan
8 Authority shall, to the extent practicable, make purchasing selections using
9 specifications developed under s. 16.72 (2) (e) to maximize the purchase of materials
10 utilizing recycled materials and recovered materials.

11 2. Each agency and authority other than the University of Wisconsin Hospitals
12 and Clinics Authority, the Lower Fox River Remediation Authority, and the Health
13 Insurance Risk-Sharing Plan Authority shall ensure that the average recycled or
14 recovered content of all paper purchased by the agency or authority measured as a
15 proportion, by weight, of the fiber content of paper products purchased in a fiscal
16 year, is not less than 40% of all purchased paper.

17 **SECTION 103h.** 16.75 (9) of the statutes is amended to read:

18 16.75 (9) The department, any other designated purchasing agent under s.
19 16.71 (1), any agency making purchases under s. 16.74, and any authority other than
20 the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox River
21 Remediation Authority, and the Health Insurance Risk-Sharing Plan Authority
22 shall, to the extent practicable, make purchasing selections using specifications
23 prepared under s. 16.72 (2) (f).

24 **SECTION 104b.** 16.765 (1) of the statutes is amended to read:

1 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
2 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
3 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
4 Fox River Remediation Authority, and the Bradley Center Sports and
5 Entertainment Corporation shall include in all contracts executed by them a
6 provision obligating the contractor not to discriminate against any employee or
7 applicant for employment because of age, race, religion, color, handicap, sex, physical
8 condition, developmental disability as defined in s. 51.01 (5), sexual orientation as
9 defined in s. 111.32 (13m), or national origin and, except with respect to sexual
10 orientation, obligating the contractor to take affirmative action to ensure equal
11 employment opportunities.

12 **SECTION 105b.** 16.765 (2) of the statutes is amended to read:

13 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
14 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
15 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
16 Fox River Remediation Authority, and the Bradley Center Sports and
17 Entertainment Corporation shall include the following provision in every contract
18 executed by them: "In connection with the performance of work under this contract,
19 the contractor agrees not to discriminate against any employee or applicant for
20 employment because of age, race, religion, color, handicap, sex, physical condition,
21 developmental disability as defined in s. 51.01 (5), sexual orientation or national
22 origin. This provision shall include, but not be limited to, the following: employment,
23 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
24 termination; rates of pay or other forms of compensation; and selection for training,
25 including apprenticeship. Except with respect to sexual orientation, the contractor

1 further agrees to take affirmative action to ensure equal employment opportunities.
2 The contractor agrees to post in conspicuous places, available for employees and
3 applicants for employment, notices to be provided by the contracting officer setting
4 forth the provisions of the nondiscrimination clause”.

5 **SECTION 106b.** 16.765 (4) of the statutes is amended to read:

6 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
7 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
8 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
9 Fox River Remediation Authority, and the Bradley Center Sports and
10 Entertainment Corporation shall take appropriate action to revise the standard
11 government contract forms under this section.

12 **SECTION 107b.** 16.765 (5) of the statutes is amended to read:

13 16.765 (5) The head of each contracting agency and the boards of directors of
14 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
15 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
16 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
17 Authority, and the Bradley Center Sports and Entertainment Corporation shall be
18 primarily responsible for obtaining compliance by any contractor with the
19 nondiscrimination and affirmative action provisions prescribed by this section,
20 according to procedures recommended by the department. The department shall
21 make recommendations to the contracting agencies and the boards of directors of the
22 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational
23 System Authority, the Wisconsin Aerospace Authority, the Health Insurance
24 Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, and the
25 Bradley Center Sports and Entertainment Corporation for improving and making

1 more effective the nondiscrimination and affirmative action provisions of contracts.
2 The department shall promulgate such rules as may be necessary for the
3 performance of its functions under this section.

4 **SECTION 108b.** 16.765 (6) of the statutes is amended to read:

5 16.765 (6) The department may receive complaints of alleged violations of the
6 nondiscrimination provisions of such contracts. The department shall investigate
7 and determine whether a violation of this section has occurred. The department may
8 delegate this authority to the contracting agency, the University of Wisconsin
9 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
10 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
11 the Lower Fox River Remediation Authority, or the Bradley Center Sports and
12 Entertainment Corporation for processing in accordance with the department's
13 procedures.

