State of Wisconsin
2015 – 2016 LEGISLATURE

LRB-1474/P4
ALL:all:all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT **relating to:** state finances and appropriations, constituting the executive budget act of the 2015 legislature.

Analysis by the Legislative Reference Bureau

INTRODUCTION

This bill is the "executive budget bill" under section 16.47 (1) of the statutes. It contains the governor's recommendations for appropriations for the 2015–2017 fiscal biennium.

The bill repeals and recreates the appropriation schedule in chapter 20 of the statutes, thereby setting the appropriation levels for the 2015–2017 fiscal biennium. The descriptions that follow relate to the most significant changes in the law that are proposed in the bill. In most cases, changes in the amounts of existing spending authority and changes in the amounts of bonding authority under existing bonding programs are not discussed.

For additional information concerning this bill, see the Department of Administration's publication *Budget in Brief* and the executive budget books, the Legislative Fiscal Bureau's summary document, and the Legislative Reference Bureau's drafting files, which contain separate drafts on each policy item. In most cases, the policy item drafts contain a more detailed analysis than is printed with this bill.

GUIDE TO THE BILL

As is the case for all other bills, the sections of the budget bill that affect statutes are organized in ascending numerical order of the statutes affected.

Treatments of prior session laws (styled "laws of [year], chapter ...." from 1848 to 1981, and "[year] Wisconsin Act ...." beginning with 1983) are displayed next by year of original enactment and by act number.

The remaining sections of the budget bill are organized by type of provision and, within each type, alphabetically by state agency. The first two digits of the four–digit section number indicate the type of provision:

91XX Nonstatutory provisions.
92XX Fiscal changes.
93XX Initial applicability.
94XX Effective dates.

The remaining two digits indicate the state agency or subject area to which the provision relates:

XX01 Administration.
XX02 Agriculture, Trade and Consumer Protection.
XX03 Arts Board.
XX04 Building Commission.
XX05 Child Abuse and Neglect Prevention Board.
XX06 Children and Families.
XX07 Circuit Courts.
XX08 Corrections.
XX09 Court of Appeals.
XX10 District Attorneys.
XX11 Educational Communications Board.
XX12 Employee Trust Funds.
XX13 Employment Relations Commission.
XX14 Financial Institutions.
XX15 Government Accountability Board.
XX16 Governor.
XX17 Health and Educational Facilities Authority.
XX18 Health Services.
XX19 Higher Educational Aids Board.
XX20 Historical Society.
XX21 Housing and Economic Development Authority.
XX22 Insurance.
XX23 Investment Board.
XX24 Joint Committee on Finance.
XX25 Judicial Commission.
XX26 Justice.
XX27 Legislature.
XX28 Lieutenant Governor.
XX29 Local Government.
XX30 Medical College of Wisconsin.

XX31 Military Affairs.
XX32 Natural Resources.
XX33 Public Defender Board.
XX34 Public Instruction.
XX35 Public Lands, Board of Commissioners of.
XX36 Public Service Commission.
XX37 Revenue.
XX38 Safety and Professional Services.
XX39 Secretary of State.
XX40 State Employment Relations, Office of.
XX41 State Fair Park Board.
XX42 Supreme Court.
XX43 Technical College System.
XX44 Tourism.
XX45 Transportation.
XX46 Treasurer.
XX47 University of Wisconsin Hospitals and Clinics Authority.
XX48 University of Wisconsin System.
XX49 Veterans Affairs.
XX50 Wisconsin Economic Development Corporation.
XX51 Workforce Development.
XX52 Other.

For example, for general nonstatutory provisions relating to the State Historical Society, see SECTION 9120. For any agency that is not assigned a two–digit identification number and that is attached to another agency, see the number of the latter agency. For any other agency not assigned a two–digit identification number or any provision that does not relate to the functions of a particular agency, see number "52" (**Other**) within each type of provision.

In order to facilitate amendment drafting and the enrolling process, separate section numbers and headings appear for each type of provision and for each state agency, even if there are no provisions included in that section number and heading. Section numbers and headings for which there are no provisions will be deleted in enrolling and will not appear in the published act.

Following is a list of the most commonly used abbreviations appearing in the analysis.

DATCP ... Department of Agriculture, Trade and Consumer Protection
DCF ..... Department of Children and Families
DETF ..... Department of Employee Trust Funds
DFI ..... Department of Financial Institutions
DHS ..... Department of Health Services
DMA ..... Department of Military Affairs
DNR ..... Department of Natural Resources
DOA ..... Department of Administration

DOC ..... Department of Corrections
DOJ ..... Department of Justice
DOR ..... Department of Revenue
DOT ..... Department of Transportation
DPI ..... Department of Public Instruction
DSPS ..... Department of Safety and Professional Services
DVA ..... Department of Veterans Affairs
DWD ..... Department of Workforce Development
JCF ..... Joint Committee on Finance
OCI ..... Office of the Commissioner of Insurance
PSC ..... Public Service Commission
TCS ..... Technical College System
UW ..... University of Wisconsin
WEDC .... Wisconsin Economic Development Corporation
WHEDA .. Wisconsin Housing and Economic Development Authority
WHEFA ... Wisconsin Health and Educational Facilities Authority

AGRICULTURE

Under current law, the Board of Agriculture, Trade and Consumer Protection (board) is the policy–making entity for DATCP. The board approves DATCP's rules and appoints high–level staff. This bill transfers this authority from the board to the secretary of agriculture, trade and consumer protection and changes the board to a council, which is an advisory body.

Under current law, DATCP administers the Soil and Water Resource Management Program, which awards grants to counties to help fund their land and water conservation activities. This bill increases the general obligation bonding authority for this program by $7,000,000.

This bill creates a program under which DATCP provides grants to groups of farmers who assist other farmers within a watershed to conduct activities to reduce nonpoint source pollution. Nonpoint source pollution is water pollution from a diffuse source, such as runoff from fields.

This bill transfers $1,000,000 from the agricultural chemical cleanup fund to the environmental fund each fiscal year of the 2015–17 biennium.

COMMERCE AND ECONOMIC DEVELOPMENT

HOUSING AND ECONOMIC DEVELOPMENT

Under current law, WEDC is an authority, which is a public body corporate and politic, that has as its primary function the development, implementation, and administration of economic development programs in Wisconsin. Also under current law, WHEDA is an authority whose primary function is to establish and administer housing programs in Wisconsin, especially housing programs for persons and families of low and moderate income. Like WEDC, WHEDA is also tasked with developing, implementing, and administering economic development programs in the state.

Effective January 1, 2016, this bill eliminates WEDC and WHEDA and merges their functions into a new authority, created in the bill to be known as the Forward

Wisconsin Development Authority (FWDA). FWDA is governed by a board consisting of 12 members employed in the private sector. All members are nominated by the governor, and with the advice and consent of the senate appointed, to serve staggered four–year terms. Under the bill, the governor nominates FWDA's chief executive officer, subject to board approval and the advice and consent of the senate. The chief executive officer serves at the governor's pleasure. The governor is also required to nominate a chief operating officer, whose appointment is also subject to board approval, but not senate advice and consent. The chief operating officer likewise serves at the governor's pleasure. The bill requires the governor to coordinate with the chief executive officer as if the chief executive officer were the secretary of a department in the executive branch of state government. The board may delegate to the chief executive officer and chief operating officer any powers and duties the board considers proper. Under the bill, FWDA is given all the powers necessary or convenient to carry out its duties, as well as specific powers to conduct its corporate business. FWDA's primary duties are to develop and implement economic development programs and housing programs and projects in Wisconsin.

ECONOMIC DEVELOPMENT

This bill requires FWDA to establish a regional revolving loan fund grant program, under which FWDA may make grants to organizations within multicounty regions for the purpose of creating regional loan funds.

This bill authorizes DOA to award up to a total of $15,000,000 in grants to a city in Wisconsin for an economic development district that includes a community arts center and a mixed–use development. Before DOA awards any grant under the bill, the city must submit to DOA a financial plan for the economic development district that includes matching funds that equal all grant moneys requested and proof of other financing.

Under current law, angel investors may receive tax credits for certain investments in businesses certified by WEDC. WEDC may certify a business for purposes of the angel investment tax credit only if the business satisfies specific statutory requirements. This bill permits WEDC to waive one or more of those requirements based on standards approved by WEDC's board.

Under current law, WEDC administers an economic development program under which WEDC may designate areas within the state as "enterprise zones." WEDC may certify a business in an enterprise zone to receive certain tax benefits under certain circumstances. Under current law, WEDC may designate up to a total of 20 enterprise zones. This bill raises that cap to 30.

TOURISM

Under current law, the Kickapoo Reserve Management Board (KRMB) manages the Kickapoo Valley reserve on behalf of the Ho–Chunk Nation and the State of Wisconsin. Also under current law, the Lower Wisconsin State Riverway Board (LWSRB) administers a program to control land use and development along the riverway. Currently, the KRMB and the LWSRB are attached to the Department of Tourism for administrative purposes. This bill attaches the KRMB and the LWSRB to DNR.

BUSINESS ORGANIZATIONS AND FINANCIAL INSTITUTIONS

This bill eliminates DFI, including its Division of Banking and Division of Securities, and transfers all of its functions to the Department of Financial Institutions and Professional Standards (DFIPS). The bill also transfers the Office of Credit Unions to DFIPS.

This bill allows DFIPS to require that any filing, including such filings as license applications, articles of incorporation, financing statements, trademark registrations, reports, and notices, be made electronically. However, a hardship exception allows DFIPS to waive an electronic filing requirement.

The bill also reduces an annual transfer of funds from DFIPS to the Office of the Secretary of State.

CORRECTIONAL SYSTEM

ADULT CORRECTIONAL SYSTEM

Current law requires a person to complete a preservice training program approved by DOC before being permanently appointed as a correctional officer. This bill creates a Preservice Training Standards Board to certify persons as having met the standards that qualify them to be correctional officers.

Current law requires DOC to contract with two vendors, the Madison–area Urban Ministry, Inc., and Project Return to provide community reintegration services to former prisoners. The bill eliminates the requirement that DOC enter into a contract with those vendors.

JUVENILE CORRECTIONAL SYSTEM

Current law requires DOC to supervise the administration of juvenile delinquency–related services and to allocate to counties various state and federal moneys to pay for those services (commonly referred to as "youth aids"). In addition, current law defines "department," for purposes of administration of the Juvenile Justice Code, to mean DOC.

This bill, effective on January 1, 2016, transfers from DOC to DCF the responsibility for allocating youth aids to counties and for supervising the administration of community–based juvenile delinquency–related services, which the bill defines as juvenile delinquency–related services other than juvenile correctional services provided for juveniles who are being held in a juvenile detention facility or who have been adjudged delinquent and placed in a juvenile correctional facility (JCF), the Serious Juvenile Offender Program, or on aftercare supervision under the supervision of DOC. In addition, the bill redefines "department," for purposes of administration of the Juvenile Justice Code, to mean DCF, except with respect to juvenile correctional services provided by DOC.

Under current law, when a juvenile who has been adjudicated delinquent is placed under the supervision of DOC, DOC may place the juvenile on aftercare supervision, either immediately or following a period of placement in a JCF. Currently, aftercare supervision is provided either by DOC or by the county in which the juvenile was adjudicated delinquent or the county of the juvenile's legal residence.

Under current law, DOC also provides a corrective sanctions program, consisting of intensive surveillance and community–based treatment services, for juveniles who have been adjudicated delinquent, placed under the supervision of DOC, and selected by the Office of Juvenile Offender Review in DOC to participate in the program.

This bill, effective on July 1, 2017, or on the second day after publication of the 2017–19 biennial budget act, whichever is later, eliminates aftercare supervision provided by DOC and the corrective sanctions program. Instead, the bill requires DOC to purchase or provide community supervision services for juveniles who have been placed under the supervision of DOC. The bill permits DOC to purchase or provide for a juvenile who has been placed under community supervision: 1) surveillance based on the juvenile's level of risk and community safety considerations; 2) youth report center programming for times when the juvenile is not under immediate adult supervision; 3) contacts with the juvenile and the juvenile's family of a type, frequency, and duration that are commensurate with the juvenile's level of risk and treatment needs; 4) case management services; and 5) any other treatment or services that are needed to meet the needs of the juvenile.

Under current law relating to youth aids, DOC charges counties for the costs of services provided by DOC according to per person daily cost assessments specified in the statutes (daily rates). Under this bill, the daily rates are as follows:

1. For fiscal year 2015–16, the daily rate is $279 for care in a Type 1 JCF, $279 for care for juveniles transferred from a JCF, $132 for corrective sanctions services, and $48 for DOC aftercare services.

2. For fiscal year 2016–17, the daily rate is $287 for care in a Type 1 JCF, $287 for care for juveniles transferred from a JCF, $127 for corrective sanctions services, and $49 for DOC aftercare services.

COURTS AND PROCEDURE

Domestic relations

Under current law, if a person has been ordered to pay child or family support or maintenance, a portion of the person's income may be assigned, or set aside by the person's employer, to satisfy his or her support obligations. Under this bill, state income continuation insurance benefits and, if the person's occupation is law enforcement or fire fighting, duty disability benefits may be assigned.

This bill eliminates the usual filing fee for an action brought by the state or its delegate or commenced on behalf of the child by a guardian ad litem to determine child support and legal custody and physical placement of a child for whom paternity has been established by his or her parents' voluntary acknowledgement of paternity.

Public defender

Under current law, if a person qualifies for legal representation by the Office of the State Public Defender (SPD), the SPD either assigns an attorney employed by the office to represent the person or contracts with a private attorney to represent the person. If two potential SPD clients have conflicting interests, the SPD must contract with private attorneys to represent at least one of the potential clients.

The bill creates, within the SPD, a two–year pilot program to administer a conflicts office in Milwaukee County that will represent clients in Milwaukee,

Waukesha, and Racine counties who would otherwise be represented by private attorneys due to a conflicting interest with the SPD.

