

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

2 16.417 (1) (b) "Authority" means a body created under subch. II of ch. 114 or
3 ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 279.

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

5 16.52 (7) PETTY CASH ACCOUNT. Petty cash account. With the approval of the
6 secretary, each agency that is authorized to maintain a contingent fund under s.
7 20.920 may establish a petty cash account from its contingent fund. The procedure
8 for operation and maintenance of petty cash accounts and the character of
9 expenditures therefrom shall be prescribed by the secretary. In this subsection,
10 "agency" means an office, department, independent agency, institution of higher
11 education, association, society, or other body in state government created or
12 authorized to be created by the constitution or any law, that is entitled to expend
13 moneys appropriated by law, including the legislature and the courts, but not
14 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
15 231, 233, 234, ~~or 237,~~ or 279.

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

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

18 16.527 (2) (ad) "Aggregate expected debt service and net exchange payments"
19 means the sum of the following:

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

22 2. The aggregate debt service expected to be made on obligations related to that
23 agreement.



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

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

5 16.527 (4) (e) At Subject to pars. (h) and (i), at the time of, or in anticipation
6 of, contracting for the appropriation obligations and at any time thereafter so long
7 as the appropriation obligations are outstanding, the department may enter into
8 agreements and ancillary arrangements relating to the appropriation obligations,
9 including trust indentures, liquidity facilities, remarketing or dealer agreements,
10 letter of credit agreements, insurance policies, guaranty agreements,
11 reimbursement agreements, indexing agreements, or interest exchange
12 agreements. Any payments made or received pursuant to any such agreement or
13 ancillary arrangement shall be made from or deposited as provided in the agreement
14 or ancillary arrangement. The determination of the department included in an
15 interest exchange agreement that such agreement relates to an appropriation
16 obligation shall be conclusive.

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

18 16.527 (4) (h) 1. Subject to subd. 2., the terms and conditions of an interest
19 exchange agreement under par. (e) shall not be structured so that, as of the trade date
20 of the agreement, both of the following are reasonably expected to occur:

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

1 b. The aggregate expected debt service and net exchange payments relating to
2 the agreement in subsequent fiscal years will be greater than the aggregate expected
3 debt service and net exchange payments relating to the agreement that would be
4 payable in those fiscal years if the agreement is not executed.

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

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

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

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

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

19 16.527 (4) (i) With respect to any interest exchange agreement or agreements
20 specified in par. (e), all of the following shall apply:

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

24 2. The interest exchange agreement must identify by maturity, bond issue, or
25 bond purpose the obligation to which the agreement is related. The determination

1 of the department included in an interest exchange agreement that such agreement
2 relates to an obligation shall be conclusive.

3 3. The resolution authorizing the department to enter into any interest
4 exchange agreement shall require that the terms and conditions of the agreement
5 reflect a fair market value as of the date of execution of the agreement, as reflected
6 by the determination of the independent financial consulting firm under subd. 1.,
7 and shall establish guidelines for any such agreement, including the following:

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

9 b. The form and content of the agreements.

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

11 d. The standards and procedures for counterparty selection.

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

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

16 g. A system for financial monitoring and periodic assessment of the
17 agreements.

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

19 16.527 (4) (j) Semiannually, during any year in which the state is a party to an
20 agreement entered into pursuant to par. (e), the department shall submit a report
21 to the cochairpersons of the joint committee on finance listing all such agreements.

22 The report shall include all of the following:

23 1. A description of each agreement, including a summary of its terms and
24 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 89b.** 16.528 (1) (a) of the statutes is amended to read:

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

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

16 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
17 invoice, the agency shall notify the sender of the invoice within 10 working days after
18 it receives the invoice of the reason it is improperly completed. In this subsection,
19 "agency" means an office, department, independent agency, institution of higher
20 education, association, society, or other body in state government created or
21 authorized to be created by the constitution or any law, that is entitled to expend
22 moneys appropriated by law, including the legislature and the courts, but not
23 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
24 231, 233, 234, ~~or 237~~, or 279.

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

1 16.53 (10) (a) If an emergency arises which requires the department to draw
2 vouchers for payments which will be in excess of available moneys in any state fund,
3 the secretary, after notifying the joint committee on finance under par. (b), may
4 prorate and establish priority schedules for all payments within each fund, including
5 those payments for which a specific payment date is provided by statute, except as
6 otherwise provided in this paragraph. The secretary shall draw all vouchers
7 according to the preference provided in this paragraph. All direct or indirect
8 payments of principal or interest on state bonds and notes issued under subch. I of
9 ch. 18 and payments due, if any, under an agreement or ancillary arrangement
10 entered into under s. 18.06 (8) (a) relating to any public debt contracted under
11 subchs. I and IV of ch. 18 have first priority. All direct or indirect payments of
12 principal or interest on state notes issued under subch. III of ch. 18 have 2nd priority.
13 No payment having a 1st or 2nd priority may be prorated or reduced under this
14 subsection. All state employee payrolls have 3rd priority. The secretary shall draw
15 all remaining vouchers according to a priority determined by the secretary. The
16 secretary shall maintain records of all claims prorated under this subsection.