14 **SECTION 109b.** 16.765 (7) (intro.) of the statutes is amended to read:

15 16.765 (7) (intro.) When a violation of this section has been determined by the
16 department, the contracting agency, the University of Wisconsin Hospitals and
17 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
18 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
19 Fox River Remediation Authority, or the Bradley Center Sports and Entertainment
20 Corporation, the contracting agency, the University of Wisconsin Hospitals and
21 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
22 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
23 Fox River Remediation Authority, or the Bradley Center Sports and Entertainment
24 Corporation shall:

25 **SECTION 110b.** 16.765 (7) (d) of the statutes is amended to read:

1 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
2 further violations of this section and to report its corrective action to the contracting
3 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
4 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
5 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
6 Authority, or the Bradley Center Sports and Entertainment Corporation.

7 **SECTION 111b.** 16.765 (8) of the statutes is amended to read:

8 16.765 (8) If further violations of this section are committed during the term
9 of the contract, the contracting agency, the Fox River Navigational System Authority,
10 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
11 Authority, the Lower Fox River Remediation Authority, or the Bradley Center Sports
12 and Entertainment Corporation may permit the violating party to complete the
13 contract, after complying with this section, but thereafter the contracting agency, the
14 Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the
15 Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
16 Authority, or the Bradley Center Sports and Entertainment Corporation shall
17 request the department to place the name of the party on the ineligible list for state
18 contracts, or the contracting agency, the Fox River Navigational System Authority,
19 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
20 Authority, the Lower Fox River Remediation Authority, or the Bradley Center Sports
21 and Entertainment Corporation may terminate the contract without liability for the
22 uncompleted portion or any materials or services purchased or paid for by the
23 contracting party for use in completing the contract.

24 **SECTION 112g.** 16.847 (2) of the statutes is created to read:

1 16.847 (2) ENERGY CONSERVATION CONSTRUCTION PROJECTS. (a) The department
2 may provide funding to agencies, as defined in s. 16.70 (1e), for energy conservation
3 construction projects at state facilities under the jurisdiction of the agencies to
4 enhance the energy efficiency of the facilities. The department shall prescribe
5 standards for evaluation of proposed projects and allocation of available moneys for
6 those projects under this subsection.

7 ✓ (b) The department shall measure and verify each energy conservation
8 construction project funded under this subsection in accordance with the
9 performance measurement and verification guidelines adopted by the federal
10 Energy Management Program.

11 ✓ (c) The department shall, to the extent feasible, use the procedures under s.
12 16.858 to carry out energy conservation construction projects funded under this
13 subsection. In any contract entered into by the department under s. 16.858 that is
14 funded under this subsection, the contract shall set forth the minimum savings in
15 energy usage that will be realized by the state from construction of the project and
16 the contractor shall guarantee that the savings will be realized.

17 **SECTION 112r.** 16.847 (3) of the statutes is created to read:

18 16.847 (3) ASSESSMENTS. The department may annually assess any agency that
19 receives funding under sub. (2) in an amount determined by the department not
20 exceeding the agency's proportionate share of debt service costs incurred under s.
21 20.505 (5) (kd) or the savings in the agency's energy costs generated, whichever is
22 greater, as a result of an energy conservation construction project that was funded
23 by the department under sub. (2). The department shall credit all revenues received
24 under this subsection to the appropriation account under s. 20.505 (5) (kd).

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2 **SECTION 113.** 16.848 (2) (gc), (gg), (gn), (gr), (gt) and (gw) of the statutes are
created to read:

3 16.848 (2) (gc) Subsection (1) does not apply to property that is subject to sale
4 by the department of military affairs under s. 21.19 (3) or 21.42 (3).

5 (gg) Subsection (1) does not apply to property that is conveyed by the
6 department of corrections under s. 301.25.

7 (gn) Subsection (1) does not apply to property that is subject to sale by the state
8 under 20.909 (2).

9 (gr) Subsection (1) does not apply to land that is sold or traded by the Kickapoo
10 reserve management board under s. 41.41 (7).

11 (gt) Subsection (1) does not apply to property that is donated by the department
12 of transportation under s. 84.09 (5r).

13 (gw) Subsection (1) does not apply to the sale of property by the department of
14 health and family services under s. 51.06 (6).