Current law requires the SPD to enter into as many annual contracts as possible with private attorneys or firms to provide legal representation. This bill provides that late payments under such contracts do not accrue the 12 percent interest that certain other late payments do.

DISTRICT ATTORNEYS

Under current law, a judge may appoint a special prosecutor, or a district attorney may request a judge to appoint a special prosecutor, to perform the duties of the district attorney if certain circumstances exist such as: there is no district attorney, the district attorney is absent, or the district attorney is serving in the armed forces; the district attorney is related to the party to be tried or has determined that a conflict of interest exists; or the district attorney is physically unable to attend to his or her duties. This bill specifies that inability to attend to duties must be due to a health issue, and this bill requires the judge, or the requesting district attorney, to submit to DOJ an affidavit attesting to the existence of the circumstance that qualifies for the appointment of a special prosecutor. Under current law, the court fixes the amount of compensation for a special prosecutor based on the rates provided to private attorneys providing legal representation through a contract with the state public defender and DOA must pay that compensation. Under this bill, DOJ must approve the appointment of a special prosecutor before the court may fix the amount of compensation. In addition, this bill provides that late payment of compensation does not accrue the 12 percent interest that certain other late payments do.

This bill increases, from five to seven, the number of deputy district attorneys that the district attorney for a county that has a population of 500,000 or more may appoint.

OTHER COURTS AND PROCEDURE

This bill eliminates exceptions to the payment of a justice information system surcharge by persons paying certain court fees, and eliminates exceptions to the payment of fees by a defendant in a forfeiture action.

Under the bill, a circuit court must impose on and collect from a person who operates an aircraft under the influence of an intoxicant, the costs charged to, paid by, or expected to be charged to, a law enforcement agency to collect the person's blood.

Under current law, the Judicial Commission, composed of five nonlawyers appointed by the governor with the consent of the senate and two judges and two state bar members appointed by the supreme court, investigates any misconduct or permanent disability of a judge or court commissioner. The supreme court reviews the actions of the Judicial Commission and determines the appropriate discipline or action to take in response to the judicial commission's investigation. The bill moves the appropriations for administering the Judicial Commission to the supreme court.

Under current law, the Judicial Council consists of 21 designated or appointed members, including a supreme court justice, one court of appeals judge, four circuit court judges, the chairpersons of the senate and assembly committees dealing with judicial affairs or their designees, and the attorney general or his or her designee.

Current law empowers the council to advise the supreme court of changes to the rules of pleading, practice, and procedure that would simplify procedure and promote a speedy determination of litigation on its merits and to recommend to the legislature changes to the business of the courts that can be accomplished only through legislation. This bill eliminates the Judicial Council and its appropriations.

Currently, the salaries of justices of the supreme court, court of appeals judges, and circuit court judges are based on recommendations of the director of the Office of State Employment Relations and submitted for approval to the Joint Committee on Employment Relations (JCOER).

This bill creates a Judicial Compensation Commission (commission), consisting of members appointed by the supreme court, to review judicial salaries and submit a written report and make recommendations on the judicial salaries.

Current law requires the Division of Hearings and Appeals (DHA) to appoint hearing examiners to make findings and orders in crime victim compensation contested cases and in certain contested cases involving health care providers. For both of these types of contested cases, initial decisions are issued by DOJ.

This bill repeals the requirement that DHA conduct these hearings, but DOJ allows the option to contract with DHA to provide hearing services.

This bill consolidates several general purpose revenue appropriations, related to circuit court costs, to the director of state courts into one biennial appropriation and requires the director to define circuit court costs. This bill also consolidates general purpose revenue appropriations for the director of state courts and the state law library.

EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill makes a number of changes to the Racine Parental Choice Program (RPCP), the Milwaukee Parental Choice Program (MPCP), and the statewide parental choice program (statewide choice program) (together, PCPs).

Current law limits the number of pupils who may participate in the statewide choice program to 1,000 pupils and specifies that no more than one percent of any school district's total enrollment may attend private schools under the statewide choice program. Current law also limits the number of private schools that may participate in the statewide choice program. This bill eliminates these limitations on the statewide choice program.

Under current law, for each pupil attending a private school under the RPCP or the statewide choice program, DPI pays the private school an amount equal to the lesser of (a) the participating private school's operating and debt service cost per pupil and (b) a maximum amount provided by law. For the 2014–15 school year, the maximum per pupil amount provided by law is $7,210 or $7,856, depending on the pupil's grade. For each school year after the 2014–15 school year, the maximum per pupil payment is adjusted based on any increase in the per pupil revenue limit and any increase in the total categorical aid funding per pupil (per pupil payment adjustment). Currently, DPI makes payments to private schools participating in the RPCP or the statewide choice program from a sum sufficient appropriation.

This bill changes the payments DPI makes to participating private schools for pupils who begin attending a private school under the RPCP or the statewide choice program in the 2015–16 school year or in any school year thereafter (new choice pupils). Under the bill, for a new choice pupil, each participating private school receives the same per pupil amount. The amount is based on the following factors:

1. The school districts in which new choice pupils reside.
2. The per pupil equalization aid for each of those school districts.
3. The number of new choice pupils residing in each school district.

The per pupil amount is calculated annually by DPI. Under the bill, payments to participating private schools for new choice pupils are paid from the general equalization aid sum certain appropriation.

Under current law, pupils attending a private school under the RPCP or the statewide choice program are not included in a school district's membership for purposes of calculating the school district's equalization aid. Under the bill, beginning with the aid calculation for the 2016–17 school year, solely for purposes of calculating a school district's equalization aid, a school district's membership includes new choice pupils residing in the school district that are attending a private school under the RPCP or the statewide choice program. The bill also requires that the amount of each school district's equalization aid be reduced by an amount determined by multiplying the school district's per pupil equalization aid by the number of new choice pupils who reside in that school district. This reduction is not considered for purposes of calculating a school district's revenue limit.

Under current law, a pupil must satisfy one of the following to attend a private school under the RPCP:

1. He or she was enrolled in a public school in the school district in the previous school year.
2. He or she was not enrolled in school in the previous school year.
3. He or she attended a private school under the RPCP in the previous school year.
4. He or she is applying to kindergarten, 1st grade, or 9th grade.

This bill creates the same requirement for new choice pupils in the statewide choice program.

This bill changes payments made to private schools participating in the RPCP or the statewide choice program for pupils who began attending a participating private school before the 2015–16 school year only to the extent the bill 1) eliminates the option of a per pupil payment amount based on a private school's operating and debt service costs and 2) delays applying the per pupil payment adjustment until the 2017–18 school year. The bill makes these same changes to payments made for pupils participating in the MPCP.

Current law requires a participating private school to submit an annual financial audit prepared by an independent certified public accountant to DPI that includes the private schools' educational costs. Under the bill, the annual financial audit must comply with generally accepted accounting principles, as modified by DPI, and include a calculation of the private school's net eligible educational

programming costs and the balance of the private school's fund for future educational programming costs.

Under current law, a private school participating in the MPCP or the RPCP must accept pupil applications on a random basis except that the private school may give a preference to pupils who attended the private school, to siblings of pupils who attended the private school, and to pupils who attended a different private school under a PCP. For the statewide choice program, DPI determines the pupils who may attend each participating private school by a random drawing, except that DPI must give preference to a sibling of a pupil chosen by random drawing. This bill creates the following list of preferences which participating private schools may use to accept pupils under any PCP:

1. Pupils continuing at the participating private school.
2. Siblings of pupils continuing at the participating private school.
3. Pupils who previously attended a different participating private school.
4. Siblings of pupils who previously attended a different participating private school.
5. Siblings of pupils who were randomly accepted to attend the participating private school for the current school year.

Under current law, a school board may enter into a contract with a person to establish a charter school, which operates with fewer constraints than traditional public schools. Current law also permits UW–Milwaukee, UW–Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of such charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.

This bill creates the Charter School Oversight Board (CSOB), attached to DPI, and authorizes it to approve nonprofit, nonsectarian organizations, or consortia of such organizations, to contract with persons to operate independent charter schools. The CSOB consists of the state superintendent of public instruction and ten other members. The bill prohibits the CSOB from promulgating administrative rules and provides that any policy or standard adopted by the CSOB is exempt from the rule–making process.

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

A nonprofit, nonsectarian organization or consortium of such organizations that wishes to contract with a charter school governing board to operate a charter school must submit an application to the CSOB in accordance with certain specified requirements. The CSOB must approve or deny an application within 90 days.

The bill provides that the contract between an authorizing entity and the independent charter school's governing board must allow the authorizing entity to charge the governing board a fee. The contract must also allow the charter school governing board to open additional charter schools if the charter school governed by the contract is in one of the top two performance categories on DPI's most recent school accountability report. The bill makes this provision applicable to existing contracts with independent charter schools as well.

The bill allows a charter school contract to provide for more than one charter school, and allows a charter school governing board to enter into more than one contract. The bill allows a school board to prohibit a pupil who resides in the school district from attending an independent charter school unless the school district's enrollment is at least 4,000 and at least two schools in the school district are in one of the lowest performance categories on DPI's most recent school accountability report.

Under current law, in the 2014–15 school year, DPI pays the operator of an independent charter school $8,075 for each pupil attending the school. Beginning in the 2015–16 school year, for each pupil attending an independent charter school DPI pays the per pupil amount in the previous school year plus the per pupil payment adjustment. Under the bill, DPI will not begin applying the per pupil payment adjustment to per pupil payments made to operators of independent charter schools until the 2017–18 school year.

This bill authorizes the school boards of two or more school districts to enter into a whole grade sharing agreement that provides for all or a substantial portion of the pupils in one or more grades in any of the school districts to attend school in one or more of the other school districts for all or a substantial portion of a school day. A whole grade sharing agreement must specify all of the following:

1. The term of the agreement.
2. The grade levels affected by the agreement.
3. The per pupil amount that a resident school district pays for a pupil attending a nonresident school district under the agreement.
4. Which pupils each school board is responsible to transport. A responsible school board is eligible for state transportation aid for the pupils it transports under the agreement.
5. Which school board will award graduation diplomas.
6. Which school board is required to maintain pupils records.

A whole grade sharing agreement must be signed by the participating school boards no later than February 1 in order to be effective for the ensuing school year. At least 30 days before entering into a whole grade sharing agreement, an interested school district must hold a public hearing at which the proposed agreement is described and school district electors may offer comments.

For each of the first five school years after a whole grade sharing agreement takes effect, DPI must provide additional aid to each participating school district to ensure that the school district does not receive less state aid than it did before entering into the agreement. DPI also provides additional aid in the sixth and seventh years after the agreement takes effect but to a lesser extent.

In general, the bill provides that pupils attending a public school in a nonresident school district under a whole grade sharing agreement have all the rights and privileges of resident pupils and are subject to the same rules that govern resident pupils. The bill also provides that the school district of attendance is the local educational agency for purposes of providing special education and related services to children with a disability who are attending a nonresident school district under a whole grade sharing agreement.

Under current law, DPI provides each school district with per pupil aid in the amount of $150 multiplied by the average of the number of pupils enrolled in the school district in the current and two preceding school years. This bill makes the per pupil aid appropriation a sum certain appropriation and changes the manner in which per pupil aid is calculated. Under the bill, for each pupil enrolled in a school district in the current school year, the school district receives per pupil aid equal to the total amount appropriated for per pupil aid in that fiscal year divided by the total number of pupils enrolled in all school districts in that school year.

This bill makes school board participation in a cooperative educational service agency (CESA) optional. Under current law, DPI provides funding to each CESA to maintain and operate the CESA and to match any federal funding for vocational education administration. Beginning in the 2015–16 school year, this bill requires each school board participating in a CESA to pay its proportional share of these costs to the CESA's board of control.

Currently, under the Special Transfer Program (commonly known as Chapter 220), the state provides aid to school districts to support voluntary efforts by school districts to reduce racial imbalance. Aid is provided for both interdistrict and intradistrict pupil transfers. This bill closes the Special Transfer Program to new pupils. Under the bill, however, any pupil who attended a school under the program in the 2014–15 school year may continue to participate in the program.

Under current law, a school district required to provide transportation services to public and private school pupils enrolled in the school district is eligible to receive pupil transportation aid. The per pupil amount of pupil transportation aid for which a school district is eligible varies based on how far a pupil is transported.

This bill increases the per pupil transportation aid amount for transporting a pupil who lives more than 12 miles from his or her school from $275 per school year to $300 per school year and makes an independent charter school that elects to provide transportation to pupils attending the charter school eligible for pupil transportation aid.

Under current law, DPI provides additional transportation aid to school districts with per member transportation costs that exceed 150 percent of the state average per member transportation costs (high cost transportation aid). Under this bill, a school district is eligible for high cost transportation aid only if the school district has a membership density of 50 members per square mile or less.

Under current law, a school district is eligible to receive sparsity aid if in the previous school year 1) the school district's membership was no more than 725; 2) at least 20 percent of the school district's membership was eligible for a free or reduced–price lunch under the National School Lunch Program; and 3) the school

district's membership divided by the school district's area in square miles was less than ten. This bill eliminates the requirement that at least 20 percent of the school district's membership was eligible for a free or reduced–price lunch.

Under current law, the amount by which a school district's equalization aid is adjusted due to a net number of pupils leaving or entering the school district under full–time open enrollment (OEP per pupil payment) is determined by DPI based on the OEP per pupil payment in the previous year. Under current law, beginning in the 2015–16 school year, the OEP per pupil payment is the OEP per pupil payment in the previous year plus the per pupil payment adjustment. This bill delays the per pupil payment adjustment until the 2017–18 school year.

Current law requires the State Superintendent of Public Instruction (state superintendent) to approve examinations for measuring pupil attainment of knowledge and concepts in the 4th, 8th, 9th, 10th, and 11th grades. With certain exceptions, current law requires school districts, private schools participating in a parental choice program (PCP), and independent charter schools to administer the examination approved for each grade by the state superintendent. This bill prohibits the state superintendent from approving examinations developed by the Smarter Balanced Assessment Consortium. Current law requires these schools to administer the ninth grade examination once in the fall session and once in the spring session. This bill eliminates the requirement to administer the ninth grade examination in the fall session.