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

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

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

1 16.54 (12) (b) The department of workforce development children and families
2 may not expend or encumber any moneys received under s. 20.445 credited to the
3 appropriation account under s. 20.437 (2) (mm) or (3) (mm) unless the department
4 of workforce development children and families submits a plan for the expenditure
5 of the moneys to the department of administration and the department of
6 administration approves the plan.

7 **SECTION 98.** 16.54 (12) (d) of the statutes is amended to read:

8 16.54 (12) (d) At the end of each fiscal year, the department of administration
9 shall determine the amount of moneys that remain in the appropriation accounts
10 under ss. 20.435 (8) (mm) and ~~20.445~~ 20.437 (2) (mm) and (3) (mm) that have not been
11 approved for encumbrance or expenditure by the department pursuant to a plan
12 submitted under par. (a) or (b) and shall require that such moneys be lapsed to the
13 general fund. The department shall notify the cochairpersons of the joint committee
14 on finance, in writing, of the department's action under this paragraph.

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

16 16.70 (2) "Authority" means a body created under subch. II of ch. 114 or subch.
17 III of ch. 149 or under ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 279.

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

19 16.71 (1m) The department shall not delegate to any executive branch agency,
20 other than the board of regents of the University of Wisconsin System, the authority
21 to enter into any contract for materials, supplies, equipment, or contractual services
22 relating to information technology or telecommunications prior to review and
23 approval of the contract by the department. No executive branch agency, other than
24 the board of regents of the University of Wisconsin System, may enter into any such
25 contract without review and approval of the contract by the department. Any

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1 executive branch agency that enters into a contract relating to information
2 technology under this section shall comply with the requirements of s. 16.973 (13).

3 Any delegation to the board of regents of the University of Wisconsin System is
4 subject to the limitations prescribed in s. 36.11 (49).

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

6 16.72 (2) (e) (intro.) In writing the specifications under this subsection, the
7 department and any other designated purchasing agent under s. 16.71 (1) shall
8 incorporate requirements for the purchase of products made from recycled materials
9 and recovered materials if their use is technically and economically feasible. Each
10 authority other than the University of Wisconsin Hospitals and Clinics Authority,
11 the Lower Fox River Remediation Authority, and the Health Insurance
12 Risk-Sharing Plan Authority, in writing specifications for purchasing by the
13 authority, shall incorporate requirements for the purchase of products made from
14 recycled materials and recovered materials if their use is technically and
15 economically feasible. The specifications shall include requirements for the
16 purchase of the following materials:

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

18 16.72 (2) (f) In writing specifications under this subsection, the department,
19 any other designated purchasing agent under s. 16.71 (1), and each authority other
20 than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
21 River Remediation Authority, and the Health Insurance Risk-Sharing Plan
22 Authority shall incorporate requirements relating to the recyclability and ultimate
23 disposition of products and, wherever possible, shall write the specifications so as to
24 minimize the amount of solid waste generated by the state, consistent with the
25 priorities established under s. 287.05 (12). All specifications under this subsection

1 shall discourage the purchase of single-use, disposable products and require,
2 whenever practical, the purchase of multiple-use, durable products.

3 **SECTION 102.** 16.75 (1) (a) 1. of the statutes, as affected by 2005 Wisconsin Act
4 141, is amended to read:

5 16.75 (1) (a) 1. All orders awarded or contracts made by the department for all
6 materials, supplies, equipment, and contractual services to be provided to any
7 agency, except as otherwise provided in par. (c) and subs. (2), (2g), (2m), (3m), (3t),
8 (6), (7), (8), (9), (10e), and (10m) and ss. 16.73 (4) (a), 16.751, 16.754, 16.964 (8), 50.05
9 (7) (f), 153.05 (2m) (a), and 287.15 (7), ~~and 301.265~~, shall be awarded to the lowest
10 responsible bidder, taking into consideration life cycle cost estimates under sub.
11 (1m), when appropriate, the location of the agency, the quantities of the articles to
12 be supplied, their conformity with the specifications, and the purposes for which they
13 are required and the date of delivery.