15 **SECTION 114.** 16.848 (4) of the statutes is amended to read:

16 16.848 (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding
17 public debt used to finance the acquisition, construction, or improvement of any
18 property that is sold under sub. (1), the department shall deposit a sufficient amount
19 of the net proceeds from the sale of the property in the bond security and redemption
20 fund under s. 18.09 to repay the principal and pay the interest on the debt, and any
21 premium due upon refunding any of the debt. If the property was acquired,
22 constructed, or improved with federal financial assistance, the department shall pay
23 to the federal government any of the net proceeds required by federal law. If the
24 property was acquired by gift or grant or acquired with gift or grant funds, the
25 department shall adhere to any restriction governing use of the proceeds. Except as

1 required under ~~sub. (5m)~~ and ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there
2 is no such debt outstanding, there are no moneys payable to the federal government,
3 and there is no restriction governing use of the proceeds, and if the net proceeds
4 exceed the amount required to be deposited, paid, or used for another purpose under
5 this subsection, the department shall deposit the net proceeds or remaining net
6 proceeds in the general fund.

7 **SECTION 115b.** 16.85 (2) of the statutes is amended to read:

8 16.85 (2) To furnish engineering, architectural, project management, and other
9 building construction services whenever requisitions therefor are presented to the
10 department by any agency. The department may deposit moneys received from the
11 provision of these services in the account under s. 20.505 (1) (kc) or in the general
12 fund as general purpose revenue — earned. In this subsection, “agency” means an
13 office, department, independent agency, institution of higher education, association,
14 society, or other body in state government created or authorized to be created by the
15 constitution or any law, which is entitled to expend moneys appropriated by law,
16 including the legislature and the courts, but not including an authority created in
17 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 279.

18 **SECTION 116b.** 16.865 (8) of the statutes is amended to read:

19 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
20 proportionate share of the estimated costs attributable to programs administered by
21 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
22 may charge premiums to agencies to finance costs under this subsection and pay the
23 costs from the appropriation on an actual basis. The department shall deposit all
24 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
25 Costs assessed under this subsection may include judgments, investigative and

1 adjustment fees, data processing and staff support costs, program administration
2 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
3 subsection, "agency" means an office, department, independent agency, institution
4 of higher education, association, society, or other body in state government created
5 or authorized to be created by the constitution or any law, that is entitled to expend
6 moneys appropriated by law, including the legislature and the courts, but not
7 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
8 231, 232, 233, 234, 235, ~~or 237,~~ or 279.

9 **SECTION 117m.** 16.956 of the statutes is created to read:

10 **16.956 Office of energy independence.** (1) In this section:

11 (a) "Biodevelopment" means research and development relating to the use of
12 renewable resources for electricity, energy, and heating and transportation fuels.

13 (b) "Bioindustry" means the manufacture, production, and trade of renewable
14 resources used for electricity, energy, and heating and transportation fuels.

15 (c) "Office" means the office of energy independence.

16 (2) The office shall work on initiatives that have the following goals:

17 (a) Advancing Wisconsin's vision for energy independence by generating at
18 least 25 percent of power, and at least 25 percent of transportation fuels, used in this
19 state from renewable resources by 2025.

20 (b) Capturing in-state at least 10 percent of the national emerging bioindustry
21 and renewable energy markets by 2030.

22 (c) Ensuring that Wisconsin is a national leader in groundbreaking research
23 that will make alternative energies more affordable and create well-paying jobs in
24 this state.

25 (3) The office shall do all of the following:

1 (a) Ensure and facilitate the implementation of the initiatives specified in sub.
2 (2) and identify barriers to the implementation of such initiatives.

3 (b) Serve as a single point of contact to assist businesses, local units of
4 government, and nongovernmental organizations that are pursuing
5 biodevelopment, energy efficiency, and energy independence.

6 (c) Develop energy independence policy options for consideration by the
7 governor and state agencies.

8 (d) Identify federal funding opportunities and facilitate applications for federal
9 funding by private, and state and local governmental, entities.

10 (e) Perform duties necessary to maintain federal energy funding and any
11 designations required for such funding.

12 **SECTION 118.** 16.957 (3) (a) of the statutes is amended to read:

13 16.957 (3) (a) The department shall, on the basis of competitive bids, contract
14 with community action agencies described in s. ~~46.30~~ 49.265 (2) (a) 1., nonstock,
15 nonprofit corporations organized under ch. 181, or local units of government to
16 provide services under the programs established under sub. (2) (a).

17 **SECTION 123.** 16.964 (12) (c) 10. of the statutes is amended to read:

18 16.964 (12) (c) 10. The program is developed with input from, and implemented
19 in collaboration with, one or more circuit court judges, the district attorney, the state
20 public defender, local law enforcement officials, county agencies responsible for
21 providing social services, including services relating to alcohol and other drug
22 addiction, child welfare, mental health, and the Wisconsin Works program, the
23 departments of corrections, children and families, and health and family services,
24 private social services agencies, and substance abuse treatment providers.