This bill requires the UW–Madison Value–Added Research Center (VARC) to approve at least three but no more than five alternative examinations determined to be acceptable for statistical comparison with the examination approved by the state superintendent. Beginning in the 2015–16 school year, a school may administer an alternative examination approved by VARC instead of the examination approved by the state superintendent if the school notifies the state superintendent that it intends to do so.

Current law requires DPI to annually prepare accountability reports that evaluate the performance and improvement of each school and school district in the state and, beginning in the 2015–16 school year, of each private school participating in a PCP and independent charter school. DPI must place each school and school district into one of five performance categories based on certain measures including pupil achievement in reading and mathematics.

This bill replaces the performance categories with letter grades and makes changes to the measures used to determine school performance and school district improvement. Under the bill, in determining a school's performance or a school district's improvement, DPI must take into account the percentage of economically disadvantaged pupils enrolled in the school or school district and the length of time a pupil was enrolled in the school or school district. Each school must provide a copy of the school's accountability report to the parent or guardian of each pupil enrolled in the school.

Current law requires each school district, private school participating in a PCP, and independent charter school to adopt pupil academic standards, and permits the schools to adopt academic standards approved by the state superintendent. The

state superintendent has adopted academic standards, in mathematics and in English and language arts, developed by the Common Core State Standards Initiative (common core standards). This bill prohibits the state superintendent from giving effect to any common core standards currently in effect, and prohibits the state superintendent from adopting or implementing any new common core standards. The bill also prohibits the state superintendent from requiring a school district to adopt or implement any common core standard.

This bill requires each school board to annually provide to the parent or guardian of each child who resides within the school district of the educational options available to that child, and to post this information on the school district's Internet site. The bill requires the state superintendent to provide this same information, on a statewide basis, on DPI's Internet site.

This bill directs DPI to grant a teaching license to any individual who has a bachelor's degree, demonstrates that he or she is proficient in the licensed subject, and has relevant experience in the licensed subject. The license authorizes the individual to teach only the license subject in grades 6 to 12. The license is valid for three years and may be renewed.

UNIVERSITY OF WISCONSIN SYSTEM AUTHORITY

Current law creates a system of institutions of learning known as the UW System and specifies a mission and purposes for the system. The UW System is governed by the Board of Regents, which consists of the State Superintendent of Public Instruction, the president of the technical college system, 14 citizen members with seven–year terms, and two students with two–year terms. The latter 16 members are nominated by the governor and appointed with the advice and consent of the senate. There is a shared, hierarchical system of governance for the UW System: the Board of Regents has primary responsibility, followed by the UW System president, institution chancellors, faculty, academic staff, and students. Three boards and one council are created in or attached to the UW System: the Environmental Education Board, the Laboratory of Hygiene Board, the Veterinary Diagnostic Laboratory Board, and the Rural Health Development Council.

Effective July 1, 2016, this bill converts the UW System to an authority called the University of Wisconsin System Authority (UWSA) by creating a system of higher education known by the same name, UW System, which is provided by UWSA. The bill creates a governing board for UWSA that retains the name, Board of Regents, and has the same members who are appointed in the same manner and for the same terms as under current law. The bill allows the members of the Board of Regents under current law to continue to serve until the expiration of their terms. The bill eliminates the shared, hierarchical system of governance under current law by vesting responsibility for governing the UW System in the UWSA Board of Regents and eliminating the powers specified under current law for the UW System president, chancellors, faculty, academic staff, and students. The bill specifies that the mission of the UW System includes developing human resources to meet the state's workforce needs, and requires the UWSA Board of Regents to provide affordable access to high–quality postsecondary, graduate, and doctoral education.

The bill eliminates specified grants of power to the Board of Regents under current law, and specifies that the UWSA Board of Regents has all powers necessary or convenient to operate the UW System, including the power to sue and be sued, have perpetual existence, execute contracts, and contract for legal services. The bill generally allows the UWSA Board of Regents of UWSA to adopt policies and procedures for matters without promulgating rules under procedures that apply to state agencies. However, the bill requires the UWSA Board of Regents to promulgate rules under those procedures for protecting the lives, health, and safety of persons on property under its jurisdiction, as well as for managing such property. The UWSA Board of Regents retains the police power of the Board of Regents under current law and campus police have the same duties and powers as under current law. As under current law, the bill allows the UWSA Board of Regents to authorize chancellors to adopt parking rules that are not subject to state agency rule–making procedures.

The bill requires the UWSA Board of Regents to enter into an agreement with the DOA secretary to lease for a period of not more than 75 years any state–owned property or facilities required for the UWSA Board of Regents to perform its duties and exercise its powers. The lease agreement must contain specified provisions, including provisions that do the following: 1) give the state ownership of improvements or modifications made to property or facilities subject to the lease agreement; 2) give the state ownership of any facility that the UWSA Board of Regents constructs on state–owned land; 3) require the UWSA Board of Regents to obtain building commission approval for any construction or renovation project costing at least $760,000 and involving a state–owned facility or occurring on state–owned land; 4) require UWSA to make debt payments for self–amortizing university facilities; and 5) make the UWSA Board of Regents responsible for maintenance and upkeep of facilities and property. The lease agreement and any modifications, extensions, or renewals may take effect only upon approval by JCF.

The bill requires the UWSA Board of Regents to appoint a president who is chief executive officer of UWSA, as well as the following, who are appointed by the Board of Regents under current law: the state geologist, state cartographer, and director of the psychiatric institute. The bill allows the UWSA Board of Regents to employ agents and employees whom the board finds necessary and requires the UWSA Board of Regents to develop and implement a personnel system and other employment policies. The bill transfers all UW System employees under current law to UWSA, except those who perform duties related to the Veterinary Diagnostic Laboratory and the State Laboratory of Hygiene. The bill transfers those laboratories and their employees to DATCP, and specifies that the employees are not required to serve a probationary period. The bill requires the DATCP secretary to appoint the directors of those laboratories, but allows the directors appointed under current law to continue to serve until their appointments expire. The bill specifies that UW System employees who are transferred to UWSA are eligible to transfer back to a position in state government any time before July 1, 2017.

The bill requires the UWSA Board of Regents to establish an annual budget and monitor fiscal management of UWSA. The bill allows the UWSA Board of Regents to issue bonds that are not public debt and specifies that the state pledges that,

unless bondholders are adequately protected, the state will not limit or alter any rights before UWSA satisfies the bonds. The bill eliminates all appropriations to the UW System under current law, except general purpose revenues for educational programs and the payment of certain construction debt. The bill requires the DOA secretary to make quarterly payments to UWSA of the general purpose revenues appropriated for educational programs. However, the secretary is allowed to make the payments only if UWSA has made payments due on the lease agreement described above, payments required for municipal services, and any other payments for obligations otherwise due to the state. In fiscal year 2017–18, the bill allocates $753,533,000 from state sales tax revenue for the educational programs. In each fiscal year thereafter, the bill allocates the same amount with adjustments for inflation.

The bill generally maintains requirements under current law regarding tuition and tuition remissions. In academic years 2015–16 and 2016–17, the bill prohibits increases in resident undergraduate tuition above that charged in the 2014–15 academic year. The bill transfers responsibility for Minnesota–Wisconsin tuition reciprocity agreements from the Higher Educational Aids Board to the UWSA Board of Regents, which may continue such agreements at its discretion.

The bill specifies requirements for legal proceedings involving UWSA. Under current law, no one may sue a state officer, employee, or agent who is acting in his or her official capacity for damages unless the person serves the attorney general with a written notice of claim within 120 days of the event that allegedly caused the damages. The bill applies that prohibition to actions against a UWSA officer or employee. However, the prohibition does not apply to actions by the state against UWSA officers and employees. Current law generally limits damages in a case against a state officer, employee, or agent who is acting in his or her official capacity to $250,000. The bill applies that limit to actions, including those by the state, against a UWSA officer or employee. Current law generally provides that, if a public officer or a state employee is sued in an official capacity or for actions undertaken within the scope of his or her employment, the state or political subdivision that employs the officer or employee must provide legal counsel to the defendant or cover legal costs for the defendant. If damages are assessed against the officer or employee, the state or political subdivision must pay any damages in excess of applicable insurance. The bill applies those duties to UWSA regarding its officers and employees. Under current law, DOJ represents the state, state agencies, and state employees in certain legal proceedings, reviews, and actions. The bill requires DOJ to do the same for UWSA and its officials, employees, and agents, unless the state and the UWSA Board of Regents are adverse parties.

The bill eliminates requirements that apply to the UW System and Board of Regents under current law, including requirements regarding the following: faculty tenure and probationary appointments; academic staff appointments; accumulation of sick leave; specified educational programs and studies; graduate student financial aid; recruiting programs for minority and disadvantaged students; public broadcasting; application and parking fees; student fee statements; gifts, grants, and bequests to the UW System; transportation planning; orientation information on

sexual assault and harassment; student identification numbers; Downer Woods preservation; criteria for use of animals in research; information technology; support for medical practice in underserved areas; a rural physician residency assistance program; loan assistance programs for physicians, dentists, and other health care providers; and various legislative reports.

The bill makes other changes, including the following:

1. The bill allows the UWSA Board of Regents to acquire property by condemnation in the same manner as the Board of Regents under current law.

2. Under current law, employees of the UW System, except faculty and academic staff, may collectively bargain under the State Employment Labor Relations Act (SELRA). Under SELRA, the legislature must adopt collective bargaining agreements covering the employees before the agreements may be executed. Under this bill, UWSA employees, except faculty, academic staff, and law enforcement officers, may collectively bargain under the Municipal Employment Relations Act (MERA), and collective bargaining agreements under MERA are not subject to legislative approval.

3. The bill allows the UWSA Board of Regents, with DOA approval, to opt in or out of the state's risk management program administered by DOA, except for the state worker's compensation program.

4. Under current law, the UW System is subject to state procurement requirements applicable to state agencies. Under this bill, UWSA is not subject to those requirements. Instead, UWSA is treated like a municipality, which allows DOA to enter into cooperative purchasing agreements with UWSA.

5. The bill requires the UWSA Board of Regents members to file annual statements of economic interest required for public officials, subjects specified UWSA officials to the ethics code for public officials, and requires the UWSA Board of Regents to establish an ethics code for other personnel.

6. The bill specifies that UWSA retains the income, sales, and property tax exemptions of the UW System under current law and requires UWSA to make payments for municipal services in the same manner as the UW System under current law.

7. The bill creates an exception to the open records law for information produced or collected by or for UWSA faculty or staff with respect to commercial, scientific, or technical research until that information is publicly disseminated or patented.

8. The bill specifies that the UW–Extension programs in counties are subject to the approval of the UWSA Board of Regents.

9. The bill eliminates the Environmental Education Board and the Rural Health Development Council.

See also STATE GOVERNMENT — OTHER STATE GOVERNMENT.

HIGHER EDUCATION

Current law requires the TCS Board to submit a plan to JCF for allocating general state aid to technical college districts based on performance with respect to specified criteria. Upon approval of the plan by JCF, the TCS Board must allocate

the general state aid among the districts so that, by fiscal year 2016–17, 30 percent of the aid is allocated according to the plan and 70 percent is allocated according to a formula for equalizing the aid based on district property values. However, in fiscal year 2017–18, all of the aid must be allocated according to the equalization formula.

Under this bill, the TCS Board must allocate aid as follows: in fiscal year 2017–18, 40 percent according to the plan and 60 percent according to the equalization formula; in fiscal year year 2018–19, 50 percent according to the plan and 50 percent according to the equalization formula; and, in fiscal year 2019–20 and thereafter, 100 percent according to the plan. The bill also adds, as another criterion for performance–based allocation of aid, the development and implementation of a policy to award course credit for educational experience or training not obtained through an educational institution.

Under current law, the TCS Board establishes technical college program fees and must generally establish uniform fees for all technical college districts based on operational costs. Under this bill, the TCS Board may not increase program fees for courses substantially related to high–demand fields, as determined by DWD.

This bill allows technical college districts to join together to jointly: provide health care benefits to their officers and employees on a self–insured basis; procure stop loss insurance; and self–insure stop loss risk.

OTHER EDUCATIONAL AND CULTURAL AGENCIES

This bill eliminates the Educational Approval Board (EAB), which under current law is attached to the TCS Board and inspects and approves certain private schools (proprietary schools) and regulates persons who solicit students for these schools. The bill eliminates many current functions of the EAB, transfers or recreates functions relating to authorizing proprietary schools and student record preservation to the Department of Financial Institutions and Professional Standards (created under the bill), and transfers certain consumer protection functions to DATCP.

Under current law, if a proposed state agency, political subdivision, or school board action will affect a historic property, the state historic preservation officer, which is the director of the State Historical Society or the director's designee, must determine whether the proposed action will have an adverse effect on the historic property. This bill allows a state agency, political subdivision, or school board to appeal determinations of the historic preservation officer to DOA's Division of Hearings and Appeals.

The bill also eliminates certain contract and expenditure requirements imposed on the Educational Communications Board related to television programming.

EMINENT DOMAIN

Under both the current state eminent domain law and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act), a person that exercises eminent domain authority must make certain relocation assistance payments for items including moving expenses and losses of personal property, and certain replacement housing payments, which must be in the manner and amount determined under whichever law applies. Programs and

projects that receive federal financial assistance may be subject to both state eminent domain law and the Uniform Act, which may differ in terms of the procedures that apply and the amount of compensation that must be paid for those payments.

This bill provides that, in the case of a program or project receiving federal financial assistance, a condemnor must, in addition to any such payment required to be paid under the state eminent domain law, make any additional payment required to comply with the Uniform Act.

EMPLOYMENT

UNEMPLOYMENT INSURANCE

Under federal law, a state may require a claimant to submit to a test for the unlawful use of controlled substances (drug test) as a condition of receiving unemployment insurance (UI) benefits if the claimant is an individual for whom suitable work, as defined under a state's UI law, is only available in an occupation that regularly conducts drug testing, as determined in regulations issued by the United States Secretary of Labor (federal regulations). As of January 27, 2015, final federal regulations have not been issued.