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

15 16.75 (1m) The department shall award each order or contract for materials,
16 supplies or equipment on the basis of life cycle cost estimates, whenever such action
17 is appropriate. Each authority other than the University of Wisconsin Hospitals and
18 Clinics Authority ~~and, the Lower Fox River Remediation Authority~~, the Wisconsin
19 Aerospace Authority, and the Health Insurance Risk-Sharing Plan Authority shall
20 award each order or contract for materials, supplies or equipment on the basis of life
21 cycle cost estimates, whenever such action is appropriate. The terms, conditions and
22 evaluation criteria to be applied shall be incorporated in the solicitation of bids or
23 proposals. The life cycle cost formula may include, but is not limited to, the
24 applicable costs of energy efficiency, acquisition and conversion, money,
25 transportation, warehousing and distribution, training, operation and maintenance

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1 and disposition or resale. The department shall prepare documents containing
2 technical guidance for the development and use of life cycle cost estimates, and shall
3 make the documents available to local governmental units.

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

5 16.75 (6) (bm) If the secretary determines that it is in the best interest of this
6 state to do so, he or she may waive any requirement under subs. (1) to (5) and ss.
7 16.705 and 16.72 (2) (e) and (f) and (5) with respect to any contract entered into by
8 the department of ~~workforce development~~ children and families under s. 49.143, if
9 the department of ~~workforce development~~ children and families presents the
10 secretary with a process for the procurement of contracts under s. 49.143 and the
11 secretary approves the process.

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

13 16.75 (8) (a) 1. The department, any other designated purchasing agent under
14 s. 16.71 (1), any agency making purchases under s. 16.74, and each authority other
15 than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
16 River Remediation Authority, and the Health Insurance Risk-Sharing Plan
17 Authority shall, to the extent practicable, make purchasing selections using
18 specifications developed under s. 16.72 (2) (e) to maximize the purchase of materials
19 utilizing recycled materials and recovered materials.

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

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

2 16.75 (9) The department, any other designated purchasing agent under s.
3 16.71 (1), any agency making purchases under s. 16.74, and any authority other than
4 the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox River
5 Remediation Authority, and the Health Insurance Risk-Sharing Plan Authority
6 shall, to the extent practicable, make purchasing selections using specifications
7 prepared under s. 16.72 (2) (f).

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

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

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

21 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
22 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
23 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
24 Fox River Remediation Authority, and the Bradley Center Sports and
25 Entertainment Corporation shall include the following provision in every contract

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1 executed by them: "In connection with the performance of work under this contract,
2 the contractor agrees not to discriminate against any employee or applicant for
3 employment because of age, race, religion, color, handicap, sex, physical condition,
4 developmental disability as defined in s. 51.01 (5), sexual orientation or national
5 origin. This provision shall include, but not be limited to, the following: employment,
6 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
7 termination; rates of pay or other forms of compensation; and selection for training,
8 including apprenticeship. Except with respect to sexual orientation, the contractor
9 further agrees to take affirmative action to ensure equal employment opportunities.
10 The contractor agrees to post in conspicuous places, available for employees and
11 applicants for employment, notices to be provided by the contracting officer setting
12 forth the provisions of the nondiscrimination clause".

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

14 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
15 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
16 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
17 Fox River Remediation Authority, and the Bradley Center Sports and
18 Entertainment Corporation shall take appropriate action to revise the standard
19 government contract forms under this section.

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

21 16.765 (5) The head of each contracting agency and the boards of directors of
22 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
23 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
24 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
25 Authority, and the Bradley Center Sports and Entertainment Corporation shall be

1 primarily responsible for obtaining compliance by any contractor with the
2 nondiscrimination and affirmative action provisions prescribed by this section,
3 according to procedures recommended by the department. The department shall
4 make recommendations to the contracting agencies and the boards of directors of the
5 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational
6 System Authority, the Wisconsin Aerospace Authority, the Health Insurance
7 Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, and the
8 Bradley Center Sports and Entertainment Corporation for improving and making
9 more effective the nondiscrimination and affirmative action provisions of contracts.
10 The department shall promulgate such rules as may be necessary for the
11 performance of its functions under this section.

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

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

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

23 16.765 (7) (intro.) When a violation of this section has been determined by the
24 department, the contracting agency, the University of Wisconsin Hospitals and
25 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin

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1 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
2 Fox River Remediation Authority, or the Bradley Center Sports and Entertainment
3 Corporation, the contracting agency, the University of Wisconsin Hospitals and
4 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
5 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
6 Fox River Remediation Authority, or the Bradley Center Sports and Entertainment
7 Corporation shall:

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

9 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
10 further violations of this section and to report its corrective action to the contracting
11 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
12 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
13 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
14 Authority, or the Bradley Center Sports and Entertainment Corporation.

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

16 16.765 (8) If further violations of this section are committed during the term
17 of the contract, the contracting agency, the Fox River Navigational System Authority,
18 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
19 Authority, the Lower Fox River Remediation Authority, or the Bradley Center Sports
20 and Entertainment Corporation may permit the violating party to complete the
21 contract, after complying with this section, but thereafter the contracting agency, the
22 Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the
23 Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
24 Authority, or the Bradley Center Sports and Entertainment Corporation shall
25 request the department to place the name of the party on the ineligible list for state

1 contracts, or the contracting agency, the Fox River Navigational System Authority,
2 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
3 Authority, the Lower Fox River Remediation Authority, or the Bradley Center Sports
4 and Entertainment Corporation may terminate the contract without liability for the
5 uncompleted portion or any materials or services purchased or paid for by the
6 contracting party for use in completing the contract.