25 **SECTION 124.** 16.964 (12) (e) 1. of the statutes is amended to read:

1 16.964 (12) (e) 1. A county that receives a grant under this subsection shall
2 create an oversight committee to advise the county in administering and evaluating
3 its program. Each committee shall consist of a circuit court judge, the district
4 attorney or his or her designee, the state public defender or his or her designee, a local
5 law enforcement official, a representative of the county, a representative of each
6 other county agency responsible for providing social services, including services
7 relating to child welfare, mental health, and the Wisconsin Works program,
8 representatives of the departments of corrections, children and families, and health
9 and family services, a representative from private social services agencies, a
10 representative of substance abuse treatment providers, and other members to be
11 determined by the county.

12 **SECTION 128c.** 16.971 (2) (cf) of the statutes is created to read:

13 16.971 (2) (cf) Implement, operate, maintain, and upgrade an integrated
14 business information system capable of providing information technology services to
15 all agencies in the areas of accounting, auditing, payroll and other financial services;
16 procurement; human resources; and other administrative processes. The
17 department may provide information technology services under this subsection to
18 any executive branch agency under s. 16.70 (4). The department may also provide
19 information technology services to any local governmental unit under this
20 subsection.

21 **SECTION 125g.** 16.964 (14) of the statutes is created to read:

22 16.964 (14) Beginning in fiscal year 2008-09, from the appropriation under s.
23 20.505 (6) (f), the office shall in each fiscal year provide \$20,000 to each of the
24 following child advocacy centers for education, training, medical advice, and quality
25 assurance activities:

- 1 (a) Care House in Rock County.
- 2 (b) Child Protection Center in Milwaukee County.
- 3 (c) Safe Harbor in Dane County.
- 4 (d) Kenosha Child Advocacy Center in Kenosha County.
- 5 (e) Fox Valley Child Advocacy Center in Winnebago County.
- 6 (f) Stepping Stones in La Crosse County.
- 7 (g) CARE Center in Waukesha County.
- 8 (h) Child Advocacy Center of Northeastern Wisconsin in Marathon County.
- 9 (i) Chippewa County Child Advocacy Center in Chippewa County.
- 10 (j) A child advocacy center in Brown County.
- 11 (k) A child advocacy center in Racine County.
- 12 (L) A child advocacy center in Walworth County.

13 **SECTION 128d.** 16.971 (2) (Lg) of the statutes is created to read:

14 16.971 (2) (Lg) 1. Develop, in consultation with each executive branch agency,
15 other than the Board of Regents of the University of Wisconsin System, and adopt
16 the following written policies for information technology development projects
17 included in the strategic plan required of each executive branch agency under par.
18 (L) and that either exceed \$1,000,000 or that are vital to the functions of the executive
19 branch agency:

- 20 a. A standardized reporting format.
- 21 b. A requirement that both proposed and ongoing information technology
22 development projects be included.

23 2. The department shall submit for review by the joint legislative audit
24 committee and for approval by the joint committee on information policy and

1 technology any proposed policies required under subd. 1. and any proposed revisions
2 to the policies.

3 **SECTION 128m.** 16.971 (6) of the statutes is amended to read:

4 16.971 (6) Notwithstanding sub. (2), the ~~reviser of statutes~~ legislative
5 reference bureau shall approve the specifications for preparation and schedule for
6 delivery of computer databases containing the Wisconsin statutes.

7 **SECTION 128t.** 16.973 (10) to (14) of the statutes are created to read:

8 16.973 (10) In consultation with the legislative audit bureau and the joint
9 legislative audit committee, promulgate administrative rules applicable to each
10 executive branch agency, other than the Board of Regents of the University of
11 Wisconsin System, pertaining to large, high-risk information technology projects
12 that shall include:

13 (a) A definition of and methodology for identifying large, high-risk information
14 technology projects.

15 (b) Standardized, quantifiable project performance measures for evaluating
16 large, high-risk information technology projects.

17 (c) Policies and procedures for routine monitoring of large, high-risk
18 information technology projects.

19 (d) A formal process for modifying information technology project specifications
20 when necessary to address changes in program requirements.

21 (e) Requirements for reporting changes in estimates of cost or completion date
22 to the department and the joint committee on information policy and technology.

23 (f) Methods for discontinuing projects or modifying projects that are failing to
24 meet performance measures in such a way to correct the performance problems.

1 (g) Policies and procedures for the use of master leases under s. 16.76 (4) to
2 finance new large, high-risk information technology system costs and maintain
3 current large, high-risk information technology systems.