This bill requires DWD to establish a program to require claimants who apply for regular UI benefits to submit to drug tests. The bill requires DWD to determine, when a claimant applies for regular UI benefits, whether the claimant is an individual for whom suitable work is only available in an occupation described in the federal regulations. If DWD determines that the claimant is such an individual, DWD must conduct a screening on the claimant to determine whether the claimant should be required to submit to a drug test. If the screening indicates that the claimant should be required to submit to a drug test, DWD must require the claimant to submit to such a test.

The bill provides that, if the claimant declines to submit to such a test, the claimant is ineligible for UI benefits for 52 weeks or until a subsequent claim for benefits, whichever is later. If the claimant submits to the drug test, but does not test positive for any controlled substance without a valid prescription, the claimant may receive UI benefits if otherwise eligible and may not be required to submit to any further drug test until a subsequent claim for benefits. If the claimant submits to the drug test and tests positive for one or more controlled substances without a valid prescription, the bill provides that the claimant is ineligible for UI benefits for 52 weeks or until a subsequent claim for benefits, whichever is later, except that following the positive test, the claimant may maintain his or her eligibility for UI benefits by enrolling in a state–sponsored substance abuse treatment program and undergoing a state–sponsored job skills assessment. The claimant remains eligible for benefits for each week the claimant is in full compliance with any requirements of the substance abuse treatment program and job skills assessment.

The bill also requires DWD to promulgate rules to identify occupations for which drug testing is regularly conducted in this state and to apply the above provisions for claimants for whom suitable work is only available in one of the occupations identified by DWD.

In addition, the bill allows an employing unit to voluntarily submit to DWD the results of a drug test that was conducted on an individual as preemployment screening or that an individual declined to submit to such a test. If the results of the test indicate that the individual has tested positive for one or more controlled substances without a valid prescription, or if the individual declined to submit to such a test, the bill provides that there is a presumption, rebuttable as provided in rules promulgated by DWD, that the claimant has failed to accept suitable work when offered. If the presumption is not rebutted, the claimant is ineligible for UI benefits as if the claimant had tested positive in or declined to submit to a drug test conducted by DWD, beginning with the week in which DWD receives the report.

Current law places various conditions upon the receipt of UI benefits, including that claimants conduct a reasonable search for suitable work and that claimants accept suitable work when offered. Current law does not define suitable work, but DWD has defined it by rule to mean work that is reasonable considering the claimant's training, experience, and duration of unemployment as well as the availability of jobs in the labor market. This bill specifically requires DWD to define by rule what constitutes suitable work for claimants, and requires that the rule specify different levels of suitable work based upon the number of weeks that a claimant has received benefits in a given benefit year.

Current law establishes penalties for certain violations under the UI law, including for knowingly making a false statement or representation to obtain UI benefits, for which the penalty is a fine of not less than $100 nor more than $500 or imprisonment for not more than 90 days, or both. This bill instead provides that the penalties for knowingly making a false statement or representation to obtain UI benefits range from the penalties for a Class A misdemeanor to a Class G felony, depending on the value of the benefits obtained.

Separate from the criminal penalties described above, under current law, if a claimant for UI benefits conceals any material fact relating to his or her eligibility for UI benefits or conceals any of his or her wages or hours worked (act of concealment), the claimant is ineligible for benefits in an amount ranging from to two to eight times the claimant's weekly benefit rate and is liable for an additional administrative penalty in an amount equal to 15 percent of the benefit payments erroneously paid to the claimant. This bill raises the administrative penalty described above to an amount equal to 40 percent of the benefit payments erroneously paid to the claimant.

WORKER'S COMPENSATION

Under current law, DWD performs certain administrative functions relating to worker's compensation. Those administrative functions include enforcement of the requirement that employers are insured for their worker's compensation liability; granting exemptions from that duty to insure to self–insured employers; and administering certain funds, from which DWD pays benefits to the injured employees of insolvent self–insured employers, the injured employees of uninsured employers, and certain injured employees with permanent total disability. This bill transfers the administrative functions of DWD relating to worker's compensation to OCI.

Under current law, DWD performs certain adjudicatory functions relating to worker's compensation. Those adjudicatory functions include adjudicating disputed worker's compensation claims, adjudicating health care fee disputes, and adjudicating necessity of treatment disputes. This bill transfers adjudication of disputed worker's compensation claims to the Division of Hearings and Appeals in DOA (DHA) and adjudication of fee and necessity of treatment disputes to OCI. The bill also permits DHA to record testimony by electronic means rather then by a stenographer and to provide notices by electronic delivery in addition to providing notices by mail.

Under current law, an injured employee who is receiving the maximum weekly worker's compensation benefit for total disability resulting from an injury that occurred before January 1, 2001, is entitled to receive certain supplemental benefits in addition to the employee's regular benefits. Those supplemental benefits are payable in the first instance by the employer or insurer, but the employer or insurer then is entitled to reimbursement for those supplemental benefits paid from the work injury supplemental benefit (WISB) fund, which is a fund that, among other things, is used to pay supplemental worker's compensation to injured employees with permanent total disability.

This bill terminates reimbursement from the WISB fund for supplemental benefits paid by an employer or insurer beginning on the effective date of the bill and terminates reimbursement altogether for supplemental benefits paid for an injury that occurs on or after January 1, 2016. For supplemental benefits paid by an insurer for an injury that occurs before January 1, 2016, the bill provides that reimbursement of those benefits is from the worker's compensation operations fund and not from the WISB fund.

Under current law, if an employee of an employer that is not insured for worker's compensation (uninsured employer) suffers an injury for which the uninsured employer is liable, DWD, from the uninsured employers fund, or, if DWD obtains excess or stop–loss reinsurance from a reinsurer, the reinsurer pays benefits to the injured employee that are equal to the worker's compensation owed by the uninsured employer.

This bill requires DWD to pay a claim of an employee of an uninsured employer in excess of $1,000,000 from the uninsured employers fund in the first instance, but provides that if the claim is not covered by excess or stop–loss reinsurance, the secretary of administration annually must transfer from the worker's compensation operations fund to the uninsured employers fund an amount equal to the amount by which payments from the uninsured employers fund on all such claims in the prior year are in excess of $1,000,000 per claim, subject to a $500,000 annual limit on the amount that the secretary of administration may transfer.

Currently, a student of a public school or a private school who is performing services for an employer as part of a school work training, work experience, or work study program is considered to be an employee of a school district or private school that elects to name the student as an employee for purposes of worker's compensation coverage. This bill extends that coverage to a student of an institution

of higher education who is performing those services and who is named as an employee by the institution.

JOB TRAINING

Under current law, DWD awards workforce training grants, commonly referred to as "Fast Forward grants," to public and private organizations for the training of unemployed and underemployed workers and of incumbent employees of businesses in this state. This bill permits an organization that is awarded a Fast Forward grant to use the grant for the hiring and training of apprentices.

Current law requires DPI to award career and technical education incentive grants to school districts in the amount of $1,000 per each pupil who, in the prior school year, obtained a diploma and successfully completed an industry–recognized certification program approved by DPI. This bill eliminates that grant program and instead permits DWD to provide grants to school districts for the development of programs that are designed to mitigate workforce shortages in industries and occupations that are experiencing a workforce shortage, as determined by DWD, and to assist pupils in graduating with industry–recognized certifications in those industries and occupations.

ENVIRONMENT

HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP

Under current law, DNR administers a program to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. This program is commonly known as PECFA.

Under this bill, a person is not eligible for PECFA reimbursement for costs of cleaning up a discharge if the person does not notify DNR of the potential for submitting a PECFA claim before February 3, 2015. Also under the bill, a person is not eligible for PECFA reimbursement for clean–up costs if the person does not submit a PECFA claim for those costs before July 1, 2017.

WATER QUALITY

Under the environmental improvement fund, this state provides financial assistance to local governmental units through three programs: the clean water fund program provides financial assistance for projects to control water pollution, such as sewage treatment plants; the safe drinking water loan program provides financial assistance for projects to construct or modify public water systems that help comply with national drinking water regulations; and the land recycling loan program provides financial assistance for projects to clean up contaminated land. The environmental improvement fund is jointly administered by DOA and DNR. Financial assistance is typically provided as a loan at a subsidized rate.

Under current law, the legislature sets a limit, in the budget act for the biennium, on the amount of subsidy that may be provided during that biennium, called the present value subsidy limit, which has the effect of limiting the amount of financial assistance that may be provided through these programs during the biennium.

This bill eliminates the present value subsidy limit. Under the bill, the legislature does not set a limit on how much financial assistance may be provided in

a biennium. During the biennium, if a sufficient amount is available to provide financial assistance for a project under these programs, that amount must be allocated for the project. As part of the budget process, DOA and DNR must still prepare a biennial finance plan, which under this bill must include the amount DOA determines will be available to provide financial assistance for projects under these programs during the biennium.

Under the clean water fund program, financial assistance may only be provided to construct water systems in an unsewered municipality if at least two–thirds of the initial flow from the new system will be for wastewater from residences that have been in existence since October 17, 1972. This bill instead requires at least two–thirds of the initial flow to be from wastewater from residences in existence for at least 20 years.

In addition, connection laterals and sewer lines that transport wastewater from structures to municipally owned or individually owned wastewater systems are not currently eligible for financial assistance under the clean water fund program. Under this bill, connection laterals and sewer lines may be eligible if water other than wastewater is entering the connection lateral or sewer line and interfering with a publicly owned treatment work's compliance with a wastewater discharge permit.

This bill also provides that, if an amount has been allocated for a project under the clean water fund program, but no amount has been distributed for the project by the end of the fiscal year immediately following the biennium when the application was submitted, the allocation is rescinded, and the applicant must reapply.

Currently, only local governmental units are eligible under the safe drinking water loan program. This bill extends eligibility to certain businesses or nonprofit organizations whose water systems are used by members of the public.

This bill also increases the general obligation bonding authority for the safe drinking water loan program by $7,500,000 for the 2015–17 biennium.

Current law authorizes DNR to pay a portion of the costs of a project to remove contaminated sediment from Lake Michigan or Lake Superior, or a tributary of either lake, if the project is in a body of water that DNR has identified under the federal Clean Water Act as being impaired and the impairment is caused by contaminated sediment. This bill expands this eligibility to sediment removal projects in any waters of the state.

This bill also increases the general obligation bonding authority for sediment removal projects by $5,000,000.

Under current law, DNR administers a program that provides financial assistance for projects that control pollution that comes from diffuse sources rather than a single concentrated discharge source (nonpoint source water pollution). This bill increases the general obligation bonding authority for these programs by $7,000,000.

Under current law, DNR administers programs that provide financial assistance for projects that manage urban storm water and runoff and for flood control and riparian restoration projects. This bill increases the general obligation bonding authority for these programs by $5,000,000.

HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, DCF administers the Transform Milwaukee Jobs program in Milwaukee County and the Transitional Jobs program outside of Milwaukee County, which provide work experience for unemployed individuals by providing a subsidy for wages and other employment expenses to employers that employ the individuals. Under the Wisconsin Works (W–2) program, DCF may provide job search assistance, placement in a subsidized job, or a stipend for up to four months to certain noncustodial parents. Also under current law, DCF may contract with any county, tribal governing body, or W–2 agency to administer a work experience and job training program for noncustodial parents who have failed to pay child support due to unemployment or underemployment. Such individuals may be ordered by a court to register for a work experience and job training program.

This bill requires every individual who applies to participate in the Transform Milwaukee Jobs program or the Transitional Jobs program, who applies for W–2 services and benefits for noncustodial parents, or who applies for or is ordered by a court to register for a work experience and job training program (collectively, a program), to complete a questionnaire that screens for the abuse of a controlled substance. If, based on the answers to the questionnaire, DCF or the administrating agency with which DCF has contacted determines that there is a reasonable suspicion that an individual is abusing a controlled substance, the individual must undergo a test for the use of a controlled substance. If the test results are positive and the individual does not present satisfactory evidence that he or she has a valid prescription for the controlled substance, the individual must participate in substance abuse treatment to remain eligible for a program. If, at the end of treatment, the individual tests negative, or positive with a valid prescription for the controlled substance, he or she will have satisfactorily completed the substance abuse screening and testing and treatment requirements for the program.

Under current law, DHS pays, within specified limits, funeral, burial, and cemetery expenses for decedents who, during life, received certain public assistance benefits, such as W2 benefits or Medical Assistance benefits, and whose estates at death are insufficient to pay those expenses. This bill provides that, if an eligible decedent, or the decedent's spouse or another person, owns a life insurance policy insuring the decedent's life and the face value is more than $3,000, any amount that DHS would otherwise pay for the decedent's funeral, burial, or cemetery expenses will be reduced by one dollar for each dollar that the insurance policy exceeds $3,000.

The bill also requires DHS to pursue recovery of the amount of funeral, burial, and cemetery expenses provided on behalf of a decedent by making a claim in the decedent's estate and in the estate of the decedent's spouse. As with estate recovery for other types of public assistance benefits, DHS may recover from all property of the decedent or the decedent's spouse, and there is a presumption that all property in the spouse's estate was marital property held with the decedent and that 100 percent of the property in the spouse's estate is subject to the claim of DHS. Unlike estate recovery for other types of public assistance benefits, however, the claim for funeral, burial, and cemetery expenses must be allowed even if the decedent in whose

estate the claim is made has a surviving spouse or a surviving child who is under the age of 21 or disabled and DHS is not permitted to waive recovery if DHS determines that recovering the amount paid on the decedent's behalf would work an undue hardship in a particular case.

Under current law, the federal food stamp program, now known as the Supplemental Nutrition Assistance Program (SNAP) and called FoodShare in this state, assists eligible low–income individuals (recipients) to purchase food. SNAP benefits are paid entirely with federal moneys. The cost of administration is split between the federal and state governments. The program is administered in this state by DHS. Under current law, DHS may require a recipient of SNAP benefits who is able and who is 18 to 60 years of age to participate in the FoodShare employment and training program (FSET) to be eligible for SNAP benefits, unless the recipient is participating in a Wisconsin Works employment position, is the caretaker of a child under the age of six years, or is enrolled at least half time in school or in a training program or an institution of higher education.