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

8 16.847 (2) ENERGY CONSERVATION CONSTRUCTION PROJECTS. (a) The department
9 may provide funding to agencies, as defined in s. 16.70 (1e), for energy conservation
10 construction projects at state facilities under the jurisdiction of the agencies to
11 enhance the energy efficiency of the facilities. The department shall prescribe
12 standards for evaluation of proposed projects and allocation of available moneys for
13 those projects under this subsection.

14 (b) The department shall measure and verify each energy conservation
15 construction project funded under this subsection in accordance with the
16 performance measurement and verification guidelines adopted by the federal
17 Energy Management Program.

18 (c) The department shall, to the extent feasible, use the procedures under s.
19 16.858 to carry out energy conservation construction projects funded under this
20 subsection. In any contract entered into by the department under s. 16.858 that is
21 funded under this subsection, the contract shall set forth the minimum savings in
22 energy usage that will be realized by the state from construction of the project and
23 the contractor shall guarantee that the savings will be realized.

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

1 16.847 (3) ASSESSMENTS. The department may annually assess any agency that
2 receives funding under sub. (2) in an amount determined by the department not
3 exceeding the agency's proportionate share of debt service costs incurred under s.
4 20.505 (5) (kd) or the savings in the agency's energy costs generated, whichever is
5 greater, as a result of an energy conservation construction project that was funded
6 by the department under sub. (2). The department shall credit all revenues received
7 under this subsection to the appropriation account under s. 20.505 (5) (kd).

X 8 ~~SECTION 112w. 16.848 (2) (b) of the statutes is repealed.~~

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

11 16.848 (2) (gc) Subsection (1) does not apply to property that is subject to sale
12 by the department of military affairs under s. 21.19 (3) or 21.42 (3).

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

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

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

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

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

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

24 16.848 (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding
25 public debt used to finance the acquisition, construction, or improvement of any

1 property that is sold under sub. (1), the department shall deposit a sufficient amount
2 of the net proceeds from the sale of the property in the bond security and redemption
3 fund under s. 18.09 to repay the principal and pay the interest on the debt, and any
4 premium due upon refunding any of the debt. If the property was acquired,
5 constructed, or improved with federal financial assistance, the department shall pay
6 to the federal government any of the net proceeds required by federal law. If the
7 property was acquired by gift or grant or acquired with gift or grant funds, the
8 department shall adhere to any restriction governing use of the proceeds. Except as
9 required under sub. (5m) and ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there
10 is no such debt outstanding, there are no moneys payable to the federal government,
11 and there is no restriction governing use of the proceeds, and if the net proceeds
12 exceed the amount required to be deposited, paid, or used for another purpose under
13 this subsection, the department shall deposit the net proceeds or remaining net
14 proceeds in the general fund.

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

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

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

2 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
3 proportionate share of the estimated costs attributable to programs administered by
4 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
5 may charge premiums to agencies to finance costs under this subsection and pay the
6 costs from the appropriation on an actual basis. The department shall deposit all
7 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
8 Costs assessed under this subsection may include judgments, investigative and
9 adjustment fees, data processing and staff support costs, program administration
10 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
11 subsection, "agency" means an office, department, independent agency, institution
12 of higher education, association, society, or other body in state government created
13 or authorized to be created by the constitution or any law, that is entitled to expend
14 moneys appropriated by law, including the legislature and the courts, but not
15 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
16 231, 232, 233, 234, 235, ~~or 237,~~ or 279.

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

18 **16.956 Office of energy independence. (1)** In this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 16.957 (3)(a) The department shall, on the basis of competitive bids, contract
23 with community action agencies described in s. ~~46.30~~ 49.265 (2) (a) 1., nonstock,
24 nonprofit corporations organized under ch. 181, or local units of government to
25 provide services under the programs established under sub. (2) (a).

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Wisconsin Act 141

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

2 16.964 (12) (c) 10. The program is developed with input from, and implemented
3 in collaboration with, one or more circuit court judges, the district attorney, the state
4 public defender, local law enforcement officials, county agencies responsible for
5 providing social services, including services relating to alcohol and other drug
6 addiction, child welfare, mental health, and the Wisconsin Works program, the
7 departments of corrections, children and families, and health and family services,
8 private social services agencies, and substance abuse treatment providers.