4 (h) A standardized progress point in the execution of large, high-risk
5 information technology projects at which time the estimated costs and date of
6 completion of the project is reported to the department and the joint committee on
7 information policy and technology.

8 (11) Promulgate administrative rules applicable to each executive branch
9 agency, other than the Board of Regents of the University of Wisconsin System,
10 pertaining to the use of commercially available information technology products,
11 which shall include all of the following:

12 (a) A requirement that each executive branch agency review commercially
13 available information technology products prior to initiating work on a customized
14 information technology development project to determine whether any commercially
15 available product could meet the information technology needs of the agency.

16 (b) Procedures and criteria to determine when a commercially available
17 information technology product must be used and when an executive branch agency
18 may consider the modification or creation of a customized information technology
19 product.

20 (c) A requirement that each executive branch agency submit for approval by
21 the department and prior to initiating work on a customized information technology
22 product a justification for the modification or creation by the agency of a customized
23 information technology product.

24 (12) (a) In this subsection, "master lease" has the meaning given under s. 16.76
25 (4).

1 (b) Annually, no later than October 1, submit to the governor and the members
2 of the joint committee on information policy and technology a report documenting the
3 use by each executive branch agency, other than the Board of Regents of the
4 University of Wisconsin System, of master leases to fund information technology
5 projects in the previous fiscal year. The report shall contain all of the following
6 information:

7 1. The total amount paid under master leases towards information technology
8 projects in the previous fiscal year.

9 2. The master lease payment amounts approved to be applied to information
10 technology projects in future years.

11 3. The total amount paid by each executive branch agency on each information
12 technology project for which debt is outstanding, as compared to the total financing
13 amount originally approved for that information technology project.

14 4. A summary of repayments made towards any master lease in the previous
15 fiscal year.

16 **(13)** (a) Except as provided in par. (b), include in each contract with a vendor
17 of information technology that involves a large, high-risk information technology
18 project under sub. (10) or that has a projected cost greater than \$1,000,000, and
19 require each executive branch agency authorized under s. 16.71 (1m) to enter into
20 a contract for materials, supplies, equipment, or contractual services relating to
21 information technology to include in each contract with a vendor of information
22 technology that involves a large, high-risk information technology project under
23 sub. (10) or that has a projected cost greater than \$1,000,000 a stipulation requiring
24 the vendor to submit to the department for approval any order or amendment that
25 would change the scope of the contract and have the effect of increasing the contract

1 price. The stipulation shall authorize the department to review the original contract
2 and the order or amendment to determine all of the following and, if necessary, to
3 negotiate with the vendor regarding any change to the original contract price:

4 1. Whether the work proposed in the order or amendment is within the scope
5 of the original contract.

6 2. Whether the work proposed in the order or amendment is necessary.

7 (b) The department or an executive branch agency may exclude from a contract
8 described in par. (a) the stipulation required under par. (a) if all of the following
9 conditions are satisfied:

10 1. Including such a stipulation would negatively impact contract negotiations
11 or significantly reduce the number of bidders on the contract.

12 2. If the exclusion is sought by an executive branch agency, that agency submits
13 to the department a plain-language explanation of the reasons the stipulation was
14 excluded and the alternative provisions the executive branch agency will include in
15 the contract to ensure that the contract will be completed on time and within the
16 contract budget.

17 3. If the exclusion is sought by the department, the department prepares a
18 plain-language explanation of the reasons the stipulation was excluded and the
19 alternative provisions the department will include in the contract to ensure that the
20 contract will be completed on time and within the contract budget.

21 4. The department submits for approval by the joint committee on information
22 policy and technology any explanation and alternative contract provisions required
23 under subd. 2. or 3. If, within 14 working days after the date that the department
24 submits any explanation and alternative contract provisions required under this
25 subdivision, the joint committee on information policy and technology does not

1 contact the department, the explanation and alternative contract provisions shall be
2 deemed approved.

3 (14) (a) Require each executive branch agency, other than the Board of Regents
4 of the University of Wisconsin system, that has entered into an open-ended contract
5 for the development of information technology to submit to the department quarterly
6 reports documenting the amount expended on the information technology
7 development project. In this subsection, "open-ended contract" means a contract for
8 information technology that includes one or both of the following:

9 1. Stipulations that provide that the contract vendor will deliver information
10 technology products or services but that do not specify a maximum payment amount.