This bill requires DHS to submit to the secretary of the federal Department of Agriculture (USDA) a request for a waiver that would authorize DHS to screen and, if indicated, test participants in the FSET program for illegal use of a controlled substance without presenting evidence of a valid prescription. If the waiver is approved, DHS must then screen and, if indicated, test FSET participants for illegal use of a controlled substance without presenting evidence of a valid prescription. The bill also requires that if the waiver is approved in the 2015–17 fiscal biennium, DHS must address any future fiscal impact resulting from the requirements in its biennial budget request for the 2017–19 fiscal biennium.

WISCONSIN WORKS

The Wisconsin Works (W–2) program under current law, which is administered by DCF, provides work experience and benefits for low–income custodial parents who are at least 18 years old. Generally, under current law, to be eligible for a W–2 employment position and a job access loan, the total length of time in which an individual or an adult member of the individual's family has participated in or received benefits under certain W–2 programs may not exceed 60 months. A W–2 agency may extend this time limit if the agency determines that unusual circumstances exist that warrant an extension of the participation period.

Under this bill, the time limit on participating in or receiving benefits under these W–2 programs is 48 months. The bill allows a W–2 agency to extend this time limit if it determines that the individual is experiencing hardship or that the individual's family includes an individual who has been battered or subjected to extreme cruelty.

W–2 provides work experience to participants through placement in one of a number of different employment positions, including Trial Employment Match Program jobs, community service jobs, and transitional placements. Current law provides that a participant who refuses to participate in any employment position is ineligible to participate in W–2 for three months. This bill makes the following changes to the behaviors that constitute refusal to participate:

1. Currently, it is a refusal to participate if a participant expresses verbally or in writing that he or she refuses to participate. The bill removes this behavior as an option for demonstrating a refusal to participate.

2. Currently, it is a refusal to participate if a participant fails, without good cause, to appear for an interview with a prospective employer or if a participant in a transitional placement fails, without good cause, to appear for an assigned activity. The bill makes it a refusal to participate to fail, without good cause, to appear for an interview with a prospective employer, whether subsidized or not, or with a work experience provider, for an assigned work activity, as defined under applicable federal law, or for an activity assigned by a W–2 agency.

3. Currently, it is a refusal to participate if a participant voluntarily leaves appropriate employment or training without good cause. The bill makes it a refusal to participate if a participant leaves, without good cause, appropriate employment, whether subsidized or not, or training or an appropriate assigned work experience activity or a work experience site.

4. Currently, it is a refusal to participate if a participant loses employment as a result of being discharged for cause. The bill also makes it a refusal to participate if a participant is discharged from appropriate training for cause or from a work experience site for cause.

Currently under W–2, a W–2 agency pays an employer that employs an individual placed in a Trial Employment Match Program job a wage subsidy amount negotiated between the W–2 agency and the employer, that may not be less than the federal or state minimum wage that applies to the individual. The employer must pay the individual at least the minimum wage that applies to the individual. Also under current law, DCF pays an employer that employs an individual participating in the Transform Milwaukee Jobs Program or Transitional Jobs Program a subsidy equal to the wages that the employer pays the individual for hours actually worked, up to 40 hours per week at the federal or state minimum wage that applies to the individual. The employer must pay the individual not less than the applicable federal or state minimum wage for hours actually worked, but the employer may pay the individual more than the amount of the wage subsidy that DCF pays to the employer.

This bill authorizes a W–2 agency to negotiate with the employer of an individual in a Trial Employment Match Program job, and DCF to negotiate with the employer of an individual in a job under the Transform Milwaukee Jobs Program or Transitional Jobs Program, a wage subsidy amount that the W–2 agency or DCF will pay to the employer that may not be more than the minimum wage. The employer must still pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

Currently under W–2, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, who needs child care services to participate in various educational or work activities, and who satisfies other eligibility criteria may receive a child care subsidy for child care services under the W–2 program. This child care subsidy program is known as Wisconsin Shares.

Under current law, in all areas of the state except Milwaukee County, DCF must enter into a contract with a county department or agency to make an initial determination about whether individuals who are in a particular geographic region or who are members of a particular Indian tribal unit are eligible for the child care subsidies under Wisconsin Shares. Also under current law, the same county department or agency must administer Wisconsin Shares for that geographic region or Indian tribal unit. Current law requires DCF, to the extent practicable and with certain restrictions, to allocate funds for the administration of Wisconsin Shares in a geographic region or Indian tribal unit in the same proportion as the geographic region's or Indian tribal unit's proportionate share of all statewide child care subsidy authorizations and eligibility redeterminations in the 12–month period prior to the start of the contract period.

Under this bill, DCF has the option to make child care subsidy eligibility determinations, to contract with a county department or agency to make these determinations, or to contract with a county department or agency to share in making these determinations. If DCF contracts with a county department or agency for the eligibility determination function, the bill requires DCF to allocate funds for this function under the contract.

The bill also requires DCF to allocate funds for a county department's or agency's administration of Wisconsin Shares in the same proportion as the geographic region's or Indian tribal unit's proportionate share of all funding allocated for eligibility determination functions. Alternatively, the bill allows DCF to elect to allocate these funds in the same proportion as the geographic region's or Indian tribal unit's proportionate share of all children for whom a child care subsidy was issued in the most recent 12–month period for which applicable statistics are available prior to the start of the contract period.

Under current law, if a W–2 agency plans to take action against an individual who participates in W–2 that would result in a 20 percent or more reduction in the participant's benefits or in termination of the participant's eligibility to participate in W–2, the agency must provide written notice of the proposed action and reasons for the action and allow the participant a reasonable time after providing the notice to rectify the deficiency, failure, or other behavior to avoid the proposed action. This draft removes these notice and rectification requirements.

Under current law, the Learnfare program requires school age children of W–2 participants, with some exceptions, to meet certain school enrollment standards. Current law requires certain individuals who are subject to the school attendance requirement to participate in case management provided under the Learnfare program, including minor parents, habitual truants, and dropouts. This bill also requires a child who is subject to the school attendance requirement and whose W–2 group includes an individual who has been unable to participate in W–2 activities due to the child's school–related problems to participate in case management provided under the Learnfare program.

Under current law, DCF contracts with a W–2 agency to administer W–2 in a geographical area. Within 60 days of being awarded a W–2 contract, a W–2 agency is required to establish a community steering committee to focus on job creation, job

training, and other employment–related services for persons who are eligible for trial employment match program jobs or community service jobs. Current law requires the W–2 agency to recommend members of the committee to the chief executive officer (CEO) of each county the agency serves, who then appoints members to the committee in proportion to the population of that county relative to the population of each other county served by the W–2 agency. Under this bill, a W–2 agency appoints the members of a community steering committee, following certain requirements to allow representation of each county the agency serves.

MEDICAL ASSISTANCE

Currently, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health and long–term care services to individuals who have limited resources. Under current law, under an approved waiver of federal law, DHS administers a demonstration project under MA that provides health care coverage to low–income adults under the age of 65 who do not have children and who are not otherwise eligible for MA.

This bill requires DHS to submit to the secretary of the federal Department of Health and Human Services an amendment to the waiver that was already approved that would authorize DHS to do all of the following under the demonstration project: 1) impose monthly premiums as determined by DHS; 2) impose higher premiums for enrollees who engage in behaviors that increase their health risks, as determined by DHS; 3) require a health risk assessment for all enrollees; 4) limit eligibility to no more than 48 months; and 5) require a drug screening assessment and, if indicated, a drug test as a condition of eligibility. DHS must implement any changes that are approved. If the amendment is approved, in whole or in part, in the 2015–17 fiscal biennium, DHS must identify any costs incurred or savings resulting from the new requirements in the quarterly report on MA changes that DHS must submit to JCF under current law, as well as address any future fiscal impact resulting from the requirements in its biennial budget request for the 2017–19 biennium.

To be eligible for certain MA programs, especially those providing long–term care services, including family care, an individual must satisfy certain income and asset requirements. This bill provides that, when determining or redetermining an individual's financial eligibility for an MA long–term care program, or any other MA program that counts assets for determining or redetermining financial eligibility, DHS must include as a countable asset a promissory note for which the individual or his or her spouse provided the goods, money loaned, or services rendered, that is entered into or purchased on or after the effective date of the 2015–17 budget act, that is negotiable, assignable, and enforceable, and that does not contain any terms making the note unmarketable. The bill provides that a promissory note is presumed to be negotiable and that its value is the outstanding principal balance at the time of the individual's application or redetermination of eligibility for MA, unless the individual shows by credible evidence from a knowledgeable source that the note is nonnegotiable or has a different current market value, which will then be considered the note's value.

Under current law, with certain exceptions, if an institutionalized, or noninstitutionalized, individual or his or her spouse transfers assets for less than

fair market value on or after a specific date (which is generally 60 months before the individual applies for MA), the institutionalized or noninstitutionalized individual is ineligible for certain MA services for a specified period of time. Under current law, the purchase by an individual or his or her spouse of a promissory note is a transfer of assets for less than fair market value that triggers a period of ineligibility for MA unless all of the following apply: the repayment term is actuarially sound; the payments are to be made in equal amounts during the loan's term with no deferral and no balloon payment; and the loan's terms prohibit cancellation of the balance upon the death of the lender. This bill provides that if an individual or his or her spouse enters into or purchases a promissory note on or after the effective date of the 2015–17 budget act, it is a transfer of assets for less than fair market value that triggers a period of ineligibility for MA unless all of the following apply to the promissory note: it satisfies the previously stated requirements under current law; and it is negotiable, assignable, and enforceable and does not contain any terms making the note unmarketable.

Currently, some MA services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+) program. Under current law, certain individuals are ineligible for BC+ for three months while they have access to certain health insurance coverage during specified time periods. Certain other individuals are also subject to three months of ineligibility under current law if the federal Department of Health and Human Services approves. This bill eliminates the three months of ineligibility for all of those individuals whose access to other health insurance has ended.

Subject to any necessary federal approval, this bill adds licensed midwife services, as well as substance abuse treatment services provided by a medically monitored treatment service or a transitional residential treatment service to other services paid for currently under the MA program. This bill also requires, subject to federal approval, DHS to provide MA reimbursement to pharmacists who meet certain requirements specified by DHS for administering vaccines to people 6 to 18 years of age.

This bill makes additional changes to the MA program, including: 1) requiring DHS to increase the MA reimbursement rate in Brown, Polk, and Racine counties to providers of pediatric dental care and adult emergency dental services, if DHS receives any necessary federal approval for the increased rate; 2) allocating moneys for the fiscal biennium for DHS to make supplemental payments to certain hospitals that have a disproportionate share of low–income patients and setting specifications for those payments; and 3) directing that the state share of payments for health care services provided in a school to children who are eligible for MA in excess of a certain amount be deposited in the MA trust fund and expended for reducing waiting lists for children's long–term care services and other children's services.

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Currently, a law enforcement officer or certain other persons, in counties other than Milwaukee County, may take an individual into custody for emergency detention if the officer or other person has cause to believe that the individual is

mentally ill, drug dependent, or developmentally disabled, and that the individual shows other evidence of the standards for emergency detention. The county department of community programs in the county in which the individual was taken into custody must approve the need for detention, and for evaluation, diagnosis, and treatment if permitted, before the law enforcement officer or other person delivers the individual to the detention facility. In Milwaukee County, currently, the law enforcement officer or other person must sign a statement of emergency detention and delivers the statement of emergency detention along with the individual to the detention facility. The treatment director of the facility must determine whether the individual is detained or detained, evaluated, diagnosed, and treated. Currently, a pilot program in Milwaukee County grants authority for a treatment director or designee, or certain physicians or psychologists, to take an individual into custody for emergency detention under the same standards as a law enforcement officer.

This bill eliminates the emergency detention procedure and the pilot program in Milwaukee County and applies the existing procedure for emergency detentions in other counties to Milwaukee County. The bill adds that a physician who has completed a residency in psychiatry, a psychologist, or a licensed mental health professional must perform a crisis assessment on the individual and agree with the need for detention in order for the county department to approve the detention.

Under current law, if a skilled nursing facility or an intermediate care facility is found to meet the classification of an institution for mental diseases, DHS must pay for care in the community or in that institution for mental diseases for individuals meeting certain criteria. Current law also requires DHS to pay for relocations of certain individuals who have mental illness to the community. The bill eliminates both of these requirements.

CHILDREN

Under current law, monthly subsidized guardianship payments may be made to the guardian of a child who has been adjudged to be in need of protection or services if certain additional conditions have been met. In addition, current law permits DCF to provide payments to the adoptive parents of a child with special needs to assist in the cost of care of the child (adoption assistance). Subject to certain exceptions, subsidized guardianship payments and adoption assistance end when the child attains 18 years of age.

This bill permits subsidized guardianship payments to be made or adoption assistance to be provided until a child attains 21 years of age if the child is a full–time student at a secondary school or its vocational or technical equivalent (full–time student), an individualized education program (IEP) is in effect for the child, and the subsidized guardianship or adoption assistance agreement for the child became effective after the child attained 16 years of age. (An IEP is a written statement for a child with a disability developed by an IEP team appointed by the child's local educational agency that includes, among other things, the child's level of academic achievement and functional performance, measurable goals for the child, the special education and related services to be provided to the child, and how the child's progress toward attaining those goals will be measured.)

Under current law, monthly kinship care payments may be made to a relative of a child (kinship care relative) who is providing care for the child if certain additional conditions have been met. Kinship care payments generally end when the child attains 18 years of age, except that those payments may be made until a child attains 21 years of age if the child is a full–time student and an IEP is in effect for the child.