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

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

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

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

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

23 16.971 (2) (Lg) 1. Develop, in consultation with each executive branch agency,
24 other than the Board of Regents of the University of Wisconsin System, and adopt
25 the following written policies for information technology development projects

1 included in the strategic plan required of each executive branch agency under par.
2 (L) and that either exceed \$1,000,000 or that are vital to the functions of the executive
3 branch agency:

4 a. A standardized reporting format.

5 b. A requirement that both proposed and ongoing information technology
6 development projects be included.

7 2. The department shall submit for review by the joint legislative audit
8 committee and for approval by the joint committee on information policy and
9 technology any proposed policies required under subd. 1. and any proposed revisions
10 to the policies.

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

12 16.971 (6) Notwithstanding sub. (2), the ~~revisor of statutes~~ legislative
13 reference bureau shall approve the specifications for preparation and schedule for
14 delivery of computer databases containing the Wisconsin statutes.

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

16 16.973 (10) In consultation with the legislative audit bureau and the joint
17 legislative audit committee, promulgate administrative rules applicable to each
18 executive branch agency, other than the Board of Regents of the University of
19 Wisconsin System, pertaining to large, high-risk information technology projects
20 that shall include:

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

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

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

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

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

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

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

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

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

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

24 (b) Procedures and criteria to determine when a commercially available
25 information technology product must be used and when an executive branch agency

1 may consider the modification or creation of a customized information technology
2 product.

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

7 (12) (a) In this subsection, "master lease" has the meaning given under s. 16.76
8 (4).

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

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

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

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

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

24 (13) (a) Except as provided in par. (b), include in each contract with a vendor
25 of information technology that involves a large, high-risk information technology

1 project under sub. (10) or that has a projected cost greater than \$1,000,000, and
2 require each executive branch agency authorized under s. 16.71 (1m) to enter into
3 a contract for materials, supplies, equipment, or contractual services relating to
4 information technology to include in each contract with a vendor of information
5 technology that involves a large, high-risk information technology project under
6 sub. (10) or that has a projected cost greater than \$1,000,000 a stipulation requiring
7 the vendor to submit to the department for approval any order or amendment that
8 would change the scope of the contract and have the effect of increasing the contract
9 price. The stipulation shall authorize the department to review the original contract
10 and the order or amendment to determine all of the following and, if necessary, to
11 negotiate with the vendor regarding any change to the original contract price:

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

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

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

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

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

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

5 4. The department submits for approval by the joint committee on information
6 policy and technology any explanation and alternative contract provisions required
7 under subd. 2. or 3. If, within 14 working days after the date that the department
8 submits any explanation and alternative contract provisions required under this
9 subdivision, the joint committee on information policy and technology does not
10 contact the department, the explanation and alternative contract provisions shall be
11 deemed approved.

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

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

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

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

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

1 16.973 (15) Post on its Internet site and periodically revise as necessary all of
2 the following pertaining to information technology services and projects provided,
3 managed, or supervised by the department:

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

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

7 (c) Whether a flat rate or fee-for-service billing method will be utilized by the
8 department for the information technology service or project and the amount that
9 will be assessed to any agency, any authority, any unit of the federal government, any
10 local governmental unit, or any entity in the private sector that receives information
11 technology services or enters into an information technology project with the
12 department using that billing method.

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

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

20 (a) Original and updated project cost projections.

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

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

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

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

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

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

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

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

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

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

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

20 17.07 (3m) Notwithstanding sub. (3), the parole earned release review
21 commission chairperson may be removed by the governor, at pleasure.

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

23 **17.13 Removal of village, town, town sanitary district, school district,**
24 **and technical college and family care district officers.** (intro.) Officers of

1 towns, town sanitary districts, villages, school districts, and technical college
2 districts ~~and family care districts~~ may be removed as follows:

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

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

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

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

9 17.27 (3m) ~~FAMILY LONG-TERM~~ CARE DISTRICT BOARD. If a vacancy occurs in the
10 position of any appointed member of a family long-term care district board, the
11 appointing authority shall appoint to serve for the residue of the unexpired term a
12 person who meets the applicable requirements under s. 46.2895 (3) (b).

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

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

15 18.01 (1e) "Aggregate expected debt service and net exchange payments"
16 means the sum of the following:

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

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

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

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

1 18.01 (4) (intro.) "Public debt" or "debt" means every voluntary, unconditional
2 undertaking by the state, other than an operating note ~~or an interest exchange~~
3 ~~agreement~~, to repay a sum certain:

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

6 18.06 (8) (a) (intro.) The Subject to pars. (am) and (ar), at the time of, or in
7 anticipation of, contracting public debt and at any time thereafter while the public
8 debt is outstanding, the commission may enter into agreements and ancillary
9 arrangements ~~for relating to~~ the public debt, including liquidity facilities,
10 remarketing or dealer agreements, letter of credit agreements, insurance policies,
11 guaranty agreements, reimbursement agreements, indexing agreements, or interest
12 exchange agreements. The commission shall determine all of the following, if
13 applicable, with respect to any such agreement or ancillary arrangement:

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

15 18.06 (8) (a) 1. For any payment to be received with respect to the agreement
16 or ancillary arrangement, whether the payment will be deposited into the bond
17 security and redemption fund or the capital improvement fund.

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

19 18.06 (8) (a) 2. For any payment to be made with respect to the agreement or
20 ancillary arrangement, whether the payment will be made from the bond security
21 and redemption fund or the capital improvement fund and the timing of any transfer
22 of funds.

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

24 18.06 (8) (am) With respect to any interest exchange agreement or agreements
25 specified in par. (a), all of the following shall apply:

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

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

8 3. The resolution authorizing the commission to enter into any interest
9 exchange agreement shall require that the terms and conditions of the agreement
10 reflect a fair market value as of the date of execution of the agreement, as reflected
11 by the determination of the independent financial consulting firm under subd. 1.,
12 and shall establish guidelines for any such agreement, including the following:

13 a. The conditions under which the commission may enter into the agreements.

14 b. The form and content of the agreements.

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

16 d. The standards and procedures for counterparty selection.

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

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

21 g. A system for financial monitoring and periodic assessment of the
22 agreements.

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

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

4 a. The aggregate expected debt service and net exchange payments relating to
5 the agreement during the fiscal year in which the trade date occurs will be less than
6 the aggregate expected debt service and net exchange payments relating to the
7 agreement that would be payable during that fiscal year if the agreement is not
8 executed.

9 b. The aggregate expected debt service and net exchange payments relating to
10 the agreement in subsequent fiscal years will be greater than the aggregate expected
11 debt service and net exchange payments relating to the agreement that would be
12 payable in those fiscal years if the agreement is not executed.

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

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

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

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

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

2 18.06 (8) (b) The commission may delegate to other persons the authority and
3 responsibility to take actions necessary and appropriate to implement agreements
4 and ancillary arrangements under ~~par.~~ pars. (a) and (am).

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

6 18.06 (8) (d) Semiannually, during any year in which the state is a party to an
7 agreement entered into pursuant to par. (a) (intro.), the department of
8 administration shall submit a report to the commission and to the cochairpersons of
9 the joint committee on finance listing all such agreements. The report shall include
10 all of the following:

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

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

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

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

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

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

22 18.08 (1) (a) (intro.) All moneys resulting from the contracting of public debt
23 or any payment to be received with respect to any agreement or ancillary
24 arrangement entered into under s. 18.06 (8) (a) with respect to any such public debt

1 shall be credited to a separate and distinct fund, established in the state treasury,
2 designated as the capital improvement fund, except that such:

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

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

8 18.08 (1) (a) 2. Any such moneys that represent premium or any payments
9 received pursuant to any agreement or ancillary arrangement entered into under s.
10 18.06 (8) (a) with respect to any such public debt may be credited to one or more of
11 the sinking funds of the bond security and redemption fund or to the capital
12 improvement fund, as determined by the commission.

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

14 18.08 (2) The capital improvement fund may be expended, pursuant to
15 appropriations, only for the purposes and in the amounts for which the public debts
16 have been contracted, for the payment of principal and interest on loans or on notes,
17 for the payment due, if any, under an agreement or ancillary arrangement entered
18 into under s. 18.06 (8) (a) with respect to any such public debt, for the purposes
19 identified under s. 20.867 (2) (v) and (4) (q), and for expenses incurred in contracting
20 public debt.

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

22 18.08 (4) If at any time it appears that there will not be on hand in the capital
23 improvement fund sufficient moneys for the payment of principal and interest on
24 loans or on notes or for the payment due, if any, under an agreement or ancillary
25 arrangement that has been entered into under s. 18.06 (8) (a) with respect to any

1 public debt and that has been determined to be payable from the capital
2 improvement fund under s. 18.06 (8) (a) 2., the department of administration shall
3 transfer to such fund, out of the appropriation made pursuant to s. 20.866, a sum
4 sufficient which, together with any available money on hand in such fund, is
5 sufficient to make such payment.

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

7 18.09 (2) Each sinking fund shall be expended, and all moneys from time to
8 time on hand therein are irrevocably appropriated, in sums sufficient, only for the
9 payment of principal and interest on the bonds giving rise to it and, premium, if any,
10 due upon refunding redemption of any such bonds, and payment due, if any, under
11 an agreement or ancillary arrangement that has been entered into under s. 18.06 (8)
12 (a) with respect to any such bonds and that has been determined to be payable from
13 the bond security and redemption fund under s. 18.06 (8) (a) 2.

14 **SECTION 150m.** 18.52 (1c) of the statutes is created to read:

15 18.52 (1c) "Aggregate expected debt service and net exchange payments"
16 means the sum of the following:

17 (a) The aggregate net payments expected to be made and received under a
18 specified interest exchange agreement under s. 18.55 (6) (a).

19 (b) The aggregate debt service expected to be made on obligations related to
20 that agreement.

21 (c) The aggregate net payments expected to be made and received under all
22 other interest exchange agreements under s. 18.55 (6) (a) relating to those
23 obligations that are in force at the time of executing the agreement.

24 **SECTION 151.** 18.55 (6) (a) of the statutes is amended to read:

1 18.55 (6) (a) At Subject to pars. (d) and (e), at the time of, or in anticipation of,
2 contracting revenue obligations and at any time thereafter while the revenue
3 obligations are outstanding, the commission may enter into agreements and
4 ancillary arrangements relating to the revenue obligations, including trust
5 indentures, liquidity facilities, remarketing or dealer agreements, letter of credit
6 agreements, insurance policies, guaranty agreements, reimbursement agreements,
7 indexing agreements, or interest exchange agreements. Any payment made or
8 received pursuant to any such agreements or ancillary arrangements shall be made
9 from or deposited into a fund relating to the relevant revenue obligation, as
10 determined by the commission. The determination of the commission included in an
11 interest exchange agreement that such an agreement relates to a revenue obligation
12 shall be conclusive.

13 **SECTION 151c.** 18.55 (6) (d) of the statutes is created to read:

14 18.55 (6) (d) With respect to any interest exchange agreement or agreements
15 specified in par. (a), all of the following shall apply:

16 1. The commission shall contract with an independent financial consulting firm
17 to determine if the terms and conditions of the agreement reflect a fair market value,
18 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 commission included in an interest exchange agreement that such agreement
22 relates to an obligation shall be conclusive.

23 3. The resolution authorizing the commission 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 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 151h.** 18.55 (6) (e) of the statutes is created to read:

14 18.55 (6) (e) 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. Subdivision 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. (d) 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 151p.** 18.55 (6) (f) of the statutes is created to read:

15 18.55 (6) (f) Semiannually, during any year in which the state is a party to an
16 agreement entered into pursuant to par. (a), the department of administration shall
17 submit a report to the commission and to the cochairpersons of the joint committee
18 on finance listing all such agreements. The report shall include all of the following:

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

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

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

25 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 151s.** 18.71 (1) of the statutes is renumbered 18.71 (1m).

4 **SECTION 151v.** 18.71 (1d) of the statutes is created to read:

5 18.71 (1d) "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. 18.73 (5) (a).

9 (b) The aggregate debt service expected to be made on notes 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. 18.73 (5) (a) relating to those notes that
13 are in force at the time of executing the agreement.

14 **SECTION 152.** 18.73 (5) of the statutes is created to read:

15 18.73 (5) AGREEMENTS AND ARRANGEMENTS; DELEGATION; USE OF OPERATING NOTES.

16 (a) Subject to pars. (d) and (e), at the time of, or in anticipation of, contracting
17 operating notes and at any time thereafter while the operating notes are
18 outstanding, the commission may enter into agreements and ancillary
19 arrangements relating to the operating notes, including liquidity facilities,
20 remarketing or dealer agreements, letter of credit agreements, insurance policies,
21 guaranty agreements, reimbursement agreements, indexing agreements, or interest
22 exchange agreements. Any payment received pursuant to any such agreements or
23 ancillary arrangements shall be deposited in, and any payments made pursuant to
24 any such agreements or ancillary arrangements will be made from, the general fund
25 or the operating note redemption fund, as determined by the commission. The

1 determination of the commission included in an interest exchange agreement that
2 such an agreement relates to an operating note shall be conclusive.

3 (b) The commission may delegate to other persons the authority and
4 responsibility to take actions necessary and appropriate to implement agreements
5 and ancillary arrangements under par. (a).

6 (c) Any operating notes may include operating notes contracted to fund
7 interest, accrued or to accrue, on the operating notes.

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

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

13 2. The interest exchange agreement must identify the note to which the
14 agreement is related. The determination of the commission included in an interest
15 exchange agreement that such agreement relates to a note shall be conclusive.

16 3. The resolution authorizing the commission to enter into any interest
17 exchange agreement shall require that the terms and conditions of the agreement
18 reflect a fair market value as of the date of execution of the agreement, as reflected
19 by the determination of the independent financial consulting firm under subd. 1.,
20 and shall establish guidelines for any such agreement, including the following:

21 a. The conditions under which the commission may enter into the agreements.

22 b. The form and content of the agreements.

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

24 d. The standards and procedures for counterparty selection.

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

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

5 g. A system for financial monitoring and periodic assessment of the
6 agreements.

7 (e) 1. Subject to subd. 2., the terms and conditions of an interest exchange
8 agreement under par. (a) shall not be structured so that, as of the trade date of the
9 agreement, the aggregate expected debt service and net exchange payments relating
10 to the agreement during the fiscal year in which the trade date occurs will be less
11 than the aggregate expected debt service and net exchange payments relating to the
12 agreement that would be payable during that fiscal year if the agreement is not
13 executed.