11 2. Stipulations that provide that the contract vendor shall be paid an hourly
12 wage but that do not set a maximum limit on the number of hours required to
13 complete the information technology project.

14 (b) Compile and annually submit to the joint committee on information
15 technology the reports required under par. (a).

16 ✓ **SECTION 128b.** 16.973 (15) of the statutes is created to read:

17 16.973 (15) Post on its Internet site and periodically revise as necessary all of
18 the following pertaining to information technology services and projects provided,
19 managed, or supervised by the department:

20 (a) The total anticipated cost of each information technology service or project.

21 (b) The total amount that will be assessed by the department for the
22 information technology service or project.

23 (c) Whether a flat rate or fee-for-service billing method will be utilized by the
24 department for the information technology service or project and the amount that
25 will be assessed to any agency, any authority, any unit of the federal government, any

1 local governmental unit, or any entity in the private sector that receives information
2 technology services or enters into an information technology project with the
3 department using that billing method.

4 **SECTION 128v.** 16.974 (2) of the statutes is amended to read:

5 16.974 (2) Subject to s. 16.972 (2) (b), enter into and enforce an agreement with
6 any agency, any authority, any unit of the federal government, any local
7 governmental unit, or any entity in the private sector to provide services authorized
8 to be provided by the department to that agency, authority, unit, or entity at a cost
9 specified in the agreement. Assessments and charges for information technology
10 projects may not exceed 110 percent of the amount appropriated for the project or the
11 estimated costs of the project, whichever is less.

12 **SECTION 128v.** 16.973 (16) of the statutes is created to read:

13 16.973 (16) No later than March 1 and September 1 of each year, submit to the
14 joint committee on information policy and technology a report that documents for
15 each executive branch agency information technology project with an actual or
16 projected cost greater than \$1,000,000 or that the department of administration has
17 identified as a large, high-risk information technology project under sub. (10) (a) all
18 of the following:

19 (a) Original and updated project cost projections.

20 (b) Original and updated completion dates for the project and any stage of the
21 project.

22 (c) An explanation for any variation between the original and updated costs and
23 completion dates under pars. (a) and (b).

24 (d) A copy of any contract entered into by the department for the project and
25 not provided in a previous report.

1 (e) All sources of funding for the project.

2 (f) The amount of any funding provided for the project through a master lease
3 under s. 16.76 (4).

4 (g) Information about the status of the project, including any portion of the
5 project that has been completed.

6 (h) Any other information about the project, or related information technology
7 projects, requested by the joint committee on information policy and technology.

8 **SECTION 129.** 16.997 (6) of the statutes is repealed.

9 **SECTION 130.** 17.07 (3m) of the statutes is amended to read:

10 17.07 (3m) Notwithstanding sub. (3), the parole earned release review
11 commission chairperson may be removed by the governor, at pleasure.

12 **SECTION 131.** 17.13 (intro.) of the statutes is amended to read:

13 **17.13 Removal of village, town, town sanitary district, school district,**
14 **and technical college ~~and family care district~~ officers.** (intro.) Officers of
15 towns, town sanitary districts, villages, school districts, and technical college
16 districts ~~and family care districts~~ may be removed as follows:

17 **SECTION 132.** 17.13 (4) of the statutes is repealed.

18 **SECTION 133.** 17.15 (5) of the statutes is amended to read:

19 17.15 (5) ~~FAMILY~~ LONG-TERM CARE DISTRICT. Any member of a ~~family~~ long-term
20 care district governing board appointed under s. 46.2895 (3) (a) 2. may be removed
21 by the appointing authority for cause.

22 **SECTION 134.** 17.27 (3m) of the statutes is amended to read:

23 17.27 (3m) ~~FAMILY~~ LONG-TERM CARE DISTRICT BOARD. If a vacancy occurs in the
24 position of any appointed member of a ~~family~~ long-term care district board, the

1 appointing authority shall appoint to serve for the residue of the unexpired term a
2 person who meets the applicable requirements under s. 46.2895 (3) (b).

3 **SECTION 135.** 18.01 (1) of the statutes is renumbered 18.01 (1m).

4 **SECTION 136.** 18.01 (1e) of the statutes is created to read:

5 18.01 (1e) "Aggregate expected debt service and net exchange payments"
6 means the sum of the following:

7 (a) The aggregate net payments expected to be made and received under a
8 specified interest exchange agreement under s. 18.06 (8) (a).

9 (b) The aggregate debt service expected to be made on bonds related to that
10 agreement.

11 (c) The aggregate net payments expected to be made and received under all
12 other interest exchange agreements under s. 18.06 (8) (a) relating to those bonds that
13 are in force at the time of executing the agreement.

14 **SECTION 137.** 18.01 (4) (intro.) of the statutes is amended to read:

15 18.01 (4) (intro.) "Public debt" or "debt" means every voluntary, unconditional
16 undertaking by the state, other than an operating note ~~or an interest exchange~~
17 ~~agreement~~, to repay a sum certain:

18 **SECTION 138.** 18.06 (8) (a) of the statutes is renumbered 18.06 (8) (a) (intro.)
19 and amended to read:

20 18.06 (8) (a) (intro.) The Subject to pars. (am) and (ar), at the time of, or in
21 anticipation of, contracting public debt and at any time thereafter while the public
22 debt is outstanding, the commission may enter into agreements and ancillary
23 arrangements ~~for relating to~~ the public debt, including liquidity facilities,
24 remarketing or dealer agreements, letter of credit agreements, insurance policies,
25 guaranty agreements, reimbursement agreements, indexing agreements, or interest

1 exchange agreements. The commission shall determine all of the following, if
2 applicable, with respect to any such agreement or ancillary arrangement:

3 **SECTION 139.** 18.06 (8) (a) 1. of the statutes is created to read:

4 18.06 (8) (a) 1. For any payment to be received with respect to the agreement
5 or ancillary arrangement, whether the payment will be deposited into the bond
6 security and redemption fund or the capital improvement fund.

7 **SECTION 140.** 18.06 (8) (a) 2. of the statutes is created to read:

8 18.06 (8) (a) 2. For any payment to be made with respect to the agreement or
9 ancillary arrangement, whether the payment will be made from the bond security
10 and redemption fund or the capital improvement fund and the timing of any transfer
11 of funds.

12 **SECTION 141.** 18.06 (8) (am) of the statutes is created to read:

13 18.06 (8) (am) With respect to any interest exchange agreement or agreements
14 specified in par. (a), all of the following shall apply:

15 1. The commission shall contract with an independent financial consulting firm
16 to determine if the terms and conditions of the agreement reflect a fair market value,
17 as of the proposed date of the execution of the agreement.

18 2. The interest exchange agreement must identify by maturity, bond issue, or
19 bond purpose the debt or obligation to which the agreement is related. The
20 determination of the commission included in an interest exchange agreement that
21 such agreement relates to a debt or obligation shall be conclusive.

22 3. The resolution authorizing the commission to enter into any interest
23 exchange agreement shall require that the terms and conditions of the agreement
24 reflect a fair market value as of the date of execution of the agreement, as reflected

1 by the determination of the independent financial consulting firm under subd. 1.,
2 and shall establish guidelines for any such agreement, including the following:

- 3 a. The conditions under which the commission may enter into the agreements.
- 4 b. The form and content of the agreements.
- 5 c. The aspects of risk exposure associated with the agreements.
- 6 d. The standards and procedures for counterparty selection.
- 7 e. The standards for the procurement of, and the setting aside of reserves, if
8 any, in connection with, the agreements.
- 9 f. The provisions, if any, for collateralization or other requirements for securing
10 any counterparty's obligations under the agreements.
- 11 g. A system for financial monitoring and periodic assessment of the
12 agreements.

13 **SECTION 142.** 18.06 (8) (ar) of the statutes is created to read:

14 18.06 (8) (ar) 1. Subject to subd. 2., the terms and conditions of an interest
15 exchange agreement under par. (a) shall not be structured so that, as of the trade date
16 of the agreement, both of the following are reasonably expected to occur:

17 a. The aggregate expected debt service and net exchange payments relating to
18 the agreement during the fiscal year in which the trade date occurs will be less than
19 the aggregate expected debt service and net exchange payments relating to the
20 agreement that would be payable during that fiscal year if the agreement is not
21 executed.

22 b. The aggregate expected debt service and net exchange payments relating to
23 the agreement in subsequent fiscal years will be greater than the aggregate expected
24 debt service and net exchange payments relating to the agreement that would be
25 payable in those fiscal years if the agreement is not executed.

1 2. Subd. 1. shall not apply if either of the follow occurs:

2 a. The commission receives a determination by the independent financial
3 consulting firm under par. (am) 1. that the terms and conditions of the agreement
4 reflect payments by the state that represent on-market rates as of the trade date for
5 the particular type of agreement.

6 b. The commission provides written notice to the joint committee on finance of
7 its intention to enter into an agreement that is reasonably expected to satisfy subd.
8 1., and the joint committee on finance either approves or disapproves, in writing, the
9 commission's entering into the agreement within 14 days of receiving the written
10 notice from the commission.

11 3. This paragraph shall not limit the liability of the state under an agreement
12 if actual contracted net exchange payments in any fiscal year are less than or exceed
13 original expectations.

14 **SECTION 143.** 18.06 (8) (b) of the statutes is amended to read:

15 18.06 (8) (b) The commission may delegate to other persons the authority and
16 responsibility to take actions necessary and appropriate to implement agreements
17 and ancillary arrangements under ~~par. pars.~~ (a) and (am).

18 **SECTION 144.** 18.06 (8) (d) of the statutes is created to read:

19 18.06 (8) (d) Semiannually, during any year in which the state is a party to an
20 agreement entered into pursuant to par. (a) (intro.), the department of
21 administration shall submit a report to the commission and to the cochairpersons of
22 the joint committee on finance listing all such agreements. The report shall include
23 all of the following:

24 1. A description of each agreement, including a summary of its terms and
25 conditions, rates, maturity, and the estimated market value of each agreement.

1 2. An accounting of amounts that were required to be paid and received on each
2 agreement.

3 3. Any credit enhancement, liquidity facility, or reserves, including an
4 accounting of the costs and expenses incurred by the state.

5 4. A description of the counterparty to each agreement.

6 5. A description of the counterparty risk, the termination risk, and other risks
7 associated with each agreement.

8 **SECTION 145.** 18.08 (1) (a) of the statutes is renumbered 18.08 (1) (a) (intro.)
9 and amended to read:

10 18.08 (1) (a) (intro.) All moneys resulting from the contracting of public debt
11 or any payment to be received with respect to any agreement or ancillary
12 arrangement entered into under s. 18.06 (8) (a) with respect to any such public debt
13 shall be credited to a separate and distinct fund, established in the state treasury,
14 designated as the capital improvement fund, except that such:

15 1. Such moneys which represent ~~premium and~~ accrued interest on bonds or
16 ~~notes~~ issued, or are for purposes of funding or refunding bonds pursuant to s. 18.06
17 (5), shall be credited to one or more of the sinking funds of the bond security and
18 redemption fund or to the state building trust fund.

19 **SECTION 146.** 18.08 (1) (a) 2. of the statutes is created to read:

20 18.08 (1) (a) 2. Any such moneys that represent premium or any payments
21 received pursuant to any agreement or ancillary arrangement entered into under s.
22 18.06 (8) (a) with respect to any such public debt may be credited to one or more of
23 the sinking funds of the bond security and redemption fund or to the capital
24 improvement fund, as determined by the commission.

25 **SECTION 147.** 18.08 (2) of the statutes is amended to read:

1 18.08 (2) The capital improvement fund may be expended, pursuant to
2 appropriations, only for the purposes and in the amounts for which the public debts
3 have been contracted, for the payment of principal and interest on loans or on notes,
4 for the payment due, if any, under an agreement or ancillary arrangement entered
5 into under s. 18.06 (8) (a) with respect to any such public debt, for the purposes
6 identified under s. 20.867 (2) (v) and (4) (q), and for expenses incurred in contracting
7 public debt.

8 **SECTION 148.** 18.08 (4) of the statutes is amended to read:

9 18.08 (4) If at any time it appears that there will not be on hand in the capital
10 improvement fund sufficient moneys for the payment of principal and interest on
11 loans or on notes or for the payment due, if any, under an agreement or ancillary
12 arrangement that has been entered into under s. 18.06 (8) (a) with respect to any
13 public debt and that has been determined to be payable from the capital
14 improvement fund under s. 18.06 (8) (a) 2., the department of administration shall
15 transfer to such fund, out of the appropriation made pursuant to s. 20.866, a sum
16 sufficient which, together with any available money on hand in such fund, is
17 sufficient to make such payment.

18 **SECTION 149.** 18.09 (2) of the statutes is amended to read:

19 18.09 (2) Each sinking fund shall be expended, and all moneys from time to
20 time on hand therein are irrevocably appropriated, in sums sufficient, only for the
21 payment of principal and interest on the bonds giving rise to it ~~and~~, premium, if any,
22 due upon ~~refunding~~ redemption of any such bonds, and payment due, if any, under
23 an agreement or ancillary arrangement that has been entered into under s. 18.06 (8)
24 (a) with respect to any such bonds and that has been determined to be payable from
25 the bond security and redemption fund under s. 18.06 (8) (a) 2.