This bill requires, as an additional condition for eligibility for kinship care payments under that exception, that the child be placed in the home of the kinship care relative under an order of the court assigned to exercise jurisdiction under the Children's Code and the Juvenile Justice Code (juvenile court) or under a voluntary transition–to–independent–living agreement, which is an agreement under which a child over 18 years of age may continue in out–of–home care and receive services to assist the child in transitioning to independent living until the child attains 21 years of age, is granted a high school or high school equivalency diploma, or terminates the agreement, whichever occurs first.

Under current law, a permanency plan must be prepared for a child who is placed outside the home under a juvenile court order or under a voluntary agreement. (A permanency plan is a plan designed to ensure that a child who is placed outside the home is reunified with his or her family whenever appropriate or that the child quickly attains a placement providing long–term stability.)

This bill requires a permanency plan to be prepared for a child who is placed outside the home under a voluntary transition–to–independent–living agreement. The bill also, with respect to voluntary transition–to–independent–living agreements: 1) requires the juvenile court, by no later than 180 days after the date of the agreement, to determine whether placement of the child in out–of–home care under the agreement is in the best interests of the child; 2) provides that if DCF, DOC, or a county enters into such an agreement with a child, the agreement must specifically state that DCF, DOC, or the county has placement and care responsibility for the child and has primary responsibility for providing services to the child; and 3) grants to any person who is aggrieved by an agency's failure to enter into such an agreement or termination of such an agreement the right to a contested case hearing under the state administrative procedures laws.

Under current law, subject to certain exceptions, a facility where five or more adults who do not require care above intermediate level nursing care reside and receive care, treatment, or services that are above the level of room and board must be licensed as a community–based residential facility (CBRF). This bill provides that a facility licensed as a foster home, group home, or residential care center for children and youth (facility) that provides care for a person 18 years of age or over, but under 21 years of age, who is placed in the facility under an order of the juvenile court, a voluntary transition–to–independent–living agreement, or the placement and care responsibility of another state is not required to also be licensed as a CBRF.

Under current law, if an agency to which a report of child abuse is made determines that a child is in need of services, the agency must offer to provide appropriate services or make arrangements for the provision of services. This bill appropriates general purpose revenues to DCF to purchase or provide treatment and

services for children who are the victims of sex trafficking. The bill requires DCF, within the availability of that funding, to ensure that such treatment and services are available to children in all geographic areas of the state, including both urban and rural communities.

Under current law, DCF, a county, or an agency contracted with to certify child care providers must require any person applying for issuance, continuation, or renewal of a child care provider license, certificate, or contract to complete a background information form. This bill exempts these persons from completing such a form when applying to continue or renew a license, certification, or contract.

Under current law, every four years an entity that provides care for children must require all of its caregivers and nonclient residents to complete a background information form provided by DCF, except that a child care provider must require the form to be completed every year. This bill exempts child care providers from the four–year requirement and instead obligates them to require any new caregiver or nonclient resident to complete the form.

HEALTH

Under current law, DHS administers the Senior Care program, which provides assistance to the elderly in the purchase of prescription drugs. To be eligible for Senior Care, a person must be a resident of the state, be at least 65 years of age, not be a recipient of prescription drug coverage through Medical Assistance, have a household income that does not exceed 240 percent of the federal poverty line, and pay a program enrollment fee. This bill adds as a requirement for eligibility for Senior Care that the person must apply for and, if eligible, enroll in Medicare Part D, which is a federal prescription drug assistance program.

Currently, DHS administers community–based, long–term care programs including: the Family Care program which provides long–term care to frail elders or adults with physical or developmental disabilities in certain counties; the self–directed services option known as IRIS; the Community Options Program (COP); and the Family Care Partnership Program (FCPP) and the Program of All–Inclusive Care for the Elderly (PACE). In addition to long–term care services, FCPP and PACE also provide primary and acute health care services.

Family Care currently operates under a waiver of federal Medicaid law and is funded jointly by the federal government and the state MA program. A care management organization (CMO) enrolls individuals in the Family Care program and administers the Family Care benefit under a contract with DHS. DHS may contract with a county, a long–term care district, a governing body of a tribe or band or the Great Lakes Inter–Tribal Council, a joint association of those entities, or a private organization to be a CMO.

The bill requires DHS to obtain the necessary federal approval to implement changes to Family Care, FCPP, and PACE including all of the following changes: eliminating long–term care districts; allowing DHS to add primary and acute health care services to the Family Care benefit, allowing CMOs to provide services statewide and not only in a specified geographic area; allowing DHS to contract with any applicants that it certifies as meeting the requirements to be a CMO and eliminates the requirement that DHS solicit proposals for contracts; generally

allowing Family Care enrollees to switch CMOs only in an open enrollment period; and requiring administration of Family Care statewide. The bill eliminates the separate IRIS program but specifies that individuals may self–direct their services within the Family Care program. The bill also eliminates the requirement that CMOs obtain a permit from OCI but specifies that when the Family Care program begins to operate statewide CMOs are insurers and may be regulated as insurance by OCI. Once Family Care operates statewide, DHS is allowed to discontinue enrollment in certain other long–term care programs as specified in the bill.

Resource centers currently provide information and referral services among other functions, including determining eligibility and assisting individuals to enroll in a CMO. Currently, resource centers are required to provide all services specified by law. The bill allows DHS to contract with a resource center or a private entity for some or all of the services. The bill also eliminates the requirement that a resource center has a governing board and eliminates the requirement to create long–term care advisory committees.

COP is one of the programs that DHS may discontinue once Family Care is available. The bill also creates a Children's Community Options Program (Children's COP) that provides long–term community support services to individuals up to age 22 who have a disability. Children who seek services are assessed for Children's COP and a county department or private nonprofit agency will create a case plan and arrange for services. The bill requires DHS to create a scale for assessment of a fee for Children's COP based on ability to pay. DHS seeks a waiver of federal Medicaid law to obtain federal funding for Children's COP. The bill eliminates the Family Support Program.

Under current law, DHS must, after the start of each fiscal year, estimate the total amount of its expenditures for department operations for that fiscal year. Based on that estimate, DHS assesses certain health care providers for the estimated total amount, less certain amounts received for administrative purposes. This bill eliminates the authorization for DHS to charge assessments to health care providers.

OTHER HEALTH AND HUMAN SERVICES

The bill transfers oversight of restaurants, lodging, and recreation from DHS, which currently regulates those areas, to DATCP. In addition, the bill transfers oversight of tattooing, body piercing, and tanning from DHS to the new Department of Financial Institutions and Professional standards.

Under current law, for cases in which the payee is receiving services under DCF's child and spousal support and establishment of paternity and medical support liability program or in which the state is a real party in interest as specified under current law, DCF must certify to DOR, for purposes of collection through intercepting state income tax refunds, delinquent payments of child support, family support, maintenance, past support, medical expenses, birth expenses, and centralized receipt and disbursement fees, which must be paid annually by persons who are obligated to pay support or maintenance. This bill provides that DCF must also, at least annually, certify to DOR delinquent payments of centralized receipt and

disbursement fees that are owed by all other persons not already subject to the certifications.

Under current law, if a person who owes child support under a court order is delinquent in the payment of support, the amount of the delinquent support is entered on the statewide support lien docket and becomes a lien in favor of the DCF. DCF may enforce the lien by sending a notice of levy to a financial institution at which the person has an account. DCF may also send to a financial institution a request from another state to enforce a child support lien in favor of the other state. Under this bill, in addition to sending child support to another state to enforce the other state's lien in response to a request sent by DCF, a financial institution is required to honor a notice of levy or request to enforce a lien in favor of another state that it receives directly from the other state.

Under current law, DWD assists individuals with disabilities in gaining employment through its vocational rehabilitation (VR) program, which is funded through a combination of state and federal matching dollars. In addition, DWD receives certain moneys from the federal government as reimbursement for the fact that individuals who gain employment with assistance from the VR program no longer receive certain benefits from social security. DWD must allocate $600,000 of those reimbursement dollars and, using the moneys so allocated, make grants to independent living centers for providing nonresidential services to severely disabled individuals. Also under current law, DHS must make general purpose revenue (GPR)–funded grants to independent living centers for providing nonresidential services to severely disabled individuals. An independent living center, in order to receive a grant from either DWD or DHS, must comply with certain requirements under state and federal law. Also, under federal law, states may receive financial assistance for purposes including providing, expanding, and improving independent living services.

This bill, instead of requiring that DWD allocate $600,000 in social security reimbursement funds to provide these grants, requires DWD to transfer $600,000 of those moneys to DHS and allows DHS to provide grants using those moneys, as well as the federal independent living center financial assistance moneys.

INSURANCE

Under current law, a local governmental unit may insure its property in the local government property insurance fund (fund), which is managed by the commissioner of insurance and provides protection for the property insured in the fund against fire and extended coverage perils. The bill provides that no new coverage may be issued under the fund on or after July 1, 2015; no coverage may be renewed after December 31, 2015; no coverage may extend beyond December 31, 2016; all claims must be filed by July 1, 2017, or they will not be covered under the fund; and any moneys remaining after all fund operations cease will be distributed among the local governmental units that were insured on July 1, 2015.

JUSTICE

This bill requires DOJ to provide grants to state agencies, local units of government, and private organizations to support the investigation, prosecution, or prevention of crime; to enhance public safety; to facilitate information sharing

among jurisdictions and among agencies; to support crime victims; and to reduce recidivism and crime. DOJ must consult with local law enforcement, district attorneys, the secretary of corrections, the director of state courts, and the public defender to develop a strategic plan for the grants.

This bill transfers, from DOA to DOJ, the state prosecutor office, which provides administrative and legal support to district attorneys statewide.

The bill allows the attorney general to appoint, in the unclassified service of the state civil service system, a solicitor general and up to three deputy solicitors general and to assign assistant attorneys general to assist the solicitor general.

Under the bill, DOJ transfers a portion of the moneys it receives from a crime laboratory surcharge and from a deoxyribonucleic acid analysis surcharge paid by persons who commit certain offenses to the appropriation account that pays for crime laboratory equipment.

LOCAL GOVERNMENT

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities (facilities), in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor and confirmed by of the senate. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer the ownership and debt of the Bradley Center to the district.

The bill authorizes the state to issue or contract $220,000,000 in appropriation obligations to be used as a grant to assist a district in the construction of facilities, including the acquisition or lease of property. Under the bill, the state may only provide such a grant if the district has secured additional funding for the project in an amount at least equal to $300,000,000.

Any lease between the team and the district for the use of the facilities must provide that, if the team fails to fulfill its obligations under the lease, the team will pay the state an amount that is sufficient to pay off the appropriation obligations.

Generally under current law, if a municipality (a city, village, or town) changes its boundaries or its name, or if it changes status, the municipality must file a certified copy of the change with the secretary of state. Depending on the type of municipal action taken, the secretary of state may be required to notify other state agencies and may be required to issue a certificate of incorporation to the municipality. Under this bill, certified copies of such changes, and related certificates of incorporation changes, must be filed with, and issued by, the secretary of DOA.

Under current law, a person who is convicted of a crime is generally ordered to pay various surcharges that fund a variety of programs related to criminal justice. The bill creates a surcharge of $20 for each felony and misdemeanor that the clerk of court forwards to the county treasurer, for retention in a crime prevention fund. Moneys from the fund are distributed as grants at the direction of a crime prevention funding board (CPFB).

Under the bill, a CPFB is created in every county whose treasurer receives funds from the surcharge. Each CPFB consists of seven members, who serve for a term that is determined by the CPFB: the presiding judge of the circuit court, or his or her designee; the district attorney, or his or her designee; the sheriff, or his or her designee; the county executive, county administrator, or county board chairperson, or his or her designee; the chief elected official of the city, village, or town with the largest population in the county, or his or her designee; a person chosen by a majority vote of the top law enforcement officials of the departments that are located in the county; and a person chosen by the county's public defender's office. Members of a CPFB may be reimbursed for expenses but may not receive any other compensation.

A CPFB may solicit grant applications from certain specified entities and may award grants to such entities. At least one–half of the funds must go to one or more private, nonprofit organizations that has as its primary purpose preventing crime, providing a funding source for crime prevention programs, encouraging the public to report crime, or assisting law enforcement agencies in the apprehension of criminal offenders. A CPFB may direct that the rest of the funds be distributed to a law enforcement agency that has a crime prevention fund, if the contribution is credited to the crime prevention fund and is used for crime prevention purposes.

The bill requires that a CPFB and any entity that receives a grant from a CPFB must submit an annual report to certain specified entities detailing the amounts spent, the purposes for which the grants were spent, and contact information for the entity and the entity's leaders. The reports must be distributed to the clerk of court for the county that distributed the funds, the county board, and the governing bodies of the cities, villages, and towns in the county.

Under current law, DOR may enter into debt collection agreements with the courts and local units of government. This bill specifies that a county board may enter into a debt collection agreement with DOR.

Under current law, a city, village, town, or county (political subdivision) may establish a lean program to increase the value of the goods and services the political subdivision provides with the fewest possible resources and may contract with a business to help the political subdivision in establishing its lean program. This bill repeals the lean program for political subdivisions.

This bill directs each municipal clerk to, no later than October 15 of each year following the year of a federal decennial census, transmit to the county clerk a report confirming the boundaries of the municipality and each ward within the municipality. Under the bill, the report must be accompanied by a map showing the municipal and ward boundaries and a list of the census block numbers of which the municipality and each ward within the municipality are comprised.

The bill also directs each county clerk to biennially transmit to the Legislative Technology Services Bureau (LTSB), in an electronic format approved by LTSB, a report confirming the boundaries of each municipality and each ward and supervisory district within the county. Upon receipt of the information from each county clerk at each reporting interval, LTSB must reconcile and compile the information received into a statewide data base consisting of municipal boundary information for the entire state.

MILITARY AFFAIRS

This bill creates an Office of Continuity of Government (office) in DOA. The bill requires the office to consult with the administrator of the Division of Emergency Management in DMA to establish and administer a program to ensure the continuity of government operations during a disaster. The office must establish and help administer a continuity of operations plan for each agency or other body in the executive branch of state government, unless the office delegates that responsibility to the state agency.