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

15 a. The commission receives a determination by the independent financial
16 consulting firm under par. (d) 1. that the terms and conditions of the agreement
17 reflect payments by the state that represent on-market rates as of the trade date for
18 the particular type of agreement.

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

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

4 (f) Semiannually, during any year in which the state is a party to an agreement
5 entered into pursuant to par. (a), the department of administration shall submit a
6 report to the commission and to the cochairpersons of the joint committee on finance
7 listing all such agreements. The report shall include all of the following:

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

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

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

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

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

17 **SECTION 153.** 18.74 of the statutes is amended to read:

18 **18.74 Application of operating note proceeds.** All moneys resulting from
19 the contracting of operating notes or any payment to be received under an agreement
20 or ancillary arrangement entered into under s. 18.73 (5) with respect to any such
21 operating notes shall be credited to the general fund, except that moneys which
22 represent premium and accrued interest on operating notes, or moneys for purposes
23 of funding or refunding operating notes pursuant to s. 18.72 (1) shall be credited to
24 the operating note redemption fund.

25 **SECTION 154.** 18.75 (2) of the statutes is amended to read:

1 18.75 (2) The operating note redemption fund shall be expended and all
2 moneys from time to time on hand therein are irrevocably appropriated, in sums
3 sufficient, only for the payment of principal and interest on operating notes giving
4 rise to it and premium, if any, due upon refunding or early redemption of such
5 operating notes, and for the payment due, if any, under an agreement or ancillary
6 arrangement entered into under s. 18.73 (5) with respect to such operating notes.

7 **SECTION 155.** 18.75 (4) of the statutes is amended to read:

8 18.75 (4) There shall be transferred, under s. 20.855 (1) (a), a sum sufficient
9 for the payment of the principal, interest and premium due, if any, ~~on the~~ and for the
10 payment due, if any, under an agreement or ancillary arrangement entered into
11 pursuant to s. 18.73 (5) with respect to operating notes giving rise to it as the same
12 falls due. Such transfers shall be so timed that there is at all times on hand in the
13 fund an amount not less than the amount to be paid out of it during the ensuing 30
14 days or such other period if so provided for in the authorizing resolution. The
15 commission may pledge the deposit of additional amounts at periodic intervals and
16 the secretary of the department may impound moneys of the general fund, including
17 moneys temporarily reallocated from other funds under s. 20.002 (11), in accordance
18 with the pledge of revenues in the authorizing resolution, and all such
19 impoundments are deemed to be payments for purposes of s. 16.53 (10), but no such
20 impoundment may be made until the amounts to be paid into the bond security and
21 redemption fund under s. 18.09 during the ensuing 30 days have been deposited in
22 the bond security and redemption fund.

23 **SECTION 156.** 19.32 (1) of the statutes is amended to read:

24 19.32 (1) "Authority" means any of the following having custody of a record: a
25 state or local office, elected official, agency, board, commission, committee, council,

1 department or public body corporate and politic created by constitution, law,
2 ordinance, rule or order; a governmental or quasi-governmental corporation except
3 for the Bradley center sports and entertainment corporation; a local exposition
4 district under subch. II of ch. 229; a family long-term care district under s. 46.2895;
5 any court of law; the assembly or senate; a nonprofit corporation which receives more
6 than 50% of its funds from a county or a municipality, as defined in s. 59.001 (3), and
7 which provides services related to public health or safety to the county or
8 municipality; ~~a nonprofit corporation operating the Olympic ice training center~~
9 ~~under s. 42.11 (3);~~ or a formally constituted subunit of any of the foregoing.

10 **SECTION 157.** 19.42 (10) (p) of the statutes is repealed.

11 **SECTION 158e.** 19.42 (10) (r) of the statutes is created to read:

12 19.42 (10) (r) The employees and members of the board of directors of the Lower
13 Fox River Remediation Authority.

14 **SECTION 159.** 19.42 (13) (o) of the statutes is repealed.

15 **SECTION 161.** 19.55 (2) (b) of the statutes is amended to read:

16 19.55 (2) (b) Records obtained or prepared by the board in connection with an
17 investigation, except that the board shall permit inspection of records that are made
18 public in the course of a hearing by the board to determine if a violation of this
19 subchapter or subch. III of ch. 13 has occurred. Whenever the board refers such
20 investigation and hearing records to a district attorney or to the attorney general,
21 they may be made public in the course of a prosecution initiated under this
22 subchapter. The board shall also provide information from investigation and hearing
23 records that pertains to the location of individuals and assets of individuals as
24 requested under s. 49.22 (2m) by the department of ~~workforce development~~ children
25 and families or by a county child support agency under s. 59.53 (5).