NATURAL RESOURCES

GOVERNANCE

Under current law, the Natural Resources Board (board) is the policy–making entity for DNR. The board approves DNR's rules, sells land, and appoints high–level staff. This bill transfers this authority from the board to the secretary of natural resources and changes the board to a council, which is an advisory body.

FORESTRY

This bill requires DNR to develop a plan to move the headquarters of the Division of Forestry from the city of Madison to a northern Wisconsin location, including a description of the costs of relocating the headquarters, a timeline for implementing the relocation, and a list of location options.

Under current law, DNR is required to award cost–sharing urban forestry grants to local governments and certain other entities for activities relating to trees and tree projects in urban areas (cost–sharing urban forestry grants). DNR may also award urban forestry grants (discretionary urban forestry grants) to certain entities for cost relating to trees that have been damaged by storms. This bill eliminates DNR's authority to award discretionary urban forestry grants. The bill also limits the purposes for which DNR may award cost–sharing urban forestry grants.

Under the Managed Forest Land Program administered by DNR, the owner of a parcel of land designated as managed forest land (MFL) makes an annual acreage share payment that is lower than, and in lieu of, the property taxes that normally would be payable on the land. In exchange, the owner must comply with the terms of a management plan approved by DNR.

This bill provides that, if timber cutting is required under the terms of an MFL management plan, the owner is not required to obtain DNR approval of the cutting if prior notice is provided to DNR by a cooperating forester.

OTHER NATURAL RESOURCES

Current law authorizes the state to incur public debt for certain conservation activities under the Warren Knowles–Gaylord Nelson Stewardship 2000 Program

(stewardship program), which is administered by DNR. The state may incur this debt to acquire land for the state for conservation purposes and for property development activities and may award grants to others to acquire lands for these purposes.

The stewardship program consists of five subprograms. This bill prohibits DNR from obligating amounts under the land acquisition subprogram beginning in fiscal year 2015–16 if the general fund annual debt service under the stewardship program exceeds $54,305,700.

Current law requires DNR to set aside certain amounts under the property development and local assistance subprogram to be obligated for the purpose of infrastructure improvements to the Kettle Moraine Springs fish hatchery. This bill requires DNR to set aside an additional $7,000,000 in fiscal year 2016–17 and an additional $7,000,000 in fiscal year 2017–18 for this purpose.

Current law authorizes DNR to contract public debt to fund a dam safety program. DNR has bonding authority for the program of up to $17,500,000, the debt service on which is paid from the general fund. DNR also has additional bonding authority under the program of up to $6,600,000, the debt service on which is paid from the conservation fund. This bill increases DNR's bonding authority, the debt service on which is paid from the general fund, by $4,000,000.

This bill increases certain fees for vehicle admission receipts, which a vehicle must display to enter any state park or certain other properties under the jurisdiction of DNR. This bill also increases the nightly fees for use of a campsite in a state park, state forest, or other lands under the jurisdiction of DNR.

Under current law, DNR administers various grant and financial assistance programs. This bill eliminates the following:

1. A program that provides annual grants to nonprofit corporations for certain urban open space objectives.

2. A program that provides grants to nonprofit corporations that conduct activities related to the ice age trail.

3. Funding for interpretive programming at the Northern Great Lakes Center.

4. Two programs that provide grants to nonprofit corporations to conduct various conservation activities.

5. Funding for the operational costs of the Florence Wild Rivers Interpretive Center.

6. A program to award contracts to nonprofit corporations to assist nonprofit river management organizations.

7. A program to award contracts to nonprofit corporations for lake classification and management projects.

8. Funding to repair the Fox River navigational system.

9. A program to award grants to counties to fund a percentage of the salary of a professional forester.

10. Funding for a forestry and fire prevention study.

11. A program to provide grants certification for master logger certification or logger safety training.

12. A program to award grants to a nonprofit organization to provide education on hunting, fishing, and trapping and to establish programs to recruit persons to engage in those activities.

13. A program to award grants to promote the safe operation of all–terrain vehicles.

RETIREMENT AND GROUP INSURANCE

Currently, state employees may receive health care coverage under Group Insurance Board plans and qualify for employer contributions toward the payment of their health insurance premiums depending on the number of hours they are employed during the year. This bill permits state employees to be paid an annual stipend of $2,000 in lieu of health insurance coverage.

This bill increases the terms of appointed members of the Group Insurance Board from two years to four years, expiring on May 1 of the odd–numbered years.

SAFETY AND PROFESSIONAL SERVICES

ELIMINATION OF DSPS

Under current law, DSPS and the various boards and councils attached to DSPS regulate professional licensure and buildings and safety in Wisconsin. Effective January 1, 2016, this bill eliminates DSPS and transfers all of its functions to DFIPS. The bill attaches to DFIPS the various boards and councils attached to DSPS under current law.

PROFESSIONAL LICENSURE

Under current law, the licensure period for most credentials issued by DSPS or a credentialing board under DSPS is two years, with renewal dates in either the odd–numbered or even–numbered year.

This bill instead provides that the licensure period for most credentials is four years, staggered so that the actual renewal dates for credential holders who have even–numbered birth years are two years apart from the renewal dates for credential holders who have odd–numbered birth years. The bill also provides that the change from two–year to four–year credential periods may be phased in over time.

Under current law, the Veterinary Examining Board (board) regulates the practice of veterinarians and veterinary technicians in Wisconsin. Currently, the board is under the umbrella of DSPS. This bill transfers the board to the DATCP.

Current law requires the Pharmacy Examining Board (PEB) to establish by rule and administer a prescription drug monitoring program (PDMP). The PDMP requires pharmacies and physicians or other practitioners to generate a record documenting each dispensing of a prescription drug by the pharmacy or practitioner that is covered by the PDMP, generally a controlled substance or other drug the PEB identifies as having a substantial potential for abuse. Among other requirements, the pharmacy or practitioner must deliver records generated under the PDMP to the PEB. This bill transfers the PDMP to the Controlled Substances Board (CSB), which, like the PEB, is attached to DSPS.

The bill also adds all of the following members to the current membership of the CSB:

1. The chairperson of the Medical Examining Board or his or her designee.
2. The chairperson of the Dentistry Examining Board or his or her designee.
3. The chairperson of the Board of Nursing or his or her designee.

The bill also specifies that the PEB may disclose a record generated under the PDMP to law enforcement agencies, including under circumstances indicating suspicious or critically dangerous conduct or practices of a pharmacy, pharmacist, practitioner, or patient.

Current law further requires the PEB to specify by rule the discipline for failure to comply with the PDMP. Under the bill, those rules must permit the board to refer to the appropriate board for discipline, or the appropriate law enforcement agency for investigation and possible prosecution, a pharmacist, pharmacy, or practitioner that fails to comply with the PDMP.

BUILDINGS AND SAFETY

This bill transfers DSPS's responsibilities with respect to administration of the laws regulating private on–site wastewater treatment systems (POWTS) to DNR and eliminates a program to provide grants to individuals and businesses who are served by failing POWTS.

This bill further transfers $21,000,000 from the petroleum inspection fund to the transportation fund in each year of the fiscal biennium.

STATE GOVERNMENT

STATE FINANCE

This bill increases the amount of state public debt to refund any unpaid indebtedness used to finance tax–supported or self–amortizing facilities from $3,785,000,000 to $5,285,000,000.

The bill extends into the 2016–17 fiscal year a lapse requirement imposed for most state agencies during the 2013–15 fiscal biennium. Under the bill, the secretary of administration must lapse moneys to the general fund from executive branch state agency general purpose revenue and program revenue appropriations.

The bill requires the cochairpersons of the Joint Committee on Legislative Organization, during the 2015–17 fiscal biennium, to ensure that $9,232,200 is lapsed from sum certain general purpose revenue appropriation accounts or is subtracted from the expenditure estimates for any other types of appropriations, or both.

Currently, in any fiscal year, the secretary of administration may temporarily reallocate moneys to the general fund from other funds in an amount not to exceed 5 percent of the total general purpose revenue appropriations for that fiscal year. In 2013 Wisconsin Act 20, this amount was increased to 9 percent for the 2013–15 fiscal biennium. This bill makes the increase to 9 percent permanent.

Current statutes provide that no bill directly or indirectly affecting general purpose revenues may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total general purpose revenue appropriations for that fiscal year. For fiscal years 2017–18 and 2018–19, and for each fiscal year thereafter, the amount is 2 percent of total general purpose revenue appropriations for that fiscal year.

This bill provides that for fiscal years 2017–18 and 2018–19, the amount is $65,000,000; and for 2019–20 and each fiscal year thereafter, the amount is 2 percent of total general purpose revenue appropriations for that fiscal year.

OTHER STATE GOVERNMENT

This bill specifies a method by which most Building Commission approvals will be made. Other than a pre–budget request for a project budget increase or of a substantial change in an enumerated project, Building Commission approvals are made by a passive review process. Requests for approval are submitted in writing to the Building Commission. If, within 14 working days after the date of that written request, a majority of the members of the Building Commission do not request that the Building Commission schedule a meeting to review the request, the request is approved.

Also under this bill, at the first meeting of the Building Commission following the enactment of the biennial budget act, the Building Commission may 1) authorize DOA to contract certain public debt in an amount not to exceed the amount that the Building Commission is authorized to contract; 2) release an amount not to exceed the amount of state building trust fund moneys to DOA for planning for enumerated projects; and 3) authorize DOA to issue revenue–obligation refunding obligations. Also, after this first meeting of the Building Commission, DOA must report quarterly to the Building Commission regarding the status of projects under the state building program.

Under current law DOA may prepare a request for the issuance of operating notes and may submit the request to the Building Commission. The request must be signed by the governor and the secretary of administration and is subject to review by JCF.

Under this bill, DOA is not required to submit a request for the issuance of operating notes to the Building Commission. Instead, DOA may prepare an authorizing certification for the issuance of operating notes that must be signed by the secretary, must be transmitted to the governor, and is subject to review by JCF.

Under current law, the Building Commission may authorize money from the state building trust fund to be available for a project costing $760,000 or less and the building commission may authorize the design and construction of any building, the acquisition of land, or the repair or improvement of any building, structure, or facility that costs more than $760,000 only if the project is enumerated in the state building program. This bill increases each of those thresholds to $3,000,000. Also, current law generally prohibits the state from entering into a contract for the construction of or addition to any building in connection with a building project involving a cost that exceeds $185,000 without approval by the building commission. This bill increases that threshold to $760,000. Under current law, a contract to perform for the state any engineering services, architectural services, construction work, or limited trades work that involves an expenditure over $60,000 must be approved by the governor. This bill increases that threshold to $150,000.

Under current law, DOA manages all engineering, design, and construction work for state agencies, including the UW System, but DOA may delegate its management authority to an agency for a specific project. Plans and specifications

for all work on UW projects are subject to approval of DOA. Under this bill, a project for UWSA, which is created effective July 1, 2016, under this bill, is subject to Building Commission approval and DOA supervision if the project is funded entirely from general purpose revenues. For any project of UWSA that is not funded entirely by general purpose revenues, Building Commission approval is not required and UWSA is in charge of all aspects of the project, except that DOA is still responsible for the bidding process on a project of UWSA that costs at least $760,000. DOA may not charge UWSA for conducting the bidding process on such a project.

Currently, the UW System may not accept a gift or grant of real property valued in excess of $150,000 or any gift of a building, structure, or facility that is constructed for the benefit of the UW System without approval of the Building Commission. Under the bill, this restriction does not apply to UWSA.

Under current law, the Office of State Employment Relations (OSER) administers the state civil service and is attached to DOA for administrative purposes. Within OSER there is a Division of Merit Recruitment and Selection. This bill restructures OSER into a Division of Personnel Management in DOA, managed by an unclassified division administrator, and restructures the Division of Merit Recruitment and Selection, managed by an unclassified director, into a Bureau of Merit Recruitment and Selection in the Division of Personnel Management.

Current law makes annual and biennial appropriations from the universal service fund (USF) for various telecommunications and other programs. Current law also requires the PSC to administer a grant program for constructing broadband infrastructure in underserved areas. This bill provides funding for the grant program by transferring to the PSC, at the end of each fiscal year or fiscal biennium, the unencumbered balances from the USF–funded appropriations. The bill also makes an appropriation from the USF to the PSC for the grant program. Also under the existing grant program, the PSC makes grants to eligible applicants for the purpose of constructing broadband infrastructure in underserved areas designated by the PSC. Under this bill, the criteria for awarding grants under the program must give priority to projects that are scalable.

This bill requires the PSC to study health issues related to wind energy systems and submit a report on the study to the governor and legislature. Current law requires the wind siting council to survey peer–reviewed scientific research regarding the health impacts of such systems. The bill allows the PSC's study to consider, but not replicate, those surveys.

Under current law, DOA administers requirements for providing relocation assistance to persons displaced when their property is condemned for public improvements. This bill requires the PSC, instead of DOA, to administer those requirements. Also under current law, DOA has established a state energy office to administer certain programs funded by the federal Department of Energy. The bill transfers the administration of those programs to the PSC.

Current law permits DOA, or its agents, to enter into contracts for services, and requires DOA to promulgate rules for the procurement of contractual services.

This bill clarifies that "contractual services" does not include information technology products or services that are delivered using a subscription and central

hosting delivery model. The bill also eliminates the current requirement that DOA promulgate rules requiring agencies to conduct a cost–benefit analysis and review the continued appropriateness of contractual service procurements of more than $50,000.

This bill permits DOA to transfer to DOA staff and equipment related to the provision of information technology security or desktop management services from another executive branch agency that has a secretary serving at the pleasure of the governor. The bill also permits DOA to assess those executive branch agencies for information technology services provided by DOA.

This bill requires DOA to administer human resources and payroll services, finance services, budget and procurement functions, and information technology services for certain state agencies and boards. This bill also requires DOA to study an enterprise–wide model for shared services and to submit an implementation plan incorporating the results of the study to the governor and the legislature by June 30, 2016.

Under current law, DOA administers the Technology for Educational Achievement program, known as TEACH, that offers telecommunication access to certain educational agencies at discounted rates and by subsidizing the cost of installing data lines and video links. Under current law, subject to certain exceptions, an educational agency may request access to only one data line or one video link under the TEACH program. Under the bill, an educational agency may request access to multiple data lines and video links under the TEACH program.

This bill transfers the governor's authority to make literacy improvement grants and literacy development grants to DCF and transfers the Read to Lead Development Council from the office of the governor to DCF.

This bill eliminates the authority of the secretary of state to appoint an assistant secretary of state and the authority of the state treasurer to appoint an assistant state treasurer.

TAXATION

INCOME TAXATION

Under current law, WEDC may certify a person to claim a state tax credit to supplement the federal historic rehabilitation tax credit. Under the bill, FWDA may certify up to $10,000,000 in any year for this tax credit and must adopt policies and procedures for evaluating claims and certifying credits. FWDA may not certify a person for the credit if the person has no state income tax liability, may certify a nonprofit entity for the credit if the entity intends to transfer the credit to a person with a tax liability.

The bill also requires a person to report to FWDA the number of full–time jobs created by the activity for which the person claimed a credit. If the activity creates fewer jobs than projected, the person must repay to DOR any amount of the credit in proportion to the number of jobs created compared to the number projected.

The bill eliminates the portion of the supplement to the federal historic rehabilitation tax credit that applies to buildings first placed in service before 1936.

Under current law, a person may claim the economic development tax credit for eligible activities in economically distressed areas of the state, as determined by

WEDC. Currently, a person may also claim a jobs tax credit equal to 10 percent of the wages paid to employees whose wages satisfy certain thresholds.

This bill eliminates the economic development tax credit and the jobs tax credit and creates the business development credit. Under the business development credit, a person certified by FWDA may claim all of the following:

1. An amount not exceeding 10 percent of the amount of wages that the person paid to an employee in a full–time position.

2. An amount not exceeding 5 percent of the amount of wages that the person paid to an employee in a full–time position, if the eligible position is at the claimant's business in an economically distressed area.

3. An amount not exceeding 50 percent of the costs incurred to undertake certain job–training activities.

4. An amount not exceeding 3 percent of the personal property investment and 5 percent of the real property investment in certain capital investment projects.

5. A percentage of wages paid to a full–time employee performing corporate headquarters functions in Wisconsin.

The bill makes technical changes to the manufacturing and agriculture tax credit and changes the jobs tax credit appropriation from a continuing appropriation to a sum sufficient appropriation.

The bill modifies the definitions of "Internal Revenue Code," for state income and franchise tax purposes, in order to adopt federal law provisions related to cooperative and small employer charity pension plans and the tribal general welfare exclusion act.

The bill repeals expired development zone tax credits.

PROPERTY TAXATION

Beginning with the property tax assessments on January 1, 2017, counties will assess all property, other than manufacturing property, within their boundaries. Counties that are contiguous to one another may also create regional assessment units to assess all property within the region. A first or second class city that is conducting its own assessments as of January 1, 2015, may continue to do so, but if, in subsequent years, the city fails to assess property at its full value, the city becomes subject to the county or regional assessment unit assessment.

The bill increases the appropriation for the school levy property tax credits so that the total amount distributed to claim against a person's property tax liability is $958,600,000 in 2016 and $853,000,000 in each year thereafter. Currently, the annual distribution is $747,400,000.

OTHER TAXATION

This bill modifies the definition of a "retailer engaged in business in this state" for use tax purposes, so that it includes the following:

1. Any person repairing or installing equipment in this state.

2. Any person delivering goods into this state in a vehicle owned by the business that is selling the goods.

3. Any person performing construction activities in this state.

Under current law, DOR is authorized to set off refunds due a taxpayer against debts that the taxpayer owes state agencies, local governments, and the federal

government. If any amounts remain after the setoffs are satisfied, the taxpayer receives the balance. The bill specifies that a taxpayer does not have any right to refunds until the setoff procedure has been completed.

The bill excludes the operator of a distribution facility selling tangible personal property, coins, and stamps on behalf of a third–party seller from the definition of "retailer" for purposes of imposing and collecting sales and use taxes.

Under current law, an agent of DOR may execute a tax warrant against the property of a delinquent taxpayer. The property may be sold, in the county in which the warrant is filed, at a sale or auction under the same procedures that would apply to a sheriff's sale or auction of the property. Some of the applicable procedures require that the auction be held between 9:00 a.m. and 5:00 p.m. and that the property be within view of those attending the sale. The bill provides that a sale or auction of property under a DOR issued tax warrant may be conducted by DOR or by a third–party entity. In addition, the bill authorizes DOR or the third–party entity to hold the sale in any county in the state and in any manner that DOR believes will bring the highest net bid or price, including an Internet–based auction or sale.

The bill changes the effective date of provisions related to sales tax return adjustments for private label credit card bad debt from July 1, 2015, to July 1, 2017.

TRANSPORTATION

Highways

Current law specifies that southeast Wisconsin freeway megaprojects are highway projects on southeast Wisconsin freeways that have a total cost of more than $500,000,000. DOT may not provide funding for construction of these projects without legislative approval. This bill authorizes DOT to provide funding for construction of the I 94 east–west project.

Under current law, the Building Commission may issue revenue bonds for certain major highway projects and transportation administrative facilities. This bill increases the revenue bond limit from $3,768,059,300 to $4,779,086,300.

This bill also provides that revenue bond proceeds may be expended for the southeast Wisconsin freeway megaprojects that have been approved by the legislature.

This bill allows general obligation bonds in an amount not exceeding $383,386,600 under one of the provisions authorizing bonding for DOT to fund state highway rehabilitation projects.

This bill allows general obligation bonds, in an amount not exceeding $255,000,000, for DOT to fund major interstate bridge projects. This bill allows general obligation bonds, in an amount not exceeding $216,800,000 for DOT to fund high–cost state highway bridge projects.

Under current law, with several exceptions, DOT is required to ensure that bikeways and pedestrian ways are established in all new highway construction and reconstruction projects funded from state or federal funds. Under this bill, these requirements are repealed.

Under current law, highway improvement projects undertaken by DOT must be executed by contract based on bids, with limited exceptions. This bill authorizes DOT, for no more than three highway improvement projects, to enter into contracts

using a construction manager–general contractor process. Under this process, the department contracts with a provider of construction services to supervise the design work for the project and, subject to an acceptable proposal, contracts with the provider of construction services for construction of the project.

Under current law, with certain exceptions, DOT may not expend more than 1.5 percent of the project costs of any highway improvement project on elements DOT determines are primarily related to the aesthetic preferences of communities adjacent to the project (community sensitive solutions). Under this bill, DOT may not expend any state funds for community sensitive solutions.

DRIVERS AND MOTOR VEHICLES

Under current law, most operator's licenses issued by DOT must be renewed every eight years. In general, an applicant for renewal of an operator's license must pass an eyesight test and have his or her photograph taken.

Under this bill, if an applicant for renewal of a license to operate only "Class D" vehicles satisfies eligibility requirements established by DOT, the applicant may apply for renewal, and DOT may renew the license, by electronic means and without a photograph. The procedure may be used by an applicant once in each 16–year period.

Under current law, DOT issues identification cards, to be used for identification purposes only, to residents who do not possess valid operator's licenses. The cards expire eight years from the date of the person's next birthday. Under this bill, an identification card issued to a person who is 65 years of age or older at the time of issuance does not expire.

Under current law, various rules govern the expiration of operator's licenses. Most operator's licenses issued by DOT expire eight years after the date of issuance. Probationary licenses and original licenses other than instruction permits expire two years from the date of the person's next birthday. Licenses issued to certain persons who move to the state and who have been licensed in another state expire three years from the date of the person's next birthday.

Under this bill, specific provisions regarding the expiration date of original licenses other than instruction permits and licenses issued to persons who move to the state are repealed. In general, under this bill, licenses issued to persons who move to the state will expire eight years after the date of issuance.

Under current law, the fee for the initial issuance of a license authorizing only the operation of "Class D" vehicles is $18 and the fee for the renewal of such a license is $24. Under this bill, the fee for the issuance or renewal of such a license, except a probationary license, is $24 and the fee for the issuance of a probationary license is $18.

Under current law, certain persons who transport passengers or property by motor vehicle on highways (motor carriers) are subject to certain regulations. Current law defines one type of motor carrier, a "private motor carrier," as "any person except a common or contract motor carrier engaged in the transportation of property by motor vehicle other than an automobile or trailer used therewith, upon the public highways." Under this bill, a "private motor carrier" is defined to mean

"any person who provides transportation of property or passengers by commercial motor vehicle and is not a contract motor carrier."

Under current law, DOT must charge an applicant for a commercial driver license and for an endorsement to operate a school bus. This bill waives those fees for an applicant holding a military commercial driver license.

TRANSPORTATION AIDS

Under current law, DOT administers a transportation facilities economic assistance and development (TEA) program. Under the program, DOT may award a grant to a political subdivision to provide up to 50 percent of the cost of improvements to transportation facilities, if the political subdivision provides at least 50 percent of the cost of the improvement. This bill increases the state share of the cost of an improvement project to 80 percent of the total project cost and reduces the local share to 20 percent of the total project cost.

RAIL AND AIR TRANSPORTATION

This bill allows general obligation bonding in an amount not exceeding $251,500,000 for railroad property acquisition and improvement and in an amount not exceeding $79,000,000 for rail passenger route development.

Under current law, most public property is subject to local special assessment. One exception provides that certain state highway or railway property is not subject to local special assessment. This bill specifies that certain state property related to freight rail service is not subject to local special assessment.

Under current law DOT may enter into sponsorship agreements under which DOT displays material associated with the sponsor at locations owned or controlled by DOT for a fee or provision of services. Fees received by DOT under an agreement may be used by DOT for certain specified purposes, including the maintenance and repair of state trunk highways and routine maintenance activities performed under contract with DOT.

Under this bill, the fees received by DOT for the display of material at a passenger railroad station are deposited into the transportation fund.

OTHER TRANSPORTATION

Under current law, rail transport generally is regulated by the Federal Railroad Administration (FRA). The FRA does not regulate certain public transportation systems that operate along a fixed guideway. This bill creates a transit safety oversight program within DOT, under which DOT may oversee, enforce, investigate, and audit all safety aspects of fixed guideway transit systems.

Under current law, the Building Commission may issue revenue bonds for major highway projects and transportation administrative facilities. DOT may deposit in a special trust fund vehicle registration and titling fee revenues that are pledged for the repayment of these revenue bonds. This bill allows DOT to pledge one–half of motor vehicle fuel tax revenues for the repayment of revenue bonds.

Under current law, DOT administers an elderly and disabled transportation capital assistance program to award grants to qualified private, nonprofit organizations and local public bodies for capital costs related to specialized vehicles and facilities used to provide transportation services to elderly and disabled persons.

This bill changes several of the requirements of the program. Under the bill: 1) the program is not limited to capital costs; 2) the assistance beneficiary category is changed to seniors age 65 or older; 3) DOT need not maintain an annual application cycle; and 4) several statutory requirements that are in addition to federal requirements are eliminated.

This bill transfers administration of the pretrial intoxicated driver intervention grant program from DOT to DHS.

VETERANS

Under current law, DVA administers a grant program for a grant of $500,000 to VETransfer, Inc. (VETransfer), an organization that provides training and other assistance to veterans engaged in entrepreneurship. Of those moneys, VETransfer is required to use at least $300,000 to make grants to Wisconsin veterans or their businesses to cover costs associated with the start–up of veteran–owned businesses located in Wisconsin, and VETransfer is authorized to use up to $200,000 to provide entrepreneurial training and related services to Wisconsin veterans. VETransfer must repay to the state any moneys not used by June 30, 2017.

This bill transfers that grant program to the Forward Wisconsin Development Authority.

Under current law, DVA subsistence payments and health care assistance to certain veterans and their dependents and a person may be eligible for those benefits only if the person is a resident of and living in Wisconsin at the time the person applies for the benefits. This bill eliminates that residency requirement for such subsistence payments and health care assistance.

Also under current law, the parent of a veteran may be eligible for admission as a resident in a veterans home in Wisconsin. The bill limits that eligibility to a parent of a person who died while serving in the U.S. armed forces.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

***–1215/P3.1*SECTION 1.** 1.12 (1) (b) of the statutes is amended to read:

1.12 **(1)** (b) "State agency" means an office, department, agency, institution of higher education, the legislature, a legislative service agency, the courts, a judicial branch agency, an association, society, or other body in state government that is created or authorized to be created by the constitution or by law, for which

appropriations are made by law, excluding the ~~Wisconsin Economic Development Corporation~~ Forward Wisconsin Development Authority.

***–0224/P3.1*SECTION 2.** 5.15 (1) (c) of the statutes is amended to read:

5.15 **(1)** (c) The wards established by municipal governing bodies in a division ordinance or resolution enacted or adopted under this section shall govern the adjustment of supervisory districts under s. 59.10 (2) (a) and (3) (b) and of aldermanic districts under s. 62.08 (1) for the purpose of local elections beginning on January 1 of the 2nd year commencing after the year of the census until revised under this section on the basis of the results of the next decennial census of population unless adjusted under sub. (2) (f) 4. or 5., (6) (a), or (7), or unless a division is required to effect an act of the legislature redistricting legislative districts under article IV, section 3, of the constitution or redistricting congressional districts. The populations of wards under each decennial ward division shall be determined on the basis of the federal decennial census and any official corrections to the census issued on or before the date of adoption of the division ordinance or resolution to reflect the correct populations of the municipality and the blocks within the municipality on April 1 of the year of the census.

***–0224/P3.2*SECTION 3.** 5.15 (2) (f) 5. of the statutes is created to read:

5.15 **(2)** (f) 5. Territory that lies between an actual municipal boundary that existed on April 1 of the year of a federal decennial census and an intersecting municipal boundary that deviates from the actual municipal boundary on that date if the deviating boundary was used by the U.S. bureau of the census to enumerate the population of the municipality in that census.

***–0224/P3.3*SECTION 4.** 5.15 (4) (b) of the statutes is amended to read: