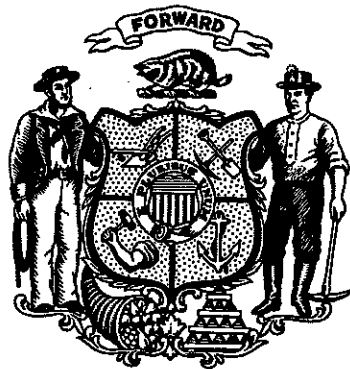


# **1995-97 WISCONSIN STATE BUDGET**

## **Comparative Summary of Budget Provisions**

**Enacted as 1995 Acts 27 and 113**

### **Volume I**



**State of Wisconsin**

**Legislative Fiscal Bureau**

**December, 1995**

**1995-97 WISCONSIN STATE BUDGET**

**Comparative Summary of Budget Provisions**

**Enacted as 1995 Acts 27 and 113**

**Volume I**

**Legislative Fiscal Bureau**

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# INTRODUCTION

This two-volume document, prepared by Wisconsin's Legislative Fiscal Bureau, is the final edition of the cumulative summary of executive and legislative action on the 1995-97 Wisconsin state biennial budget. The budget was enacted into law in two parts. Everything except the transportation budget was enacted as 1995 Wisconsin Act 27 on July 26, 1995. The transportation budget was enacted as 1995 Wisconsin Act 113 on December 6, 1995. This document describes each of the provisions of the budget acts, including all fiscal and policy modifications recommended by the Governor, Joint Committee on Finance and Legislature.

The document is organized into eight basic sections, the first of which contains a Table of Contents, History of the 1995-97 General Budget, Brief Chronology of the 1995-97 General Budget, History of the 1995-97 Transportation Budget, Brief Chronology of the 1995-97 Transportation Budget, Key to Abbreviations, User's Guide and a listing of the 1995-97 Biennial Budget Issue Papers prepared by the Legislative Fiscal Bureau.

This is followed by an "overview" section which provides a series of summary tables and charts which display 1995-97 revenues, appropriations and authorized position levels. Information is presented for all fund sources, the general fund, transportation fund and the state's lottery program.

Next, a summary of state government reorganization included in the budget act is presented.

The fourth section of the document, "General Fund Taxes," identifies the policy and 1995-97 revenue effect of each general fund tax change contained within the budget act. It appears in Volume I, starting on page 70.

The next section contains budget and policy summaries for each state agency and program. The agencies appear in alphabetical order. For each agency, comparative tables are presented which depict funding and authorized position levels. This is followed by a narrative description and fiscal effect, if any, of each budget change item. Volume I contains summaries of the Department of Administration (beginning on page 90) through the Historical Society. Volume II begins with the Department of Industry, Labor and Human Relations on page 602. In this section, the author of each change is identified. The change document of each is as follows:

	General Budget	Transportation Budget
GOVERNOR:	AB 150	AB 557
JOINT FINANCE:	ASA I to AB 150	ASA I to AB 557
ASSEMBLY:	Engrossed AB 150	Engrossed AB 557
SENATE:	Engrossed AB 150 as amended by the Senate	Engrossed AB 557 as amended by the Senate
LEGISLATURE:	Enrolled AB 150	Enrolled AB 557
VETO:	Act 27	Act 113

The sixth section of the document lists the various reports and studies which are required in 1995 Act 27 and 1995 Act 113. This begins on page 1101.

The seventh section provides a description of the non-fiscal, policy items contained within the Governor's original budget recommendations of 1995 Assembly Bill 150. Rather than being considered as a part of budget deliberations, these items were drafted as separate legislation and introduced as individual bills, at the request of the Governor. A description of each of these items is shown in this section which begins on page 1118.

The final section provides a budget and policy summary of action on the Department of Transportation's budget during deliberations on AB 150 and AB 402.

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## HISTORY OF THE 1995-97 GENERAL BUDGET

This section provides a narrative history of the 1995-97 general state budget. (A history of the Transportation Budget is found on page 6.) Although the history of a budget commences with the introduction of a bill comprising the Governor's budget recommendations, the process of assembling a biennial budget begins several months prior to introduction. This history begins at that point. On May 27, 1994, the Department of Administration issued formal budget instructions to each state agency outlining procedures and guidelines for preparing 1995-97 budget requests, including an overall timetable directing state agencies to submit their budget requests to the Executive Budget Office in the Department of Administration by September 15, 1994.

In addition, as part of the Governor's major policy statement for the 1995-97 budget, the Department of Administration directed agencies to submit specific recommendations, listed in rank order, which would reduce their initial (September) budget submission by amounts equal to 5% of the total base level GPR state operations and aids to individuals and organizations appropriations (less debt services and utilities) for 1995-96 and 10% of this base for 1996-97. State operations and administrative appropriations funded from the Transportation, Conservation and Lottery segregated funds were also subject to the same directive and guidelines.

The Executive Budget Office reviewed agency requests and recommendations for base funding reductions as they were submitted and, on November 20, 1994, as required by statute, submitted a compilation of the 1995-97 requests to Governor Tommy G. Thompson. This report indicated that agencies were requesting total 1995-97 funding of \$34.1 billion (from all funding sources), of which more than \$17.8 billion was to be from general purpose revenues. Also released was the statutorily-required estimate of tax revenues for the 1995-97 biennium prepared by the Department of Revenue. This document estimated that total general fund taxes collected by the state would be approximately \$16.7 billion for the biennium.

The Governor, with the assistance of the Department of Administration, reviewed agency requests to develop specific gubernatorial budget recommendations for each agency for submittal to the 1995 Legislature. By statute, the Governor is required to submit the budget message to the Legislature on or before the last Tuesday in January. However, under 1995 Senate Joint Resolution 1, adopted by the Senate and concurred in by the Assembly on January 4, 1995, the deadline for the Governor's submission of the budget message was extended to February 14. On January 31, the Governor delivered a state of the State message to a joint convention of the Legislature, indicating that his formal budget recommendations for the 1995-97 biennium would be submitted on February 14. The Governor officially delivered his 1995-97 biennial budget message and recommendations to a joint convention of the Legislature on February 14, 1995.

On February 16, the Joint Committee on Finance, at the request of the Governor, introduced the budget bill. The bill, formally introduced as 1995 Assembly Bill 150 (AB 150), was read for the first time and referred to the Joint Committee on Finance for further consideration. The bill did not contain the Governor's biennial budget recommendations for the state transportation budget or the state building program for the 1995-97 biennium. On March 7, the Governor submitted his recommendations for the 1995-97 transportation budget. The Governor's 1995-97 transportation budget recommendations were later introduced as separate legislation (1995 Assembly Bill 402), at the request of the Governor, by Senator Joseph Leean (R-Waupaca), the Senate Chair of the Joint Committee of Finance and Representative Ben Brancel (R-Endeavor), the Assembly Chair

of the Joint Committee on Finance. The Governor submitted the recommendations of the Building Commission on the capital budget and the state building program to the Joint Committee on Finance on May 8, and the recommendations were subsequently taken up by the Joint Committee on Finance as an amendment to AB 150.

On March 3, Senator Leraan and Representative Brancel issued a memorandum announcing the briefing and public hearing schedule for AB 150. Three Legislative Fiscal Bureau informational briefings on the budget bill for the Joint Committee of Finance were held on March 13, 14 and 15, during which staff briefed the Committee on the major items contained in agency budgets. Five agency informational briefings for the Committee were held in Madison between March 15 and March 28, during which agency representatives testified before the Committee on the executive budget request for their agencies. Five public hearings on the executive budget bill were held by the Joint Committee on Finance to solicit public testimony on the budget as a whole with the first hearing occurring on March 21 and the last being held on April 3. Public hearings were held in Cedarburg on March 21; Portage on March 23; Madison on March 27; River Falls on March 30; and Milwaukee on April 3. The Committee also held public hearings in Madison on April 10 on the 1995-97 transportation budget and on May 16 on the state building program. The hearing on the transportation budget also received input from citizens in Platteville and Rhinelander via video conferencing.

While the Finance Committee was holding its hearings, many of the Legislature's other committees conducted hearings on those portions of the budget which were pertinent to their areas of expertise.

On March 17, 1995, Senator Leraan and Representative Brancel issued a memorandum that indicated that a number of non-fiscal policy items contained within AB 150 would not be considered as part of the Committee's budget deliberations. These items were drafted as separate legislation and were introduced as individual bills, at the request of the Governor. In total, 89 items were grouped into 72 respective bills for introduction.

On April 6, 1995, Senator Leraan and Representative Brancel distributed a memorandum which announced the first Executive Session on the budget bill that was to be conducted by the Joint Committee on Finance and outlined the organization and procedures which the Committee would follow during its deliberations on the budget bill. In total, the Committee held Executive Sessions on the budget bill on 19 different days. The first executive session was held on April 11 and the last on May 31. The Committee's version of the budget was adopted by the Committee on a 12 to 4 vote. The Committee instructed the Legislative Fiscal Bureau to have drafted a substitute amendment to AB 150 incorporating all the actions of the Committee in its executive sessions. The budget bill, ASA 1 to AB 150, was formally reported to the Assembly on June 15.

The Committee also held a May 30 Executive Session on the Governor's recommendation for the 1995-97 state transportation budget (1995 Assembly Bill 402), which was introduced in Joint Finance on May 24. The Committee amended Assembly Bill 402 in Assembly Substitute Amendment 1 to AB 402 on a 12-4 vote. The bill was referred to the Assembly Calendar on May 30 and taken up by the Assembly on June 6. The Assembly re-referred AB 402 back to the Joint Committee on Finance on June 6.

On June 6, 1995, the Joint Survey Committee on Tax Exemptions submitted a report that found the provisions of AB 150 relating to tax exemptions to be good public policy. Also, on June 6, 1995, the Joint Survey Committee on Retirement Systems submitted a report that found the provisions of ASA 1 to AB 150 relating to employe pension and benefit issues to be good public policy.

Prior to floor consideration of ASA 1 to AB 150, the Democratic and Republican Caucuses of the Assembly reviewed the bill, as amended, and considered modifications. The Legislative Fiscal Bureau conducted briefings before the Assembly on ASA 1 to AB 150 on June 8, 9 and 12. On June 16, the Assembly passed Assembly Joint Resolution 25, which made ASA 1 to AB 150 a special order of business to be taken up by that house on June 19. During the Assembly's deliberations, 46 amendments to ASA 1 to AB 150 were formally introduced. On June 21 and 22, the Assembly modified the Joint Committee on Finance's version of the budget by adopting Assembly Amendment 26 (as modified by Assembly Amendments 1, 2, 3, 22, 31, 33, 34 and 36), Assembly Amendment 27, Assembly Amendment 35 (as modified by Assembly Amendment 1) and Assembly Amendment 43. [Note: In addition to modifying provisions in the general budget, Assembly Amendment 26 inserted the Assembly's version of the 1995-97 transportation budget.] On June 22, the budget, as amended, was passed on a vote of 52-47 and was messaged to the Senate.

On June 23, the bill was received by the Senate, referred to the Committee on Organization and ordered engrossed at the direction of the Senate Chief Clerk. Prior to floor consideration of the budget bill (Engrossed AB 150), the Democratic and Republican Caucuses of the Senate reviewed the Assembly's version of the budget bill and considered modifications. The Legislative Fiscal Bureau briefed the Senate on ASA 1 to AB 150 on June 14. On June 27, the bill was read a second time and taken up by the Senate. During the Senate's deliberations, 123 amendments to Engrossed AB 150 were formally introduced. On June 28, the Senate modified the Assembly's version of the budget by adopting Senate Amendment 116, Senate Amendment 117 and Senate Amendment 123. [Note: Senate Amendment 116 removed the Assembly's version of the 1995-97 transportation budget and Senate Amendments 117 and 123 generally included Joint Finance's version of the 1995-97 transportation budget.] On June 28, the budget bill, as amended, was passed on a vote of 18-15 and ordered immediately messaged to the Assembly.

On June 29, the Assembly received Engrossed AB 150 as concurred in and as amended by the Senate, by Senate Amendments 116, 117 and 123. The Assembly then took up the Senate's version of the bill for deliberations. During its deliberations the Assembly adopted Senate Amendment 116 (as amended by Assembly Amendment 1). After three amendments to Senate Amendment 117 were offered by the Assembly, the Assembly refused to concur with Senate Amendment 117 by a vote of 41-56. Also, the Assembly nonconcurred in Senate Amendment 123 by a vote of 64-32. [Note: At this time the bill contained no 1995-97 transportation budget recommendations.] The bill was then ordered immediately messaged back to the Senate.

On June 29, the Senate received Engrossed AB 150 back from the Assembly with Senate Amendment 116 amended, and concurred in by the Assembly as amended, with the Assembly's refusal to concur with Senate Amendment 117 and with the Assembly's nonconcurrence with Senate Amendment 123. The Senate took up the bill and concurred with the Assembly's amendment to Senate Amendment 116 to AB 150 and receded from its position on the Senate Amendments 117 and 123 to Engrossed AB 150 (a version of the 1995-97 transportation budget). In doing so, the two houses had an identical version of the bill and the bill was then ordered back to the Assembly where, on July 5, it was ordered correctly enrolled.

On July 26, the Governor informed the Assembly that he had approved Assembly Bill 150, as passed by the Legislature, as 1995 Wisconsin Act 27, and had deposited it in the Office of the Secretary of State. The Governor further indicated in his message to the Senate that he had exercised his authority to make 112 partial vetoes to the bill. The Act was published on July 28, and became generally effective the following day. None of the partial vetoes were considered by the Legislature.

# BRIEF CHRONOLOGY OF THE 1995-97 GENERAL BUDGET

## GOVERNOR/ADMINISTRATION

- May 27, 1994 Department of Administration issued budget instructions
- September 15 Agencies submitted budget requests
- November 15 Agencies submitted 5% and 10% base level funding recommendations
- November 20 Executive Budget Office submitted compilation of agency budget requests and DOR estimate of tax revenues
- January 31, 1995 Governor delivered state of State message to Legislature, indicating 1995-97 budget recommendations were forthcoming
- February 14 Governor delivered budget message and recommendations to Legislature
- March 7 Governor submitted recommendations for 1995-97 transportation budget
- May 8 Governor submitted recommendations of the Building Commission on the capital budget and state building program

## JOINT COMMITTEE ON FINANCE

- February 16 Introduced 1995 Assembly Bill 150 (AB 150), the executive budget bill
- March 13-15 Briefings by the Legislative Fiscal Bureau
- March 15-28 Briefings by agency officials
- March 17 Non-fiscal items removed from AB 150
- March 21 - April 3 Public hearings
- April 11 - May 31 Executive Sessions
- May 8 Received Building Commission recommendations on state building program and capital budget
- May 16 Public Hearing on state building program and capital budget
- May 24 Introduced 1995-97 state transportation budget as 1995 Assembly Bill 402 (AB 402)
- May 30 Held executive session on 1995-97 state transportation budget and, as amended, adopted AB 402 on a 12-4 vote, which was referred to the calendar
- May 31 Adopted Assembly Substitute Amendment 1 (ASA 1) to AB 150 and passed the bill on 12-4 vote
- June 15 ASA 1 to AB 150 reported to Assembly as recommended by Joint Committee on Finance

## LEGISLATURE

- June 6 Assembly re-referred AB 402 (1995-97 transportation budget) to Joint Finance
- June 6 Report of Joint Survey Committee on Tax Exemptions received
- June 6 Report of Joint Survey Committee on Retirement Systems received
- June 21-22 Assembly adopted four amendments to ASA 1 to AB 150 and voted passage
- June 23 Printed engrossed by direction of the Senate Chief Clerk
- June 29 Senate adopted three amendments to Engrossed AB 150: Senate Amendment 116; and Senate Amendments 117 and 123 (a version of the 1995-97 state transportation budget)

- June 29 Assembly adopted Senate Amendment 116 to Engrossed AB 150 as amended by the Assembly and refused to concur with Senate Amendment 117 to Engrossed AB 150 and non-concurred with Senate Amendment 123 to Engrossed AB 150
- June 29 Senate concurred with Senate Amendment 116 to Engrossed AB 150, as amended by the Assembly, and receded from its position on Senate Amendments 117 and 123 to Engrossed AB 150
- July 5 Assembly Bill 150 reported correctly enrolled

#### **ENACTMENT**

- July 26 Governor approved, with partial vetoes, AB 150 as 1995 Wisconsin Act 27
- July 28 Act 27 published
- July 29 Act 27 became generally effective

## HISTORY OF THE 1995-97 TRANSPORTATION BUDGET

This section provides a brief narrative history of the 1995-97 transportation budget. The Governor's biennial budget bill, AB 150, which contained funding recommendations for most state agencies for the 1995-97 biennium, did not include transportation-related provisions. Instead, the Governor submitted his original recommendations for the transportation budget on March 7. Those recommendations were later introduced as Assembly Bill 402, which the Joint Committee on Finance recommended for passage, as amended, by a 12-4 vote on May 30. The Assembly referred the bill back to the Joint Committee on Finance on June 6. Transportation provisions were subsequently incorporated into AB 150, but the Legislature was unable to reconcile differences between the Assembly and Senate recommendations. As a result, the transportation provisions were removed from AB 150.

On September 12, Representative Ben Brancel (R-Endeavor) and Senator Tim Weeden (R-Beloit) introduced a second transportation budget at the request of the Governor. After its first reading, the bill, AB Assembly Bill 557 (AB 557), was referred to the Joint Survey Committee on Tax Exemptions, which found the bill constituted good public policy. On September 18, the Committee issued its report, which included recommending a technical amendment, and AB 557 was referred to the Joint Committee on Finance. Previously, on September 14, the Joint Committee on Finance held a public hearing on the bill and received testimony from DOT representatives and the public. On September 30, the Joint Committee on Finance held an executive session on AB 557 and recommended Assembly Substitute Amendment 1 (ASA 1) to AB 557 for passage by a vote of 12-4.

On October 3, ASA 1 to AB 557 was referred to the Assembly calendar. The Assembly debated this substitute amendment on October 3 and 5. In total, 37 amendments to ASA 1 were offered and 12 amendments were adopted (Assembly Amendments 9, 13, 18, 19, 20, 22, 28, 32, 33, 34, 36 and 37 to ASA 1). After adopting ASA 1 to AB 557, as amended, on a 53-44 vote, the Assembly failed to pass AB 557 by a vote of 47-50. The Assembly voted to reconsider that vote, but tabled and referred the bill to the Committee on Rules before the reconsideration vote was taken.

On October 11, Representatives Brancel and Steven Foti (R-Oconomowoc) introduced Assembly Substitute Amendment 2 (ASA 2) to AB 557. The Assembly debated this substitute amendment on October 11 and 12. There were 21 amendments to ASA 2 offered and four were adopted (Assembly Amendments 4, 5, 7 and 13 to ASA 2). ASA 2, as amended, was adopted by a vote of 56-43. AB 557, as amended, was passed by the same vote and was ordered to be immediately messaged to the Senate.

On October 18, the Senate received AB 557 from the Assembly, referred it to the Committee on Transportation, Agriculture and Local Affairs and ordered it engrossed. The Committee, chaired by Senator Alan Lasee (R-De Pere), held a public hearing on October 31 and offered Senate Amendment 1 (SA 1) to the engrossed bill at an executive session on November 2. On separate votes of 4-1, the Committee adopted SA 1 and recommended concurrence in the bill, as amended. In its deliberations on November 7, the Senate considered one substitute amendment, eight amendments to the engrossed bill and 13 amendments to SA 1.



The Senate adopted one amendment to SA 1 (Senate Amendment 13 to SA 1) and then adopted SA 1, as amended. The Senate concurred in Engrossed AB 557, as amended, by a 22-10 vote.

On November 9, the Assembly voted 68-27 not to concur with Senate Amendment 1 and voted 70-25 to request a Committee of Conference on AB 557. On the same date, the Senate agreed to a Committee of Conference. Representatives Brancel, Foti and Mary Hubler (D-Rice Lake) and Senators Weeden, Lasee and Fred Risser (D-Madison) were named to the Committee. The Committee of Conference met on November 13 and issued its report (Conference Amendment 1) on November 14. The Assembly adopted the report on that date by a vote of 62-34. On November 16, the Senate concurred with the Assembly action by a vote of 21-11.

On December 6, the Governor informed the Assembly that he had approved AB 557, as passed by the Legislature, as 1995 Wisconsin Act 113, and had deposited it in the Office of the Secretary of State. The Governor further indicated in his message that he had exercised his authority to make 11 partial vetoes to the bill. The Act was published on December 20, and became generally effective the following day.

# BRIEF CHRONOLOGY OF THE 1995-97 TRANSPORTATION BUDGET

## GOVERNOR

- September 6, 1995 Governor submitted recommendations for the 1995-97 transportation budget.

## JOINT COMMITTEE ON FINANCE

- September 12 Representative Brancel and Senator Weeden introduced 1995 Assembly Bill 557 (AB 557), the transportation budget bill, at the request of the Governor
- September 14 Joint Committee on Finance held public hearing
- September 18 Received Joint Survey Committee on Tax Exemption report
- September 30 Held executive session, adopted Assembly Substitute Amendment 1 (ASA 1) to AB 557 and recommended passage, as amended, on 10-5 votes
- October 3 ASA 1 to AB 557 reported to Assembly as recommended by Joint Committee on Finance

## LEGISLATURE

- October 3 & 5 Assembly adopted 12 amendments to ASA 1 to AB 557; adopted ASA 1, as amended; failed to pass AB 557; and voted to reconsider vote by which AB 557 failed to pass
- October 10 Assembly referred AB 557 to Committee on Rules
- October 11 & 12 Assembly adopted four amendments to ASA 2 to AB 557 and voted passage
- October 18 Printed engrossed by direction of the Senate Chief Clerk
- October 31 Senate Committee on Transportation, Agriculture and Local Affairs held public hearing
- November 2 Committee held executive session and recommended concurrence in Engrossed AB 557, as amended by Senate Amendment 1
- November 7 Senate adopted one amendment to Senate Amendment 1 and concurred in Engrossed AB 557, as amended
- November 9 Assembly refused to concur with Senate Amendment 1 and requested a Committee of Conference; Senate agreed to a Committee of Conference
- November 13 Committee of Conference met
- November 14 Committee of Conference offered Conference Amendment 1; Assembly adopted Committee of Conference report
- November 16 Senate concurred in Committee of Conference report
- November 27 Assembly Bill 557 reported correctly enrolled

## ENACTMENT

- December 6 Governor approved, with partial vetoes, AB 557 as 1995 Wisconsin Act 113
- December 20 Act 113 published
- December 21 Act 113 became generally effective

## KEY TO ABBREVIATIONS

### REVENUES

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

### APPROPRIATIONS

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

## KEY TO ABBREVIATIONS (continued)

### OTHER

1995 Wisconsin Act 27	The 1995-97 biennial budget act.
1995 Wisconsin Act 113	The 1995-97 transportation budget act.
1993 Wisconsin Act 16	The 1993-95 biennial budget act.
1993 Wisconsin Act 437	The 1993-95 budget adjustment act.
AB 150	1995 Assembly Bill 150, the Governor's 1995-97 budget recommendations.
AB 402	1995 Assembly Bill 402, the Governor's first recommendation for the 1995-97 transportation budget.
AB 557	1995 Assembly Bill 557, the Governor's second recommendation for the 1995-97 transportation budget.
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,044 hours per appointment in a 12-month period.
1994-95 Base	The total 1994-95 authorized funding level for an agency or program. The base equals 1994-95 appropriations, pay plan modifications and any other supplements. It is this base that serves as the beginning point for calculating budget changes for 1995-97.
1994-95 Base Year Doubled	The 1994-95 base multiplied by two. This produces the biennial base level against which 1995-97 budget levels may be compared.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

## USER'S GUIDE

The following explanation of entries is keyed to the accompany sample entry (page 12).

- ① The funding source for the amounts shown in columns 2 through 4. Only the funding sources which are included in the agency's budget are shown.
- ② The 1994-95 base represents authorized appropriation and position levels for 1994-95. The base is doubled in the budget column to provide a two-year to two-year comparison.
- ③ Appropriation and position levels recommended by the Governor, Joint Committee on Finance, Legislature, and as authorized by 1995 Wisconsin Act 27 (includes the impact of any gubernatorial vetoes).
- ④ These columns indicate the change of the budget level contained in 1995 Wisconsin Act 27 to the 1994-95 base year doubled. For positions, the increase or decrease is based on the 1996-97 authorized level compared to the 1994-95 level.
- ⑤ This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions and removal of one-time items. The box highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented.
- ⑥ Title of the budget change item. Immediately following the title, if applicable, "[ ]" shows the number of the Legislative Fiscal Bureau issue paper prepared on this item. In this example, paper [330] pertains to the Elimination of Mediation Function. A complete listing of all Fiscal Bureau issue papers begins on page 13 of this document.
- ⑦ Funding and position change to the agency's base budget. If the entry is entitled, "GOVERNOR/LEGISLATURE," the recommendations proposed by the Governor were adopted by the Joint Committee on Finance and the Legislature. For those budget items where the recommendations of the Governor, Joint Finance Committee or Legislature differ, the fiscal and position effect shown at each step is the change to the previous recommendation.
- ⑧ Narrative description of the various budget change items, for each entry, as recommended by the Governor, Joint Committee on Finance and Legislature.
- ⑨ Narrative description, if any, of partial vetoes by the Governor. At the beginning of the veto entry in the "[ ]" is the number (in this example E-1) of the veto from the Governor's veto message (July 26, 1995).
- ⑩ Bill sections relating to the budget change item. "Act 27 Sections" lists the sections which remain in the act. "Act 27 Vetoes Sections" lists those sections which were partially or entirely vetoed.

## EMPLOYMENT RELATIONS COMMISSION

<b>Budget Summary</b>							④	
①	②	③	③	③	③			
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	Amount	Percent
GPR	\$5,160,000	\$2,639,000	\$5,046,600	\$5,046,600	\$5,046,600	-\$113,400		- 2.2%
PR	<u>58,400</u>	<u>29,300</u>	<u>485,800</u>	<u>485,800</u>	<u>485,800</u>	<u>427,400</u>		<u>731.9</u>
<b>TOTAL</b>	<b>\$5,218,400</b>	<b>\$2,668,300</b>	<b>\$5,532,400</b>	<b>\$5,532,400</b>	<b>\$5,532,400</b>	<b>\$314,000</b>		<b>6.0%</b>

<b>FTE Position Summary</b>							④
①	②	③	③	③	③		
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base	
GPR	36.00	0.00	28.50	28.50	28.50	- 7.50	
PR	<u>0.00</u>	<u>0.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	
<b>TOTAL</b>	<b>36.00</b>	<b>0.00</b>	<b>33.50</b>	<b>33.50</b>	<b>33.50</b>	<b>- 2.50</b>	

### 1. STANDARD BUDGET ADJUSTMENTS

Chg. to Base	
GPR	\$506,000
PR	<u>200</u>
<b>Total</b>	<b>\$506,200</b>

- ⑤ **Governor/Legislature:** Adjust the agency's base budget annually as follows: (a) removal of noncontinuing functions from the base (-\$6,800 GPR); (b) full funding of salary costs (\$239,900 GPR);....

### ⑥ 2. ELIMINATION OF MEDIATION FUNCTION [LFB Paper 330]

⑦	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$582,000	- 6.00	\$0	- 1.00	-\$582,000	- 7.00
PR	<u>0</u>	<u>0.00</u>	<u>427,200</u>	<u>5.00</u>	<u>427,200</u>	<u>5.00</u>
<b>Total</b>	<b>-\$582,000</b>	<b>- 6.00</b>	<b>\$427,200</b>	<b>4.00</b>	<b>-\$154,800</b>	<b>- 2.00</b>

- ⑧ **Governor:** Effective January 1, 1996, repeal the authority of the Commission to provide or engage in mediation services, whether at the request of the parties or on its own initiative, with respect to resolving disputes involving unfair labor practices or impasses. Delete \$194,000 in 1995-96 and \$388,000 in 1996-97 and eliminate 6.0 FTE positions to reflect the estimated staff effort currently involved in providing mediation services (1.0 mediator and 5.0 attorney 13 positions) in the agency....

**Joint Finance/Legislature:** Delete Governor's provision. Instead: (a) delete 1.0 GPR administrative assistant 4 position and 1.0 GPR legal secretary position and associated funding of \$77,400 GPR annually;....

- ⑨ **Veto by Governor [E-1]:** Delete the \$225 cap on the mediation service fee.

⑩ [Act 27 Sections: 796m, 3786e, 3786s, 3787g, 3803d, 3803t, 3843e, 3843s, 9120(3g)&(3h) and 9430(2g)]

[Act 27 Vetoed Sections: 3786s, 3803t and 3843s]

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970 Minor Policy and Technical Adjustments -- Operation of Southeastern Wisconsin State  
Veterans Cemetery

**Wisconsin Conservation Corps**  
975 Funding Shift to the Conservation Fund  
976 Work Boot Reimbursement  
977 Education Voucher Increase  
978 Continuing Cash Balance for Corps Enrollee Support  
979 Crew Leader Employment  
980 Executive Director Appointment

**Wisconsin Health and Educational Facilities Authority**  
985 WHEFA Rural Hospital and Primary Care Provider Loan Guarantees

Paper #

990      **Wisconsin Housing and Economic Development Authority**  
Local Spearfishing Law Enforcement Appropriation and Balances

995      **Wisconsin Technical College System**  
Budget Reductions

## **OVERVIEW**

### **ALL FUNDS BUDGET AND POSITION SUMMARIES**

**TABLE 1****Summary of 1995-97 Appropriations,  
Compensation Reserves and Authorizations**

<u>Fund Source</u>	<u>1995-96</u>	<u>1996-97</u>	<u>Total</u>	<u>% of Total</u>
<b>General Purpose Revenue (GPR)</b>	<b>\$8,290,547,400</b>	<b>\$9,173,201,100</b>	<b>\$17,463,748,500</b>	<b>51.4%</b>
Appropriations	8,271,156,200	9,124,437,800	17,395,594,000	
Compensation Reserves	19,391,200	48,763,300	68,154,500	
<b>Federal Revenue (FED)</b>	<b>3,868,699,400</b>	<b>3,944,954,900</b>	<b>7,813,654,300</b>	<b>23.0%</b>
Appropriations	3,862,720,600	3,929,919,800	7,792,640,400	
Compensation Reserves	5,978,800	15,035,100	21,013,900	
<b>Program Revenue (PR)</b>	<b>2,192,494,400</b>	<b>2,009,235,500</b>	<b>4,201,729,900</b>	<b>12.3%</b>
Appropriations	2,177,342,700	1,971,133,200	4,148,475,900	
Compensation Reserves	15,151,700	38,102,300	53,254,000	
<b>Segregated Revenue (SEG)</b>	<b>1,878,172,000</b>	<b>1,905,085,200</b>	<b>3,783,257,200</b>	<b>11.1%</b>
Appropriations	1,874,208,300	1,895,117,800	3,769,326,100	
Compensation Reserves	3,963,700	9,967,400	13,931,100	
<b>Subtotal</b>	<b>\$16,229,913,200</b>	<b>\$17,032,476,700</b>	<b>\$33,262,389,900</b>	<b>97.8%</b>
Appropriations	16,185,427,800	16,920,608,600	33,106,036,400	
Compensation Reserves	44,485,400	111,868,100	156,353,500	
<b>Bond Authorization*</b>			<b>\$746,330,500</b>	<b>2.2%</b>
General Obligation Bonding			613,526,400	
Revenue Bonding			132,804,100	
<b>TOTAL</b>			<b>\$34,008,720,400</b>	<b>100.0%</b>

\*Bonding authorization is provided on a biennial basis. Only general obligation bonds are considered debt of the state, backed by the full faith and credit of the state. Revenue bonds are backed by the revenue stream designated for a particular purpose.



TABLE 2

1995-97 Comparative Summary of Appropriations and Authorizations--All Funds

<u>Fund Source</u>	<u>Governor</u>	<u>Jt. Finance</u>	<u>Assembly</u>	<u>Senate</u>	<u>Legislature</u>	<u>Acts 27 and 113</u>
General Purpose Revenue	\$17,391,791,200	\$17,463,837,600	\$17,460,744,300	\$17,463,997,900	\$17,463,998,500	\$17,463,748,500
Federal Revenue	7,780,970,100	7,829,832,200	7,830,446,600	7,829,694,100	7,878,378,900	7,813,654,300
Program Revenue	4,168,052,900	4,200,106,900	4,200,540,700	4,202,587,100	4,202,850,500	4,201,729,900
Segregated Revenue	<u>4,093,444,600</u>	<u>3,969,600,800</u>	<u>3,915,918,200</u>	<u>3,959,468,400</u>	<u>3,715,307,400</u>	<u>3,783,257,200</u>
Subtotal	\$33,434,258,800	\$33,463,377,500	\$33,407,649,800	\$33,455,747,500	\$33,260,535,300	\$33,262,389,900
Bond Authorizations*						
General Obligation Revenue	\$704,028,700	\$617,085,400	\$617,085,400	\$613,526,400	\$613,526,400	\$613,526,400
	<u>116,897,400</u>	<u>131,705,400</u>	<u>132,804,100</u>	<u>132,804,100</u>	<u>172,804,100</u>	<u>132,804,100</u>
Subtotal	\$820,926,100	\$748,790,800	\$749,889,500	\$746,330,500	\$786,330,500	\$746,330,500
TOTAL	\$34,255,184,900	\$34,212,168,300	\$34,157,539,300	\$34,202,078,000	\$34,046,865,800	\$34,008,720,400

\*Reflects transportation bonding authorizations from AB 557.



**TABLE 3 (continued)**

**Summary of Total All Funds Appropriations by Agency**

Agency	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Assembly	1995-97 Senate	1995-97 Legislature	1995-97 Acts 27 & 113	Change Over Base
Judicial Council	\$293,600	\$0	\$0	\$0	\$0	\$0	\$0	-\$293,600
Justice	114,478,200	115,227,500	114,629,200	114,736,000	114,629,200	114,629,200	114,415,500	- 62,700
Legislature	100,913,000	98,597,800	96,242,000	96,173,800	98,666,100	98,666,100	98,666,100	- 2,246,900
Lieutenant Governor	912,000	1,042,000	777,500	907,400	929,800	929,800	929,800	17,800
Lower WI State Riverway Board	206,600	213,200	213,200	213,200	213,200	213,200	213,200	6,600
Marquette Dental School	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000	0
Medical College of Wisconsin	16,762,200	16,160,700	16,218,800	16,218,800	16,218,800	16,218,800	16,218,800	- 543,400
Military Affairs	61,504,400	62,405,000	61,800,200	62,378,200	62,104,300	62,104,300	62,104,300	599,900
MIN-WI Boundary Area Commission	259,800	459,900	479,900	479,900	479,900	479,900	479,900	220,100
Miscellaneous Appropriations	98,109,800	107,123,700	123,411,200	121,990,000	121,836,600	121,836,600	121,836,600	23,726,800
Natural Resources	874,901,800	815,635,200	830,647,900	829,648,100	830,132,900	830,132,900	830,132,900	- 44,768,900
Personnel Commission	1,478,400	721,000	1,442,000	1,442,000	1,442,000	1,442,000	1,442,000	- 36,400
Program Supplements	34,178,600	26,244,700	40,649,500	40,525,100	39,000,100	39,000,100	39,000,100	4,821,500
Public Defender	124,605,200	123,092,000	119,120,100	122,985,700	120,755,200	120,755,200	120,755,200	- 3,850,000
Public Instruction	5,576,056,400	3,578,970,400	7,098,030,800	7,096,659,400	7,097,171,400	7,097,171,400	7,097,171,400	1,521,115,000
Public Service Commission	24,647,000	25,054,800	25,224,000	25,224,000	25,224,000	25,224,000	25,224,000	577,000
Regulation and Licensing	14,896,400	15,914,700	15,726,700	15,726,700	15,726,700	15,726,700	15,726,700	830,300
Revenue	139,919,200	141,991,900	204,761,000	328,180,700	204,975,600	204,975,600	204,975,600	65,056,400
Savings and Loan	2,121,000	1,141,200	1,141,200	1,141,200	1,141,200	1,141,200	1,141,200	- 979,800
Secretary of State	5,706,400	3,464,800	6,087,300	3,464,800	3,464,800	3,464,800	3,464,800	- 2,241,600
Securities	4,035,800	2,111,300	2,111,300	2,111,300	2,111,300	2,111,300	2,111,300	- 1,924,500
Shared Revenue and Tax Relief	3,318,245,600	6,859,935,800	3,411,702,300	3,411,702,300	3,411,702,300	3,411,702,300	3,411,702,300	99,456,700
State Fair Park	23,772,600	27,558,600	26,755,400	26,755,400	26,755,400	26,755,400	26,755,400	2,982,800
State Treasurer	3,663,600	1,280,900	4,039,200	4,480,500	4,420,100	4,420,100	4,420,100	756,500
Superintendent of Public Instruction	0	393,300	590,000	590,000	590,000	590,000	590,000	590,000
Supreme Court	34,087,400	21,717,800	31,304,600	31,304,600	31,304,600	31,304,600	31,304,600	- 2,782,800
Tourism	0	26,879,400	12,038,400	12,038,400	18,034,000	18,034,000	18,034,000	18,034,000
Transportation	2,994,383,200	3,214,332,600	3,167,196,300	3,111,793,700	2,960,804,900	3,007,937,200	2,967,937,200	- 26,446,000
UW System	5,116,471,000	5,046,987,000	5,060,680,100	5,060,680,100	5,060,617,900	5,060,617,900	5,059,541,700	- 56,929,300
Veterans Affairs	253,475,400	223,024,800	223,075,600	223,596,500	223,596,500	223,596,500	223,596,500	- 29,878,900
WHEDA	500,000	0	0	3,000,000	0	0	0	- 500,000
WI Technical College System	325,025,800	323,077,600	322,654,200	322,654,200	322,654,200	322,654,200	322,654,200	- 2,371,600
WI Conservation Corps	10,707,200	9,296,700	4,108,300	4,108,300	4,108,300	4,108,300	4,108,300	- 6,598,900
<b>TOTAL</b>	<b>\$31,613,607,400</b>	<b>\$33,354,839,400</b>	<b>\$33,466,383,300</b>	<b>\$33,407,649,800</b>	<b>\$33,260,534,700</b>	<b>\$33,307,667,600</b>	<b>\$33,262,389,900</b>	<b>\$1,648,782,500</b>

**TABLE 4**

**Comparison of Total All Funds Appropriations by Agency  
1994-95 Base Year Doubled With 1995-97**

<u>Agency</u>	<u>1994-95 Base Year Doubled</u>	<u>1995-97</u>	<u>1995-97 Over 1994-95 Doubled</u>	
			<u>Amount</u>	<u>Percent</u>
Administration	\$548,519,400	\$592,292,500	\$43,773,100	8.0%
Adolescent Pregnancy Prevention	1,401,200	1,206,600	- 194,600	-13.9
Agriculture, Trade & Consumer Protection	113,956,800	114,113,700	156,900	0.1
Arts Board	7,554,200	7,144,700	- 409,500	-5.4
Banking	10,595,000	5,205,500	- 5,389,500	-50.9
Board on Aging & Long-Term Care	1,582,400	1,526,400	- 56,000	-3.5
Building Commission	44,011,800	61,490,900	17,479,100	39.7
Child Abuse and Neglect Prevention Bd.	3,917,200	3,944,000	26,800	0.7
Circuit Courts	108,996,600	122,433,700	13,437,100	12.3
Clean Water Fund Program	43,317,400	50,090,900	6,773,500	15.6
Compensation Reserves		156,353,500	156,353,500	N.A.
Corrections	734,263,200	1,016,116,600	281,853,400	38.4
Cost Containment Commission	999,200	0	- 999,200	-100.0
Court of Appeals	11,265,000	11,718,400	453,400	4.0
Credit Unions	2,725,400	1,402,900	- 1,322,500	-48.5
Development	135,725,600	237,977,000	102,251,400	75.3
District Attorneys	50,098,000	58,489,200	8,391,200	16.7
Educational Communications Board	27,135,400	26,532,000	- 603,400	-2.2
Elections Board	3,696,000	2,328,000	- 1,368,000	-37.0
Employe Trust Funds	24,778,600	27,279,000	2,500,400	10.1
Employment Commission	0	0	0	N.A.
Employment Relations	14,200,000	12,174,700	- 2,025,300	-14.3
Employment Relations Commission	5,218,400	5,532,400	314,000	6.0
Ethics Board	837,800	876,000	38,200	4.6
Financial Institutions	0	11,366,900	11,366,900	N.A.
Gaming Commission	145,174,800	69,961,100	- 75,213,700	-51.8
Governor	4,844,400	4,883,700	39,300	0.8
Health and Social Services	9,404,882,200	8,439,879,100	- 965,003,100	-10.3
Higher Educational Aids Board	108,049,400	53,240,500	- 54,808,900	-50.7
Historical Society	28,676,200	30,950,900	2,274,700	7.9
Industry, Labor and Human Relations	577,141,000	1,126,265,800	549,124,800	95.1
Information Technology Investment Fund	0	10,000,000	10,000,000	N.A.
Insurance	155,955,800	154,464,000	- 1,491,800	-1.0
Investment Board	15,084,800	15,804,000	719,200	4.8
Judicial Commission	352,600	357,600	5,000	1.4

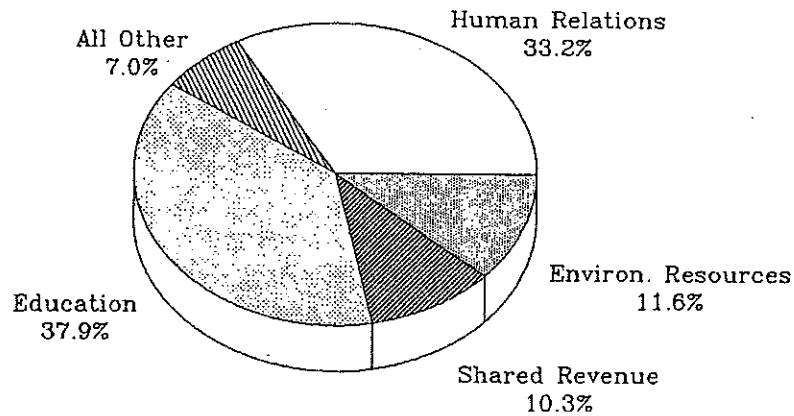
**TABLE 4 (continued)**

**Comparison of Total All Funds Appropriations by Agency  
1994-95 Base Year Doubled With 1995-97**

<u>Agency</u>	<u>1994-95 Base Year Doubled</u>	<u>1995-97</u>	<u>1995-97 Over 1994-95 Doubled</u>	
			<u>Amount</u>	<u>Percent</u>
Judicial Council	\$293,600	\$0	- \$293,600	-100.0%
Justice	114,478,200	114,415,500	- 62,700	-0.1
Legislature	100,913,000	98,666,100	- 2,246,900	-2.2
Lieutenant Governor	912,000	929,800	17,800	2.0
Lower Wisconsin State Riverway Board	206,600	213,200	6,600	3.2
Marquette Dental School	2,334,000	2,334,000	0	0.0
Medical College of Wisconsin	16,762,200	16,218,800	- 543,400	-3.2
Military Affairs	61,504,400	62,104,300	599,900	1.0
MN-WI Boundary Area Commission	259,800	479,900	220,100	84.7
Miscellaneous Appropriations	98,109,800	121,836,600	23,726,800	24.2
Natural Resources	874,901,800	830,132,900	- 44,768,900	-5.1
Personnel Commission	1,478,400	1,442,000	- 36,400	-2.5
Program Supplements	34,178,600	39,000,100	4,821,500	14.1
Public Defender	124,605,200	120,755,200	- 3,850,000	-3.1
Public Instruction	5,576,056,400	7,097,171,400	1,521,115,000	27.3
Public Service Commission	24,647,000	25,224,000	577,000	2.3
Regulation and Licensing	14,896,400	15,726,700	830,300	5.6
Revenue	139,919,200	204,975,600	65,056,400	46.5
Savings and Loan	2,121,000	1,141,200	- 979,800	-46.2
Secretary of State	5,706,400	3,464,800	- 2,241,600	-39.3
Securities	4,035,800	2,111,300	- 1,924,500	-47.7
Shared Revenue and Tax Relief	3,318,245,600	3,411,702,300	93,456,700	2.8
State Fair Park	23,772,600	26,755,400	2,982,800	12.5
State Treasurer	3,663,600	4,420,100	756,500	20.6
Superintendent of Public Instruction	0	590,000	590,000	N.A.
Supreme Court	34,087,400	31,304,600	- 2,782,800	-8.2
Tourism	0	18,034,000	18,034,000	N.A.
Transportation	2,994,383,200	2,967,937,200	- 26,446,000	-0.9
University of Wisconsin System	5,116,471,000	5,059,541,700	- 56,929,300	-1.1
Veterans Affairs	253,475,400	223,596,500	- 29,878,900	-11.8
WI Housing and Economic Development Auth.	500,000	0	- 500,000	-100.0
WI Technical College System	325,025,800	322,654,200	- 2,371,600	-0.7
WI Conservation Corps	<u>10,707,200</u>	<u>4,108,300</u>	<u>- 6,598,900</u>	<u>-61.6</u>
<b>TOTAL</b>	<b>\$31,613,607,400</b>	<b>\$33,262,389,900</b>	<b>\$1,648,782,500</b>	<b>5.2%</b>

**FIGURE 1**

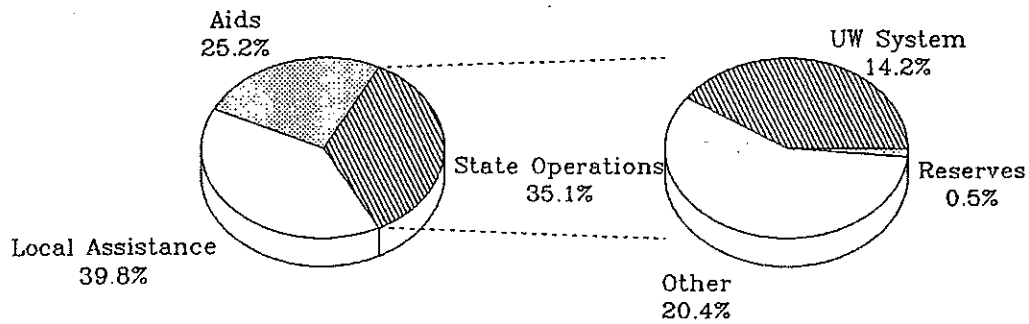
**1995-97 All Funds Appropriations  
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>Percent of Total</u>
Education	\$12,616,378,200	37.9%
Human Relations and Resources	11,053,076,400	33.2
Environmental Resources	3,870,996,400	11.6
Shared Revenue and Tax Relief	3,411,702,300	10.3
All Other	(2,310,236,600)	(7.0)
General Executive	991,625,400	3.0
Commerce	665,449,700	2.0
General Appropriations	232,327,600	0.7
Judicial	165,814,300	0.5
Compensation Reserves	156,353,500	0.5
Legislative	98,666,100	0.3
<b>TOTAL</b>	<b>\$33,262,389,900</b>	<b>100.0%</b>

**FIGURE 2**

**1995-97 All Funds Appropriations  
By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Assistance	\$13,225,500,700	39.8%
State Operations	11,665,600,800	35.1
UW System	4,721,177,700	14.2
Other Programs	6,788,069,600	20.4
Compensation Reserves	156,353,500	0.5
Aids to Individuals and Organizations	<u>8,371,288,400</u>	<u>25.2</u>
<b>TOTAL</b>	<b>\$33,262,389,900</b>	<b>100.0%</b>

**TABLE 5**

**Summary of All Funds Full-Time Equivalent Positions by Agency**

	<u>1994-95</u> Base	<u>1996-97</u> Governor	<u>1996-97</u> Jt. Finance	<u>1996-97</u> Assembly	<u>1996-97</u> Senate	<u>1996-97</u> Acts 27 & 113	<u>Change</u> <u>to Base</u>
Administration	1,018.47	1,082.07	1,005.07	999.32	1,000.32	1,000.32	- 18.15
Adolescent Pregnancy Prevention	1.50	1.50	1.50	1.50	1.50	1.50	0.00
Agriculture, Trade and Consumer Protection	729.79	693.56	695.27	695.27	696.27	696.27	- 33.52
Arts Board	11.00	12.00	12.00	12.00	12.00	12.00	1.00
Banking	88.50	0.00	0.00	0.00	0.00	0.00	- 88.50
Board on Aging and Long-Term Care	14.90	10.90	13.90	13.90	13.90	13.90	- 1.00
Child Abuse and Neglect Prevention Board	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Circuit Courts	502.00	494.00	494.00	494.00	494.00	494.00	- 8.00
Corrections	5,615.65	6,996.00	7,775.20	7,775.20	7,776.20	7,776.20	2,160.55
Cost Containment Commission	7.00	0.00	0.00	0.00	0.00	0.00	- 7.00
Court of Appeals	73.00	73.00	73.00	73.00	73.00	73.00	0.00
Credit Unions	23.00	0.00	0.00	0.00	0.00	0.00	- 23.00
Development	154.95	498.90	441.85	441.85	442.85	442.85	287.90
District Attorneys	361.00	362.00	360.00	360.00	360.00	360.00	- 1.00
Educational Communications Board	102.50	54.50	87.00	87.00	87.00	87.00	- 15.50
Elections Board	14.00	13.00	13.00	13.00	13.00	13.00	- 1.00
Employe Trust Funds	172.60	174.60	171.85	171.85	172.85	172.85	0.25
Employment Commission	0.00	70.00	0.00	0.00	0.00	0.00	0.00
Employment Relations	99.50	91.50	88.75	88.75	89.75	89.75	- 9.75
Employment Relations Commission	36.00	0.00	33.50	33.50	33.50	33.50	- 2.50
Ethics Board	6.50	6.50	6.50	6.50	6.50	6.50	0.00
Financial Institutions	0.00	153.00	136.50	167.50	168.50	168.50	168.50
Gaming Commission	213.65	71.05	52.45	52.45	53.45	53.45	- 160.20
Governor	45.05	45.05	45.05	45.05	46.05	46.05	1.00
Health and Social Services	7,778.62	6,660.64	6,076.69	6,076.69	6,180.69	6,181.69	- 1,596.93
Higher Educational Aids Board	15.10	0.00	0.00	0.00	0.00	0.00	- 15.10
Historical Society	177.08	178.75	177.00	177.00	177.00	177.00	- 0.08
Industry, Labor and Human Relations	2,237.99	2,411.52	2,491.32	2,419.32	2,420.32	2,417.32	179.33
Insurance	138.50	143.50	141.50	141.50	141.50	141.50	3.00
Investment Board	79.50	83.50	82.50	82.50	83.50	83.50	4.00



TABLE 5 (continued)

Summary of All Funds Full-Time Equivalent Positions by Agency

	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Assembly	1996-97 Senate	1996-97 Acts 27 & 113	Change to Base
Judicial Commission	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Judicial Council	2.00	0.00	0.00	0.00	0.00	0.00	- 2.00
Justice	568.25	555.75	540.15	541.15	541.15	539.15	- 29.10
Legislature	822.97	822.97	823.97	823.97	823.97	823.97	1.00
Lieutenant Governor	8.00	9.00	7.00	8.00	8.00	8.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Military Affairs	356.14	336.52	332.64	332.64	333.64	333.64	- 22.50
Natural Resources	3,114.08	2,658.45	2,881.22	2,877.22	2,881.22	2,881.22	- 232.86
Personnel Commission	11.00	0.00	10.00	10.00	10.00	10.00	- 1.00
Public Defender	518.10	532.60	533.60	533.60	533.60	533.60	15.50
Public Instruction	702.10	599.78	660.49	660.49	661.49	661.49	- 40.61
Public Service Commission	192.50	184.50	188.75	188.75	189.75	189.75	- 2.75
Regulation and Licensing	123.50	124.50	123.00	123.00	124.00	124.00	0.50
Revenue	1,214.00	1,204.05	1,300.05	1,300.05	1,301.05	1,301.05	87.05
Savings and Loan	16.00	0.00	0.00	0.00	0.00	0.00	- 16.00
Secretary of State	49.50	6.50	51.00	6.50	6.50	6.50	- 43.00
Securities	30.00	0.00	0.00	0.00	0.00	0.00	- 30.00
State Fair Park	40.38	42.38	45.70	45.70	45.70	45.70	5.32
State Superintendent of Public Instruction	0.00	6.00	6.00	6.00	6.00	6.00	6.00
State Treasurer	17.50	0.00	15.75	22.50	22.50	23.50	6.00
Supreme Court	180.00	141.25	180.25	180.25	180.25	180.25	0.25
Tourism	0.00	265.53	66.00	66.00	66.00	66.00	66.00
Transportation	4,040.62	3,980.62	3,940.62	3,982.62	3,942.62	3,942.62	- 98.00
University of Wisconsin System	31,077.85	27,897.81	29,063.11	29,063.11	29,063.11	29,055.11	- 2,022.74*
Veterans Affairs	772.30	792.80	789.80	789.80	790.80	790.80	18.50
Wisconsin Conservation Corps	13.50	12.00	0.00	0.00	0.00	0.00	- 13.50
Wisconsin Technical College System	98.50	83.50	84.50	84.50	85.50	85.50	- 13.00
TOTAL	63,694.14	60,645.55	62,127.00	62,082.50	62,168.50	62,157.50	- 1,536.64*

\*Reduction includes 1,868.61 state PR positions that transferred to the UW Hospital Authority. These positions are no longer counted as state positions but rather, as positions of the Authority. Had they remained as state positions, the total change to the base would be 331.97 rather than -1,536.64.

TABLE 6

Full-Time Equivalent Positions Summary by Funding Source

	<u>1994-95</u> <u>Base</u>	<u>1995-97</u> <u>Governor</u>	<u>1996-97</u> <u>Jt. Finance</u>	<u>1996-97</u> <u>Assembly</u>	<u>1996-97</u> <u>Senate</u>	<u>1996-97</u> <u>Acts 27 &amp; 113</u>	<u>Change</u> <u>to Base</u>
GPR	32,287.93	33,312.44	32,587.44	32,569.28	32,617.94	32,617.94	330.01
FED	8,253.40	7,935.70	7,869.00	7,844.83	7,869.00	7,867.00	- 386.40
PR	17,667.57	14,089.07	16,273.15	16,256.53	16,282.15	16,281.15	- 1,386.42*
SEG	<u>5,485.24</u>	<u>5,308.34</u>	<u>5,397.41</u>	<u>5,411.86</u>	<u>5,399.41</u>	<u>5,391.41</u>	<u>- 93.83</u>
TOTAL	63,694.14	60,645.55	62,127.00	62,082.50	62,168.50	62,157.50	- 1,536.64*

\*Reduction includes 1,868.61 state PR positions that transferred to the UW Hospital Authority. These positions are no longer counted as state positions but rather, as positions of the Authority. Had they remained as state positions, the total change to the base would be 331.97 rather than -1,536.64.

TABLE 7

Comparative Summary of Full-Time Equivalent Positions

All Funds Comparison

	<u>1996-97 Base</u>	<u>1996-97 Governor</u>	<u>1996-97 Jt. Finance</u>	<u>1996-97 Assembly</u>	<u>1996-97 Senate</u>	<u>1996-97 Acts 27 &amp; 113</u>
Authorized Positions	63,694.14	60,645.55	62,127.00	62,082.50	62,168.50	62,157.50
Change to Base		- 3,048.59	- 1,567.14	- 1,611.64	- 1,525.64	- 1,536.64
Change to Governor			1,481.45	1,436.95	1,522.95	1,511.95
Change to Jt. Finance				- 44.50	41.50	30.50
Change to Assembly					86.00	75.00
Change to Senate						- 11.00

General Fund Comparison

	<u>1996-97 Base</u>	<u>1996-97 Governor</u>	<u>1996-97 Jt. Finance</u>	<u>1996-97 Assembly</u>	<u>1996-97 Senate</u>	<u>1996-97 Acts 27 &amp; 113</u>
Authorized Positions	32,287.93	33,312.44	32,587.44	32,569.28	32,617.94	32,617.94
Change to Base		1,024.51	299.51	281.35	330.01	330.01
Change to Governor			- 725.00	- 743.16	- 694.50	- 694.50
Change to Jt. Finance				- 18.16	30.50	30.50
Change to Assembly					48.66	48.66
Change to Senate						0.00

## **OVERVIEW**

### **GENERAL FUND BUDGET AND POSITION SUMMARIES**

**TABLE 8**

**1995-97 General Fund Condition Statement**

	<b>1995-96</b>	<b>1996-97</b>
<b>Revenues</b>		
Opening Balance, July 1	\$337,211,000*	\$441,782,000
Estimated Taxes	8,218,460,000	8,633,795,000
Less Federal Retirees Refunds	-32,379,900	-15,388,900
Departmental Revenues	<u>173,091,000</u>	<u>143,439,600</u>
Total Available	<u>\$8,696,382,100</u>	<u>\$9,203,627,700</u>
 <b>Appropriations, Transfers and Reserves</b>		
Gross Appropriations	\$8,271,156,200	\$9,124,437,800
Compensation Reserves	19,391,200	48,763,300
1995 Wisconsin Act 12	1,702,200	-2,762,300
Transfer to Local Government		
Property Insurance Fund	3,653,300	2,330,000
Less Lapses	<u>-41,302,800</u>	<u>-64,630,000</u>
Net Appropriations	<u>\$8,254,600,100</u>	<u>\$9,108,138,800</u>
 <b>Balances</b>		
Gross Balance	\$441,782,000	\$95,488,900
Less Required Statutory Balance	<u>-82,905,500</u>	<u>-91,732,000</u>
Net Balance, June 30	<u>\$358,876,500</u>	<u>\$3,756,900</u>

\*The \$337.2 million opening balance reflects the estimate at the time of legislative budget deliberations. The Annual Fiscal Report for 1994-95, dated October 13, 1995, shows an opening balance of \$400.9 million.

**TABLE 9**

**Estimated 1995-97 General Fund Taxes**

<u>Tax Source</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1995-97</u>	<u>% of Total</u>
Individual Income	\$4,160,060,000	\$4,417,285,000	\$8,577,345,000	50.90%
Sales/Use	2,737,350,000	2,892,060,000	5,629,410,000	33.40
Corporate Income	610,700,000	626,600,000	1,237,300,000	7.34
Public Utility	278,200,000	257,100,000	535,300,000	3.18
Excise Taxes				
Cigarette	188,600,000	187,000,000	375,600,000	2.23
Liquor	30,500,000	30,500,000	61,000,000	0.36
Beer	9,300,000	9,400,000	18,700,000	0.11
Tobacco Products	7,100,000	7,400,000	14,500,000	0.09
Insurance	107,000,000	112,000,000	219,000,000	1.30
Estate	45,950,000	47,950,000	93,900,000	0.56
Pari-Mutuel	5,500,000	5,500,000	11,000,000	0.06
Miscellaneous	<u>38,200,000</u>	<u>41,000,000</u>	<u>79,200,000</u>	<u>0.47</u>
<b>TOTAL</b>	<b>\$8,218,460,000</b>	<b>\$8,633,795,000</b>	<b>\$16,852,255,000</b>	<b>100.00%</b>

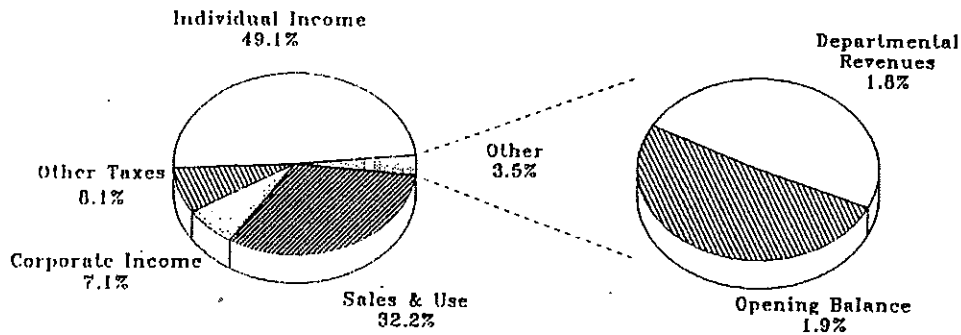
**TABLE 10**

**Estimated 1995-97 Departmental Revenues  
(GPR-Earned Amounts)**

	<u>1995-96</u>	<u>1996-97</u>	<u>1995-97</u>
Administration	\$2,187,100	\$2,938,000	\$5,125,100
Agriculture, Trade & Consumer Protection	3,306,000	206,000	3,512,000
Banking	612,500	0	612,500
Circuit Courts	18,829,900	25,000,000	43,829,900
Corrections	175,000	175,000	350,000
Court of Appeals	235,000	235,000	470,000
Credit Unions	167,400	0	167,400
Development	5,000	255,000	260,000
Employment Relations	100	100	200
Employment Relations Commission	10,000	0	10,000
Ethics Board	7,200	47,400	54,600
Financial Institutions	0	14,185,200	14,185,200
Health and Social Services	34,292,600	34,758,900	69,051,500
Higher Educational Aids Board	915,000	115,000	1,030,000
Industry, Labor & Human Relations	349,600	349,700	699,300
Insurance	840,600	796,300	1,636,900
Interest Earnings	29,780,000	24,830,000	54,610,000
Justice	2,332,000	3,684,700	6,016,700
Legislature	3,000	3,000	6,000
Military Affairs	2,000	2,000	4,000
Miscellaneous Appropriations	1,020,000	720,000	1,740,000
Natural Resources	7,590,300	11,040,300	18,630,600
Personnel Commission	12,100	24,200	36,300
Public Instruction	255,000	255,000	510,000
Public Service Commission	1,335,000	1,312,600	2,647,600
Regulation and Licensing	898,900	716,700	1,615,600
Revenue	2,327,900	5,659,900	7,987,800
Savings and Loan	137,500	0	137,500
Secretary of State	6,461,700	77,300	6,539,000
Securities	6,213,900	0	6,213,900
Shared Revenue & Tax Relief	28,725,000	7,239,100	35,964,100
State Treasurer	2,421,000	2,461,000	4,882,000
Supreme Court	60,000	60,000	120,000
UW System	20,401,500	5,401,500	25,803,000
Veterans Affairs	465,300	890,700	1,356,000
WHEFA	240,900	0	240,900
WHEFA	475,000	0	475,000
<b>TOTAL</b>	<b>\$173,091,000</b>	<b>\$143,439,600</b>	<b>\$316,530,600</b>

**FIGURE 3**

**Estimated 1995-97 General Fund Revenues**

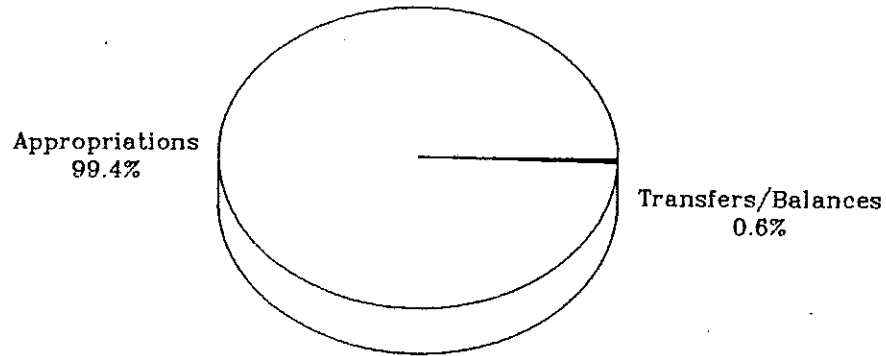


<u>Tax Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Individual Income	\$8,577,345,000	49.1%
Sales/Use	5,629,410,000	32.2
Corporate Income	1,237,300,000	7.1
Public Utility	535,300,000	3.1
Excise Taxes		
Cigarette	375,600,000	2.1
Liquor	61,000,000	0.3
Beer	18,700,000	0.1
Tobacco Products	14,500,000	0.1
Insurance	219,000,000	1.3
Estate	93,900,000	0.5
Pari-Mutuel	11,000,000	0.1
Miscellaneous	79,200,000	0.5
Total--Taxes	\$16,852,255,000	96.5%
Other		
Opening Balance, July 1, 1995	\$337,211,000	1.9%
Departmental Revenues	316,530,600	1.8
Less Federal Retirees Refunds	- 47,768,800	- 0.2
Total--Other	\$605,972,800	3.5%
<b>GRAND TOTAL</b>	<b>\$17,458,227,800</b>	<b>100.0%</b>



**FIGURE 4**

**Use of 1995-97 General Fund Revenues**



<u>Use</u>	<u>Amount</u>	<u>Percent of Total</u>
Appropriations	\$17,462,688,400	99.4%
Gross Appropriations	17,395,594,000	99.0%
1995 Act 12	- 1,060,100	< 0.1%
Compensation Reserves	68,154,500	0.4%
Transfers	\$5,983,300	< 0.1%
Local Government Property Insurance Fund	5,983,300	< 0.1
Balances	\$95,488,900	0.5%
Statutory Balance	91,732,000	0.5%
Net Balance	<u>3,756,900</u>	<u>&lt; 0.1%</u>
<b>GROSS TOTAL</b>	<b>\$17,564,160,600</b>	<b>100.0%</b>
Less Lapses	<u>- 105,932,800</u>	
<b>NET TOTAL</b>	<b>\$17,458,227,800</b>	

TABLE 11

Summary of General Fund Appropriations by Agency

Agency	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Assembly	1995-97 Senate	1995-97 Legislature	1995-97 Act 27	Change Over Base
Administration	\$45,616,600	\$46,964,500	\$52,618,300	\$52,618,300	\$52,618,300	\$52,618,300	\$52,618,300	\$7,001,700
Adolescent Pregnancy Prevention	1,401,200	1,156,600	1,206,600	1,206,600	1,206,600	1,206,600	1,206,600	- 194,600
Agriculture, Trade & Consumer Protection	49,864,200	45,829,500	47,664,900	47,664,900	47,664,900	47,664,900	47,664,900	- 2,199,300
Arts Board	5,668,400	5,244,900	5,244,900	5,244,900	5,244,900	5,244,900	5,244,900	- 423,500
Board on Aging and Long-Term Care	1,008,400	913,100	883,100	883,100	883,100	883,100	883,100	- 125,300
Building Commission	41,963,400	59,442,500	59,442,500	59,442,500	59,442,500	59,442,500	59,442,500	17,479,100
Child Abuse and Neglect Prevention Board	970,000	242,500	242,500	242,500	242,500	242,500	242,500	- 727,500
Circuit Courts	108,698,000	125,648,800	122,119,100	122,119,100	122,119,100	122,119,100	122,119,100	13,421,100
Clean Water Fund Program	36,317,400	45,881,400	42,090,300	42,090,300	42,090,300	42,090,300	42,090,300	5,773,500
Compensation Reserves		72,370,500	68,154,500	66,154,500	68,154,500	68,154,500	68,154,500	68,154,500
Corrections	665,531,600	798,201,500	859,499,900	859,499,900	859,499,900	859,499,900	859,499,900	193,968,300
Court of Appeals	11,265,000	11,718,400	11,718,400	11,718,400	11,718,400	11,718,400	11,718,400	453,400
Development	63,446,000	52,987,100	50,945,800	48,269,800	46,103,500	46,103,500	46,103,500	- 17,342,500
District Attorneys	48,329,000	56,817,700	56,344,800	56,344,800	56,344,800	56,344,800	56,344,800	8,015,800
Educational Communications Board	14,964,200	10,649,100	14,424,900	14,424,900	14,424,900	14,424,900	14,424,900	- 539,300
Elections Board	1,458,400	1,355,400	1,477,400	1,477,400	1,477,400	1,477,400	1,477,400	19,000
Employe Trust Funds	876,000	769,100	703,800	703,800	703,800	703,800	703,800	- 172,200
Employment Commission	0	3,331,600	0	0	0	0	0	0
Employment Relations	12,417,000	10,840,200	10,580,800	10,580,800	10,580,800	10,580,800	10,580,800	- 1,836,200
Employment Relations Commission	5,160,000	2,639,000	5,046,600	5,046,600	5,046,600	5,046,600	5,046,600	- 113,400
Ethics Board	394,400	390,400	313,400	313,400	313,400	313,400	313,400	- 81,000
Governor	4,844,400	4,796,200	4,676,800	4,676,800	4,883,700	4,883,700	4,883,700	39,300
Health and Social Services	3,793,196,400	3,465,167,600	3,407,701,000	3,407,701,000	3,412,993,700	3,412,993,700	3,412,993,700	- 380,202,700
Higher Educational Aids Board	103,773,000	52,026,100	51,094,900	51,094,900	51,257,600	51,257,600	51,257,600	- 52,515,400
Historical Society	19,890,800	19,856,300	20,224,000	20,224,000	20,224,000	20,224,000	20,224,000	333,200
Industry, Labor & Human Relations	26,155,800	257,296,000	257,968,400	254,090,200	254,090,200	254,090,200	253,840,200	227,684,400
Insurance	1,880,000	1,880,000	1,739,000	1,739,000	1,739,000	1,739,000	1,739,000	- 141,000
Judicial Commission	352,600	357,600	357,600	357,600	357,600	357,600	357,600	5,000
Judicial Council	293,600	0	0	0	0	0	0	- 293,600
Justice	68,445,000	68,094,000	68,137,400	68,244,200	68,137,400	68,137,400	68,137,400	- 307,600

**TABLE 11 (continued)**  
**Summary of General Fund Appropriations by Agency**

Agency	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Assembly	1995-97 Senate	1995-97 Legislature	1995-97 Act 27	Change Over Base
Legislature	\$98,215,000	\$95,875,600	\$93,519,800	\$93,451,600	\$95,943,900	\$95,943,900	\$95,943,900	-\$2,271,100
Lieutenant Governor	912,000	1,042,000	777,500	907,400	929,800	929,800	929,800	17,800
Lower WI State Riverway Board	206,600	58,400	58,400	58,400	58,400	58,400	58,400	- 148,200
Marquette Dental School	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000	0
Medical College of Wisconsin	16,762,200	16,160,700	16,218,800	16,218,800	16,218,800	16,218,800	16,218,800	- 543,400
Military Affairs	22,486,800	23,054,200	22,153,900	22,731,900	22,458,000	22,458,000	22,458,000	- 28,800
MN-WI Boundary Area Commission	259,800	136,700	136,700	136,700	136,700	136,700	136,700	- 123,100
Miscellaneous Appropriations	72,831,200	80,717,900	95,473,300	95,286,500	95,687,900	95,687,900	95,687,900	22,856,700
Natural Resources	352,097,000	334,988,600	334,804,700	334,595,100	334,320,600	334,320,600	334,320,600	- 17,776,400
Personnel Commission	1,472,400	718,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000	- 36,400
Program Supplements	28,696,600	26,244,700	40,649,500	40,525,100	39,000,100	39,000,100	39,000,100	10,303,500
Public Defender	124,279,600	111,606,600	111,184,600	115,050,200	112,819,700	112,819,700	112,819,700	- 11,459,900
Public Instruction	4,972,736,000	2,871,956,100	6,377,414,700	6,376,075,300	6,376,555,300	6,376,555,300	6,376,555,300	1,403,819,300
Superintendent of Public Instruction	0	393,300	590,000	590,000	590,000	590,000	590,000	590,000
Revenue	113,605,400	111,523,500	108,876,900	112,755,100	108,876,900	108,876,900	108,876,900	- 4,728,500
Shared Revenue and Tax Relief	3,005,648,600	6,535,632,500	3,087,979,900	3,087,979,900	3,087,979,900	3,087,979,900	3,087,979,900	82,331,300
State Treasurer	832,000	380,900	380,900	0	0	0	0	- 832,000
Supreme Court	15,921,400	16,302,200	16,302,200	16,302,200	16,302,200	16,302,200	16,302,200	380,800
Tourism	0	16,601,600	11,472,400	11,472,400	17,185,000	17,185,000	17,185,000	17,185,000
UW System	1,700,095,000	1,662,851,300	1,658,632,600	1,658,632,600	1,658,570,400	1,658,570,400	1,658,570,400	- 41,524,600
Veterans Affairs	3,836,400	2,691,100	2,900,100	2,902,900	2,902,900	2,902,900	2,902,900	- 933,500
WI Conservation Corps	6,974,600	5,574,900	2,247,400	2,247,400	2,247,400	2,247,400	2,247,400	- 4,727,200
WHEDA	0	0	0	3,000,000	0	0	0	0
WI Technical College System	254,382,600	252,078,800	251,880,600	251,880,600	251,880,600	251,880,600	251,880,600	- 2,502,000
<b>TOTAL</b>	<b>\$15,928,766,000</b>	<b>\$17,391,791,200</b>	<b>\$17,463,837,600</b>	<b>\$17,460,744,300</b>	<b>\$17,463,997,900</b>	<b>\$17,463,998,500</b>	<b>\$17,463,748,500</b>	<b>\$1,534,982,500</b>

**TABLE 12**

**Comparison of General Fund Appropriations by Agency  
1994-95 Base Year Doubled With 1995-97**

<u>Agency</u>	<u>1994-95 Base Year Doubled</u>	<u>1995-97</u>	<u>1995-97 Over 1994-95 Doubled</u>	
			<u>Amount</u>	<u>Percent</u>
Administration	\$45,616,600	\$52,618,300	\$7,001,700	15.3%
Adolescent Pregnancy Prevention	1,401,200	1,206,600	- 194,600	- 13.9
Agriculture, Trade & Consumer Protection	49,864,200	47,664,900	- 2,199,300	- 4.4
Arts Board	5,668,400	5,244,900	- 423,500	- 7.5
Board on Aging and Long-Term Care	1,008,400	883,100	- 125,300	- 12.4
Building Commission	41,963,400	59,442,500	17,479,100	41.7
Child Abuse & Neglect Prevention Bd.	970,000	242,500	- 727,500	- 75.0
Circuit Courts	108,698,000	122,119,100	13,421,100	12.3
Clean Water Fund Program	36,317,400	42,090,900	5,773,500	15.9
Compensation Reserves		68,154,500	68,154,500	N.A.
Corrections	665,531,600	859,499,900	193,968,300	29.1
Court of Appeals	11,265,000	11,718,400	453,400	4.0
Development	63,446,000	46,103,500	- 17,342,500	- 27.3
District Attorneys	48,329,000	56,344,800	8,015,800	16.6
Educational Communications Board	14,964,200	14,424,900	- 539,300	- 3.6
Elections Board	1,458,400	1,477,400	19,000	1.3
Employe Trust Funds	876,000	703,800	- 172,200	- 19.7
Employment Commission	0	0	0	N.A.
Employment Relations	12,417,000	10,580,800	- 1,836,200	- 14.8
Employment Relations Commission	5,160,000	5,046,600	- 113,400	- 2.2
Ethics Board	394,400	313,400	- 81,000	- 20.5
Governor	4,844,400	4,883,700	39,300	0.8
Health and Social Services	3,793,196,400	3,412,993,700	- 380,202,700	- 10.0
Higher Educational Aids Board	103,773,000	51,257,600	- 52,515,400	- 50.6
Historical Society	19,890,800	20,224,000	333,200	1.7
Industry, Labor and Human Relations	26,155,800	253,840,200	227,684,400	870.5
Insurance	1,880,000	1,739,000	- 141,000	- 7.5
Judicial Commission	352,600	357,600	5,000	1.4
Judicial Council	293,600	0	- 293,600	- 100.0
Justice	68,445,000	68,137,400	- 307,600	- 0.4
Legislature	98,215,000	95,943,900	- 2,271,100	- 2.3
Lieutenant Governor	912,000	929,800	17,800	2.0
Lower WI State Riverway Board	206,600	58,400	- 148,200	- 71.7
Marquette Dental School	2,334,000	2,334,000	0	0.0
Medical College of Wisconsin	16,762,200	16,218,800	- 543,400	- 3.2

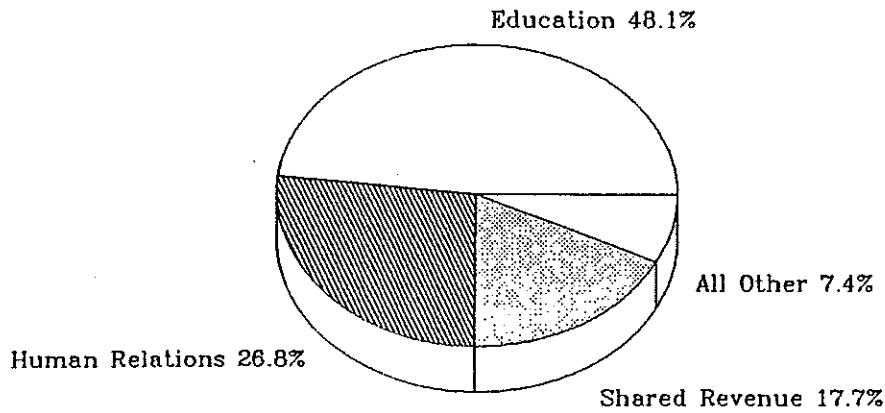
**TABLE 12 (continued)**

**Comparison of General Fund Appropriations by Agency  
1994-95 Base Year Doubled With 1995-97**

<u>Agency</u>	<u>1994-95 Base Year Doubled</u>	<u>1995-97</u>	<u>1995-97 Over 1994-95 Doubled</u>	
			<u>Amount</u>	<u>Percent</u>
Military Affairs	\$22,486,800	\$22,458,000	- \$28,800	- 0.1%
MN-WI Boundary Area Commission	259,800	136,700	- 123,100	- 47.4
Miscellaneous Appropriations	72,831,200	95,687,900	22,856,700	31.4
Natural Resources	352,097,000	334,320,600	- 17,776,400	- 5.0
Personnel Commission	1,472,400	1,436,000	- 36,400	- 2.5
Program Supplements	28,696,600	39,000,100	10,303,500	35.9
Public Defender	124,279,600	112,819,700	- 11,459,900	- 9.2
Public Instruction	4,972,736,000	6,376,555,300	1,403,819,300	28.2
Superintendent of Public Instruction	0	590,000	590,000	N.A.
Revenue	113,605,400	108,876,900	- 4,728,500	- 4.2
Shared Revenue and Tax Relief	3,005,648,600	3,087,979,900	82,331,300	2.7
State Treasurer	832,000	0	- 832,000	- 100.0
Supreme Court	15,921,400	16,302,200	380,800	2.4
Tourism	0	17,185,000	17,185,000	N.A.
UW System	1,700,095,000	1,658,570,400	- 41,524,600	- 2.4
Veterans Affairs	3,836,400	2,902,900	- 933,500	- 24.3
WI Conservation Corps	6,974,600	2,247,400	- 4,727,200	- 67.8
WHEDA	0	0	N.A.	
WI Technical College System	<u>254,382,600</u>	<u>251,880,800</u>	<u>- 2,502,000</u>	<u>-1.0</u>
<b>TOTAL</b>	<b>\$15,928,766,000</b>	<b>\$17,463,748,500</b>	<b>\$1,534,982,500</b>	<b>9.6%</b>

**FIGURE 5**

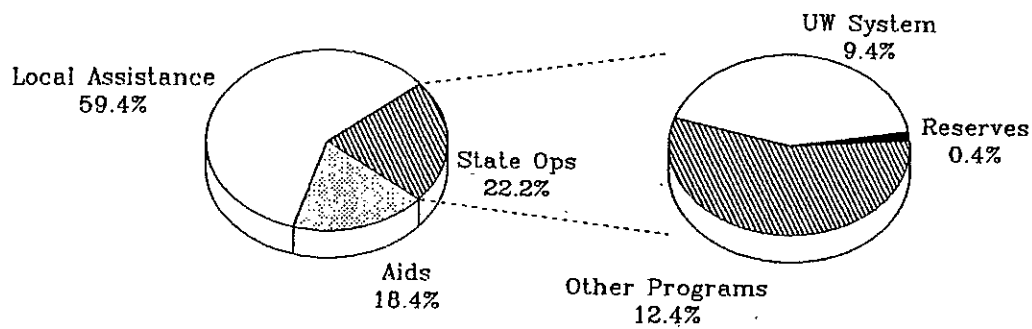
**1995-97 General Fund Appropriations  
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>Percent of Total</u>
Education	\$8,397,300,500	48.1%
Human Relations and Resources	4,683,555,700	26.8
Shared Revenue and Tax Relief	3,087,979,900	17.7
All Other	(1,294,912,400)	(7.4)
Environmental Resources	396,039,000	2.3
General Executive	294,639,800	1.7
General Appropriations	194,130,500	1.1
Judicial	150,497,300	0.9
Legislative	95,943,900	0.5
Commerce	95,507,400	0.5
Compensation Reserves	<u>68,154,500</u>	<u>0.4</u>
<b>TOTAL</b>	<b>\$17,463,748,500</b>	<b>100.0%</b>

**FIGURE 6**

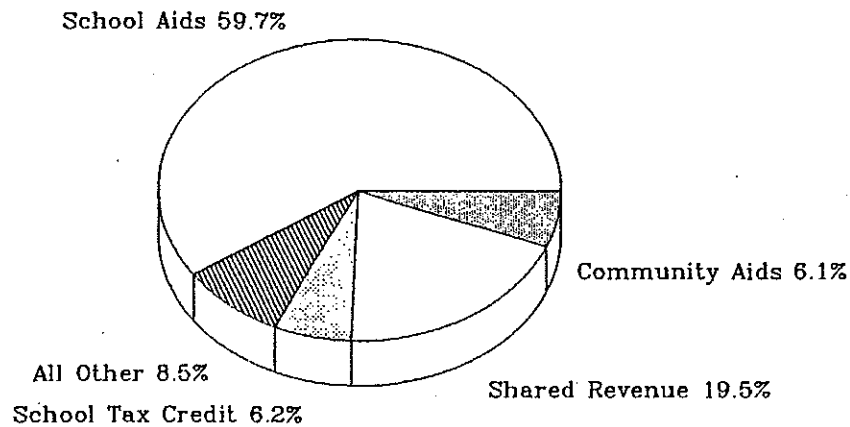
**1995-97 General Fund Appropriations  
By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Assistance	\$10,368,928,700	59.4%
State Operations	3,882,456,900	22.2
UW System	1,644,188,400	9.4
Other Programs	2,170,114,000	12.4
Compensation & Litigation Reserves	68,154,500	0.4
Aids to Individuals and Organizations	<u>3,212,362,900</u>	<u>18.4</u>
<b>TOTAL</b>	<b>\$17,463,748,500</b>	<b>100.0%</b>

**FIGURE 7**

**1995-97 General Fund Appropriations  
Local Assistance**

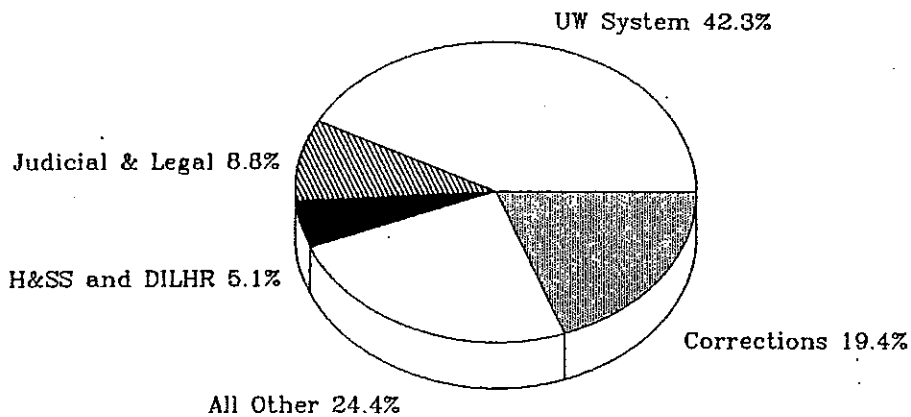


<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Elementary and Secondary School Aids	\$6,193,070,300	59.7%
Shared Revenue	2,021,237,600	19.5
School Levy Tax Credit	638,610,000	6.2
Community Social Service and Youth Aids	636,179,400	6.1
Environmental Aids	258,207,700	2.5
Technical College System Aids	246,603,200	2.4
Community Options Program	160,956,900	1.5
Other	<u>214,063,600</u>	<u>2.1</u>
<b>TOTAL</b>	<b>\$10,368,928,700</b>	<b>100.0%</b>



**FIGURE 8**

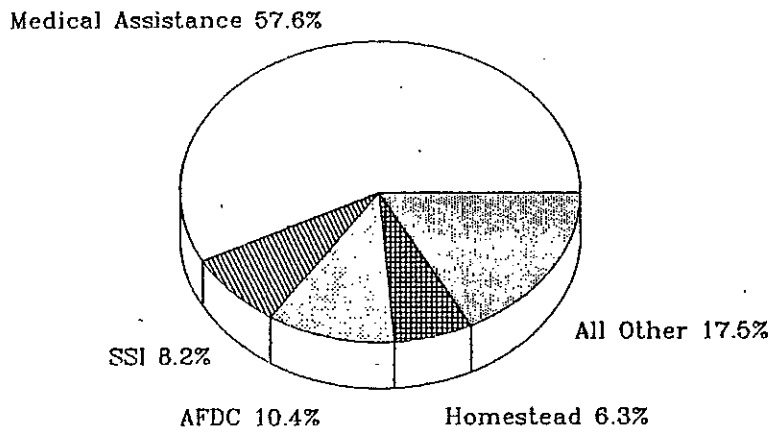
**1995-97 General Fund Appropriations  
State Operations**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
UW System	\$1,644,188,400	42.3%
Correctional Services	753,451,000	19.4
Judicial and Legal Services	343,108,500	8.8
Health and Social Services/Industry, Labor and Human Relations	198,826,900	5.1
State Residential Institutions	130,531,000	3.4
Natural Resources	122,635,200	3.2
Tax Administration	108,876,900	2.8
Legislature	95,943,900	2.5
Compensation Reserves	68,154,500	1.8
Other	<u>416,740,600</u>	<u>10.7</u>
<b>TOTAL</b>	<b>\$3,882,456,900</b>	<b>100.0%</b>

**FIGURE 9**

**1995-97 General Fund Appropriations  
Aids to Individuals and Organizations**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Medical Assistance	\$1,848,425,900	57.6%
AFDC and Other Public Assistance	335,011,400	10.4
Supplemental Security Income	263,595,600	8.2
Homestead Tax Credit	200,900,000	6.3
Earned Income Tax Credit	126,000,000	3.9
Student Grants and Aids	122,425,600	3.8
Farmland Preservation Tax Credit	55,400,000	1.7
Other	<u>260,604,400</u>	<u>8.1</u>
<b>TOTAL</b>	<b>\$3,212,362,900</b>	<b>100.0%</b>

TABLE 13

Distribution of 1995-97 General Fund Appropriations

	1995-96			1996-97			Total		
	Amount	% of		Amount	% of		Amount	% of	
		Category	Total		Category	Total		Category	Total
<b>LOCAL ASSISTANCE</b>									
Elementary & Secondary School Aids	\$2,692,788,300	56.4%	32.6%	\$3,500,282,000	62.6%	38.4%	\$6,193,070,300	59.7%	35.5%
Shared Revenue	1,012,618,800	21.2	12.2	1,008,618,800	18.0	11.1	2,021,237,600	19.5	11.6
School levy tax credit	319,305,000	6.7	3.9	319,305,000	5.7	3.5	638,610,000	6.2	3.7
Community Social Service and Youth Aids	320,894,700	6.7	3.9	315,284,700	5.6	3.5	636,179,400	6.1	3.6
Environmental Aid	126,342,400	2.6	1.5	131,865,300	2.4	1.4	258,207,700	2.5	1.5
Technical College System Aids	123,301,600	2.6	1.5	123,301,600	2.2	1.4	246,603,200	2.4	1.4
Community Options Program	79,266,600	1.7	1.0	81,690,300	1.5	0.9	160,956,900	1.6	0.9
Other	99,999,800	2.1	1.2	114,063,800	2.0	1.3	214,063,600	2.1	1.2
<b>TOTAL--LOCAL ASSISTANCE</b>	<b>\$4,774,517,200</b>	<b>100.0%</b>	<b>57.7%</b>	<b>\$5,594,411,500</b>	<b>100.0%</b>	<b>61.3%</b>	<b>\$10,368,928,700</b>	<b>100.0%</b>	<b>59.4%</b>
<b>STATE OPERATIONS</b>									
UW System	\$832,577,600	43.5%	10.1%	\$811,610,800	42.7%	8.9%	\$1,644,188,400	42.3%	9.4%
Correctional Services	357,151,900	18.7	4.3	396,299,100	20.9	4.3	753,451,000	19.4	4.3
Judicial and Legal Services	176,659,300	9.2	2.1	166,449,200	8.8	1.8	343,108,500	8.8	2.0
H&SS/DILHR	106,693,500	5.6	1.3	92,133,400	4.8	1.0	198,826,900	5.1	1.1
State Residential Institutions	64,524,900	3.4	0.8	66,006,100	3.5	0.7	130,531,000	3.4	0.7
Natural Resources	60,360,500	3.2	0.7	62,274,700	3.3	0.7	122,635,200	3.2	0.7
Tax Administration	55,486,500	2.9	0.7	53,390,400	2.8	0.6	108,876,900	2.8	0.6
Legislature	48,172,800	2.5	0.6	47,771,100	2.5	0.5	95,943,900	2.5	0.5
Compensation Reserves	19,391,200	1.0	0.2	48,763,300	2.5	0.5	68,154,500	1.8	0.4
Other	211,263,200	10.9	2.5	205,477,400	10.5	2.2	416,740,600	10.7	2.4
<b>TOTAL--STATE OPERATIONS</b>	<b>\$1,932,281,400</b>	<b>100.0%</b>	<b>23.3%</b>	<b>\$1,950,175,500</b>	<b>100.0%</b>	<b>21.3%</b>	<b>\$3,882,456,900</b>	<b>100.0%</b>	<b>22.2%</b>
<b>AIDS TO INDIVIDUALS AND ORGANIZATIONS</b>									
Medical Assistance	\$906,022,900	57.2%	11.0%	\$942,403,000	57.9%	10.3%	\$1,848,425,900	57.5%	10.6%
AFDC and Other Public Assistance	170,368,400	10.8	2.1	164,643,000	10.1	1.8	335,011,400	10.4	1.9
Supplemental Security Income	135,012,200	8.5	1.6	128,583,400	7.9	1.4	263,595,600	8.2	1.5
Homestead Tax Credit	104,600,000	6.6	1.3	96,300,000	5.9	1.1	200,900,000	6.3	1.2
Earned Income Tax Credit	60,500,000	3.8	0.7	65,500,000	4.0	0.7	126,000,000	3.9	0.7
Student Grants and Aids	61,121,700	3.9	0.7	61,303,900	3.8	0.7	122,425,600	3.8	0.7
Farmland Preservation Tax Credit	29,200,000	1.8	0.4	26,200,000	1.6	0.3	55,400,000	1.7	0.3
Other	116,923,600	7.4	1.4	143,680,800	8.8	1.6	260,604,400	8.1	1.5
<b>TOTAL--AIDS</b>	<b>\$1,583,748,800</b>	<b>100.0%</b>	<b>19.1%</b>	<b>\$1,628,614,100</b>	<b>100.0%</b>	<b>17.9%</b>	<b>\$3,212,362,900</b>	<b>100.0%</b>	<b>18.4%</b>
<b>GRAND TOTAL</b>	<b>\$8,290,547,400</b>		<b>100.0%</b>	<b>\$9,173,201,100</b>		<b>100.0%</b>	<b>\$17,463,748,500</b>		<b>100.0%</b>

TABLE 14

Ten Largest General Fund Programs for 1995-97

	1995-96		1996-97		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Elementary & Secondary School Aids	\$2,692,788,300	32.5%	\$3,500,282,000	38.2%	\$6,193,070,300	35.5%
Shared Revenue	1,012,618,800	12.2	1,008,618,800	11.0	2,021,237,600	11.6
Medical Assistance	906,022,900	10.9	942,403,000	10.3	1,848,425,900	10.6
UW System	832,577,600	10.0	811,610,800	8.8	1,644,188,400	9.4
Correctional Services	357,151,900	4.3	396,299,100	4.3	753,451,000	4.3
School Tax Levy Credit	319,305,000	3.9	319,305,000	3.5	638,610,000	3.7
Community Social Service and Youth Aids	320,894,700	3.9	315,284,700	3.4	636,179,400	3.6
Judicial and Legal Services	176,659,300	2.1	166,449,200	1.8	343,108,500	2.0
AFDC and Other Public Assistance	170,368,400	2.1	164,643,000	1.8	335,011,400	1.9
Supplemental Security Income	135,012,200	1.6	128,583,400	1.4	263,595,600	1.5
SUBTOTAL	\$6,923,399,100	83.55	\$7,753,479,000	84.5%	\$14,676,878,100	84.0%
All Other Programs	1,367,148,300	16.5	1,419,722,100	15.5	2,786,870,400	16.0
GRAND TOTAL	\$8,290,547,400	100.0%	\$9,173,201,100	100.0%	\$17,463,748,500	100.0%

TABLE 15

Summary of General Fund Full-Time Equivalent Positions by Agency

	1994-95	1996-97	1996-97	1996-97	1996-97	1996-97	1996-97	Change
	<u>Base</u>	<u>Governor</u>	<u>Jt. Finance</u>	<u>Assembly</u>	<u>Senate</u>	<u>Act 27</u>	<u>to Base</u>	
Administration	247.62	248.15	210.02	210.02	211.02	211.02	- 36.60	
Adolescent Pregnancy Prevention	1.50	1.50	1.50	1.50	1.50	1.50	0.00	
Agriculture, Trade and Consumer Protection	328.81	287.46	309.26	309.26	310.26	310.26	- 18.55	
Arts Board	5.00	5.00	5.00	5.00	5.00	5.00	0.00	
Board on Aging and Long-Term Care	9.40	8.40	8.40	8.40	8.40	8.40	- 1.00	
Circuit Courts	502.00	494.00	494.00	494.00	494.00	494.00	- 8.00	
Corrections	5,449.30	6,803.40	6,298.50	6,298.50	6,299.50	6,299.50	850.20	
Court of Appeals	73.00	73.00	73.00	73.00	73.00	73.00	0.00	
Development	137.05	117.50	96.95	96.95	97.95	97.95	- 39.10	
District Attorneys	348.00	350.00	348.00	348.00	348.00	348.00	0.00	
Educational Communications Board	78.25	35.25	65.75	65.75	65.75	65.75	- 12.50	
Elections Board	14.00	11.00	13.00	13.00	13.00	13.00	- 1.00	
Employment Commission	0.00	41.50	0.00	0.00	0.00	0.00	0.00	
Employment Relations	90.80	83.55	81.05	81.05	82.05	82.05	- 8.75	
Employment Relations Commission	36.00	0.00	28.50	28.50	28.50	28.50	- 7.50	
Ethics Board	3.25	2.75	1.75	1.75	1.75	1.75	- 1.50	
Governor	45.05	45.05	45.05	45.05	46.05	46.05	1.00	
Health and Social Services	1,634.77	1,516.76	1,431.43	1,431.43	1,468.09	1,468.09	- 166.68	
Higher Educational Aids Board	11.00	0.00	0.00	0.00	0.00	0.00	- 11.00	
Historical Society	146.18	143.10	145.35	145.35	145.35	145.35	- 0.83	
Industry, Labor and Human Relations	107.75	286.51	309.17	290.01	290.01	290.01	182.26	
Judicial Commission	2.00	2.00	2.00	2.00	2.00	2.00	0.00	
Judicial Council	2.00	0.00	0.00	0.00	0.00	0.00	- 2.00	
Justice	464.50	429.75	414.40	415.40	415.40	415.40	- 49.10	
Legislature	801.17	801.17	802.17	802.17	802.17	802.17	1.00	

**TABLE 15 (continued)**

**Summary of General Fund Full-Time Equivalent Positions by Agency**

	<u>1994-95</u>	<u>1996-97</u>	<u>1996-97</u>	<u>1996-97</u>	<u>1996-97</u>	<u>1996-97</u>	<u>1996-97</u>	<u>Change</u>
	<u>Base</u>	<u>Governor</u>	<u>Jt. Finance</u>	<u>Assembly</u>	<u>Senate</u>	<u>Act 27</u>	<u>to</u>	<u>Base</u>
Lieutenant Governor	8.00	9.00	7.00	8.00	8.00	8.00	0.00	0.00
Lower Wisconsin State Riverway Board	2.00	0.00	0.00	0.00	0.00	0.00	- 2.00	- 2.00
Military Affairs	115.46	107.21	104.83	104.83	105.83	105.83	- 9.63	- 9.63
Natural Resources	596.33	458.31	520.28	519.28	521.28	521.28	- 75.05	- 75.05
Personnel Commission	11.00	0.00	10.00	10.00	10.00	10.00	- 1.00	- 1.00
Public Defender	515.60	530.10	529.60	529.60	529.60	529.60	14.00	14.00
Public Instruction	427.28	352.59	387.85	387.85	388.85	388.85	- 38.43	- 38.43
Revenue	992.20	947.05	912.75	912.75	913.75	913.75	- 78.45	- 78.45
State Superintendent of Public Instruction	0.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Treasurer	7.38	0.00	0.00	0.00	0.00	0.00	- 7.38	- 7.38
Supreme Court	108.50	108.50	108.50	108.50	108.50	108.50	0.00	0.00
Tourism	0.00	118.97	58.00	58.00	58.00	58.00	58.00	58.00
University of Wisconsin System	18,919.43	18,849.56	18,714.88	18,714.88	18,714.88	18,714.88	- 204.55	- 204.55
Veterans Affairs	0.00	0.00	5.65	5.65	5.65	5.65	5.65	5.65
Wisconsin Conservation Corps	3.50	3.50	0.00	0.00	0.00	0.00	- 3.50	- 3.50
Wisconsin Technical College System	42.85	34.85	37.85	37.85	38.85	38.85	- 4.00	- 4.00
<b>TOTAL</b>	<b>32,287.93</b>	<b>33,312.44</b>	<b>32,587.44</b>	<b>32,569.28</b>	<b>32,617.94</b>	<b>32,617.94</b>	<b>330.01</b>	<b>330.01</b>

**OVERVIEW**

**TRANSPORTATION FUND BUDGET**

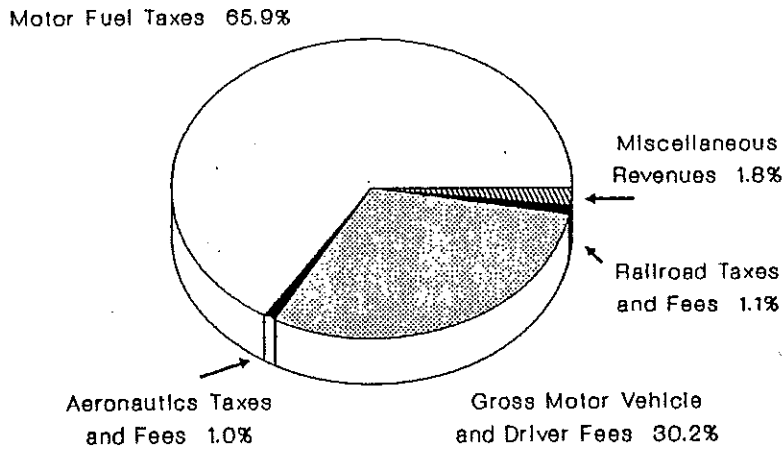
**TABLE 16****1995-97 Transportation Fund Condition Statement**

	1995-96	1996-97
<b>Revenues</b>		
Unappropriated Balance, July 1	\$26,940,600	\$13,321,700
Estimated Motor Fuel Tax	\$678,700,000	\$695,700,000
Estimated Motor Vehicle and Driver Fees	314,300,000	314,200,000
Less Revenue Bond Debt Service	-59,745,200	-67,185,200
Estimated Aeronautical Taxes and Fees	10,305,000	10,055,800
Estimated Railroad Revenue	11,684,000	11,825,000
Estimated Miscellaneous Revenue	<u>19,040,000</u>	<u>18,432,000</u>
<b>Total Annual Revenues</b>	<b>\$974,283,800</b>	<b>\$983,027,600</b>
<b>Total Available</b>	<b>\$1,001,224,400</b>	<b>\$996,349,300</b>
<b>Appropriations and Reserves</b>		
DOT Appropriations	\$929,084,000	\$952,472,100
Other Agency Appropriations	28,300,300	29,440,000
Less Estimated Lapses	-4,000,000	-6,000,000
Stadium/East-West Freeway Reserve	15,000,000	0
East-West Freeway Reserve	13,349,000	13,349,000
Compensation and Other Reserves	<u>6,169,400</u>	<u>4,915,700</u>
<b>Net Appropriations and Reserves</b>	<b>\$987,902,700</b>	<b>\$994,176,800</b>
Unappropriated Balance, June 30	\$13,321,700	\$2,172,500



**FIGURE 10**

**Estimated 1995-97 Transportation Fund Revenues**



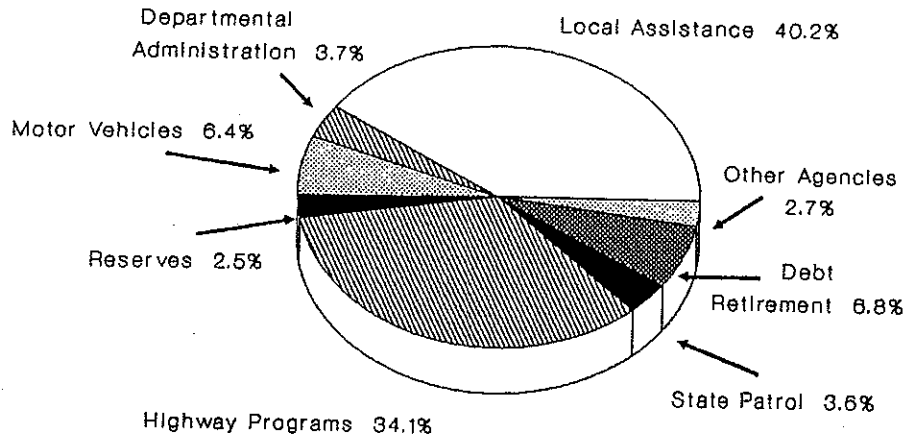
<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Motor Fuel Taxes	\$1,374,400,000	65.9%
Gross Motor Vehicle and Driver Fees*	628,500,000	30.2
Aeronautics Taxes and Fees	20,360,800	1.0
Railroad Taxes and Fees	23,509,000	1.1
Miscellaneous Revenues	<u>37,472,000</u>	<u>1.8</u>
<b>TOTAL</b>	<b>\$2,084,241,800</b>	<b>100.0%</b>

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

NOTE: The July 1, 1995, unappropriated balance of the transportation fund was \$26,940,600. Therefore, the total amount available in the transportation fund for the 1995-97 biennium is estimated to be \$2,111,182,400.

## FIGURE 11

### 1995-97 Transportation Fund Appropriations By Category



<u>Category</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Assistance	\$851,397,500	40.2%
Highway Programs	722,848,400	34.1
Debt Retirement*	144,147,100	6.8
Division of Motor Vehicles	134,923,000	6.4
Departmental Administration	78,123,400	3.7
Division of State Patrol	77,047,100	3.6
Other Agencies	57,740,300	2.7
Reserves	<u>52,783,100</u>	<u>2.5</u>
<b>TOTAL</b>	<b>\$2,119,009,900</b>	<b>100.0%</b>

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

NOTE: Lapses from the appropriations above are estimated to be \$10,000,000 in 1995-97. Therefore, expenditures in the 1995-97 biennium are estimated to be \$2,109,009,900.

**OVERVIEW**

**LOTTERY FUND BUDGET**

**TABLE 17**

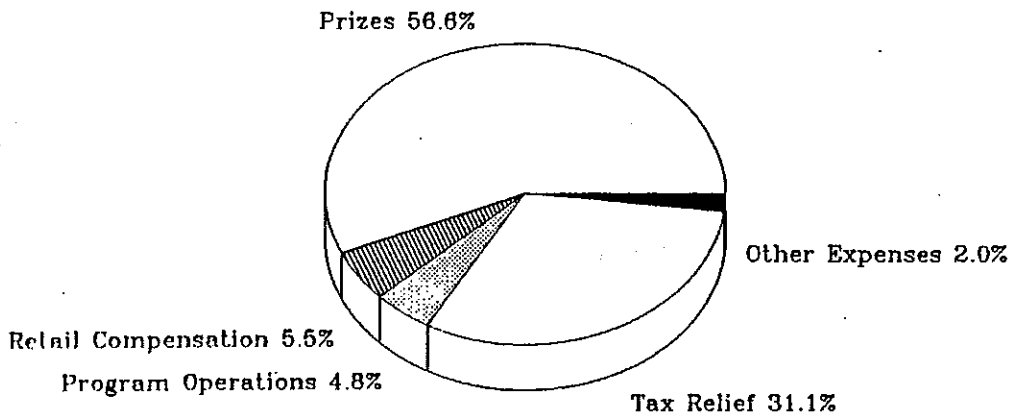
**1995-97 Lottery Fund Condition Statement**

	<u>1995-96</u>	<u>1996-97</u>
Fiscal Year Opening Balance	\$20,291,300*	\$10,191,500
Operating Revenues		
Ticket Sales	\$509,500,000	\$514,500,000
Retailer Fees and Miscellaneous	<u>72,500</u>	<u>64,400</u>
Gross Revenues	\$509,572,500	\$514,564,400
Expenditures		
Prizes	\$293,031,900	\$295,908,900
Basic Retailer Compensation	28,198,300	29,106,100
On-Line Vendor Payments	9,078,700	11,328,000
General Program Operations	25,113,600	24,527,400
Appropriation to DOJ	218,600	220,600
Appropriation to DOR	<u>191,100</u>	<u>191,300</u>
Total Expenditures	\$355,832,200	\$361,282,300
Net Proceeds	\$153,740,300	\$153,282,100
Interest Earnings	\$3,300,000	\$3,400,000
Total Available for Tax Relief (Opening Balance + Proceeds + Interest)	\$177,331,600	\$166,873,600
Appropriations for Tax Relief		
Lottery Property Tax Credit	\$150,731,600	\$141,772,300
Lottery Credit Local Administrative Costs	608,500	610,000
Farmland Tax Relief Credit	<u>15,800,000</u>	<u>14,200,000</u>
Total Appropriations for Tax Relief	\$167,140,100	\$156,582,300
Gross Closing Balance	\$10,191,500	\$10,291,300
Reserve (2% of Gross Revenues)	\$10,191,500	\$10,291,300
Net Closing Balance	\$0	\$0

\*The \$20.3 million opening balance reflects the estimate at the time of legislative budget deliberations. The Annual Fiscal Report for 1994-95, dated October 13, 1995, shows an opening balance of \$26.2 million.

**FIGURE 12**

**1995-97 Lottery Fund Expenditures**



	<u>Amount</u>	<u>Percent of Total</u>
Operating Expenditures	\$717,114,500	68.9%
Prizes	588,940,800	56.6
Basic Retailer Compensation	57,304,400	5.5
General Program Operations	49,641,000	4.8
On-Line Vendor Payments	20,406,700	1.9
Appropriations to DOJ and DOR	821,600	0.1
Appropriations for Tax Relief	\$323,722,400	31.1%
Lottery Property Tax Credit	292,503,900	28.1
Farmland Tax Relief Credit	30,000,000	2.9
Lottery Credit Local Administrative Costs	<u>1,218,500</u>	<u>0.1</u>
<b>TOTAL</b>	<b>\$1,040,836,900</b>	<b>100.0%</b>

**STATE GOVERNMENT REORGANIZATION**

# SUMMARY OF STATE GOVERNMENT REORGANIZATION

## CREATED AGENCIES

### Department of Financial Institutions

Consisting of:

- Office of the Commissioner of Banking
- Office of the Commissioner of Savings and Loan
- Office of the Commissioner of Securities
- Regulation of mortgage banking from the Department of Regulation and Licensing
- Office of the Commissioner of Credit Unions (attached for administrative purposes)
- Banking, Savings and Loan and Securities are attached as separate divisions under one appropriation for administrative and budgetary purposes until July 1, 2000.
- Business organization filings, UCC lien information filings and the statewide UCC/information system from the Office of the Secretary of State

### Office of the State Superintendent of Public Instruction

### Department of Tourism

Consisting of:

- Division of Tourism from the Department of Development
- Arts Board (attached for administrative purposes) from DOA
- Kickapoo Valley Governing Board (attached for administrative purposes) from DOA
- Lower Wisconsin State Riverway Board (attached for administrative purposes) from DNR
- State Fair Park Board (attached for administrative purposes)
- Certain administrative and program staff from DNR
- Marketing Clearinghouse

## MODIFIED AGENCIES

### Department of Administration

Programs transferred in:

- Low-income energy assistance program from H&SS
- Public Defender automation related staff

Programs transferred out:

- Arts Board (attached for administrative purposes) to the Department of Tourism
- Kickapoo Valley Governing Board (attached for administrative purposes) to the Department of Tourism
- Wisconsin Conservation Corps (attached for administrative purposes) to DILHR
- Municipal boundary review to DOD
- Recycling Market Development Board activities to UW-Extension until July 1, 1997
- Division of Trust Lands and Investments (attached for administrative purposes) to State Treasurer

### Department of Agriculture, Trade and Consumer Protection

Programs transferred in:

- Most-consumer protection functions from DOJ
- Laboratory certification functions from H&SS

Program transferred out:

- Plat review to DOD

Agency structure:

- Governor appoints DATCP Secretary

### Department of Corrections

Program transferred in:

- All juvenile correctional services from H&SS



## **Department of Development (renamed: Department of Commerce)**

### Programs transferred in:

- Division of Safety and Buildings from DILHR
- Plat review from DATCP
- Municipal boundary review from DOA
- Recycling Market Development Board activities from UW Extension after July 1, 1997
- Review and approval of low- and medium-priority petroleum site cleanups from DNR
- Review and approval of PECFA claims from DILHR
- Relocation assistance program from DILHR

### Program transferred out:

- Division of Tourism to the Department of Tourism

## **Gaming Commission (renamed: Gaming Board)**

### Program transferred out:

- Administration of state lottery to DOR

## **Department of Health and Social Services (renamed: Department of Health and Family Services)**

### Programs transferred out:

- AFDC and other income maintenance programs to DILHR
- Low-income energy assistance program to DOA
- Employment training programs to DILHR
- Division of Vocational Rehabilitation to DILHR
- All juvenile correctional services to the Department of Corrections
- Laboratory certification functions to DATCP
- Refugee assistance programs to DILHR
- Employment opportunity program to DILHR

### Program transferred in:

- Health care facilities plan review from DILHR

## **Department of Industry, Labor and Human Relations (renamed: Department of Industry, Labor and Job Development)**

### Programs transferred in:

- AFDC and other income maintenance programs from H&SS
- Employment training programs from H&SS
- Division of Vocational Rehabilitation from H&SS
- Wisconsin Conservation Corps (attached for administrative purposes) from DOA
- Refugee assistance programs from H&SS

- Employment transit assistance program from DOT
- Employment opportunity program from H&SS

Programs transferred out:

- Division of Safety and Buildings to DOD
- Review and approval of PECFA claims to DOD
- Relocation assistance program to DOD
- Health care facilities plan review to H&SS

## **Judicial Commission**

Program transferred in:

- The staff duties of the Judicial Council

## **Judicial Council**

Program transferred out:

- The staff of the Council eliminated and functions transferred to the Judicial Commission

## **Department of Justice**

Programs transferred out:

- Most consumer protection functions to DATCP
- Certain Public Intervenor functions to DNR

## **Department of Natural Resources**

Programs transferred out:

- Review and approval of low- and medium-priority petroleum site cleanups to DOD
- Administrative and program staff to Department of Tourism

Program transferred in:

- Certain Public Intervenor functions from DOJ

Agency structure:

- Governor appoints DNR Secretary

## **Public Defender**

Program transferred out:

- Automation related staff to DOA

## **Department of Public Instruction (renamed: Department of Education)**

Programs transferred in:

- The activities of the Higher Educational Aids Board
- The activities of the Educational Approval Board (currently attached to WTCS Board)

Program transferred out:

- The State Superintendent of Public Instruction to the Office of the State Superintendent of Public Instruction

Agency structure:

- 11-member Education Commission
- Governor appoints DOE Secretary

## **Public Service Commission**

Program transferred in:

- High-level radioactive waste disposal facility review activities formerly assigned to the Radioactive Waste Review Board

## **Department of Regulation and Licensing**

Program transferred out:

- Mortgage banking regulation to the Department of Financial Institutions

## **Department of Revenue**

Program transferred in:

- Administration of state lottery from Gaming Commission

## **Secretary of State**

Programs transferred out:

- Business organization filings to the Department of Financial Institutions
- Federal and UCC lien information filings and the statewide UCC lien information system to the Department of Financial Institutions

## **State Treasurer**

Program transferred in:

- Division of Trust Lands and Investments (attached for administrative purposes) from DOA

## **Transportation**

Program transferred out:

- Employment transit assistance program to DILHR

## **University of Wisconsin System**

Program transferred in:

- Recycling Market Development Board activities to UW-Extension until July 1, 1997

Agency structure:

- Convert UW Hospital and Clinics to an authority

## **Wisconsin Conservation Corps**

Agency structure:

- Governor appoints Executive Director

### **ELIMINATED AGENCIES**

**Office of Commissioner of Banking** (Activities moved to the Department of Financial Institutions)

**Cost Containment Commission and Council**

**Educational Approval Board** (Activities moved to the Department of Education)

**Hazardous Pollution Prevention Board** (Activities moved to DOD)

**Higher Educational Aids Board** (Activities moved to the Department of Education)

**Privacy Council and Privacy Advocate**

**Public Intervenor Advisory Committee** (Activities moved to Public Intervenor Board)

**Radioactive Waste Review Board and Councils** (Activities moved to the Public Service Commission)

**Office of Commissioner of Savings and Loan** (Activities moved to Department of Financial Institutions)

**Office of Commissioner of Securities** (Activities moved to the Department of Financial Institutions)

**Sentencing Commission**

**Youth Apprenticeship Council** (Activities moved to Governor's Council on Workforce Excellence)

**GENERAL FUND TAXES**

## GENERAL FUND TAXES

### 1. LOWER TOP INDIVIDUAL MARGINAL TAX RATE [LFB Papers 100 and 101]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	-\$25,500,000	\$25,500,000	\$0

**Governor:** Lower the top marginal income tax rate from 6.93% to 6.87%. This provision would first apply to tax years beginning on January 1, 1996. It is estimated that this provision would reduce individual income tax revenues by \$25.5 million in 1996-97.

Taxable Income Brackets			Marginal Tax Rates	
<u>Single</u>	<u>Married -Joint</u>	<u>Married -Separate</u>	<u>Current Law</u>	<u>AB 150</u>
Less than \$7,500	Less than \$10,000	Less than \$5,000	4.90%	4.90%
7,500 to 15,000	10,000 to 20,000	5,000 to 10,000	6.55	6.55
15,000 and Over	20,000 and Over	10,000 and Over	6.93	6.87

**Joint Finance/Legislature:** Delete provision and retain the current top tax rate of 6.93%.

### 2. REDUCE PROPERTY TAX/RENT CREDIT [LFB Papers 100 and 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	\$62,000,000	-\$600,000	-\$61,400,000	\$0

**Governor:** Reduce the property tax/rent credit from 10% to 6.87% of the first \$2,000 in property taxes or rent constituting property taxes (the first \$1,000 in taxes if married filing separately). The maximum credit would be reduced from \$200 to \$137. Under this proposal, the credit would be calculated using the top marginal individual income tax rate, which would be set at 6.87% in AB 150, rather than the current 10% credit rate. This provision would first apply to tax years beginning on January 1, 1996. It is estimated that this provision would increase individual income tax revenues by \$62 million in 1996-97.

**Joint Finance:** Increase the property tax/rent credit from 6.87% to 6.93% of the first \$2,000 in property taxes or rent constituting property taxes. As under the bill, the credit would be calculated using

the top tax rate, which would remain at the current top rate of 6.93%. This provision would increase estimated individual income tax revenues by \$61.4 million from current law, which would represent a decrease of \$600,000 from AB 150.

**Assembly/Legislature:** Delete provision, which would restore the property tax/rent credit to 10%. This would decrease revenues by \$61.4 million in 1996-97 from the Joint Finance provision.

### 3. RECOUPLE STATE EARNED INCOME TAX CREDIT [LFB Papers 103 and 104]

**Governor:** Recouple the state EITC to the federal EITC at a funding level similar to the estimated costs of the current state credit. To accomplish this, delete the current statutory state stand-alone calculation of the EITC as well as a provision that indexes the income factors used to calculate the current EITC for future changes in the consumer price index. Instead, require the Department to calculate the credit as a percentage of the federal EITC, as determined under the Internal Revenue Code provisions that establish the federal EITC percentages and phaseout percentages, for taxable years beginning on or after January 1, 1995.

The Department would calculate the credit percentages to be used in claiming the state credit based on its estimates of the number of claimants, so that the amount of the credit for two children would be at least five times the credit for one child and that the amount of the credit for three or more children would be at least 15 times the credit for one child. The bill would require that the total amount to be distributed for the state EITC would be \$60.3 million in calendar year 1996 and \$65.8 million in calendar year 1997. A technical correction would be needed to implement this provision.

Because the credit is refundable and requires an appropriation, funding for it is shown under the appropriations in Shared Revenue and Tax Relief. The bill would provide an additional \$3,100,000 in 1995-96 and \$8,600,000 in 1996-97, for total funding of \$60,300,000 in 1995-96 and \$65,800,000 in 1996-97.

**Joint Finance/Legislature** Delete the Governor's recommendation. Instead, recouple the state EITC to the current federal EITC using the following statutory credit percentages: (a) 4% for one child, 16% for two children and 50% for three or more children in 1995; and (b) 4% for one child, 14% for two children and 43% for three or more children in 1996 and thereafter. This would cost an estimated \$60.5 million in 1995-96 and \$65.5 million in 1996-97, which would represent an increase of \$200,000 in 1995-96 and a decrease of \$300,000 in 1996-97 from AB 150.

[Act 27 Sections: 3382m thru 3393]

**4. INTERNAL REVENUE CODE UPDATE [LFB Paper 111]**

Chg. to Base	
GPR-REV	\$120,000

**Joint Finance/Legislature:** Provide that, beginning in tax year 1995, state individual income, corporate income and franchise and excise tax provisions referenced to the federal Internal Revenue Code would refer to the code in effect on December 31, 1994, rather than to December 31, 1993, as under current law. Provisions that were adopted retroactively under federal law would also apply retroactively for state tax purposes. The fiscal effect of this provision is estimated to be an increase in individual income tax revenues of \$60,000 annually.

[Act 27 Sections: 3373b thru 3373k, 3396b thru 3396r, 3399g thru 3399j, 3399k, 3404e thru 3404j, 3404k thru 3404s, 3406v and 9348(8x)]

**5. STATE REFERENCES TO FEDERAL LAW [LFB Paper 112]**

**Joint Finance/Legislature:** Modify state references to the federal Internal Revenue Code as follows: (a) create a subtract modification to account for the difference in social security benefits that are subject to taxation under federal and state law; (b) adopt the 1995 federal IRC provision creating the 30% permanent deduction for self-employed health insurance costs; and (c) correct a current reference to federal law under the state supplement to the federal historic rehabilitation credit. Items (a) and (b) would simplify the calculation of Wisconsin adjusted gross income for taxpayers with this type of income or deduction.

**Veto by Governor [E-12]:** Delete references to the IRC as it applies to social security benefits for regulated investment companies, real estate mortgage investment conduits and real estate investment trusts. As a result, such references would be the same for all taxpayers.

[Act 27 Sections: 1987m, 3373j, 3373w, 3393m, 3399j, 3404c, 3412m, 3528m, 3528p and 9348(8x)]

[Act 27 Vetoed Section: 3399j]

**6. DOMESTIC ABUSE PROGRAM CHECK-OFF**

**Joint Finance/Legislature:** Create a check-off for donations on the individual income tax form, effective for tax year 1995, that would provide funding for a domestic abuse statewide public awareness and prevention campaign program. Create a PR appropriation under H&SS to receive and expend revenues.

Structure the domestic abuse check-off in a manner similar to the existing endangered resources check-off in regard to administration, conditions and the deduction for administrative and data processing costs. Modify the existing PR appropriation under the Department of Revenue that receives funding for



the administration and data processing costs of the endangered resources check-off to also apply to the domestic abuse program check-off.

On an estimated basis, it is projected that \$340,000 would be generated in tax year 1995, which would be available for expenditure in 1996-97. Of this amount, the Department of Revenue would be provided \$20,000 annually to cover its administrative costs and H&SS would receive an estimated \$320,000 in 1996-97 for its program purposes. Current SEG funding from the existing endangered resources check-off would be reduced by \$120,000 SEG in 1996-97 to reflect the estimated effect of the proposed domestic abuse check-off. The fiscal effect of this item is shown under the affected agencies.

**Veto by Governor [E-11]:** Delete this provision, except for the \$20,000 PR of annual funding for DOR. The Governor's veto message requests the Secretary of the Department of Administration not to allot these monies to DOR.

[Act 27 Vetoed Sections: 817m, 1113m, 2345j, 3395e and 9348(4q)]

**7. REESTIMATE FEDERAL RETIREES REFUNDS**

<b>Chg. to Base</b>
GPR-REV - \$9,000,000

**Joint Finance/Legislature:** Increase the amount deducted for refunds to federal retirees by \$6 million in 1995-96 and by \$3 million in 1996-97.

With this increase, the total amount deducted in AB 150 for the payment of federal retirees refunds would be \$32,379,900 in 1995-96 and \$15,388,900 in 1996-97. This reestimate is based on more recent data from the Department of Revenue reflecting the amount of timely filed claims likely to be paid in the 1995-97 biennium. These refund payments are a result of the current settlement between the state and federal retirees for taxes paid on pensions received for tax years 1984 through 1988. The payments are reported as a decrease to general fund revenues; no appropriation is made for these monies.

**8. SOURCE TAX ON PENSION INCOME**

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR-REV	\$1,800,000	-\$1,800,000	\$0

**Assembly:** Impose the state individual income tax on pension income of nonresidents if that income is attributable to employment in Wisconsin. Specify that the current state exclusion for pension payments received by taxpayers who were members of or retired from federal and certain state and local pension systems prior to 1964 would apply only to state residents. As a result, these types of pension income would be taxable if the recipient is a nonresident. This provision would take effect in tax year 1996.

Imposing a source tax would generate an estimated \$1.8 million in 1996-97 from nonresident post-1963 government retirees. Because the provision that would restrict the current exclusion for pre-1964 retirees to state residents would likely result in litigation, no estimate has been made of the revenues that could accrue from that item. Additional monies could be generated if the Department of Revenue could locate and assess taxes on the private pensions of nonresidents.

**Senate/Legislature:** Delete provision.

## 9. TAX COMPLIANCE: PROFESSIONAL LICENSE

Chg. to Base	
GPR-REV	\$925,000
PR-REV	75,000

**Assembly/Legislature:** Prohibit the renewal of professional licenses by the Department of Regulation and Licensing (R&L) or the interested examining board or affiliated credentialing board if the applicant is liable for any delinquent taxes owed to the state, effective with applicants to renew credentials that expire on or after January 1, 1996. Direct R&L to establish the style, content and format of all forms used for applying for the renewal of any credential issued by R&L. Specify that the forms should contain a place for information relating to liability for delinquent state taxes, that the applicant should provide a social security number of federal employer identification number and a statement to be signed attesting that the applicant is not liable for any delinquent state taxes. Prohibit a license from being renewed if an applicant does not complete this section or if the applicant owes any delinquent state taxes. Prohibit R&L or the interested boards from disclosing social security numbers to any person except DOR for the sole purposes of determining whether delinquent taxes are owed. Authorize R&L or the interested boards to examine tax returns to determine whether delinquent state taxes are due. Direct R&L to establish a procedure to determine whether state taxes are delinquent. Require that a notice of denial of renewal with a statement of the facts warranting denial would be sent to the credential holder, who would have 30 days to request a review of the denial by R&L, if R&L issued the credential, or by the interested board that issued the credential. This provision is estimated to increase revenues by \$925,000 GPR and \$75,000 PR in 1996-97.

**Veto by Governor [C-26]:** Delete references to the interested examining board or affiliated credentialing board in regard to examining tax returns, determining delinquent tax liability, denying renewal and conducting hearings for denial.

[Act 27 Sections: 3422m, 3423, 6472g, 6472j, 6567j thru 6567L, 6572b, 6572c and 9347(3b)]

[Act 27 Vetoed Sections: 3422m, 6567L and 6572c]

## 10. ENTERPRISE DEVELOPMENT ZONES

**Joint Finance:** Create an enterprise development zones program administered by the Department of Development (DOD). Under this provision, DOD would be authorized to designate enterprise development zones. Only one business would be eligible to claim credits in each zone. The maximum

amount of credits that could be claimed by the eligible business in an enterprise development zone would be set by DOD, but could not exceed \$3,000,000. DOD could not designate more than 50 enterprise development zones unless it received approval from the Joint Committee on Finance.

The Department could designate a zone for a project if it determined all of the following: (a) the project serves a public purpose; (b) the project will likely retain or increase employment in the state; (c) the project is not likely to occur without the Department's designation of an enterprise development zone for the project; and (d) the project will likely positively affect an area that meets at least three of the following criteria:

(1) The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the application.

(2) The percentage of persons residing in the area who are members of households with household income levels at or below 80% of the statewide median household income is higher than the state average.

(3) The percentage of households receiving unemployment, general relief, relief of needy Indian persons, or aid to families with dependent children is higher than the state average.

(4) In the 36 months immediately preceding the designation of the area as an enterprise development zone, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to the state business closing law.

(5) An employer in the vicinity of the area has given public notice under state law of either a business closing or a reduction of the greater of 25 employees or 25% of the work force that will result in a number of workers being laid off permanently.

(6) Property values in the area have been declining.

(7) There has been a decline in the population in the area.

In determining if the area meets these criteria, DOD would be required to consider the following:

(1) The extent of poverty, unemployment and other factors contributing to the general economic hardship of the area.

(2) The prospects for new investment and economic development in the area.

(3) The amount of investment that is likely to result from the project.

(4) The number of jobs that are likely to result from the project.

(5) The number of jobs that are likely to be available to the target population as a result of the project.

(6) The competitive effect of designating the area as an enterprise development zone on other businesses in the area.

(7) The needs of other areas of the state.

(8) Any other factors DOD considers relevant.

DOD would be prohibited from establishing an enterprise development zone within the boundaries of a development or development opportunity zone. DOD would be required to prepare an annual estimate of the amount of revenue foregone because of tax benefits claimed in the enterprise development zones. Also, DOD would be required to notify the Department of Revenue (DOR) of persons entitled to claim tax benefits and to notify the Department of Health and Social Services and the local governing body of any municipality or American Indian tribe when an enterprise development zone is created.

DOD would be required to revoke the entitlement of a person to claim tax benefits if the person: (a) supplies false or misleading information to obtain tax benefits; (b) leaves the enterprise development zone to conduct substantially the same business outside of the zone; or (c) ceases operations in the enterprise development zone and does not renew operation of the trade or business or a similar trade or business in the enterprise development zone within 12 months. DOD would also be required to notify DOR within 30 days after revoking an entitlement.

The life of an enterprise development zone would be set by DOD, but could not exceed 84 months. The zone would expire 90 days after the limit on tax benefits was exceeded. DOD would be required to notify the governing body of any municipality or American Indian tribe of a change in the expiration date.

A business which is located in the enterprise development zone could claim the current development zones credits and the proposed day care and environmental remediation credits. However, the jobs and sales tax credits would not be refundable for claimants in enterprise development zones.

Any person that intends to conduct or conducts a project and that wants to have an enterprise development zone designated would be required to submit an application and a project plan to DOD. The project plan would include:

(1) The name and address of the person's business for which tax benefits will be claimed.

(2) The person's Wisconsin tax identification number.

(3) The names and addresses of other locations outside of the zone where the person conducts business and a description of the business activities conducted at those locations.

(4) The amount that the person proposes to invest in a business, to spend on the construction, rehabilitation, repair, or remodeling of a building, or to spend on the removal or containment of, or the restoration of soil or groundwater affected by, environmental pollution in the zone.

(5) The estimated total investment of the person in the zone.

(6) The number of jobs that will be created, retained or substantially upgraded as a result of the person's economic activity in relation to the amount of tax benefits estimated for the person.

(7) The person's plans to make reasonable attempts to hire employees from the target population. (Target population are members of targeted groups eligible for the jobs credit)

(8) The estimated number of jobs that will be filled by members of the target population.

(9) The person's plans to make available day care center benefits.

(10) The boundaries of the proposed enterprise development zone.

(11) Other information required by DOD or DOR.

Under current law, DOD administers the development zones program and the development opportunity zones program.

The development zones program was created by 1987 Wisconsin Act 328. The program is designed to promote economic growth and development through job creation and investment in economically distressed areas. Designation criteria target areas with high unemployment, low incomes and decreasing property values. Tax credits provide incentives for businesses to expand or locate in these areas.

DOD has the authority to designate 14 development zones by applying statutory criteria to applications submitted by municipalities. The Department is responsible for allocating to each zone a portion of the \$21.155 million in total tax credits that are provided for the life of the program.

DOD certifies businesses and individuals doing business within a designated development zone so that they are eligible to apply for the following state tax credits:

Jobs Credit. A refundable credit equal to 40% of the first \$6,000 in qualified wages of new employees in their first and second years of employment. This credit is available for hiring members of certain targeted groups.

Sales Tax Credit. A refundable credit for the amount of sales tax paid on building materials and equipment used in a trade or business in a development zone.

Location Credit. A nonrefundable 2.5% credit for the costs of acquiring, constructing, rehabilitating, remodeling or repairing real property that is used in a trade or business in a development zone.

Investment Credit. A nonrefundable 2.5% credit on depreciable tangible personal property used in a trade or business in a development zone.

Research Credit. A nonrefundable 5% additional credit on increased research expenditure within a development zone.

Resident Jobs Credit. A refundable credit equal to 10% of the first \$6,000 in qualified wages of new employes that reside in the development zones for their first year of employment.

Wisconsin has designated areas in the cities of Beloit, West Allis and Eau Claire as development opportunity zones. The zones exist for three years. Corporations which conduct economic activities in the zones are eligible to claim all of the tax credits provided through the development zones program. The maximum amount of credits that can be claimed in the Beloit zone is \$7 million; in the West Allis zone is \$3 million; and in the Eau Claire zone is \$3 million.

The fiscal effect of this provision in the 1995-97 biennium is unknown. However, because enterprise development zones could only be designated for new businesses and it is likely that some time would elapse before a new business could claim a credit, it is not anticipated that there would be a significant fiscal effect in the 1995-97 biennium.

**Assembly/Legislature:** Modify provisions to: (a) adopt carryover provisions for the development zones jobs and sales tax credits for claimants in enterprise development zones; and (b) clarify that only corporations are eligible for credits in development opportunity zones.

[Act 27 Sections: 2879mn thru 2879ms, 3378m thru 3381mm, 3394mp, 3400g thru 3403mm, 3404cgp, 3408g thru 3411mm, 3412rr, 3438m, 6895d, 6928c, 6933p, 6936p, 6936r, 6936s, 6936sm, 6936v, 6939g, 9316(1x) and 9416(4m)]

## 11. DEVELOPMENT ZONES -- DAY CARE CREDIT

**Joint Finance:** Create a nonrefundable credit against taxes due under the individual, corporate and insurance company income and franchise taxes, for employment-related expenses paid or incurred by the claimant to provide day care center benefits to a qualified dependent. The maximum amount of employment-related expenses for which a credit could be claimed would be \$1,200 for each qualifying dependent. The credit, including amounts carried over, could only offset taxes due on income attributable to the directly related business operations of the claimant in a development, enterprise development or development opportunity zone. Also, up to \$2,500 per year in child care services or benefits provided to each member of a targeted group would be included in the definition of income used to determine the

development zones jobs credit. Eligible persons that located in development zones, enterprise development zones and development opportunity zones after the effective date of the bill could claim the credit. The credit would be refundable for eligible Native American claimants. Provisions related to treatment of partnerships, limited liability companies and S corporations, credit carryforwards, DOD notification, revocation of certification, cessation of operations, timely claims and other related administrative functions would apply to the credit.

"Day care center benefits" would be defined as benefits provided at a licensed day care facility which provides care for more than six children. "Employment-related expenses" would mean amounts paid or incurred by a claimant for providing or making day care center benefits available to a qualifying child in order to enable a member of a target group to be gainfully employed by the claimant. "Qualifying child" would be a child of a member of a target group employed by the claimant.

The fiscal effect of this provision in the 1995-97 biennium is unknown. However, because this proposed credit could only be claimed by new businesses and it is likely that some time would elapse before a new business could claim a credit, it is not anticipated that there would be a significant fiscal effect in the 1995-97 biennium.

**Assembly/Legislature:** Modify provisions to: (a) clarify the definition of qualifying individual; (b) reference carryover provisions for changes in business ownership to federal Internal Revenue Code (IRC) provisions; (c) eliminate the \$2,500 maximum limit on day care benefits that can be included in qualifying wages used to determine the jobs credit; (d) require claimants of the day care credit to include a statement from DOD verifying the amount of daycare related expenses with their tax returns; and (e) specify the order in which development zones credits can be claimed in determining tax liability.

**Veto by Governor [B-4]:** Delete a statutory cross reference to development opportunity zones for the credit under the individual and insurance company income and franchise taxes. Only corporations which conduct economic activities in development opportunity zones are eligible to claim development zones credits.

[Act 27 Sections: 3373t, 3377m, 3393r, 3394mm, 3395m, 3399f, 3399r, 3404cgm, 3404cm, 3406r, 3407m, 3412rg, 3438m, 3493m, 6933r and 9348(6x)]

[Act 27 Vetoed Sections: 3377m and 3407m]

## **12. DEVELOPMENT ZONES -- ENVIRONMENTAL REMEDIATION CREDIT**

**Joint Finance:** Create a nonrefundable credit against taxes due under the individual, corporate and insurance company income and franchise taxes, for 7.5% of the amount expended by the claimant to remove or contain environmental pollution as defined in s. 144.01 (3) of the statutes, or to restore soil or groundwater affected by environmental pollution. In order to claim the credit, the claimant must have begun the physical work of removing or containing environmental pollution, or restoring soil or

groundwater affected by environmental pollution after the place where the property was located was designated as part of a development zone and the completed project must be placed in service after the claimant is certified as eligible to claim development zones credits. Physical work would not include preliminary activities such as investigating and planning in preparation for removing or containing or restoring soil or groundwater affected by environmental pollution.

Eligible persons that located in development zones, enterprise development zones or development opportunity zones after the effective date of the bill could claim the credit. The credit, including any amounts carried over, could only offset the amount of tax that is attributable to income from the directly related business operations of the claimant in the development, enterprise development or development opportunity zone. The credit would be refundable to eligible Native American claimants. Provisions related to treatment of partnerships, limited liability companies, S corporations, credit carryforwards, DOD notification, revocation of certification, cessation of operations, timely claims and other related administrative functions would be adopted.

The fiscal effect of this provision in the 1995-97 biennium is unknown. However, because this proposed credit could only be claimed by new businesses and it is likely that some time would elapse before a new business could claim a credit, it is not anticipated that there would be a significant fiscal effect in the 1995-97 biennium.

**Assembly/Legislature:** Modify provisions to: (a) reference carryover provisions for changes in business ownership to federal Internal Revenue Code (IRC) provisions; (b) clarify that a business may claim an environmental remediation credit based on remediation expenses that are incurred after the business is certified; and (c) specify the order in which development zones credits can be claimed in determining tax liability.

**Veto by Governor [B-4]:** Delete statutory cross references to development opportunity zones for the credit under the individual and insurance company income and franchise taxes. Only corporations which conduct economic activity in development opportunity zones are eligible to claim development zones credits.

[Act 27 Sections: 3373t, 3377r, 3393r, 3394mm, 3395m, 3399f, 3399t, 3404cgm, 3404cm, 3406r, 3407r, 3412rg, 3438m, 3493m, 6933r and 9348(6x)]

[Act 27 Vetoed Sections: 3377r and 3407r]



13. END CORPORATE TAX EXEMPTION FOR CERTAIN HEALTH CARE PROVIDERS  
 [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	\$1,100,000	\$700,000	-\$900,000	\$900,000

**Governor:** Eliminate the current corporate income and franchise tax exemption for cooperative sickness care associations or nonprofit hospital service insurance corporations that offer a health maintenance organization (HMO) plan or a limited service health organization (LSHO) plan. The definition of income for income and franchise tax purposes would be determined under general corporate income and franchise tax provisions rather than provisions which apply to insurance companies. The income tax provisions would first apply to tax years that begin on or after January 1, 1995, and would increase corporate income tax revenues by an estimated \$1,100,000 in 1996-97.

Under current law, an HMO is defined as an organization that "makes available to its enrolled participants, in consideration for predetermined periodic fixed payments, comprehensive health care services performed by providers selected by the organization." An LSHO offers a limited range of services, as opposed to comprehensive services, but is otherwise identical to an HMO.

**Joint Finance:** Specify that, for the purpose of establishing the basis for income subject to state taxation, net income would be determined in the same manner as for taxable corporations or insurance companies. If the entity is organized under s. 185.981 or Chapter 613 of the statutes, net income would be determined in the same manner as for taxable insurance companies.

Under this provision, cooperative sickness care associations and nonprofit service insurance corporations which offer a HMO or LSHO plan would determine net income in the same manner as taxable HMOs and LSHOs. In addition, the fiscal effect is reestimated to be an increase in corporate income and franchise tax revenues of \$900,000 annually, which would represent a change to the bill of \$900,000 in 1995-96 and -\$200,000 in 1996-97.

**Assembly/Legislature:** Delay the repeal of the corporate income and franchise tax exemption to first apply to tax years that begin on or after January 1, 1996. This provision would reduce corporate income and franchise tax revenues by an estimated \$900,000 in 1995-96. The net effect of these provisions would be to increase corporate income and franchise tax revenues by an estimated \$900,000 in 1996-97 from current law.

[Act 27 Sections: 3397, 3405, 3406, 3407, 4873, 7029, 7030, 7032 and 9348(5m)(a)&(b)]

## 14. FOREIGN SALES CORPORATIONS

**Senate/Legislature:** Federalize the treatment of foreign sales corporations (FSC) under the state corporate income and franchise tax, effective for tax years beginning on or after January 1, 1995. Under federal law, if FSC status is elected, a portion of foreign trade income of the FSC is exempt, provided it is derived from the foreign presence and economic activity of the FSC. To qualify as an FSC, a corporation must meet a number of requirements designed to ensure that it has adequate foreign presence. This provision would reduce corporate income and franchise tax revenues by a minimal amount.

Wisconsin law provides no special treatment for FSCs; the law specifically excludes federal tax treatment of FSCs. If an FSC has nexus with Wisconsin, it is taxed as a separate corporation based on its total net income. If the FSC does not have nexus with Wisconsin it is not subject to taxation.

[Act 27 Sections: 3399jr and 9348(7c)]

## 15. END EXEMPTION FOR CERTAIN INTEREST INCOME

**Assembly:** Eliminate the corporate income and franchise tax exemption for: (a) interest on bonds or notes issued by the Wisconsin Housing and Economic Development Authority (WHEDA) to fund an economic development loan to finance construction, renovation or development of a professional sports and entertainment home stadium; and (b) interest received on bonds issued by a Wisconsin local exposition district. These provisions would increase corporate income and franchise tax revenues by a minimal amount.

**Senate/Legislature:** Include provision and clarify current practice relating to corporate and insurance company income and franchise taxation of: (a) interest received on bonds issued by municipal housing authorities; (b) interest received on bonds issued by municipal redevelopment authorities; and (c) interest received on bonds issued by municipal community development authorities. Also, clarify that interest from WHEDA stadium bonds and Wisconsin local exposition district bonds would be repealed for insurance company franchise tax purposes.

**Veto by Governor [E-13]:** As passed by the Legislature, the bill would have had the unintended effects of eliminating the exemption for interest received on bonds issued by municipal redevelopment, housing and community development authorities and providing an exemption under the corporate income tax for interest paid on bonds issued by county veterans' housing authorities. The Governor's partial veto deletes the provisions that would have eliminated the individual income tax exemption for interest from

bonds issued by certain municipal authorities as well as deletes the provision that would have established a corporate income tax exemption for interest paid on bonds issued by county veteran's housing authorities.

[Act 27 Sections: 3399em, 3399er, 3399jm, 3404jm, 3405g, 3405m, 3405r, 3406m and 9348(4tmt)]

[Act 27 Vetoed Sections: 3320p, 3321g, 3323p, 3330b, 3399er, 3404jm, 3405r and 9348(4tmt)]

**16. ELIMINATE SALES TAX EXEMPTION FOR TELEPHONE CENTRAL OFFICE EQUIPMENT [LFB Paper 106]**

	<b>Chg. to Base</b>
GPR-REV	\$17,500,000

**Governor/Legislature:** Eliminate the sales tax exemption for telephone company central office equipment, other than station equipment, used in transmitting traffic and operating signals. This provision would take effect on the first day of the second month following publication. It is estimated that this provision would increase sales tax collections by \$7.5 million in 1995-96 and \$10 million in 1996-97.

[Act 27 Sections: 3485 and 9448(2)]

**17. IMPOSE SALES TAX ON TIME-SHARE PROPERTY [LFB Paper 107]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	\$4,800,000	- \$2,400,000	- \$2,400,000	\$0

**Governor:** Eliminate the payment of the real estate transfer fee on the sale of time-share property that is sold with a fixed starting date of occupancy and a specified lodging unit. Require, instead, that the sale be subject to the sales tax. It is estimated that this provision would increase sales tax collections by \$2.1 million in 1995-96 and \$2.95 million in 1996-97 and reduce real estate transfer fee collections by \$100,000 in 1995-96 and \$150,000 in 1996-97. These provisions would first apply to sales on the first day of the second month after publication of the budget act.

**Joint Finance:** Reestimate the fiscal effect to be an increase in sales tax revenues from current law of \$1.1 million in 1995-96 and \$1.4 million in 1996-97 and a reduction in real estate transfer fee collections of \$40,000 in 1995-96 and \$60,000 in 1996-97. Compared to the numbers used in AB 150, these estimates are lower by \$940,000 in 1995-96 and by \$1,460,000 in 1996-97.

**Assembly/Legislature:** Delete provision.

**18. SALES TAX TREATMENT OF AUTOMOBILES USED BY DEALERS**

	<b>Chg. to Base</b>
GPR-REV	- \$240,000

**Joint Finance:** Modify the use tax treatment of automobiles used by dealers while being held for sale in the regular course of business as follows: (a) delete the use tax on the sales price of motor vehicles held for sale and used by a motor vehicle dealer; (b) provide, instead, that use tax be imposed on the fair rental or lease value of the vehicle as determined under federal income tax regulations, except that the monthly lease value for vehicles held in inventory and used by salespersons and employees of the dealer would be \$96, whether operated with dealer or regular license plates; and (c) specify that the monthly lease value for vehicles used by salespersons and employees of the dealer would be adjusted on January 1 of each year, beginning January 1, 1997, for the change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor for the 12 months ending on June 30 of the previous year. This provision would take effect on the first day of the second month after publication.

It is estimated that this provision would reduce sales tax collections by \$100,000 in 1995-96 and by \$140,000 in 1996-97.

**Senate/Legislature:** Specify that use tax due under this provision would be rounded to the nearest dollar. Clarify that employees of the auto dealer would be persons defined as employees for purposes of the Internal Revenue Code and that the monthly use assessment for vehicles used by employees applies to each vehicle registration plate held by the dealer.

[Act 27 Sections: 3484m, 3484r, 3485b, 3485s and 9448(8i)]

**19. TAX COLLECTION EFFORTS**

	<b>Chg. to Base</b>
GPR-REV	\$15,000,000

**Governor/Legislature:** Increase revenue estimates by \$7,500,000 annually, attributable to tax collection efforts by the Department as follows: (a) \$4,100,000 annually in individual income tax revenues; (b) \$2,700,000 annually in general sales and use tax revenues; and (c) \$700,000 annually in corporate income and franchise tax revenues. The Executive Budget Book indicates that the following activities would increase revenues on an annual basis: (a) \$1,000,000 from audit automation; (b) \$400,000 from the identification and education of noncompliant taxpayers; (c) \$300,000 from targeting field audits; (d) \$2,500,000 from automated efforts to focus on nonfilers and other audit projects; (e) \$800,000 from increased staffing of out-of-state accounts; (f) \$1,500,000 from additional staffing of business accounts; and (g) \$1,000,000 from the use of collection agencies for instate accounts over three years old.

**20. INCREASE CIGARETTE TAX**

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR-REV	\$37,300,000	\$7,300,000	\$44,600,000

**Assembly:** Increase the excise tax on cigarettes by 5¢ per pack, from 38¢ to 43¢, effective September 1, 1995. This would increase general fund revenues by an estimated \$18.6 million in 1995-96 and \$18.7 million in 1996-97.

**Senate/Legislature:** Increase the tax by an additional 1¢, for a total of 6¢ per pack, from the current law 38¢ per pack rate to 44¢, effective September 1, 1995. This would increase general fund revenues by \$3.7 million in 1995-96 and by \$3.6 million in 1996-97 from the Assembly provision. It is estimated that this provision would increase cigarette excise tax revenues by \$22.3 million annually from current law.

[Act 27 Sections: 4190rb, 4190rg and 9448(1g)]

**21. AD VALOREM UTILITY TAX ON CARLINE COMPANIES [LFB Paper 108]**

	Governor (Chg. to Base)	Assem./Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$1,500,000	- \$1,500,000	\$0

**Governor:** Impose an ad valorem tax on carline companies, effective January 1, 1996. A carline company would be defined as any person, except a railroad company, that leases or furnishes to a railroad company railroad cars or other equipment used in transporting persons or freight by rail. The tax would be determined by applying the statewide average net property tax rate to the value of the equipment of the carline company.

The value of the equipment would be determined by methods used to determine the value of fixed assets for property tax purposes as specified in the Wisconsin Property Assessment Manual. In general, the method for determining the value of fixed assets is to establish the cost of the assets and multiply the cost by a conversion factor which adjusts the cost for price changes and depreciation. The conversion factor includes a price index and a loss of value (depreciation) factor. The price index measures the change in the cost of several commodities over a definite period of time. Both the price index and loss of value factors are developed for specific industry groups.

The value of the property that would be allocated to Wisconsin for carline companies with multistate operations would be determined by formula. Specifically, the value of property that would be allocated

to the state would be determined by multiplying the full market value of the company's property everywhere by the ratio of total car miles traveled in state to total car miles traveled everywhere.

Carline companies would be required to file annual reports by March 1. The Department would be required to determine the value of the property of carline companies by October 10; the tax would be assessed by October 20. Current provisions which impose an ad valorem tax on sleeping car companies and a gross earnings tax on carline companies would be repealed.

Prior to 1990, carline companies were taxed at a flat 6% rate on gross earnings from the rental of passenger and freight railroad cars and other equipment to railroad companies. However, in 1990, the Department stopped administering the tax on advice of the Attorney General who indicated that in all probability the tax violated the federal Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act). The federal act contains a broad prohibition against taxes which discriminate against railroads. In a recent court case (Department of Revenue of Oregon vs. AFC Industries, Inc., January, 1994), the U.S. Supreme Court ruled that the state of Oregon did not violate the provisions of the federal 4R Act by imposing an ad valorem tax upon all railroad property while exempting various other, but not all, classes of industrial and commercial property. These provisions would increase general fund revenues by an estimated \$1,500,000 in 1996-97.

**Assembly/Legislature:** Delete provision. This would eliminate the estimated \$1,500,000 increase in ad valorem utility tax collections in 1996-97.

**22. UTILITY TAX ON WHOLESALE ELECTRIC COMPANIES**  
[LFB Paper 109]

	<b>Chg. to Base</b>
GPR-REV	\$1,200,000

**Governor/Legislature:** Impose the state gross revenues license fee for light, heat and power companies on qualified wholesale electric companies. Under the state license fee, gross revenues from the sale of gas services are taxed at the rate of 0.97%; the tax rate on all other gross revenues is set at 3.19%. A qualified wholesale electric company would be defined as any person that owns or operates facilities for the generation and sale of electricity to a public utility or to another entity that sells electricity directly to the public, that have a total power production capacity of at least 50 megawatts and that sells at least 95% of its net power production. Net production of electricity would equal the total of electricity generated minus the power used to operate the plant. Gross revenues that would be subject to the fee would be revenues from the following businesses:

- a. Generating and furnishing gas for lighting or fuel or both;
- b. Supplying water for domestic or public use or for power or manufacturing purposes;
- c. Generating, transforming, transmitting or furnishing electric current for light, heat or power; or

d. Generating and furnishing steam or supplying hot water for heat, power or manufacturing purposes.

Currently, these type of power plants are subject local property taxes. Under this provision, these companies would no longer be subject to local property taxes and the communities in which they were located would receive state shared revenue utility tax payments, which is summarized under "Shared Revenue and Tax Relief."

This provision would first apply on or after January 1, 1996. The provision would increase state utility tax revenues by an estimated \$1,200,000 in 1996-97.

[Act 27 Sections: 3451, 3461 thru 3464, 3507 thru 3509 and 9448(3)]

### 23. ESTATE TAX INSTALLMENT PAYMENTS

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

**Governor/Legislature:** Allow the estate tax to be paid in installments if the estate consists largely of an interest in a closely held business. Installment payments would only be allowed if allowed for federal estate tax purposes under the Internal Revenue Code and written notice of the election is given to the Department within nine months after the decedent's death. Specify that the percentage of taxes made in installments and the schedule of payments would have to be the same as stipulated under the IRC. The IRC provisions relating to the acceleration of payment would apply for state tax purposes.

The interest rate on payments would equal 12% and would be calculated from the date of death. If any amount of the installment payment or interest is not paid when due, the unpaid portion of tax and interest would have to be paid upon notice by the Department.

Upon filing notice of election, distributees of real estate would have to provide the Department with a certified copy of a lien for unpaid taxes and interest on the property to secure payment. The record of the lien would have to be recorded in the Office of the Register of Deeds in the county where the property is located. Distributees of personal property must provide the Department with either a lien or a financial guarantee bond equal to the estimated tax and interest elected to be paid in installments if the tax has not yet been determined. When the tax is determined, the distributee must provide a lien or a financial guarantee bond sufficient to secure payment of the tax and interest or pay the Department the excess over the amount of tax and interest secured by the bond. The Department could accept a lien affecting only part of the property if there is sufficient security to secure payment of the tax. A distributee that fails to provide the security required or that disposes of at least one-third of the property would have to pay the tax in full.

This provision would first apply to transfers because of deaths that occur on the effective date of the bill. It is estimated that estate tax revenues would be reduced by \$50,000 annually under this provision.

[Act 27 Sections: 3430 thru 3432 and 9348(2)]

**24. REDUCE PARI-MUTUEL TAX RATES [LFB Paper 357]**

Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR-REV - \$3,300,000	\$3,300,000	\$0

**Governor:** Reduce pari-mutuel tax rates paid by dog racetrack licensees as shown below. Pari-mutuel taxes, which are deposited in the general fund, are paid on each race day at a rate determined by the total amount wagered on all previous race days in the year.

<u>Total Amount Wagered During Calendar Year</u>	<u>Tax Rate</u>	
	<u>Current</u>	<u>AB 150</u>
\$25 million or less	2.00%	1.00%
\$25 million to \$100 million	2.67	2.00
\$100 million to \$150 million	4.67	4.00
\$150 million to \$200 million	6.67	6.00
\$200 million to \$250 million	7.67	6.00
More than \$250 million	8.67	8.00

The proposed tax decrease would take effect on the effective date of the budget act and would reduce revenues by an estimated \$1.7 million in 1995-96 and \$1.6 million in 1996-97. Pari-mutuel taxes totalled \$5.9 million in 1993-94 and are estimated to total \$5.0 million in 1994-95. Under current law, pari-mutuel tax revenue is estimated to continue at \$5.0 million annually in the 1995-97 biennium.

**Assembly/Legislature:** Delete provision.

**25. RECYCLING SURCHARGE [LFB Paper 734]**

Chg. to Base	
SEG-REV	- \$600,000

**Governor/Legislature:** Provide an exclusion from the state recycling surcharge for corporations and insurance companies with less than \$4,000 in total receipts from all activities, effective for tax years beginning on or after January 1, 1995. Total receipts from all activities would be defined as gross receipts, gross sales, gross dividends, gross interest income, gross rents, gross royalties, the gross sales price from the disposition of capital assets and business assets and all other receipts that are included in gross income for state individual and corporate income and franchise tax purposes. This provision would reduce state segregated recycling fund revenues by an estimated \$300,000 annually.



Under current law, a temporary surcharge of 5.5% of gross tax liability is imposed on corporations. There is a minimum payment of \$25 and a maximum payment of \$9,800. Nonfarm sole proprietorships, partnerships and S corporations are subject to a temporary surcharge of 0.4345% of net business income, again with a minimum \$25 payment and a \$9,800 maximum payment. Sole proprietorships and partnerships with less than \$4,000 of gross receipts are exempt from the surcharge. Members of the clergy are exempt from the surcharge as are noncorporate farms with less than \$1,000 of net farm profits. Noncorporate farms that are subject to the surcharge pay a flat amount of \$25.

[Act 27 Sections: 3494 thru 3496 and 9348(1)]

**26. RECYCLING FUND TRANSFER TO GENERAL FUND [LFB Paper 733]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR-REV	\$25,000,000	- \$3,900,000	\$21,100,000

**Governor:** Transfer \$25,000,000 from the recycling fund to the general fund. The administration indicates this transfer would occur in 1995-96.

**Joint Finance/Legislature:** Reduce the transfer amount by \$3,900,000 to reflect current estimates of available balances. With this modification, a total of \$21,100,000 would be transferred to the general fund.

[Act 27 Section: 9242(2)]

**STATE AGENCY BUDGET SUMMARIES**

**Administration Through**

**Historical Society**

## ADMINISTRATION

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$45,616,600	\$46,964,500	\$52,618,300	\$52,618,300	\$52,618,300	\$7,001,700	15.3%
FED	87,199,200	140,595,700	139,959,300	139,959,300	139,959,300	52,760,100	60.5
PR	396,055,000	421,849,900	397,595,300	398,009,700	398,009,700	1,954,700	0.5
SEG	<u>19,648,600</u>	<u>4,282,800</u>	<u>1,799,700</u>	<u>1,705,200</u>	<u>1,705,200</u>	<u>-17,943,400</u>	<u>-91.3</u>
<b>TOTAL</b>	<b>\$548,519,400</b>	<b>\$613,692,900</b>	<b>\$591,972,600</b>	<b>\$592,292,500</b>	<b>\$592,292,500</b>	<b>\$43,773,100</b>	<b>8.0%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	247.62	248.15	210.02	211.02	211.02	- 36.60
FED	50.35	60.85	60.10	60.10	60.10	9.75
PR	711.50	761.87	726.25	720.50	720.50	9.00
SEG	<u>9.00</u>	<u>11.20</u>	<u>8.70</u>	<u>8.70</u>	<u>8.70</u>	<u>- 0.30</u>
<b>TOTAL</b>	<b>1,018.47</b>	<b>1,082.07</b>	<b>1,005.07</b>	<b>1,000.32</b>	<b>1,000.32</b>	<b>- 18.15</b>

## Departmentwide

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Provide the following adjustments to the base: (a) turnover reductions (-\$220,800 GPR and -\$542,700 PR annually); (b) removal of non-continuing items from the base (-\$14,000 GPR and -\$2,342,900 PR and -3.0 PR positions in 1995-96 and -\$14,000 GPR and -\$2,436,800 PR and -4.0 PR positions in 1996-97); (c) full-funding of salary and fringe benefit costs (\$400,000 GPR, -\$82,700 FED, \$1,153,200 PR and \$56,500 SEG annually); (d) full-funding of financial service charges (\$5,100 GPR and \$17,600 PR annually); (e) reclassifications (\$15,500 GPR and \$2,700 PR in 1995-96 and \$28,300 GPR, \$1,600

	<b>Chg. to Base Funding Positions</b>	
GPR	\$954,400	0.00
FED	- 114,000	0.00
PR	- 1,460,300	- 4.00
SEG	<u>124,400</u>	<u>0.00</u>
<b>Total</b>	<b>- \$495,500</b>	<b>- 4.00</b>

FED, \$4,900 PR and \$3,400 SEG in 1996-97); (f) risk management costs (\$16,500 GPR and \$105,000 PR in 1995-96 and \$16,900 GPR and \$117,800 PR in 1996-97); (g) overtime funding (\$28,200 GPR and \$266,200 PR annually); (h) night and weekend differential costs (\$1,400 GPR and \$44,700 PR annually); (i) fifth week of vacation as cash (\$16,600 GPR, \$1,700 FED and \$18,800 PR annually); (j) full-funding of lease costs (\$150,500 GPR, \$9,300 FED and \$253,900 PR annually); (k) full-funding of delayed pay adjustments (\$71,600 GPR, \$13,900 FED, \$169,200 PR and \$4,000 SEG annually); and (L) late full-funding of salary and fringe benefit adjustments (\$163,600 PR annually).

**2. DEBT SERVICE**

	Chg. to Base
PR	\$2,414,200

**Governor/Legislature:** Provide \$1,153,000 in 1995-96 and \$1,261,200 in 1996-97 for increased debt service costs.

**3. PERFORMANCE EVALUATION UNIT [LFB Paper 129]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$607,100	6.00	-\$607,100	- 6.00	\$0	0.00

**Governor:** Provide \$294,900 in 1995-96 and \$312,200 in 1996-97 and 6.0 positions to conduct internal audits of state agencies. Of the six positions, two would be transferred from the Office of Program Review and Audit in H&SS. The executive budget book indicates that the 6.0 positions are intended to create a centralized review and evaluation unit in DOA to audit and assess the performance of state programs and agencies. Funds to support these positions would come from charges assessed by the Bureau of Financial Operations against other divisions in DOA and other state agencies.

**Joint Finance/Legislature:** Delete provision.

**4. STATE BUDGET OFFICE POSITION FUNDING CONVERSION**

	Chg. to Base	Funding Positions
GPR	-\$37,800	- 0.20
SEG	<u>37,800</u>	<u>0.20</u>
Total	\$0	0.00

**Governor/Legislature:** Delete \$18,900 GPR annually and provide \$18,900 SEG annually to reflect the conversion of a portion of two positions (0.1 each associated with the State Budget Director and Assistant State Budget Director) from GPR to SEG funding to reflect workload related to the clean water fund program. The segregated revenues are from the Clean Water Fund.

**5. DEMOGRAPHICS POSITION ELIMINATION**

Chg. to Base Funding Positions		
GPR	- \$41,700	- 1.00

**Governor/Legislature:** Delete \$41,700 and 1.0 position in the Demographic Services Bureau in 1996-97. The Demographics Bureau develops and issues Wisconsin population estimates, administers federal census planning and implementation, and supplies official census data.

**6. PUBLIC SCHOOL CHOICE INFORMATION PROGRAM**

**Governor/Legislature:** Repeal the provision requiring DOA, in cooperation with the Milwaukee School Board, to establish a public information program to inform the parents of pupils who are eligible for the school choice program. Also repeal the appropriation for this program which has no base funding.

[Act 27 Sections: 1051 and 4009]

**7. ACID DEPOSITION ACTIVITIES APPROPRIATION**

**Governor/Legislature:** Repeal the acid deposition activities appropriation in DOA on July 1, 1996. Under current law, the appropriation sunsets on June 30, 1996. Base level funding and positions for the appropriation (\$54,600 PR) are removed as a standard budget adjustment (removal of non-continuing items from base) in 1996-97.

[Act 27 Sections: 1054, 5246 and 9459(5)]

**8. WEATHERIZATION ASSISTANCE PROGRAM FUNDING REESTIMATE**

Chg. to Base	
PR	- \$10,000,000

**Governor/Legislature:** Delete \$5,000,000 annually to reflect a reestimate of the amount of funding expected to be available from the use of oil overcharge funds for the Division of Housing's low-income weatherization program.

**9. LOCAL HOUSING ORGANIZATION GRANTS**

Chg. to Base	
GPR	- \$750,000

**Governor/Legislature:** Delete \$250,000 in 1995-96 and \$500,000 in 1996-97 from the local housing organization grants program in the Division of Housing (DOH). Base level funding for the program is \$1,000,000. Under this program, DOH provides one-time grants, for up to a two-year period, to community-based organizations or local housing authorities for personnel, administrative, or operating costs of the organization or housing counseling

activities. The grants are intended to improve local organizations' ability to provide housing opportunities to low or moderate income families.

**10. POSITION FUNDING**

**Governor/Legislature:** Delete \$44,000 GPR and provide \$44,000 FED in 1996-97 and convert 0.75 GPR community services specialist position and 0.25 GPR program assistant position in the Division of Housing to federal funding, beginning in 1996-97. Base level positions for DOH total 17.0 GPR, 5.0 PR and 19.5 FED.

	Chg. to Base Funding Positions	
GPR	- \$44,000	- 1.00
FED	44,000	1.00
Total	\$0	0.00

**11. HOUSING GRANTS AND LOANS PROGRAM REDUCTIONS**

**Joint Finance/Legislature:** Delete \$40,500 GPR annually from the housing grants and loans appropriation in the Division of Housing.

	Chg. to Base
GPR	- \$81,000

**12. GENERAL PROGRAM OPERATIONS REDUCTION**

**Joint Finance/Legislature:** Delete \$40,500 GPR annually from the Department's general program operations appropriation [s. 20.505(1)(a)].

	Chg. to Base
GPR	- \$81,000

**13. TRANSITIONAL HOUSING STATUTORY LANGUAGE [LFB Paper 131]**

**Joint Finance/Legislature:** Repeal statutory references to transitional housing grants which are available as match funding to federal Stewart B. McKinney Act transitional housing funding.

[Act 27 Sections: 284m and 1087y]

**14. ELIMINATE EXECUTIVE ASSISTANT POSITION**

	Jt. Finance (Chg. to Base) Funding Positions		Senate/Leg. (Chg. to JFC) Funding Positions		Net Change Funding Positions	
GPR	-\$157,800	- 1.00	\$0	1.00	-\$157,800	0.00

**Joint Finance:** Delete \$78,900 annually and 1.0 position to reflect the elimination of the executive assistant position for the Department.

Senate/Legislature: Restore the executive assistant position but not the associated funding.

### 15. GENERAL POSITION AND FUNDING REDUCTIONS

**Joint Finance/Legislature:** Reduce positions and annual funding as follows: (a) Division of Administrative Services, -\$46,700 GPR and -1.5 GPR positions; (b) Division of Information Technology Services, -\$29,500 PR and -1.0 PR position; (c) Division of State Agency Services (printing), -\$40,400 PR and -1.0 PR position; (d) Land Information Board, -\$32,400 PR and -1.0 PR position; and (e) Division of State Energy and Intergovernmental Relations, -\$29,600 FED and -0.75 FED position.

	Chg. to Base Funding Positions	
GPR	- \$93,400	- 1.50
FED	- 59,200	- 0.75
PR	- 204,600	- 3.00
Total	- \$357,200	- 5.25

### 16. ENERGY SAVINGS PERFORMANCE CONTRACTING

**Joint Finance:** Create the following provisions for state agencies related to energy savings performance contracting:

- Allow a state agency, including the legislative and judicial branches, to enter into a performance contract with a qualified provider to reduce energy or operating costs, insure code compliance or enhance the protection of property. Contracts would be subject to current procurement requirements. Any construction work associated with the contracts would be subject to approval by the Building Commission and supervised by DOA.

- Define "contract" as a contract for the evaluation and recommendation of energy conservation and facility improvement measures, and for the implementation of one or more such measures. Require that the contract provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time and that energy savings are available, and will be guaranteed by the qualified provider for the entire term, as provided for under the performance contract.

- Define "qualified provider" as a person or business that is experienced in the design, implementation, and installation of energy conservation and facility improvement measures and that has the ability to provide payment and performance bonds equal to the amount of the performance contract.

- Define "energy conservation measure" as a facility alteration or training, service, or operations program designed to reduce energy consumption or operating costs or insure building and facility code compliance.

- Provide that energy conservation measures may include, but are not limited to, the following: (a) insulation of the building structure or systems within the building; (b) storm windows or doors, caulking or weather-stripping, multi-glazed windows or doors, heat absorbing or heat reflective glazed and coated window or door systems, additional glazing, reductions in glass area, or other window and door system

modifications that reduce energy consumption; (c) automated or computerized energy control and facility management systems; and computerized maintenance management systems; (d) heating, ventilating or air conditioning system modifications or replacements; (e) replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made; (f) energy recovery systems; (g) utility management systems and services; (h) co-generation systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings; (i) any other facility improvement measures that are designed to provide long-term energy or operating cost reductions or compliance with building or facility codes; or (j) lifesafety systems.

- Require that before installation of equipment, or modification or remodeling of a building, a qualified provider shall issue a written report to the agency, summarizing estimates of all costs of installations, modifications, or remodeling including the costs of design, engineering, installation, maintenance, repairs, or debt service. In addition, the report is required to identify the amount of the guarantee by which energy or operating costs will be reduced, if the identified measure are installed as recommended.

- Specify that an agency may enter into a performance contract with a qualified provider if, after review of the report, the agency finds that the amount it would spend on the energy conservation and facility improvement measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over the remaining useful life of the facility.

- Require that before entering into a performance contract under this subdivision, the agency provide a published notice of its intent to award the performance contract, the names of the parties to the proposed performance contract, and the outline the energy conservation and facility improvement measures included in the performance contracts.

- Specify that: (a) an agency may enter into an installment payment contract or lease purchase agreement for the purchase and installation of energy conservation and facility improvement measures. (b) performance contracts may extend beyond the fiscal year in which they become effective; (c) the agency is required to include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed savings contracts during the year; (d) an agency may use funds designated for operating or capital expenditures for any performance contract, including purchases using installment payment contracts or lease purchase agreements; and (e) as long as any indebtedness incurred by an agency for energy savings performance contracting remains unpaid, the qualified provider is required to monitor the reductions in energy consumption and cost savings attributable to the energy conservation and facility improvement measures installed, and shall periodically prepare and provide a report to the agency documenting the energy reductions and savings to the agency.

**Legislature:** Delete the provision specifying that the only manner in which state agencies may enter into energy savings performance contracts is in accordance with the energy savings performance contracting statutes created in the bill. As a result, state agencies would be allowed to use this section



of the statutes, but could also enter into performance contracts under any current law provisions for contracting. Further, clarify that the extension of a contract into future years and the allocation of sufficient monies for performance contracts is subject to the appropriation of monies for such costs, if required by law.

[Act 27 Section: 397m]

## **17. STATE BUILDING BLUEPRINTS AND ARCHITECTURAL PLANS**

**Joint Finance/Legislature:** Exempt state building blueprints and plans from state open records laws. Specify that DOA develop administrative rules related to access to state building blueprints and plans.

[Act 27 Sections: 400m, 445m and 3660m]

## **18. LIMITATION ON THE FILLING OF VACANT AGENCY POSITIONS**

**Assembly:** Require each state agency in the executive branch to identify to the Secretary of DOA each classified or unclassified position that became vacant during the preceding fiscal year. Direct the Secretary of DOA to ensure that during each fiscal year of the 1995-97 biennium no executive branch agency fills a number of FTE positions that become vacant that exceeds 75% of the total FTE vacant positions identified by the agency during the preceding fiscal year. Direct the Secretary of DOA to withhold approval of any agency allotment requests to fund any position subject to this hiring freeze. Any such funds withheld would then lapse to the funding source for the appropriation from which the frozen position is funded.

The fiscal effect of this provision is unknown because the number of position vacancies which would be identified cannot be predicted. Under this provision, depending on the number of positions identified as vacant during the preceding fiscal year, 25% of the total number of such positions will not be allowed to be filled during the next successive year during the 1995-97 biennium. The funding for all such frozen positions would lapse back to the fund source supporting the position.

**Senate/Legislature:** Delete provision.

## Transfers of Functions

### 1. TRANSFER TELECOMMUNICATIONS ENGINEERING/DELIVERY FUNCTIONS [LFB Paper 300]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$3,775,700	30.50	-\$3,775,700	- 30.50	\$0	0.00
FED	471,800	0.00	- 471,800	0.00	0	0.00
PR	<u>353,400</u>	<u>2.00</u>	<u>- 353,400</u>	<u>- 2.00</u>	<u>0</u>	<u>0.00</u>
Total	\$4,600,900	32.50	-\$4,600,900	- 32.50	\$0	0.00

**Governor:** Provide \$3,775,700 GPR and 30.5 GPR positions (28.5 classified and 2.0 unclassified), \$471,800 FED and \$353,400 PR and 2.0 PR positions to reflect the transfer of engineering and delivery services from the Educational Communications Board, effective July 1, 1996. Transfer all assets and liabilities, incumbent employees, tangible personal property, contracts, rules and order, and pending matters in ECB that are primarily related to transmission and engineering functions of the Board to DOA on July 1, 1996. Specify that transferred employees will have the same employment rights and status in DOA as they had in ECB.

Direct DOA to submit a plan to the Co-chairs of the Joint Finance Committee, by June 1, 1997, to implement the transfer of other ECB employees holding duties that are primarily related to the transmission and engineering function or to administrative and support services for such functions to DOA. Provide that, upon submittal of the plan to the Joint Committee on Finance, DOA implement the plan and that the plan become effective no later than July 1, 1997. The submittal of the plan to the Committee would be for information only.

Create appropriations within DOA for utilities, debt service, transmitter construction and transmitter operation. Modify DOA's current gifts and donations appropriation to allow the Department to receive monies from contracts.

Require that DOA and the ECB have joint affiliation agreements with the UW Board of Regents. Require any non-profit affiliate licensee to annually report to both ECB and DOA. In addition, permit DOA to become a co-licensee with the ECB on all ECB broadcast and narrowcast licenses. Include DOA in current statutory language allowing the UW Board of Regents to rent transmission tower space to ECB. Require the affiliation agreement negotiated with UW System with respect to broadcast stations WHA and WHA-TV to be made jointly with DOA.

Require DOA to: (a) receive and disburse state, federal and private funds, and engage or contract for personnel and facilities it considers necessary related to instructional technology; and (b) assist any state agency, upon request, in development and review of plans for the utilization of educational radio and

television, including equipment, personnel and facilities. Allow DOA to: (a) copyright in its own name or acquire copyrights, and charge for their use; and (b) review capital equipment purchases related to public broadcasting made by any state agency. All of the above powers would be shared with ECB.

Repeal ECB's authority to: (a) lease, purchase or construct radio and television facilities for joint use such as network interconnection or relay equipment, mobile units or other equipment available for statewide use; (b) apply for, construct and operate radio and television transmission equipment; and (c) establish and operate an interconnection between the broadcast facilities and higher education campuses.

**Joint Finance/Legislature:** Delete provision.

**2. TRANSFER STATE TREASURER'S OFFICE TO DOA [LFB Paper 880]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR-REV	\$2,461,100		-\$2,461,100		\$0	
GPR	\$355,600	6.13	-\$355,600	- 6.13	\$0	0.00
PR	1,349,200	8.37	- 1,349,200	- 8.37	0	0.00
<b>Total</b>	<b>\$1,704,800</b>	<b>14.50</b>	<b>-\$1,704,800</b>	<b>- 14.50</b>	<b>\$0</b>	<b>0.00</b>

**Governor:** Provide \$355,600 GPR and 6.13 GPR positions and \$1,349,200 PR and 8.37 PR positions in 1996-97 to fund the transferred Office of the State Treasurer as a new subunit in DOA.

Effective July 1, 1996, modify statutory references to the State Treasurer's Office to reflect the transfer of that office and functions to DOA. Specify that all positions associated with the Office and the incumbent employees in those positions be transferred from the Office to DOA. Provide that all transferred employees would continue to have the same rights and status as prior to the transfer and would not be required to serve any probationary period. Transfer the Office's assets and liabilities as well as tangible personal property, including records, to DOA. Provide that any matters pending with the Office of the State Treasurer are transferred to DOA. Finally, increase GPR-Earned under DOA by \$2,461,000 in 1996-97 as a result of the transfer of the Office of the State Treasurer.

**Joint Finance/Legislature:** Delete provision.

**3. TRANSFER OF CONTESTED RAILROAD CASE RESOLUTION FUNCTIONS TO THE DIVISION OF HEARINGS AND APPEALS [LFB Paper 810]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
SEG	\$96,800	1.00	-\$96,800	- 1.00	\$0	0.00

**Governor:** Effective July 1, 1996, transfer from the Office of the Commissioner of Railroads to the Department's Division of Hearings and Appeals the authority to resolve contested matters relating to railroad regulation and provide \$96,800 from the transportation fund and 1.0 hearing examiner for the Division in 1996-97 to reflect this transfer. The Office of the Commissioner of Railroads would be abolished on the effective date of the transfer. Funding for the position would come from assessments levied by DOT against railroads operating in the state.

Provide that the incumbent hearing examiner would be transferred to DOA and that the person transferred would retain the same rights and employe status held prior to the transfer and would not be required to serve a new probationary period, provided the employe had already attained permanent status in class. [See "Public Service Commission" for a more detailed description of this transfer, including proposed modifications to contested railroad case appeals procedures.]

**Joint Finance/Legislature:** Delete provision.

**4. TRANSFER CAPITAL PLANNING AND BUILDING CONSTRUCTION FUNCTIONS [LFB Paper 139]**

**Governor:** Provide that DOA shall submit an implementation plan to the Co-Chairpersons of the Joint Committee on Finance and to the Building Commission for the transfer of activities in any state agency related to capital planning and building construction functions to DOA. Require that DOA submit the plan by July 1, 1996. Specify that upon submittal of a tentative or final plan, DOA may implement the plan. The Joint Committee on Finance and the Building Commission would receive the plan for information only. Require that all agencies cooperate fully with DOA in implementing the plan.

*Transfer of Functions and Staff.* Specify that the plan may provide for:

- a. The elimination of duplicative full-time equivalent positions associated with capital planning and building construction functions;
- b. The transfer of any authorized full-time equivalent position from any agency having duties primarily related to the capital planning and building construction functions of the agency, as determined by the Secretary of DOA, to DOA. Require that the plan identify the numbers, revenue sources and types of any positions transferred from any agency to DOA;
- c. The transfer of assets and liabilities, contracts and tangible personal property, including records, and pending matters of any agency primarily related to its capital planning and building construction functions, to DOA; and
- d. The continuation in DOA of any rules promulgated or orders issued by an agency that are primarily related to its capital planning and building construction functions which are transferred to DOA and, which were in effect on the effective date of the bill.

*Appropriation Change.* Convert the building services program revenue appropriation from an annual appropriation to a continuing appropriation. Rename the appropriation capital planning and building construction services to reflect its added purpose of providing capital planning services to the Building Commission. Provide that DOA may access state agencies for capital planning and building construction services.

*UW Report.* Require that the President of the University of Wisconsin System submit a plan to the Secretary of DOA by October 1, 1995, identifying reductions to UW System capital budget staff. [Under the bill, funding reductions related to current capital budget functions are made in the University of Wisconsin System budget (-\$2,360,000 GPR in 1995-96 and -\$3,160,000 GPR in 1996-97 and -45.75 positions) and the Department of Corrections budget (-\$282,700 GPR and -\$82,900 PR in 1995-96 and -\$510,200 GPR and -\$110,500 PR in 1996-97 and -8.2 GPR and -1.6 PR positions).]

**Joint Finance/Legislature:** Delete the provision, except rename the appropriation capital planning and building construction services to reflect its added purpose of providing capital planning services to the Building Commission. [Funding and position reductions for Corrections are addressed under "Corrections--Departmentwide." Funding and position reductions, and reporting requirements for the University of Wisconsin System are addressed under "University of Wisconsin System."]

[Act 27 Section: 1057]

## 5. TRANSFER OF DOCUMENT PRODUCTION, REPRODUCTION AND DISTRIBUTION FUNCTIONS [LFB Paper 140]

**Governor:** Provide that DOA shall submit an implementation plan to the Joint Committee on Finance for the transfer of activities in executive branch agencies (including constitutional offices and independent agencies) primarily related to document production, reproduction and distribution to DOA. Require that the Secretary of DOA submit a tentative plan by June 30, 1996, and a final plan by July 1, 1997. Specify that upon submittal of the plan or any portion of the plan, DOA may implement the plan. The Joint Committee on Finance would receive the plan for information only. Require that all agencies cooperate fully with DOA in implementing the plan.

*Transfer of Functions and Staff.* Specify that the plan may provide for:

a. The elimination of duplicative full-time equivalent positions primarily related to document production, reproduction and distribution;

b. The transfer of any authorized full-time equivalent position from any agency having duties primarily related to the document production, reproduction or distribution functions of the agency, as determined by the Secretary of DOA, to DOA and that the plan identify the numbers, revenue sources and types of any positions transferred from any agency to DOA;

c. The transfer of assets and liabilities, contracts and tangible personal property, including records, and pending matters of any agency primarily related to its document production, reproduction or distribution functions, as determined by the Secretary of DOA, to DOA;

d. The transfer of any incumbent employees holding positions in an agency performing duties primarily related to its document production, reproduction or distribution functions to DOA along with the transferred positions. Specify that any transferred employees retain all the rights and status in DOA that they enjoyed in the agency from which they were transferred;

e. The continuation in DOA of any rules promulgated or orders issued by an agency that are primarily related to its document production, reproduction or distribution functions which are transferred to DOA and, which were in effect on the effective date of the bill; and

f. Any of the above items to be included for an agency in the legislative or judicial branch if the agency requests DOA to make such a transfer.

*Appropriation Transfers.* Further, provide that no later than June 30, 1997, the Secretary of DOA may transfer from any agency's appropriation under which document production, reproduction or distribution costs are financed, to the information technology investment fund, an amount equal to the savings accruing to the state during the 1995-97 fiscal biennium, as determined by the Secretary, resulting from the transfer of state document production, reproduction and distribution functions to DOA.

**Joint Finance:** Modify the provisions as follows:

*Transfer of Functions and Staff.* Delete provision.

*Appropriation Transfers.* Delete provision. Instead, create a provision allowing the Joint Committee on Finance to transfer savings from any agency related to the transfer of documents production, reproduction and distribution functions to DOA to the information technology investment fund when savings have been documented by DOA.

*Print-to-Mail Center.* Require DOA to submit a report to the Joint Committee on Finance on its plan for a print-to-mail center, including proposed funding and position modifications, at least six months prior to the establishment of such a center. Require that the plan address: (a) the impact of the print-to-mail center on individual agencies; and (b) issues related to privacy and open records in relation to a print-to-mail center.

**Senate/Legislature:** Modify the Joint Finance provision requiring DOA to submit a report to the Joint Committee on Finance on its plan for a print-to-mail center indicating the impact of such a center on state agencies to add the requirement the report also evaluate the impact of such a center on private

businesses. Specify that DOA submit the plan to the Committee at least two months prior to the establishment of a print-to-mail center, rather than at least six months prior to establishment.

[Act 27 Sections: 14L and 9101(20m)]

**6. TRANSFER NATIONAL AND COMMUNITY SERVICE BOARD FUNCTIONS TO DILHR**

Chg. to Base Funding Positions		
FED	- \$3,425,400	- 2.00

**Governor/Legislature:** Transfer \$1,712,700 and 2.0 positions annually associated with the National and Community Service Board from DOA to DILHR. Provide that all assets and liabilities, positions and incumbent employees, tangible property and contracts primarily related to the functions of the National and Community Service Board be transferred to DILHR. Provide that the Board's appropriations for moneys received from gifts, grants and bequests for activities of the Board, in addition to moneys received from the federal Corporation for National and Community Service be transferred from DOA to DILHR to carry out the functions of the Board.

**Veto by Governor [C-4]:** Delete provision. This would retain the Board in DOA and delete the appropriations, appropriated amounts and positions in DILHR. The effect of the veto would be to provide no funding and no authorized positions in DOA for the Board. Existing appropriations in DOA would be retained without any allotted funds. However, the Governor is currently authorized to allot federal funds and to create federal positions without legislative approval. The Governor's veto message states that the DOA Secretary is requested to allot \$212,700 FED annually for the administration of the Board to the existing appropriation under DOA.

[Act 27 Vetoes Sections: 115 thru 117, 146 thru 148m, 280 thru 282, 473 (as it relates to s. 20.445(1)(j)(c),(o)&(pe)), 1077, 1082, 1083, 9101(1), 9430(2) and 9445(1)]

**7. TRANSFER MUNICIPAL BOUNDARY REVIEW**

Chg. to Base Funding Positions		
GPR	- \$97,300	- 2.00

**Governor:** Transfer the responsibility for the review of town incorporations, consolidations and annexation from DOA to DOD on July 1, 1996. Delete \$97,300 and 2.0 positions in 1996-97 to reflect the transfer.

**Joint Finance/Legislature:** Modify provision to include language transferring the positions and the incumbents, all assets and liabilities, tangible personal property, records, rules and orders, and pending matters related to municipal boundary review from DOA to DOD.

[Act 27 Sections: 3306 thru 3312, 9159(7x) and 9459(3)]

**8. TRANSFER RECYCLING MARKET DEVELOPMENT BOARD FUNCTIONS [LFB Paper 735]**

Chg. to Base Funding Positions		
SEG	- \$18,247,400	- 1.00

**Governor:** Delete \$9,123,700 and 1.0 position annually and transfer the Recycling Market Development Board from DOA to DOD. Eliminate the unclassified executive director position. The segregated funding is currently provided from the recycling fund.

**Joint Finance/Legislature:** Modify provision to provide that the Board be transferred to UW-Extension instead of to DOD. [See "University of Wisconsin System."]

[Act 27 Sections: 112b thru 112h, 1080b, 1085b, 1086b, 4435 thru 4438b and 9101(16)]

**9. CLEAN WATER FUND LOAN PROCESSING TRANSFER [LFB Paper 233]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$421,000	2.00	-\$289,300	- 1.50	\$131,700	0.50

**Governor:** Transfer responsibility for the processing of clean water fund loans from DNR to DOA. Provide \$205,000 in 1995-96 and \$216,000 in 1996-97 and 2.0 positions in DOA for loan processing. Of the funding, \$134,000 annually is provided to contract for audits of clean water fund financial assistance recipients.

**Joint Finance/Legislature:** Modify provision by deleting \$53,200 SEG in 1995-96 and \$61,500 SEG in 1996-97 and 1.5 SEG positions to reflect the retention of certain administrative functions in DNR. Also, delete \$87,300 SEG annually to maintain base funding of \$46,700 SEG annually for clean water fund audits.

**10. TRANSFER OF INFORMATION TECHNOLOGY FUNCTIONS [LFB Paper 141]**

**Governor:** Provide that DOA shall submit an implementation plan to the Co-Chairpersons of the Joint Committee on Finance for the transfer of activities in all state agencies related to information technology implementation support and management functions to DOA. Define information technology implementation, support and management as including but not limited to imaging, geographical information systems, state telecommunications and network services, general support systems and judicial information systems. Require that the Secretary of DOA submit a plan by July 1, 1997. Specify that upon submittal of the plan, DOA may implement the plan. The Joint Committee on Finance would receive the plan for information only. Require that all agencies cooperate fully with DOA in implementing the plan.



*Transfer of Functions and Staff.* Specify that the plan may provide for:

- a. The elimination of duplicative full-time equivalent positions primarily related to information technology development and management functions;
- b. The transfer from any agency of any authorized full-time equivalent position having duties primarily related to the information technology implementation, support and management functions of the agency (as determined by the Secretary of DOA) to DOA. Require that the plan identify the numbers, revenue sources and types of any positions transferred from any agency to DOA;
- c. The transfer of assets and liabilities, contracts and tangible personal property, including records, and pending matters of any agency primarily related to its technology implementation, support and management functions (as determined by the Secretary of DOA) to DOA; or
- d. The continuation in DOA of any rules promulgated or orders issued by an agency that are primarily related to its technology implementation, support and management functions which are transferred to DOA and, which were in effect on the effective date of the bill.

**Joint Finance/Legislature:** Delete provision.

**11. TRANSFER OF INFORMATION TECHNOLOGY FUNCTIONS -- UNIVERSITY OF WISCONSIN SYSTEM [LFB Paper 143]**

**Governor:** Require the University of Wisconsin System to purchase computer services from the Division of Information Technology Services (DITS) in DOA. Currently, the UW System may, but is not required to, purchase such services from DOA. The current law provision which allows DOA to exempt agencies under certain circumstances would now apply to the UW System.

Provide that DOA shall submit an implementation plan to the Joint Committee on Finance for the transfer of responsibilities of the UW Board of Regents related to its information technology processing functions to DITS in DOA. Require that DOA submit a plan by July 1, 1997. Specify that upon submittal of the plan, DOA may implement the plan. The Joint Committee on Finance would receive the plan for information only. Require the Board of Regents to cooperate fully with DOA in implementing the plan.

*Transfer of Functions.* Specify that the plan may provide for:

- a. The transfer of assets and liabilities, contracts and tangible personal property, including records, and pending matters of Board of Regents related to its information technology processing functions to DOA; and

b. The continuation in DOA of any rules promulgated or orders issued by an agency that are primarily related to its information technology processing functions which are transferred to DOA and, which were in effect on the effective date of the bill.

**Joint Finance/Legislature:** Delete the provision. Instead, require that:

a. The University of Wisconsin Board of Regents, after consulting with DOA, submit to the Joint Committee on Finance by October 1, 1995, for approval under a 14-day passive review process, a plan for the conduct of a study by an independent consultant to: (1) identify numerical measures of the efficiency and effectiveness of the mainframe computer services provided by the Division of Information Technology at the UW-Madison, including measures of the Division's: productivity; system, hardware and software performance; and procurement activities, including the sharing of software licenses; (2) identify the data necessary to calculate these measures; (3) compute an initial set of values of these measures for the Division and develop a comparison of these measures between the Division and a representative sample of mainframe computer services at comparable institutions of higher education; and (4) include with the inter-institutional comparisons an identification of the services at comparable institutions that have the highest ranking under each measure and the reasons for this ranking. Require that copies of the plan also be provided to the Joint Committee on Information Policy.

b. The UW Board of Regents receive approval from DOA prior to entering into the contract for the study.

c. The Board of Regents report the results of the study by January 1, 1996, to the Joint Committee on Finance, the Joint Committee on Information Policy and the Legislative Audit Bureau; and

d. The Division of Information Technology at the UW-Madison be required to collect and maintain on an on-going basis the data necessary to calculate the measures established in the study.

[Act 27 Sections: 1755p, 1762y and 9157(2at)]

**12. BUREAU OF JUDICIAL INFORMATION SYSTEMS -- CREATION [LFB Paper 889]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$1,386,000		\$1,386,000	
PR	\$7,304,400	20.50	-\$6,833,400	- 16.00	\$471,000	4.50

**Governor:** Provide \$3,762,000 in 1995-96 and \$3,542,400 in 1996-97 and 20.5 positions (16.0 unclassified and 4.5 classified) for the creation of a Bureau of Judicial Information Systems in DOA's Division of Technology Management. Funding and positions are provided by the transfer of \$3,526,500

in 1995-96 and \$3,306,900 in 1996-97 and 16.0 unclassified positions from the State Supreme Court the transfer of \$235,500 annually and 4.5 classified positions from the Office of the State Public Defender. According to the executive budget book, the Bureau would be responsible for: (a) completing the implementation of the financial management software of the court automation system; (b) providing system support and training for counties in case, jury and financial management software; (c) implementing a case management system for the State Public Defender, and (d) development, coordination and maintenance of judicial information systems that will provide access to and exchange of information by the Courts, the Office of the State Public Defender, district attorneys, DOJ and DOC.

To accomplish this shift: (a) transfer the court automation fees appropriation from the Director of State Courts to DOA, and rename the fee "judicial information system fee" and modify the appropriation to allow fees received to be used for operation of judicial systems (currently, fees may be used only to establish a court automation system); (b) create an appropriation in the Supreme Court for the receipt of funds from DOA for information technology development and management services to the court system; and (c) allow the Division of Technology Management to maintain, promote and coordinate judicial information systems, in conjunction with the State Public Defender Board, the Director of State Courts, DOC, DOJ and district attorneys, using the judicial information system fee.

[Under the bill, monies that lapse to the general fund from the Supreme Courts appropriation for the circuit court automation project, were not indicated as lapsing instead from DOA's appropriation for judicial information systems. This deposit should have been included under DOA.]

**Joint Finance/Legislature:** Modify the provision to eliminate the transfer of the State Supreme Court positions and funding (-\$3,526,500 in 1995-96 and -\$3,306,900 in 1996-97 and -16.0 positions). In addition, provide that civil filing fees under s. 814.61, 814.62 and 814.635(1) be deposited to the Supreme Court to provide funding for the circuit court automation project. Further, provide that the \$3 automation fee (of which \$1 is deposited to the general fund) be increased by \$2, effective October 1, 1995, and renamed the justice information system fee. The increased fee would be deposited to DOA to support the Bureau of Justice Information Systems. Provide that the new appropriation in DOA be changed from a continuing to an annual appropriation. In addition, specify that \$693,000 annually from the justice information system fee will be deposited to the general fund.

[Act 27 Sections: 422m, 1053m, 1053n, 1145b, 1147, 3514, 3570, 7151, 7152, 7153, 7154, 7156, 7157, 7158, 7164, 7172, 7173, 7174, 7176, 7177, 9353(1g) and 9453(1g)]

### 13. BUREAU OF JUDICIAL INFORMATION SYSTEMS -- TIME SYSTEM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,097,000	-\$2,097,000	\$0

**Governor:** Provide \$1,048,500 annually from the transportation fund to reflect the transfer of the appropriation for the Transaction Information for Management of Enforcement (TIME) System from DOJ to DOA. Further, modify statutory language to: (a) allow DOA to use the current TIME appropriation for conversion of the system to operate at the information utility, and for operation of the system and for other traffic law enforcement automation projects undertaken in conjunction with judicial information system projects (currently, the appropriation in DOJ can only be used to make payments for a lease with an option to purchase computers for the TIME system); and (b) specify that DOJ administer the TIME system to provide access to information concerning law enforcement, in conjunction with DOA.

**Joint Finance/Legislature:** Delete the Governor's provision. Instead, require DOJ and DOA to jointly and cooperatively develop a TIME system plan to convert the TIME system to a client/server system and to meet federal crime information standards. Require that a report on the system plan be submitted for approval by the Joint Committee on Finance, under a 14-day passive review process, no later than January 1, 1996. Provide that the plan may include a request for necessary position authority relating to system maintenance, technical support and development.

[Act 27 Sections: 4458 and 9159(12g)]

### 14. TRANSFER LIEAP FROM H&SS TO DOA [LFB Paper 466]

	Chg. to Base Funding Positions	
FED	\$53,798,600	11.00

**Governor:** Provide \$53,798,600 and 11.0 positions, beginning in 1996-97, to reflect the transfer of the low-income energy assistance program (LIEAP) from H&SS to the Division of Housing. Effective July 1, 1996, modify statutory program responsibilities of counties and H&SS to reflect the administration of the program by DOA. The LIEAP program is funded primarily with a federal block grant and provides heating assistance, energy crisis assistance and weatherization services to low-income households. H&SS currently administers the heating and crisis assistance components of the program, as well as the furnace repair and replacement program. Other weatherization services are administered by DOA.

The bill does not specify that the incumbents in the positions would be transferred and continue to have the same rights and status as prior to the transfer and not be required to serve any probationary period. However, DOA indicates that is the Governor's intent.

**Joint Finance/Legislature:** Modify provision to include language transferring the positions and the incumbents, all assets and liabilities, tangible personal property, records, rules and orders, and pending matters related to LIEAP from H&SS to DOA.

[Act 27 Sections: 285, 1088, 2069, 2085, 2091, 3182 thru 3192, 3194 thru 3207, 9126(27i) and 9426(14)]

## **15. PUBLIC RECORDS AND FORMS BOARD**

**Governor/Legislature:** Provide that the responsibility for overall state forms management be transferred from the Public Records and Forms Board to the new Division of Technology Management in DOA. Rename the Public Records and Forms Board, the Public Records Board. The Board would maintain the responsibility for receiving and investigating complaints about forms, and would retain all existing responsibilities with respect to records.

Provide that state and local government records may be transferred to or maintained in electronic format subject to rules promulgated by DOA. Require the Board to recommend to DOA qualitative standards for the storage of records in electronic format and for copies of documents generated from electronically stored records filed with local governments. Currently, public records not stored in hard copy format may be transferred to microfilm or optical disk format only.

Modify the composition of the Board to remove a member representing a state newspaper and a member representing the Permit Information Center in DOD. Instead, include a member who is a representative of a local unit of government and one other member, both appointed by the Governor. Specify that current Board members would serve until the local government representative and the other member were appointed.

Specify that DOA, with the consent of the Board and based on qualification approved by the Board, will appoint an executive secretary in the classified service. Under current law, the Board appoints the executive secretary.

Under current law, the Public Records and Forms Board, attached to DOA, is responsible for preserving for permanent use important state records, providing an orderly method for the disposition of other state records and making the management of forms and records by state agencies more cost-effective. The Board also reviews and approves or disapproves most forms generated and used by a state agency in transactions between the agency and the public and receives and investigates complaints about forms. The Board currently consists of the Governor, the Director of the State Historical Society, the Attorney General, the State Auditor, a representative of the small business community, a representative of a

newspaper published in this state, a representative of the Permit Information Center appointed by the Secretary of Development and the Director of the Legislative Council staff.

[Act 27 Sections: 42, 78, 79, 103, 309 thru 314, 316 thru 328, 330 thru 356, 358, 374, 411, 412, 440 thru 445, 453, 462, 1073, 1124, 1148, 1983, 1987, 1990, 3280 thru 3286, 3288, 3290, 3291, 3292, 3294 thru 3296, 3321, 3324, 3940, 4462, 6239, 6240 thru 6242, 6446, 6447, 6456, 6463, 6924, 6925, 7049, 7079, 7135, 7139, 7187 thru 7189, 7211, 7293 and 9101(8)]

**16. KICKAPOO VALLEY GOVERNING BOARD [LFB Paper 890]**

	Chg. to Base	
	Funding	Positions
GPR	\$0	- 2.00
SEG	<u>293,700</u>	<u>2.00</u>
Total	\$293,700	0.00

**Governor/Legislature:** Provide \$104,600 SEG in 1995-96 and \$189,100 SEG in 1996-97 and 2.0 SEG positions, and delete 2.0 GPR positions for the Kickapoo Valley Governing Board. Create a SEG appropriation in DOA funded from the segregated conservation fund (parks fees) for Board operations. The nine-member Board was created in 1993 Act 349 to: (a) manage land in the Kickapoo valley reserve to preserve and enhance its unique environmental, scenic and cultural features; (b) provide facilities for the use and enjoyment of visitors to the reserve; and (c) promote the reserve as a destination for vacationing and recreation. Funding of \$70,000 GPR was placed in the Joint Committee on Finance's appropriation in 1994-95 to be released if the federal government deauthorized the Kickapoo Valley dam project, and 2.0 GPR positions were created in DOA. However, as of March 3, 1995, the federal government had not acted. Funding recommended in the bill is placed in unallotted reserve to be released by DOA once the project is deauthorized.

[Act 27 Section: 1070]

**17. TRANSFER KICKAPOO VALLEY GOVERNING BOARD [LFB Paper 890]**

	Governor (Chg. to Base)		Senate/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$189,100	- 2.00	-\$94,500	0.00	-\$283,600	- 2.00

**Governor:** Delete \$189,100 in 1996-97 and 2.0 positions to reflect the transfer of the Kickapoo Valley Governing Board from DOA to the new Department of Tourism and Parks (DTP), on July 1, 1996. The Board is currently attached to DOA, which is responsible for determining the boundaries of the reserve, and providing fiscal and accounting services to the Board. Under the bill, these responsibilities would be transferred to DTP. [As drafted, the bill deletes 2.0 GPR positions in DOA in 1996-97, rather than 2.0 SEG positions.]

**Joint Finance:** Modify provision as follows: (a) specify that the Board is transferred to the new Department of Tourism rather than the Department of Tourism and Parks; and (b) provide a technical correction under which 2.0 SEG positions are transferred in 1996-97, rather than 2.0 GPR positions.

**Senate/Legislature:** Transfer the Kickapoo Valley Governing Board to the Department of Tourism on January 1, 1996, instead of July 1, 1996. Transfer \$94,500 and 2.0 positions in 1995-96 from DOA to Tourism.

[Act 27 Sections: 94, 114, 192, 235, 279, 659, 765, 1070, 1071, 1075, 1076, 1081n, 1084, 1213, 1358 thru 1363, 1535, 1964w, 4335, 6222, 9101(9) and 9401(2)]

**18. TRANSFER TREASURER CASH MANAGEMENT FUNCTIONS TO DOA [LFB Paper #880]**

	<u>Jt. Finance</u> <u>(Chg. to Base)</u>		<u>Assembly</u> <u>(Chg. to JFC)</u>		<u>Senate/Leg.</u> <u>(Chg. to Assem.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR-REV	\$2,461,000	0.00	-\$2,461,000	0.00	\$0	0.00	\$0	0.00
PR	\$322,100	5.75	-\$382,500	- 5.75	\$60,400	0.00	\$0	0.00

**Joint Finance:** Provide \$322,100 in 1996-97 and 5.75 positions, beginning July 1, 1996, to reflect the transfer of cash management functions from the Office of the State Treasurer to the DOA Bureau of Financial Operations (BFO).

**Assembly:** Delete provision, including \$382,500 and 5.75 positions. (NOTE: The Assembly provision inadvertently deleted \$60,400 more than the amount transferred to DOA by the Joint Finance Committee.)

**Senate/Legislature:** Provide \$60,400 in 1996-97 as a technical correction to the Assembly provision.

**19. TRANSFER DIVISION OF TRUST LANDS AND INVESTMENTS [LFB Paper 880]**

	<u>Chg. to Base</u> <u>Funding Positions</u>	
FED	-\$105,400	0.00
PR	- 1,449,800	- 6.00
Total	-\$1,555,200	- 6.00

**Joint Finance/Legislature:** Delete \$723,800 PR and \$52,700 FED in 1995-96 and \$726,000 PR and \$52,700 FED in 1996-97 and 6.0 PR positions, beginning July 1, 1995, from the DOA Division of Trust Lands and Investments to reflect the transfer of the administrative attachment of the Division from DOA to the Office of the State Treasurer.

[Act 27 Sections: 101m, 1074m, 1079m, 1080m, 1139r and 9101(20g)]

## Board, Council and Commission Creations and Eliminations

**1. ELIMINATION OF THE SENTENCING COMMISSION**  
[LFB Paper 125]

Chg. to Base Funding Positions		
GPR	- \$607,300	- 5.00

**Governor/Legislature:** Repeal statutory language related to the 17-member Sentencing Commission, including the requirements that the Commission develop sentencing guidelines based on sentencing experience and judges consider guidelines when sentencing felony offenders. Specify that, on the effective date of the bill: (a) all administrative rules developed by the Commission would become void; and (b) all contracts entered into by the Commission would remain in effect and transfer to DOA. Require the Department to carry out the contracts, until modified or rescinded by DOA to the extent allowed under the contract. Eliminate \$302,000 in 1995-96 and \$305,300 in 1996-97 and 5.0 positions annually associated with the Sentencing Commission.

[Act 27 Sections: 72, 82, 92, 106, 1069, 1081, 1193, 6275, 6358, 7250, 7251, 7252, 7255 and 9101(14)]

**2. ELIMINATE THE PRIVACY ADVOCATE AND COUNCIL**  
[LFB Paper 126]

Chg. to Base Funding Positions		
GPR	- \$186,800	- 2.00

**Governor/Legislature:** Repeal the functions of the privacy advocate and the Privacy Council on the effective date of the bill. Delete \$93,400 annually and 2.0 positions. Provide that existing contracts and any pending matters of the Council or privacy advocate be transferred to DOA. The nine-member council appoints a privacy advocate outside the classified service and suggests legislation concerning personal privacy protection policies related to personally identifiable information. The advocate pursues state and local government policies that protect personally identifiable information collected or maintained by those authorities and assists individuals in exercising their privacy rights. The advocate also may gain access to certain confidential information, review any authority's personally identifiable information policies, and advocate on behalf of individuals.

[Act 27 Sections: 32, 33, 73, 120, 315, 329, 459 thru 461, 463, 1072, 5239, 6276 and 9101(15)]

**3. STATE LABORATORIES COORDINATION BOARD** [LFB Paper 127]

**Governor:** Create a seven-member State Laboratories Coordination Board, appointed by the Governor, attached to DOA. Specify that members serve staggered four-year terms and that three of the members represent state-administered laboratories other than the State Crime Lab.



Specify that, except for the State Crime Lab and any other state-administered laboratory exempted by the Board, the Board shall: (a) coordinate the activities of state-administered laboratories; (b) review and approve requests from these laboratories for equipment, space, personnel and other budgetary items in order to achieve improved efficiency, more effective allocation of resources, and consolidation of laboratory functions in appropriate instances; and (c) seek opportunities to use private laboratories to perform certain functions that state-administered laboratories perform.

**Joint Finance/Legislature:** Delete provision.

#### **4. ENVIRONMENTAL SCIENCE COUNCIL [LFB Paper 128]**

**Governor:** Create an Environmental Science Council in DOA, consisting of nine members, appointed by the Governor for three-year staggered terms. Provide that all members have expertise in one of the following areas: engineering sciences, economic sciences, biological sciences, physical sciences, human medical sciences or statistical or risk assessment sciences. Specify that the Council, upon the request of the Governor or the Secretary of DOA, shall advise the Governor or the Secretary on all of the following: (a) issues affecting the protection and management of the environment and natural resources in this state; (b) proposed rules that establish environmental or natural resources standards or other criteria; (c) the scientific and technical adequacy of environmental programs, methodologies, protocols and tests; (d) scientific standards or other criteria for protection of human health and the environment; (e) the quality of state agency environmental plans or programs of research, development and demonstration; and (f) the importance of natural and man-made sources of pollution.

Require that the Council, in performing any of the above duties: (a) use sound, objective and scientific reasoning; (b) assess the relative risk to human health and the environment; and (c) consider economic consequences. Provide that the Council, upon the request of the Governor or the Secretary of Administration, to consult with state agencies on any environmental matter. Specify that all agencies cooperate with and assist the Council.

**Joint Finance/Legislature:** Delete provision.

#### **5. REVIEW OF CERTAIN STATE COUNCILS, COMMISSIONS AND BOARDS FOR POSSIBLE TERMINATION [LFB Paper 640]**

**Governor:** Include nonstatutory language directing that, no later than October 1, 1995, each state council established in the executive branch and each commission or board created in or attached to an office, department or independent agency in the executive branch submit to the Lieutenant Governor, the Secretary of DOA and the Co-Chairs of the Joint Committee on Finance a report describing the body's functions and including the justifications, if any, for continuing those functions. The report would have to be submitted on a form prescribed by the Secretary of DOA.

Require the Lieutenant Governor and the Secretary of DOA to evaluate the information contained in each report and consider whether to recommend the termination of each body. If either the Lieutenant Governor or the Secretary of DOA determines that a body should be terminated, that individual is directed to submit a report to the Co-Chairs of the Joint Committee on Finance by January 1, 1996, containing proposed legislation to accomplish such terminations, effective on July 1, 1996. A joint report is to be submitted where the Lieutenant Governor and the Secretary of DOA both determine that a body should be terminated.

Provide that this review process not apply to any council, commission or board created or terminated by any act of the 1995-96 Legislature, regardless of the effective date of that creation or termination.

**Joint Finance/Legislature:** Modify the provision as follows: (a) provide that the Legislature finds that many councils, offices, commissions and boards are not necessary to the functions of state government and should be eliminated unless they can justify their continued existence; (b) include a listing [see listing under "Lieutenant Governor"] of 143 executive branch councils, commissions, boards and offices which must submit to the Lieutenant Governor by October 1, 1995, a report on the council, commission, board or office's functions and the justifications, if any, for continuation of those functions; (c) consolidate the responsibility for sunset review of these entities entirely in the Office of the Lieutenant Governor; (d) delete language in the bill according equal authority to the Secretary of DOA in the sunset review process but direct that DOA assist the Lieutenant Governor in his review activities; (e) require the Lieutenant Governor to submit to the Joint Committee on Finance by January 1, 1996, a single legislative proposal which provides for the elimination of the specified councils, commissions, boards and offices and their functions after March 31, 1996; (f) provide that in preparing the required legislation, the Lieutenant Governor may incorporate provisions for the transfer to any other existing state entity that is not to be eliminated any of the administrative functions of an existing council, commission, board or office that is to be sunsetted, if it is demonstrated that the continuation of that administrative activity is required; (g) specify that the Lieutenant Governor also submit to the Joint Committee on Finance, at the same time as he submits the required sunset legislation, a separate report containing any findings, conclusions and recommendations that the Lieutenant Governor has reached as a result of his sunset review for the continuation of any the 143 identified executive branch councils, commissions, boards or offices which are to be sunsetted after March 31, 1996, and (h) provide that if the Lieutenant Governor recommends continuation of any of the specified councils, commissions, boards or offices, he must also submit with the report a single piece of proposed legislation providing for termination or transfer of the functions of all specified entities except those which the Lieutenant Governor proposes for continuation.

**Veto By Governor [C-20]:** Delete the requirements that: (a) two separate pieces of legislation are required if the Lieutenant Governor determines one or more of the specified bodies should be continued; (b) the Lieutenant Governor's report be submitted by January 1, 1996; (c) any legislation provide for the termination of the specified bodies after March 31, 1996; and (d) the proposed legislation specifically provide for the transfer to another continuing state agency any of the administrative functions of an existing council, commission, board or office to be sunsetted, if it was demonstrated that continuation of that administrative activity was required. As a result of the partial vetoes, the Lieutenant Governor will

be required to submit a single report to the Joint Committee on Finance containing any findings, recommendations or conclusions that the Lieutenant Governor reaches as a result of his evaluation. The Lieutenant Governor may also submit with the report a single legislative proposal to terminate or transfer the functions of all specified entities except those which the Lieutenant Governor proposes for continuation.

[Act 27 Section: 9159(6f)]

[Act 27 Vetoed Section: 9159(6f)]

## **6. CREATION OF THE WISCONSIN COMPETITIVE ENTERPRISE REVIEW BOARD AND COMMISSION ON PRIVATIZATION**

**Assembly:** Create a Wisconsin Competitive Enterprise Review Board and Commission on Privatization as follows:

a. *Wisconsin Competitive Enterprise Review Board.* Create a five-member Wisconsin Competitive Enterprise Review Board, attached to the DOA, with the following membership: (a) the Governor or designee; (b) the Secretary of DOA or designee; (c) the Secretary of DER or designee; (d) one member serving a two-year term representing state employe organized labor; and (e) one member serving a two-year term who has experience in competitive bidding practice in the private sector. Provide that the Governor or designee serve as chairperson and the Secretary of DOA or designee serve as vice-chairperson. Require that the Board meet at least six times per year.

Specify that any person who believes that they can provide any materials, supplies, equipment or contractual services to an executive branch agency, but more economically, efficiently or effectively than those products or services are currently provided by other providers or the agency, may file an application with the Board proposing to provide those services or products. Require that the application specify the executive branch agency to which it applies, a description of the product or service, and a description of the product or service that the person could provide.

Require DOA to: (a) assist the Board in the performance of its duties; (b) evaluate each proposal to determine whether the proposal is feasible and whether it would result in the delivery of products or services in a more economical, efficient or effective manner; and (c) submit its evaluation and recommendation to the Board.

Specify that the Board review each proposal, together with DOA's evaluation and recommendation, and determine whether the proposal is feasible and whether the proposal would, if implemented, result in the delivery of products or services in a more efficient, effective or economical manner. Authorize the Board, if it determines that a proposal would be more efficient, effective or economical, to direct DOA, or any agency delegated procurement responsibility by DOA, to solicit bids or sealed competitive proposals to provide the product or service. Specify that the provision does not apply to products or

services purchased from prison industries, work centers for the developmentally disabled or computer services provided by DOA's Division of Information Technology Management. Allow any executive branch agency authorized to provide products or services to other state agencies to bid for provision of products or services whenever the Board requires the solicitation of bids or proposals. Require the Board, by rule, to specify the time period for solicitation and submission of bids or competitive sealed proposals.

Specify that whenever the Board directs the solicitation of bids or competitive sealed proposals, DOA or an agency with delegated procurement authority must refer the question of acceptance of a bid or proposal to the Board for its review, prior to acceptance or rejection. Provide that the Board may determine that the bid or proposal is the best and most reasonable, and may direct that the bid or proposal be accepted. Specify that bids or proposals selected by the Board need not be the lowest cost bid, except for the purchase of printing and stationary. Require DOA to enter into contracts when directed by the Board. Allow the Board to direct specific terms and conditions that are to be included in any contract or order selected by the Board. Specify that all agencies with delegated procurement responsibilities are subject to directives issued by the Board.

Exempt products or services that the Board directs to be purchased from the following current law requirements:

(a) contractual services contracts be reviewed and approved by the Secretary of DER with regard to employment relations concerns;

(b) the process for selection of contractual service contracts: include a review of the independence and relationship of the contractor to employees of the agency, disclose any former employment of the contractor or employees with the agency and minimize the likelihood of selection of a contractor who provides or may provide services to industries, client groups or individuals who are the object of state regulation or recipients of state funding to the degree that the contract's independence would be compromised;

(c) the Department of Corrections is delegated authority to make all purchases for prison industries;

(d) standard specifications for all state purchases be developed;

(e) non-standard specifications for products or services be reviewed or approved by DOA;

(f) specifications permitting the purchase of material manufactured in the United States be developed;

(g) specifications be developed so as to permit the purchase of products or services from prison industries;

(h) specifications incorporate requirements to purchase products made from recycled and recovered materials;

(i) specifications incorporate requirements relating to the recyclability and ultimate disposition of products, minimize the amounts of solid waste generated by the state, and discourage the purchase of single use, disposable products;

(j) awards be made to the lowest responsible bidder, taking into consideration life cycle cost estimates, the location of the agency, the quantities of the articles supplied, their conformity with specifications, the purpose for which the products are required and the date of delivery;

(k) DOA may, if it believes that it is in the best interest of the state, purchase patented or proprietary articles outside the normal procurement process;

(L) every agency ensure that a specific amount of paper purchased contain a specified amount of recycled or recovered materials; and

(m) any agency having building, fleet or energy management responsibilities rely upon energy systems that utilize fuels procured in Wisconsin, to the extent possible;

Further, if the Board directs that major lottery procurements be made, exempt those procurements from the following current law requirements:

(a) contracts must be awarded on the basis of a formula specified by DOA that weighs all of the following factors, to the extent applicable: (1) the cost of the bid or proposal; (2) the technical capability and expertise of the proposed vendor; (3) the integrity, reliability and expertise of the proposed vendor in providing the items covered by the bid or proposal; (4) the security for lottery operations provided under the bid or proposal; (5) the financial stability of the proposed vendor;

(b) DOA is required to give preference to a bidder if at least 5% of the individuals employed by the bidder and any subcontractors are minority group members and are employed in the state;

(c) the Lottery Division Administrator must: (1) develop specifications for major procurements, including specifications relating to security; and (2) submit specifications for major procurement to the Gaming Commission for review and approval before DOA releases the specifications in invitations for bids or competitive sealed proposals;

(d) DOA must require separate bids or separate competitive sealed proposals for each of the following supplies and services: (1) management consultation services; (2) instant lottery ticket supplies and services; and (3) on-line supplies and services;

(e) a vendor must disclose information required by DOA, by rule, with the vendor's submission of a bid or proposal for a major procurement;

(f) any bill or statement for any purchase or engagement may only be paid if it is approved by the Lottery Division Administrator; and

(g) a major procurement contract may be for any term deemed to be in the best interests of the state lottery (or the multistate lottery), but the term and any provisions for renewal or extension must be incorporated in the bid specifications or proposal solicitation and the contract document.

Allow the Board to direct the purchase of certain types of printing.

Allow the Board to: (a) hold public hearings and conduct studies; (b) consult with private commercial sources; (c) require any executive branch agency to provide a cost estimate or conduct a management study regarding any product or service provided by the agency; (d) prescribe cost accounting standards for executive branch agencies in preparation of requested cost estimates; and (e) prescribe, in consultation with DOA or other affected agencies, the procedures and specifications to which agencies will conform when soliciting bids or proposals as directed by the Board.

b. *Commission on Privatization.* Create a Commission on Privatization with the following membership: (a) the Governor or designee; (b) the Secretary of DOA or designee; (c) two members of the Senate, one representing the majority and one representing the minority party; (d) two members of the Assembly, one representing the majority and one representing the minority party; (e) nine members, appointed by the Governor, who are not public officers or employees; and (f) one non-voting member from DOA appointed by the Secretary of DOA to serve as secretary of the Commission. In appointing the nine members who are not public officers or employees, the Governor would be required to include one or more business owner or manager, employees who are not owners or managers, representatives of labor organizations, and theoreticians or consultants in the fields of business organization or management, personnel management or employment relations. Require that all members of the Commission be appointed within ten days of the effective date of the bill. Require the Governor to appoint the Commission Chair and call the first meeting. Specify that Commission members serve without compensation but be reimbursed for actual and necessary expenses.

Require the Commission to study and evaluate all functions of state government that may be delegated to the private sector at a cost savings to state taxpayers. Allow the Commission to develop subcommittees to develop recommendation to include in specific reports. Require the Commission to submit its report and recommendations to the Wisconsin Competitive Enterprise Review Board no later than seven months after the effective date of the bill. Specify that the Commission may propose legislation to carry out its recommendations and may hold public hearings on its legislative proposals. Specify that the Commission may call upon any state agency to make available the resources, facilities and data of the agency for use by the Commission. Require each agency to cooperate with the Commission to the fullest extent possible, including the provision of staff assistance. Specify that after submission of the report, the Commission ceases to exist.

Specify that if funding in the Governor's appropriation for special and executive committees is not sufficient to fund the operation of the Commission, DOA shall transfer sufficient funding from DOA's

general program operations appropriation to fund the budget for the Commission as approved by the Joint Committee on Finance. Specify the necessary amount shall be transferred to the special and executive committees appropriation in DOA. The current law provision requiring that special and executive committees may not expend more than \$2,000 from the appropriation for such committees without the approval of the Joint Committee on Finance would apply to the Commission. Create a gifts and grants appropriation for the Commission which would be repealed seven months after enactment of the bill.

**Senate/Legislature:** Delete the provisions related to the Wisconsin Competitive Enterprise Review Board. Further, modify the provisions creating a Commission on Privatization as follows:

(a) delete the provisions specifying that the nine members appointed by the Governor not be public officers or employees and that the nine members include one or more business manager or owner, employees who are not owners or managers, representatives of labor organizations, and theoreticians or consultants in the fields of business organization or management, personnel management or employment relations;

(b) specify that members be appointed within 60 days rather than 10 days;

(c) require that the Commission's report be submitted to the Governor and the Legislature, instead of the Wisconsin Competitive Enterprise Review Board which would be deleted;

(d) require that the report be submitted no later than six months after appointment of the Commission, instead of seven months after the effective date of the bill; and

(e) provide that the gifts and grants appropriation for Commission operations is repealed eight months after enactment of the bill, instead of seven months after enactment.

**Veto by Governor [C-3]:** Delete the provision specifying that if funding in the Governor's appropriation for special and executive committees is not sufficient to fund the operations of the Commission, funds would be transferred from DOA's general operations appropriation.

[Act 27 Sections: 1067m, 1067n, 1067o, 1067p, 9159(13b) and 9459(9)]

[Act 27 Vetoed Section: 9201(1)]

## Agency Services

### 1. STATE TELEPHONE SYSTEM COST INCREASES

	Chg. to Base
PR	\$4,135,300

**Governor/Legislature:** Provide \$1,670,600 in 1995-96 and \$2,464,700 in 1996-97 for cost increases associated with higher local telephone charges (\$1,057,700 in 1995-96 and \$1,553,900 in 1996-97) and for the provision of voice mail services (\$612,900 in 1995-96 and \$910,800 in 1996-97). These costs would be financed through telephone usage charges to state agencies.

### 2. ACCOUNTING SYSTEM MASTER LEASE REPAYMENTS

	Chg. to Base
PR	\$4,021,600

**Governor/Legislature:** Provide \$2,010,800 annually for repayment of monies borrowed under the master lease program for development and installation of the new state accounting system (WisMart). The master lease program is a \$50 million revolving line of credit the state has with a lender for state agencies' purchase of capital equipment such as computer hardware and software, and distance education services. The master lease program is administered by DOA. Terms of monies borrowed vary but are less than seven years, with a 90-day adjustable interest rate. The requested funds would be placed in unallotted reserve for release by the State Budget Office. These costs would be financed from Bureau of Financial Operations fees assessed state agencies.

### 3. LEGISLATIVE PRINTING CENTER [LFB Papers 635 and 636]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$0	\$193,900	\$193,900
PR	\$1,115,000	\$0	\$1,115,000

**Governor:** Provide \$557,500 annually to support increased workload associated with the establishment of a demand publishing center at DOA's Thornton Avenue site to handle printing of legislative documents (such as bills and bill drafts, Acts, the Bulletin of Proceedings, the Administrative Code, journals and notices). The Legislature has contracted with DOA to establish the center and also has requested DOA to assume operation of the current Senate Copy Center at One East Main Street in Madison. Although no additional position is provided under the bill, \$32,500 is provided for salaries and fringe benefits. The remaining \$525,000 is divided as follows: (a) system maintenance contracts (\$354,000); (b) lease of data transmission lines (\$38,400); and (c) supplies, such as paper (\$132,600).



**Joint Finance/Legislature:** Include GPR-Earned estimates of \$19,000 in 1995-96 and \$174,900 in 1996-97 to reflect: (a) the revenues received from the sale of subscriptions for the legislative document service, based on the fee schedule currently in effect (\$19,000 in 1995-96 and \$89,500 in 1996-97); and (b) the net impact of a change establishing a statutory fee of \$500 for the legislative document subscription service, effective January 1, 1997 (\$85,400 in 1996-97).

**4. CENTRALIZED CHECK PROCESSING [LFB Paper 132]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$4,641,400	-\$4,641,400	\$0

**Governor:** Provide \$2,320,700 annually to create a centralized check processing system. Funding would be divided as follows: (a) \$308,400 annually in the State Bureau of Financial Operations (SBFO) for processing an estimated 6.9 million checks; (b) \$1,371,800 annually for postage; and (c) \$640,500 annually for the Bureau of General Services for postage sold to SBFO. Of the total, \$1,634,100 annually is placed in unallotted reserve because of the uncertainty of the timing of project implementation. Under the proposed consolidation, the printing, signing, inserting and pre-sorting of checks would be centralized in one location (DOA indicates that, currently checks are printed at four different locations and processed by at least seven different staff prior to final mailing or distribution). These costs would be financed from Bureau of Financial Operations fees assessed state agencies.

**Joint Finance/Legislature:** Delete provision. Further, add a requirement that DOA submit a plan for the creation and operation of a centralized check processing center to the Joint Committee on Finance by January 1, 1996.

[Act 27 Section: 9101(20t)]

**5. PROGRAM REVENUE FUNDING OF MAIL OPERATIONS [LFB Paper 133]**

	Chg. to Base Funding Positions	
GPR	-\$500,000	- 7.50
PR	500,000	7.50
Total	\$0	0.00

**Governor:** Delete \$250,000 GPR annually and provide \$250,000 PR annually and transfer 7.5 positions associated with DOA's mail operation from GPR to PR funding. Funding for these expenditures is generated from fees assessed other state agencies for mailing services provided by DOA.

Consolidate DOA's currently separate program revenue appropriations for: (a) printing services; and (b) records, microfilm, optical imaging and forms services. Provide a single, new appropriation for printing, document sales, mail distribution and record services. In addition to consolidating the two previous appropriations, provide that the new appropriation may also be used for mail distribution and for

document sales (these functions are currently budgeted as a part of the appropriation for materials and services to state agencies). Provide that the new appropriation be a continuing appropriation rather than a sum certain annual appropriation. Transfer \$7,785,400 PR and 28.5 PR positions annually for the mail operations and document sales from the materials and services state agency appropriation to this new appropriation. Allow the Department to assess agencies a fee for mail distribution. Currently, DOA assesses fees for all other services in the new appropriation.

**Joint Finance/Legislature:** Modify provision to provide that the revised appropriation for printing, mailing, distribution and records management, be an annual rather than a continuing appropriation.

[Act 27 Sections: 357, 393, 1055, 1058, 1059, 1178 and 9101(3)&(4)]

**6. FEDERAL GRANT APPLICATION PROCESSING FEE [LFB Paper 134]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$105,000	- 3.00	-\$37,700	0.00	-\$142,700	- 3.00
PR	<u>105,000</u>	<u>3.00</u>	<u>37,700</u>	<u>0.00</u>	<u>142,700</u>	<u>3.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

**Governor:** Convert \$105,000 and 3.0 positions in DOA's federal-state relations unit from GPR to PR funding in 1996-97. Provide in statute specific authority for DOA to process applications for federal grant funding for all state agencies and allow DOA to charge agencies for this service. Create an annual program revenue appropriation in DOA funded from fee charges to process applications for federal grant funding. Under current law, agencies which are required to submit a budget, plan, application or proposal to the federal government in order to receive federal funding are required to have the approval of the Governor prior to submittal and DOA currently processes those federal aid applications.

**Joint Finance/Legislature:** Convert an additional \$37,700 in 1996-97 from GPR to PR to reflect shifting the full cost of the unit to PR funding.

[Act 27 Sections: 308 and 1060]

**7. DIVISION OF FACILITIES DEVELOPMENT FUNDING [LFB Paper 135]**

	<u>Chg. to Base</u> <u>Funding Positions</u>	
GPR	-\$420,000	- 1.40
PR	<u>300,000</u>	<u>0.00</u>
Total	-\$120,000	- 1.40

**Governor/Legislature:** Modify funding and positions for the Division of Facilities Development as follows: (a) delete \$150,000 GPR annually and provide \$150,000 PR annually to convert funding for 2.0 positions (while salary and fringe benefits funding are transferred from GPR to PR, no shift in

positions among funding sources is actually provided); and (b) delete 1.4 GPR positions and \$120,000 GPR in 1996-97 from facilities development management. The program revenues are generated from the facilities development fee charged to building projects.

**8. DIVISION OF FACILITIES DEVELOPMENT COST INCREASES**

	Chg. to Base
PR	\$270,600

**Governor/Legislature:** Provide \$110,100 in 1995-96 and \$160,500 in 1996-97 for projected cost increases for: (a) construction supervision contracts (\$62,200 in 1995-96 and \$89,300 in 1996-97); (b) travel associated with construction supervision (\$17,000 in 1995-96 and \$25,500 in 1996-97); (c) rent and maintenance (\$9,600 in 1995-96 and \$14,700 in 1996-97); and (d) supplies and services (\$21,300 in 1995-96 and \$31,000 in 1996-97). Funding would be provided from the facilities development fee charged to state building projects.

**9. INCREASED BUILDING MANAGEMENT COSTS**

	Chg. to Base
PR	\$1,050,800

**Governor/Legislature:** Provide \$335,600 in 1995-96 and \$715,200 in 1996-97 for increases in costs associated with basic services (fuel and utilities, maintenance and repair, supplies, and janitorial services) for the 22 state office buildings administered and maintained by DOA. These costs are paid for through DOA's space rental program which charges rent to state agencies for their usage of state-owned facilities.

**10. BUILDING MAINTENANCE COSTS FOR ADDITIONAL BUILDINGS**

	Chg. to Base
PR	\$1,034,200

**Governor/Legislature:** Provide \$498,500 in 1995-96 and \$535,700 in 1996-97 for building maintenance costs at new or expanded office buildings. Funding would be allocated for the following: (a) the Lake Terrace Building in Madison (\$295,500 in 1995-96 and \$305,900 in 1996-97); (b) the new Agriculture Building in Madison (\$136,200 in 1995-96 and \$156,200 in 1996-97); (c) the Milwaukee Crime Lab addition (\$33,300 in 1995-96 and \$38,900 in 1996-97); and (d) additional fuel cost expenditures to provide steam to the new Dane County Jail (\$33,500 in 1995-96 and \$34,700 in 1996-97). Costs are associated with the provision of basic building services (fuel and utilities, maintenance and repair, supplies, and janitorial services). These increased costs would be paid for through DOA's space rental program which charges for usage of state facilities and the sale of steam to Dane County buildings.

**11. OFFICE CONSOLIDATION FOR SMALL STATE AGENCIES [LFB Paper 136]**

**Governor:** Provide that DOA, with the Governor's approval, require the physical consolidation of office space utilized by any state agency having fewer than 50 full-time equivalent positions with office space utilized by another state agency, whenever feasible. The requirement would not apply to the Legislature or to legislative service agencies. Under current law, DOA is generally responsible for the leasing, acquisition, allocation and utilization of all real property by the state.

**Joint Finance/Legislature:** Specify that the provision applies only to executive branch agencies.

[Act 27 Section: 392]

**12. VEHICLE ACQUISITIONS**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$858,400	-\$1,192,700	-\$334,300

**Governor:** Transfer \$120,800 from permanent property to supplies and services in 1995-96 (no net increase) and provide an additional \$858,400 in 1996-97 to replace vehicles and aircraft components, and to purchase additional vehicles for the state fleet. Funding would be allocated as follows: (a) \$120,800 transferred in 1995-96 within the appropriation and an additional \$165,700 in 1996-97 for oil, gas and maintenance of new vehicles; and (b) \$692,700 in 1996-97 for replacement vehicles, new vehicles and aircraft engine and propeller overhauls. DOA expects to purchase a total of 405 replacement vehicles and 74 new vehicles in 1995-96 and 501 replacement vehicles and 25 new vehicles in 1996-97.

**Joint Finance/Legislature:** Delete \$861,400 in 1995-96 and \$331,300 in 1996-97 associated with the acquisition of 74 new vehicles in 1995-96 and 25 new vehicles in 1996-97.

**13. TRANSPORTATION COST INCREASES**

	Chg. to Base
PR	\$382,800

**Governor/Legislature:** Provide \$127,000 in 1995-96 and \$255,800 in 1996-97 for projected fuel and maintenance cost increases for the state central vehicle fleet and the state air fleet. The funds would be used for: (a) anticipated fuel price increases (\$69,700 in 1995-96 and \$155,800 in 1996-97); (b) projected increased maintenance costs (\$32,100 in 1995-96 and \$66,300 in 1996-97); and (c) anticipated increased use of alternative fuels (gasohol) as required under 1993 Act 351 (\$25,200 in 1995-96 and \$33,700 in 1996-97).

**14. VEHICLE FLEET CONSOLIDATIONS**

	Chg. to Base
PR	\$265,100

**Governor/Legislature:** Provide \$115,000 in 1995-96 and \$150,100 in 1996-97 to consolidate the vehicle fleets of the Department of Agriculture, Trade and Consumer Protection, State Fair Park Board and the Wisconsin School for the Deaf into DOA's central vehicle fleet. Funding would be allocated for the following: (a) replacement of some of the acquired vehicles (\$84,000 in 1995-96 and \$88,000 in 1996-97); and (b) gas, oil and maintenance costs for the acquired vehicles (\$31,000 in 1995-96 and \$62,100 in 1996-97).

**15. VAN POOL VEHICLE REPLACEMENT**

	Chg. to Base
PR	\$194,400

**Governor/Legislature:** Provide \$71,800 in 1995-96 and \$122,600 in 1996-97 to increase base funding for the state van pool program. The program expects to replace 14 vans in 1995-96 and 20 vans in 1996-97, and to acquire an additional 10 vans in 1995-96 and an additional 7 vans in 1996-97 for the Southeast Wisconsin van pool program. Base level funding for the program is \$402,300. The additional vans for the Southeast Wisconsin Van Pool Program would all be treated as one-time funding (\$210,000 in 1995-96 and \$147,000 in 1996-97). Funding for these costs is generated from fees assessed to van pool users.

**16. LOSS PREVENTION**

	Chg. to Base
PR	\$548,400

**Governor/Legislature:** Provide \$274,200 annually for risk management loss prevention programs as follows: (a) consultants to perform building inspections and develop training programs to reduce property losses (\$187,200 annually); and (b) contracted hazardous waste cleanup audits of environmental remediation projects and regulatory compliance activities (\$87,000 annually). These costs would be funded from risk management premiums charged to all state agencies.

**17. WORKER'S COMPENSATION ADMINISTRATION**

	Chg. to Base
PR	\$360,100

**Governor/Legislature:** Provide \$169,600 in 1995-96 and \$190,500 in 1996-97 for administration of the state's worker's compensation program. The state of Wisconsin, as an employer, is self-insured against worker's compensation claims made by state employees. The funds would be used for: (a) case management service increases (\$44,700 in 1995-96 and \$52,400 in 1996-97); (b) claims investigation (\$35,000 in 1995-96 and \$40,800 in 1996-97); (c) evaluations of loss of earnings capacity claims (\$12,400 in 1995-96 and \$13,900 in 1996-97); and (d) vocational reemployment programs provided by H&SS (\$77,500 in 1995-96 and \$83,400 in 1996-97). These costs would be funded from the risk management premiums charged to all state agencies.

## 18. OPTICAL IMAGING

	Chg. to Base
PR	\$15,000

**Governor/Legislature:** Provide \$15,000 in 1995-96 to conduct a study of developing an optical imaging system to manage worker's compensation claims. These costs would be funded from risk management premiums charged to all state agencies.

## 19. RISK MANAGEMENT CLAIMS [LFB Paper 138]

	Chg. to Base
PR	-\$2,200,000

**Joint Finance/Legislature:** Reduce funding for risk management claims by \$1,100,000 annually. Annual claims funding would be: (a) worker's compensation, \$12,354,200; (b) general liability, \$5,500,000; (c) property, \$2,310,000; and environmental liability, \$1,800,000.

## 20. BUREAU OF FINANCIAL OPERATIONS CHARGES

	Chg. to Base
PR	\$736,500

**Assembly/Legislature:** Provide \$380,900 in 1995-96 and \$355,600 in 1996-97 to reflect a shift in the fund source of the general program operations of the Office of the State Treasurer from GPR to program revenue received from BFO, the source of which is charges to state agencies for the provision of accounting, auditing, payroll and other financial services. Modify BFO's appropriation to require that the PR amounts appropriated for the State Treasurer be transferred to that Office.

[Act 27 Section: 1059m]

## 21. ZERO-BASED BUDGETING

**Assembly/Legislature:** Require that, insofar as practicable, biennially 20% of all state agencies submit a zero-based biennial budget request for each of its activities, units or programs. Define a zero-based budget as a budget request in which each component is justified on the basis of cost, need and relation to the statutory responsibilities of the agency for which the budget is made. Require each agency to submit a zero-based biennial budget request once in the next five fiscal biennia beginning with the 1997-99 biennium. Specify that DOA determine the agencies required to submit a zero-based budget in each biennium.

**Veto by Governor [C-23]:** Delete provision.

[Act 27 Vetoed Sections: 288p and 288q]

## 22. SPONSORSHIPS FOR STATE PUBLICATIONS

**Assembly/Legislature:** Require each executive branch agency to submit a report to the Secretary of DOA, by January 1, 1996, describing the documents and other materials published by the agency and mailings by the agency of similar materials in bulk quantities. Specify that the report also address the appropriateness and feasibility of securing sponsorship for documents, materials and mailings, including specific types of sponsorships. Allow agencies to conduct surveys in order to obtain necessary data for preparing the report. Require the Secretary of DOA to examine the reports and report to the Legislature concerning any legislative proposals that may be required concerning sponsorship of state publications.

**Veto by Governor [C-1]:** Delete the January 1, 1996, date by which agencies must submit a report to DOA describing the documents and other materials published by the agency.

[Act 27 Section: 9159(14h)]

[Act 27 Vetoed Section: 9159(14h)]

## 23. COPIES OF DOCUMENTS

**Assembly/Legislature:** Prohibit state agencies from distributing copies of books, pamphlets or magazines that agencies have produced under contract to all members of the Legislature. Require agencies which wish to distribute such materials to the Legislature to send a notice to all members briefly describing the materials, and then send only materials to individual legislators which have been specifically requested. This provision would apply only to books, pamphlets and magazines printed under contract with a printer.

[Act 27 Section: 1749m]

# Information Technology

## 1. DIVISION OF TECHNOLOGY MANAGEMENT [LFB Paper 142]

**Governor:** Create a Division of Technology Management (DTM) in DOA. Specify that DTM may receive monies from other state agencies for providing information technology development and management services. Create a continuing appropriation for receipt and expenditure of charges to state agencies.

Provide that DTM be assigned the responsibilities now simply assigned to the Department relating to: the adequacy of information technology services for state agencies; the establishment and monitoring of policies, procedures and a planning process for the administration of information technology; and the coordination and integration of the plans of agencies relating to information technology to formulate a consistent statewide strategic plan for the use and application of information technology;

Exclude the Division of Technology Management and the Division of Information Services (DITS) from state procurement rules related to low bid, life cycle costing, DOA developed bid process and required public notice for all purchases. Under current law, DITS is excluded from these requirements for "major" purchases only.

**Joint Finance/Legislature:** Modify the Governor's recommendation to create the Division of Technology Management to: (a) retain current law that specifies that DOA, rather than DTM, has overall responsibility to ensure information technology resource planning, use and availability; (b) require that DOA's policies, procedures and planning processes for the administration of information technology be established in cooperation with agencies and be based on the needs of agencies to carry out their functions; (c) substitute the terms "information technology resource" for "computer resource" and "computing resource" and the term "information technology systems" for "data processing systems;" (d) require that DTM's techniques to ensure interagency information technology resources and sharing also ensure the interconnection of agency information technology resources, where consistent with agency and statewide information technology strategic plans; and (e) require DTM, using existing resources, to establish a small agency information technology resource center to provide assistance and training to small agencies.

Delete provisions exempting DTM and DITS from state procurement rules. As under current law, DITS would continue to be exempt from state procurement rules for major purchases. Finally, change the appropriation for receipt and expenditure of charges to state agencies for information technology development and management services to an annual appropriation.

[Act 27 Sections: 102, 361, 406, 406e, 408, 409, 410, 412g, 412r, 413, 413e, 413m, 413s, 414, 414g, 416m, 417, 420, 423m, 424 thru 428, 1052, 1061 and 1066]

## 2. STRATEGIC PLANNING

**Governor:** Require that all state agencies have a strategic plan for the utilization of information technology that is approved by the Division of Technology Management. Specify that each plan identify all resources related to information technology which the agency desires to acquire, contingent upon funding availability, the priority for such acquisitions and the justification for such acquisitions.

**Joint Finance/Legislature:** Modify the provision to:

(a) Specify that all executive branch agencies, including DOA, must prepare and biennially revise a strategic information technology plan. Provide that plans also be prepared and biennially revised by the



Director of State Courts on behalf of the judicial branch, and by the Joint Committee on Legislative Organization (JCLO) on behalf of the legislative branch. Require DOA to consult with the Joint Committee on Information Policy in the development of planning guidance and the scheduling of planning for executive branch agencies. Require that, in addition to identifying information technology resources which the agency desires to acquire and the priorities and justifications for the acquisitions, the plan also be based upon the strategic business needs of the agency and identify changes in the functioning of the agency under the plan.

(b) Direct DOA to review and approve the plans for executive branch agencies, other than the plan of the University of Wisconsin System.

(c) Direct DOA to prepare and revise annually a statewide strategic information technology plan based on executive branch agencies' plans, other than the University of Wisconsin System's, and the current DOA statewide long-range telecommunications plan.

(d) Direct DOA, the University of Wisconsin Board of Regents, the Director of State Courts, and JCLO to submit by September 15 in each even-numbered year their statewide plans to the Joint Committee on Information Policy for review and comment. Direct the UW Board of Regents, the Director of State Courts and JCLO to also submit their reports to DOA.

**Veto by Governor [C-5]:** Delete provision allowing the University of Wisconsin System to prepare and submit a strategic plan separately from other executive branch agencies, and excluding the UW's plan from being subject to approval by DOA. As a result of the partial veto, the UW System will be required to submit its strategic plans to DOA for its approval.

[Act 27 Sections: 32m, 41p, 412r, 415, 416, 419, 1762x and 7095m]

[Act 27 Vetoed Sections: 32m, 415, 419 and 1762x]

### 3. SMALL AGENCY PROJECTS [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$863,000	-\$863,000	\$0

**Governor:** Provide \$265,300 annually to establish a statewide video conferencing network and \$166,200 annually to allow creation of a fund to assist small agencies (fewer than 50 employes) with basic information technology, such as personal computer, networks and software. These funds would come from the information technology investment fund to allow the Division of Technology Management to fund master lease costs for these items.

**Joint Finance/Legislature:** Delete agency funding for receipt of grants from the information technology investment fund. Under a modified information technology development grant process, provide for funding to be allocated through an annual request submitted by DOA under s. 16.515 for all agencies. [See "Information Technology Investment Fund."]

**4. BUREAU OF JUDICIAL INFORMATION SYSTEMS PROJECTS [LFB Paper 889]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$4,389,800	- \$4,389,800	\$0

**Governor:** Provide \$2,194,900 annually from the information technology investment fund for the Bureau of Judicial Information Systems to install electronic communications systems in 44 offices of the State Public Defender. The new system is intended to allow the Public Defender to communicate other state agencies and provide access to the court automation system. Funding would be used to pay master lease costs of the project. The executive budget book indicates that the Bureau will also begin to work with the district attorneys to plan for access to state services and systems.

**Joint Finance/Legislature:** Delete \$2,194,900 PR annually provided from the information technology development fund associated with a new information system for the Office of State Public Defender. Require that prior to the provision of any funding for the Public Defender information system, the Joint Committee on Finance, under ss. 16.505/16.515, approve a report submitted by the Department of Administration on: (a) an implementation plan and associated costs for the Public Defender information system; (b) the costs of long-term system support, maintenance and training associated with the new system; and (c) the planned integration of the Public Defender information system with other judicial and justice information systems.

Require that DOA annually inform the Legislature on the streamlining and integration of judicial and justice information systems.

[Act 27 Sections: 422m and 9101(18t)]

**5. CONVERT DATA PROCESSING UNIT TO PROGRAM REVENUE**

	Chg. to Base Funding Positions	
GPR	-\$152,300	- 6.00
PR	289,400	6.00
Total	\$137,100	0.00

**Governor/Legislature:** Convert 6.0 positions in DOA's Division of Administrative Services data entry unit from GPR to PR funding in 1996-97 and delete \$152,300 GPR and provide \$152,300 PR. These positions would now be funded from charges to the Bureau of Financial Operations (BFO). In addition, provide \$137,100 PR in 1996-97 in BFO to purchase data entry services. The costs in BFO

would be financed through financial services charges assessed by the Bureau against other divisions in DOA and other state agencies.

**6. ELIMINATE MANAGEMENT INFORMATION SPECIALIST POSITION**

Chg. to Base Funding Positions		
GPR	-\$52,000	- 1.00

**Governor/Legislature:** Delete \$52,000 in 1996-97 and 1.0 management information specialist position in the State Budget Office.

**7. INFORMATION SYSTEMS POSITION TRANSFER**

Chg. to Base		
PR		1.00

**Governor/Legislature:** Provide 1.0 position annually in DOA for mainframe computer support related to the Department of Health and Social Services KIDS/CARES computer project (the statewide child support enforcement and income maintenance computer systems). A corresponding position decrease is made in H&SS.

**8. PIONEERING PARTNERS PROGRAM [LFB Paper 788]**

Chg. to Base Funding Positions		
GPR	\$10,120,000	1.00

**Joint Finance:** Provide \$10,000,000 GPR in 1996-97 through a new, continuing appropriation for grants for educational technology or distance education projects. In addition, require that in 1996-97 through 1999-2000, \$15,000,000 annually be allocated through the state trust fund loan program for loans for educational technology or distance education projects. This Pioneering Partners program would be administered by a nine-member Educational Technology Board, attached to DOA for administrative purposes. Create an annual, state operations appropriation for the administrative expenses of the Board (\$45,000 GPR in 1995-96 and \$75,000 GPR in 1996-97) and authorize 1.0 project position, beginning January 1, 1996.

**Senate/Legislature:** Modify the requirement that the Board of Commissioners of Public Lands reserve \$15,000,000 annually in 1996-97 through 1999-2000 for state trust fund loans for educational technology and distance education projects by specifying that the reserve be made by the Board "to the extent practicable" and for the purposes of giving "priority" to loans for educational technology and distance education projects. [For a detailed description of the program, see "Public Instruction."]

**Veto by Governor [C-10]:** Modify Board membership to allow the Governor to make four additional appointments of the Board by deleting the appointment authority of the State Superintendent of Public Instruction, the Chairperson of the Public Service Commission, the State Director of the

Technical College System, and the President of the UW System. [For a detailed description, see "Public Instruction."]

[Act 27 Sections: 95, 118m, 118p, 390m, 436m, 1071g, 1071r, 1366m, 1368c, 1369m, 1370, 1370g, 1377, 1377g, 1378b, 1379b, 9101(22g), 9159(11g) and 9445(13g)]

[Act 27 Vetoed Section: 118m]

9. STRATEGIC PLANNING PROJECT FUNDING [LFB Paper 137]

	Chg. to Base
PR	- \$530,000

**Joint Finance/Legislature:** Reduce funding budgeted for the statewide strategic planning project by \$265,000 annually for costs associated with consultant contracts and agency interchange agreements, which DOA indicates will no longer be utilized or will be reduced.

10. STATE INFORMATION TECHNOLOGY POLICIES

**Joint Finance:** Make the following changes to current law related to state information technology policies:

*Basic IT Infrastructure Standards.* Require that DOA, prior to implementing its basic IT infrastructure standards must submit a plan to the Joint Committee on Information Policy, by January 1, 1996, for implementing the standards including a schedule for implementation of the standards and an analysis of the funding requirements for the direct and related costs of implementation, including software conversion, technical support and staff training.

*IT Budgeting.* Require the Governor to submit to the Joint Committee on Finance an IT budget plan in March of each odd-numbered year that provides for each agency: (a) an identification of the current level of IT-related expenditures, the total amount requested by the agency for IT-related expenditures for the next biennium and the sources of funding and types of financing for the requested IT-related expenditures; (b) an evaluation of how the proposed expenditures conform with agency business and IT strategic plans and the statewide IT plan; (c) the Governor's recommended funding level for each requested expenditure; and (d) an identification of new IT systems or applications in the request which have not previously been funded and the expected total cost of designing, implementing and providing continued support for the system or application.

*Costing Methodology.* Direct DOA to develop a standardized methodology for evaluating and measuring the cost of an IT project and cost savings achieved as a result of the project. Require DOA to submit the proposed methodology by January 1, 1996, to the Joint Committee on Finance and the Joint Committee on Information Policy.

*IT Procurement Legislation.* Direct DOA to submit draft legislation to the Joint Committee on Information Policy by January 1, 1996, that: (a) amends state procurement law to provide quicker and more flexible, competitive procedures for state procurement of IT equipment, systems and services; (b) establishes the terms and conditions under which a state agency that is required to use a DOA, IT service may procure the service from a private vendor; and (c) defines "service" in the master lease law to be a "telecommunications service."

*Other Provisions.* Modify current law to clarify that information technology provisions in subch. VII of ch. 16, Stats., that require DOA to exercise control over agency information technology activities apply only to executive branch agencies. Amend the definition of "computer services" provided by the Division of Information Technology Services to be "computer services provided on a mainframe computer system."

**Senate/Legislature:** Delete the provision specifying that DOA's Division of Information Technology Services (DITS) provide "mainframe" computer services. As a result, DITS would continue to provide computer services which are defined as any services in which a computer is utilized other than for personal computing purposes.

**Veto By Governor [C-6 and C-8]:** Delete the provisions creating an information technology budgeting process. Also delete the requirements that the draft IT procurement legislation: (a) establish the terms and conditions under which a state agency that is required to use a DOA-provided service may procure the service from a private vendor; (b) limit the application of the term "services" in the master lease law to "telecommunications services; and (c) be submitted to the Joint Committee on Information Policy by January 1, 1996.

[Act 27 Sections: 406e, 408, 412r, 413, 414, 414g, 415, 416, 418 and 9101(21g), (21h)&(21ho)]

[Act 27 Vetoed Sections: 288r and 9101(21ho)]

## Office of Justice Assistance

### 1. FEDERAL ANTI-DRUG ABUSE FUNDS

	Chg. to Base
FED	\$1,693,500

**Governor/Legislature:** Provide \$994,100 in 1995-96 and \$699,400 in 1996-97 to reestimate federal anti-drug abuse law enforcement funds as follows: (a) \$194,600 in 1995-96 and \$429,400 in 1996-97 for local assistance grants (base funding of \$4,759,600); and (b) \$799,500 in 1995-96 and \$270,000 in 1996-97 for grants to state agencies (base funding of \$3,190,500).

**2. FEDERAL JUVENILE JUSTICE GRANTS**

Chg. to Base	
FED	\$874,200

**Governor/Legislature:** Provide \$437,100 annually to reestimate federal expenditure authority for juvenile justice and delinquency prevention act grants as follows: (a) \$237,100 annually for local assistance grants (base funding of \$621,900); and (b) \$200,000 annually for grants to nonprofit organizations (base funding of \$75,000).

**3. PENALTY ASSESSMENT MATCHING FUNDS**

Chg. to Base	
PR	-\$113,400

**Governor/Legislature:** Delete \$5,900 in 1995-96 and \$107,500 in 1996-97 to reflect reestimated penalty assessment revenues used to match federal anti-drug abuse grant funds as follows: (a) delete \$156,600 in 1995-96 and \$107,500 in 1996-97 for local assistance grants (base funding of \$2,087,900); and (b) provide \$150,700 in 1995-96 for state agency grants (base funding of \$700,000).

**4. POSITION TRANSFER**

Chg. to Base Funding Positions		
GPR	-\$53,800	- 0.50
FED	<u>53,800</u>	<u>0.50</u>
Total	\$0	0.00

**Governor/Legislature:** Convert \$26,900 annually and a 0.5 position from GPR to FED. [Agency officials indicate that a portion of several administrative positions may be transferred to federal funding sources to total 0.5 FTE.]

**Attached Programs**

**1. UNIVERSITY OF WISCONSIN BOARD OF REGENTS STAFF**

Chg. to Base Funding Positions		
GPR	-\$232,400	- 2.00

**Governor/Legislature:** Delete \$116,200 annually and 2.0 positions budgeted in DOA to provide research and policy staff support for the University of Wisconsin Board of Regents.

**2. WOMEN'S COUNCIL REDUCED FUNDING**

Chg. to Base Funding Positions		
GPR	-\$116,200	- 1.50

**Governor/Legislature:** Reduce base funding for the Women's Council by \$58,100 annually and delete 1.5 positions. Under this

recommendation, total funding for the Council would be \$91,200 in 1995-96 and \$92,700 in 1996-97 and 1.0 position.

**3. MIDWESTERN HIGHER EDUCATION COMPACT FUNDING**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$116,000	\$116,000	\$0

**Governor:** Repeal the appropriation in DOA which provides funding for membership in and costs associated with the Midwestern Higher Education Compact and delete \$58,000 annually. The Compact is a regional organization designed to provide greater higher education opportunities and services through regional access to programs and services.

**Joint Finance/Legislature:** Delete provision.

**4. ELIMINATE STATE MATCH FOR COASTAL ZONE MANAGEMENT**

	Chg. to Base
GPR	- \$105,000

**Governor/Legislature:** Delete \$35,000 GPR in 1995-96 and \$70,000 GPR in 1996-97 associated with the state's match for federal coastal zone management funding. Base funding for the program is \$1,109,100 FED and 6.3 FED positions in DOA. Current funding supports staff and coastal management policies and priorities established by the Governor's Coastal Zone Management Council.

**5. COST CONTAINMENT COMMISSION SALARY SUPPLEMENTS**

	Chg. to Base
GPR	- \$95,200

**Governor/Legislature:** Delete \$47,600 annually provided through DOA as a supplement to salaries and fringe benefits budget of the Cost Containment Commission. Under the bill, the Commission is eliminated.

**6. CLAIMS AWARD REESTIMATE**

	Chg. to Base
GPR	- \$50,000

**Governor/Legislature:** Reestimate the sum sufficient claims award appropriation by -\$25,000 annually.

**7. SPECIAL AND EXECUTIVE COMMITTEES -- CIVIL SERVICE REFORM COMMITTEE**

	<b>Chg. to Base</b>
GPR	\$25,000

**Governor:** Provide \$15,000 in 1995-96 and \$10,000 in 1996-97 for the special and executive committees appropriation in DOA. Specify that the Governor may authorize expenditures of up to \$25,000 during the 1995-97 fiscal biennium for such an executive order committee for the study of civil service reform without first having to submit a budget for all the committee's expenditures for the review and approval of the Joint Committee on Finance. Under current law, the Governor, on his own authority, may authorize expenditures of up to \$2,000 per fiscal year from this appropriation. Expenditures for executive order committee that are in excess of that amount must be submitted to the Joint Committee on Finance for its review and approval.

**Joint Finance/Legislature:** Delete the language which would authorize the Governor to expend up to \$25,000 during the 1995-97 fiscal biennium for an executive order committee for the study of civil service system reform without first having to submit a budget for all of the committee's expenditures (in excess of \$2,000) for the review and approval of the Joint Committee on Finance.

**8. LOW-LEVEL RADIOACTIVE WASTE COUNCIL**

**Governor/Legislature:** Extend the sunset date for the Low-level Radioactive Waste Council in DOA from July 1, 1996, to June 30, 2002. The Council is composed of three public and four legislative members. The Council is required to: (a) advise the member of the Midwest Interstate Low-level Radioactive Waste Commissioner who represents Wisconsin; (b) meet, at least twice a year, with the Wisconsin representative to review the activities of the Midwest Interstate Low-level Radioactive Waste Commission; (c) make studies and recommend solutions and policy alternatives to matters before the Commission; and (d) present recommendations in writing to the Governor and the Legislature as requested or as necessary to ensure adequate exchange of information on activities and programs of the Commission. No increasing in funding is provided in the Council's continuing GPR appropriation or its annual PR appropriation. Base level funding for the Council is \$60,700 PR annually.

[Act 27 Sections: 119 and 237]



## ADOLESCENT PREGNANCY PREVENTION AND PREGNANCY SERVICES BOARD

Budget Summary						
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled Amount      Percent
GPR	\$1,401,200	\$1,156,600	\$1,206,600	\$1,206,600	\$1,206,600	-\$194,600   - 13.9%

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	1.50	1.50	1.50	1.50	1.50	0.00

### 1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	-\$139,600

**Governor/Legislature:** Adjust the Board's base budget by -\$3,800 in 1995-96 and by -\$135,800 in 1996-97 for: (a) removal of noncontinuing elements, including the elimination of the comprehensive adolescent pregnancy prevention grant program on the current statutory sunset date of June 30, 1996 (-\$10,000 in 1995-96 and -\$142,000 in 1996-97); (b) full funding of continuing positions and fringe benefits (\$5,800 in each year); and (c) delayed pay adjustments (\$400 in each year).

Under current law, a total of \$132,000 will be provided in 1995-96 for the comprehensive adolescent pregnancy prevention program to provide grants to organizations for community-based pregnancy prevention demonstration projects. Organizations which will receive grants in 1995-96 are: (a) Central Wisconsin Community Action Commission in Juneau County (\$31,500); (b) Family Enhancement in Dane County (\$66,000); and (c) United Community Center in Milwaukee County (\$34,500).

## 2. BUDGET REDUCTIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$105,000	\$50,000	- \$55,000

**Governor:** Reduce the Board's base budget by \$35,000 in 1995-96 and by \$70,000 in 1996-97 as follows: (a) \$7,500 in each year for supplies and services; and (b) \$27,500 in 1995-96 and \$62,500 in 1996-97 for grants to organizations for adolescent pregnancy prevention projects.

Current law requires the Board to award not more than \$593,800 annually in grants to organizations to provide adolescent pregnancy prevention programs or pregnancy services, including \$132,000 annually for the comprehensive adolescent pregnancy prevention grant program which is scheduled to sunset on June 30, 1996. Under the Governor's budget, a total of \$566,300 in 1995-96 and \$399,300 in 1996-97 would be available for grants.

**Joint Finance/Legislature:** Provide \$50,000 in 1996-97 for the Board to initiate the Education Now and Babies Later (ENABL) curriculum and to partially restore funding for the Board's grants. Of the total amount in 1996-97, provide \$10,000 in the general program operations appropriation for the Board to develop, purchase or provide the ENABL curriculum and \$40,000 to the appropriation for grants to organizations for adolescent pregnancy prevention projects. As a result, a total of \$439,300 in 1996-97 would be available for grants.

In addition, require organizations that receive a grant from the Board to provide a 20% match of the grant award through cash and/or in-kind services, beginning on July 1, 1996. Specify that any in-kind services proposed to match the grant be subject to approval of the Board.

[Act 27 Sections: 804m, 2335m, 2335p, 9102(1z) and 9402(1z)]

## AGRICULTURE, TRADE AND CONSUMER PROTECTION

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$49,864,200	\$45,829,500	\$47,664,900	\$47,664,900	\$47,664,900	-\$2,199,300	- 4.4%
FED	11,763,600	11,637,600	11,637,600	11,637,600	11,637,600	- 126,000	- 1.1
PR	32,864,000	35,445,400	33,893,700	33,893,700	33,893,700	1,029,700	3.1
SEG	<u>19,465,000</u>	<u>21,031,800</u>	<u>21,017,500</u>	<u>20,917,500</u>	<u>20,917,500</u>	<u>1,452,500</u>	<u>7.5</u>
<b>TOTAL</b>	<b>\$113,956,800</b>	<b>\$113,944,300</b>	<b>\$114,213,700</b>	<b>\$114,113,700</b>	<b>\$114,113,700</b>	<b>\$156,900</b>	<b>0.1%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	328.81	287.46	309.26	310.26	310.26	- 18.55
FED	67.85	64.60	64.60	64.60	64.60	- 3.25
PR	268.13	271.30	252.21	252.21	252.21	- 15.92
SEG	<u>65.00</u>	<u>70.20</u>	<u>69.20</u>	<u>69.20</u>	<u>69.20</u>	<u>4.20</u>
<b>TOTAL</b>	<b>729.79</b>	<b>693.56</b>	<b>695.27</b>	<b>696.27</b>	<b>696.27</b>	<b>- 33.52</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the agency's base budget by \$846,200 in 1995-96 and \$834,400 in 1996-97 for: (a) turnover reduction (-\$265,200 GPR and -\$83,900 PR annually); (b) removal of noncontinuing items (-\$365,000 GPR, -\$214,600 PR and -5.0 PR positions, and -\$13,200 SEG annually and -\$75,600 FED in 1995-96 and -\$87,400 FED in 1996-97 and -2.25 FED positions); (c) full funding of salaries and fringe benefits (\$451,100 PR, \$313,900 GPR, \$238,200 SEG and \$38,100 FED annually); (d) full funding of financial services (\$3,700 GPR, \$2,500 PR and \$1,500 SEG annually); (e) reclassifications (\$24,100 GPR, \$19,600 SEG and \$16,400 PR annually); (f) risk management costs (\$19,100 GPR, \$17,300 PR, \$9,000 SEG and \$500 FED annually); (g) fifth vacation week as cash for certain long-term employees (\$10,300 GPR, \$7,200 PR and \$2,000 SEG annually); (h) full funding of private lease costs and directed moves (\$303,100 GPR, \$116,300 PR, \$88,900 SEG and \$8,600 FED annually); and (i) full funding of delayed pay plan adjustment (\$89,700 GPR, \$62,900 PR, \$18,600 SEG, \$1,100 FED annually).

	<b>Chg. to Base Funding Positions</b>	
GPR	\$267,400	0.00
FED	- 66,400	- 2.25
PR	750,400	- 5.00
SEG	<u>729,200</u>	<u>0.00</u>
<b>Total</b>	<b>\$1,680,600</b>	<b>- 7.25</b>

**2. ELIMINATE DATCP GOVERNING BOARD [LFB Paper 165]**

**Governor:** Eliminate the current seven-member Board of Agriculture, Trade and Consumer Protection and put DATCP under the supervision of a Secretary who is nominated by the Governor and appointed with the advice and consent of the Senate to serve at the pleasure of the Governor. Create a seven-member DATCP advisory council that would consist of six members with agricultural backgrounds and one consumer representative appointed for six-year terms. Initial membership would consist of the current Board members whose terms have not expired upon the enactment of this bill.

**Joint Finance/Legislature:** Delete the advisory council and retain the current Board of Agriculture, Trade and Consumer Protection and its duties; except that the Governor would nominate, and with the advice and consent of the Senate appoint, the DATCP Secretary to serve at the pleasure of the Governor.

[Act 27 Sections: 79h and 79s]

**3. SUSTAINABLE AGRICULTURE**

	Chg. to Base Funding Positions	
PR	- \$437,200	- 3.00

**Governor:** Delete \$218,600 PR and 3.0 PR positions annually to reflect the loss of federal oil overcharge funding for the DATCP sustainable agriculture program. Expand the soil and water resource management grant program to allow for sustainable agriculture demonstration grants to be awarded from existing GPR and SEG funding. Further, reallocate a vacant GPR position within the soil and water resource management program to administer the sustainable agriculture program.

**Assembly/Legislature:** Delete the provision allowing DATCP to expand the soil and water resource management grant program to allow for sustainable agriculture demonstration grants to be provided from existing GPR and SEG funding. Rather, require DATCP, by June 1, 1996, to submit a report that specifies how DATCP will identify and secure revenue for the sustainable agriculture grant program for approval by the Senate and Assembly standing committees with jurisdiction over agricultural matters, as determined by the President of the Senate and the Speaker of the Assembly. If the funding report is not approved by both committees by June 20, 1996, both of the following would occur; (a) the chairpersons of the committees would send a notice of disapproval to the revisor of statutes for publication in the Wisconsin Administrative Register; and (b) the sustainable agriculture grant program would be eliminated, effective July 1, 1996.

[Act 27 Sections: 3567, 3567e and 9104(4g)]

**4. SOIL AND WATER RESOURCE MANAGEMENT PROGRAM**

	Chg. to Base
GPR	- \$330,800

**Governor/Legislature:** Delete \$132,000 in 1995-96 and \$198,800 in 1996-97 for grants to counties for the administration of soil and water conservation programs and to individuals for GPR installation of conservation practices. The bill provides GPR funding for the program of \$2,572,500 in 1995-96 and \$2,505,700 in 1996-97. Also, transfer \$4,400 SEG annually from unallotted reserve to fund office space rental for Department engineers in Richland Center and Beaver Dam. Segregated funding is provided from the agrichemical management fund.

**5. FARMLAND PRESERVATION TAX CREDITS**

	Jt. Finance/Leg. Chg. to Base
GPR-REV	\$84,200

**Governor:** Eliminate the requirement for a rollback tax (equal to the amount of the tax credits received in the last ten years, plus interest), for past farmland preservation tax credits for owners whose farmland preservation or transition area agreements are relinquished prior to expiration or whose farmland ceases to be covered by exclusive agricultural zoning. Provide that any liens previously filed for rollback taxes have no effect. Require the Department to file, on or before the first day of the fourth month beginning after the effective date of this provision, a release of any lien that it previously recorded under farmland preservation provisions. Under the bill, rollback collections would be eliminated, however, the bill continues to reflect general fund revenues of \$22,900 annually.

**Joint Finance/Legislature:** Delete provision. Rather, require DATCP to examine alternative methods for administering a tax credit payback requirement and submit the results to the Governor and Legislature by January 1, 1996. Require that the report include, at a minimum: (a) a cost-benefit analysis of a system under which the amount of the rollback tax would be based on a per acre scale which considers the length of time the farmland owner has been in the program and the total credits received on the land removed from the program; and (b) an estimate of the impact on collections of a provision which requires a rollback tax to be paid in full prior to final approval by a local unit of government of a request to rezone farmland from exclusive agricultural use. It is estimated that \$65,000 annually in rollback taxes will be collected in the 1995-97 biennium.

[Act 27 Section: 9104(2g)]

**6. MANURE MANAGEMENT GRANTS IN PRIORITY WATERSHEDS**

	Chg. to Base
PR	\$200,000

**Governor/Legislature:** Provide \$100,000 annually from the DNR nonpoint account of the environmental fund to provide cost share grants to farm operators located within priority watershed and lake projects. Under current law, DATCP is required to make financial assistance available to farm operators that have received a DNR notice of discharge related to nonpoint source pollution caused by animal waste. DATCP currently allocates \$650,000 annually from GPR and the

nonpoint account of the environmental fund for grants to these farmers both within and outside of a designated watershed.

[Act 27 Section: 484]

**7. NITROGEN MANAGEMENT [LFB Paper 156]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$114,300	1.00	-\$114,300	- 1.00	\$0	0.00

**Governor:** Provide \$52,600 in 1995-96 and \$61,700 in 1996-97 with 1.0 position from the segregated agrichemical management fund to develop a regulatory groundwater nitrate protection strategy. Authorize DATCP to promulgate rules regulating the use of nitrogen fertilizer (including rates, time and other conditions of use) to prevent contamination of groundwater and surface water. Under current law, DATCP regulates the manufacture, labeling and sale of fertilizer.

**Joint Finance/Legislature:** Delete provision.

**8. GROUNDWATER SURVEY OF ATRAZINE RESIDUES**

	Chg. to Base
PR	\$63,000
SEG	139,300
Total	\$202,300

**Governor/Legislature:** Provide \$63,000 PR and \$104,300 SEG in 1995-96 and \$35,000 SEG in 1996-97 to fund a survey of atrazine contamination in groundwater and associated laboratory testing. Segregated funding would be provided from the agrichemical management fund. Program revenue funding reflects a chargeback to the program for tests performed by DATCP's general laboratory that are associated with the atrazine survey. The survey will provide comparison data to determine the effectiveness of the Department's atrazine rule on groundwater.

**9. VOLUNTARY PESTICIDE PROTECTION FOR ENDANGERED SPECIES**

	Chg. to Base Funding Positions	
SEG	\$109,400	1.00

**Governor/Legislature:** Provide \$54,700 annually and 1.0 position from the agrichemical management fund to replace a federally funded endangered species pesticide protection project position for which funds are terminating. Further, convert the position to permanent. The voluntary program is in lieu of a federal regulatory and labeling program.

**10. PESTICIDE CERTIFICATION AND LICENSING**

	<b>Chg. to Base</b>
SEG-REV	\$56,000

**Governor/Legislature:** Replace the current fees paid to the Department for individual commercial pesticide applicator certification examinations with a \$10 increase in the current \$50 annual individual commercial pesticide applicator license fee. Under current law, all individual commercial applicator licensees must be certified by successfully completing a written examination every five years. At the time of the exam applicants must pay a \$10 exam fee for the initial exam and \$5 each time the exam is retaken. DATCP officials indicate that these fee changes would result in \$28,000 annually in increased revenues. All moneys received from pesticide examination and applicator licenses are deposited to the segregated agrichemical management fund. Under the bill, the fees would be effective on November 1, 1995.

[Act 27 Sections: 1066, 1417, 3572 thru 3574 and 9404(4)]

**11. DIVISION OF AGRICULTURAL RESOURCE MANAGEMENT**

	<b>Chg. to Base Funding Positions</b>	
GPR	-\$446,800	- 3.50
PR	149,800	1.50
SEG	<u>297,000</u>	<u>2.00</u>
Total	\$0	0.00

**Governor/Legislature:** Convert \$223,400 and 3.5 positions annually from GPR to PR and SEG as follows: (a) \$18,500 and 0.5 program assistant position to program revenues provided from fees charged for special inspections of plants being exported; (b) \$28,200 and 0.5 program and planning analyst position to program revenues provided from plat review fees in 1995-96 and agricultural impact statements in 1996-97; (c) \$28,200 and 0.5 program and planning analyst position to program revenues provided from fees associated with agricultural impact statements; and (d) \$148,500 and 1.0 division administrator and 1.0 administrative assistant position to the segregated agrichemical management fund.

**12. FOOD SAFETY REDUCTIONS [LFB Paper 157]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$530,100	- 5.00	\$17,000	0.00	-\$513,100	- 5.00

**Governor:** Delete \$530,100 and 5.0 positions in 1996-97 from the Department's food inspection general operations appropriation. Further, require DATCP to submit recommendations to the Governor and the Joint Committee on Finance by October 1, 1995, on how these reductions should be allocated among the agency's GPR appropriations. The bill does not indicate that approval of the report would be required. Under the bill, food inspection operations would be provided \$3,396,600 GPR in 1995-96 and \$2,510,200 GPR in 1996-97.

**Joint Finance/Legislature:** Provide \$8,500 GPR annually to limit DATCP's unallocated base budget reduction to \$513,100 in 1996-97. Require DATCP to submit recommendations, by September 1, 1995, for Joint Finance Committee approval under a 14 day passive review process. Require the report to identify the programs, positions and expenditure categories to be eliminated or reduced.

[Act 27 Section: 9104(5)]

### 13. FOOD SAFETY PROGRAM FUNDING CONVERSION

**Governor/Legislature:** Transfer \$279,900 and 5.0 food safety inspector positions from GPR to PR in 1996-97. Program revenue funding would be provided from fees associated with food inspection activities. The transfer would result in a 50% GPR and 50% PR funded program.

	Chg. to Base Funding Positions	
GPR	- \$279,900	- 5.00
PR	<u>279,900</u>	<u>5.00</u>
Total	\$0	0.00

### 14. ELIMINATE FOOD REGULATION LAPSE [LFB Paper 158]

**Governor:** Provide a sum sufficient GPR appropriation equal to the amount required to be lapsed to the general fund on June 30, 1995, from the Department's food regulation PR appropriation (estimated at \$158,000). Under current law, DATCP is required to lapse any balance in its food regulation PR appropriation that, at the end of a biennium, exceeds 20% of the previous fiscal year's expenditures. The bill eliminates the lapse requirement and effectively restores to DATCP the amount to be lapsed to the general fund from the 1993-95 biennium. Program revenues for the appropriation are provided from the Department's food inspection activities. The GPR sum sufficient appropriation would be repealed on July 1, 1997.

	Chg. to Base
GPR	\$158,000

**Joint Finance/Legislature:** Provide the amount of the GPR appropriation to be redeposited as revenues to the Department's food regulation PR appropriation in 1995-96.

[Act 27 Sections: 474 thru 476c and 9404(3)]

### 15. MILK STANDARDS PROGRAM

**Governor/Legislature:** Provide \$75,000 in 1995-96 and \$79,100 in 1996-97 and 1.0 laboratory helper position to prepare, bottle and ship vials of milk samples, of specified standards, to the dairy industry. Program revenues are provided from the sale of milk standards used in the calibration of instruments used for milk testing.

	Chg. to Base Funding Positions	
PR	\$154,100	1.00



**16. CONSOLIDATE FOOD SAFETY LABORATORY FUNCTIONS**

	Chg. to Base Funding Positions	
GPR	- \$76,400	- 2.00
PR	<u>28,300</u>	<u>0.50</u>
Total	- \$48,100	- 1.50

**Governor/Legislature:** Delete \$76,400 GPR and 2.0 GPR lab technician positions in 1996-97 and eliminate regional food safety laboratory functions in Green Bay and Altoona (Eau Claire County) and transfer the laboratory activities to the Department's Bureau of Laboratory Services (BLS) in Madison. Currently, DATCP has 1.0 laboratory technician position in each region. Also, provide BLS with \$28,300 PR and a 0.5 PR microbiologist position in 1996-97 for the increased workload in Madison. Program revenues are from fees for tests performed by the laboratory.

**17. FOOD AND TRADE REGULATION SALE OF SUPPLIES**

	Chg. to Base
PR	\$34,000

**Governor/Legislature:** Provide \$17,000 annually for printing costs associated with the sale of certificates of purity and food inspection and various publications related to trade regulation and consumer protection. Program revenues are generated from the sales of these items.

**18. STRAY VOLTAGE PROGRAM**

	Chg. to Base Funding Positions	
PR	\$295,800	3.00

**Governor/Legislature:** Provide \$147,900 and 3.0 positions annually and convert the stray voltage program to permanent status. Under the bill, funding would continue from utility assessments. Delete the current August 31, 1995, sunset date relating to DATCP's participation in the program. Also, delete the requirement that DATCP conduct research on the incidence and levels of stray voltage and the effect of stray voltage on agriculture in the state. This program is jointly administered by the Public Service Commission (PSC) and DATCP. DATCP and the PSC released a study on the incidence, levels and effects of stray voltage in 1994. Direct DOA to evaluate the benefits of consolidating administrative responsibility for the stray voltage program in a single agency and report its findings and recommendations to the Governor before January 1, 1996.

[Act 27 Sections: 486, 487, 3561 and 5249]

19. DIVISION OF ANIMAL HEALTH MODIFICATIONS [LFB Papers 158 and 164]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$489,600	- 4.00	-\$17,000	- 2.50	-\$506,600	- 6.50
FED	- 59,600	- 1.00	0	0.00	- 59,600	- 1.00
PR	53,600	1.00	- 53,600	- 1.00	0	0.00
Total	-\$495,600	- 4.00	-\$70,600	- 3.50	-\$566,200	- 7.50

**Governor:** Delete \$244,800 GPR annually with 4.0 GPR positions and delete \$29,800 FED annually with 1.0 FED position and provide \$53,600 PR and 1.0 PR in 1996-97 position by making the following modifications to the Department's Division of Animal Health: (a) eliminate the Department's Madison region's necropsy services (necropsy services would continue to be performed at the Department's Barron facility and the University of Wisconsin School of Veterinary Medicine); (b) eliminate \$70,500 GPR annually in salary and fringe benefits funding for 1.0 GPR pathologist position associated with the Madison region necropsy workload; (c) eliminate clinical chemistry and hematology services and an associated \$2,500 GPR annually; (d) delete \$150,000 GPR and 3.0 GPR animal health consultant positions annually and provide \$53,600 PR for 1.0 animal health consultant in 1996-97 to be funded from fees for animal health inspection activities, and livestock market, dealer and trucker licenses; (e) convert a bureau of field services assistant director position to a management information specialist (MIS) position and delete \$21,800 GPR annually associated with the lower MIS position salary; and (f) delete \$29,800 FED annually for 1.0 federal position for which funding is no longer available.

**Joint Finance/Legislature:** Delete 2.5 GPR positions annually from the Division of Animal Health with \$87,200 annually associated with the deleted positions to be used for pseudorabies testing services, and apply the remaining \$8,500 annually toward the Department-wide base budget reductions recommended by the Governor. Further, delete \$53,600 PR and 1.0 PR animal health consultant position in 1996-97 to reflect that program revenues are not expected to be sufficient to support the position.

20. WISCONSIN ANIMAL HEALTH LABORATORY SERVICES

	Chg. to Base Funding Positions	
PR	\$147,600	- 1.00

**Governor/Legislature:** Provide \$73,800 annually and delete 1.0 vacant veterinary pathologist position. The additional funding as well as the \$61,500 in salary and fringe associated with the deleted position would be for equipment, supplies, staff training and repair and maintenance of laboratory facilities. DATCP is currently considering increasing fees by administrative rule for various brucellosis tests performed at the lab.

**21. PSEUDORABIES CONTROL PROGRAM [LFB Paper 164]**

Chg. to Base Funding Positions		
GPR	- \$300,600	- 2.00

**Governor/Legislature:** Eliminate base level funding (\$150,300 and 2.0 positions annually) for the administration of the pseudorabies control program. However, statutory authority for the program would remain. Under the bill, administration of the pseudorabies control program would be conducted by remaining staff in the Department's animal health program.

[Act 27 Section: 477]

**22. ANIMAL DISEASE INDEMNITY PAYMENTS [LFB Paper 158]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$140,000	\$140,000	\$0

**Governor:** Delete \$70,000 annually for the sum sufficient animal disease indemnities appropriation for payments to owners of animals condemned by DATCP due to infectious diseases. Funding would be estimated at \$38,600 annually under the bill.

**Joint Finance/Legislature:** Provide \$70,000 annually to restore base level funding to reflect average animal disease indemnity payment levels.

**23. ELIMINATE BOVINE TUBERCULOSIS RESEARCH GRANTS**

Chg. to Base	
GPR	- \$100,000

**Governor/Legislature:** Reduce \$50,000 annually for bovine tuberculosis research grants. The bill would eliminate funding and a statutory requirement that the animal health and disease research board award grants for research on developing a blood test to detect bovine tuberculosis in commercially raised deer.

[Act 27 Sections: 478 and 3576]

**24. GREYHOUND FACILITIES INSPECTION [LFB Paper 158]**

Jt. Finance/Leg. Chg. to Base Funding Positions		
PR	- \$111,600	- 1.00

**Governor:** Eliminate DATCP's duty related to the inspection and investigation of facilities used for breeding and training of greyhounds for racing to determine whether these facilities are in compliance with state laws relating to the humane treatment of animals, animal health, animal importation,

rabies control and dog licensure. The bill would provide the Gaming Commission with the authority to perform the inspection and investigation of greyhound facilities as well as for all other animals used for racing. The bill would, however, continue to provide DATCP \$55,800 PR annually and 1.0 PR position to contract with the Gaming Commission to conduct activities related to the eliminated authority.

**Joint Finance/Legislature:** Delete \$55,800 and 1.0 position annually associated with the elimination of DATCP's authority to inspect facilities breeding and training greyhounds for racing.

[Act 27 Sections: 3554, 3555 and 6952]

**25. WORLD DAIRY EXPO AIDS**

Chg. to Base	
GPR	- \$123,000

**Governor/Legislature:** Decrease GPR funding for aids to World Dairy Expo, Incorporated by \$61,500 annually. Under the bill, \$25,000 would be provided for World Dairy Expo aids annually.

**26. WORLD DAIRY CENTER AUTHORITY GRANT**

Chg. to Base	
GPR	- \$50,000

**Governor/Legislature:** Eliminate \$25,000 GPR annually in grant funding to the World Dairy Center Authority. Funding was provided in the 1993-95 biennium for start-up costs of the Authority.

**27. DAIRY 2020 ENTRY-EXIT FARMER PROGRAM [LFB Paper 159]**

Chg. to Base Funding Positions		
GPR	\$88,900	1.00

**Governor/Legislature:** Provide \$38,900 in 1995-96 and \$50,000 in 1996-97 and 1.0 position to administer a program that would assist in the transfer of farm operations from individuals exiting the dairy industry to those wishing to enter the industry. The program would assist in negotiating the financial and legal aspects of farm transfers.

**28. GRAIN INSPECTION SUPPLIES AND SERVICES [LFB Paper 161]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$634,800	0.00	-\$786,400	- 10.165	-\$151,600	- 10.165

**Governor:** Provide \$317,400 annually for the following: (a) \$247,400 annually for increased supplies and services costs for the Milwaukee grain inspection and certification program; and (b) \$70,000 annually for increased supplies and services costs for the Superior grain inspection and certification program. Program revenues are provided from the inspection and certification of grain shipped to or from ports at Milwaukee, Superior and other locations in the state. The bill would also consolidate the Milwaukee and Superior grain inspection programs into one appropriation. The Department is currently negotiating with the U.S. Department of Agriculture on fee increases for grain inspection services.

**Joint Finance/Legislature:** Delete the following: (a) \$40,000 annually to reflect a reestimate of revenues under the Milwaukee grain inspection program; (b) \$222,600 and 5.925 vacant positions annually from the Milwaukee program; and (c) \$130,600 and 4.24 vacant positions annually from the Superior program. The agency would need to implement further cost reductions and fee increases to avert a June 30, 1997, program deficit of approximately to \$460,000.

[Act 27 Sections: 479 thru 481, 488, 3568, 3569 and 9204(1)]

**29. GRAIN SECURITY PROGRAM FUNDING**

**Governor/Legislature:** Convert \$68,600 and 1.5 agriculture auditor positions in 1996-97 from GPR to PR. Program revenues are provided from registration fees on grain dealers and warehouse keepers. Agency officials indicate that the Department is currently considering increasing the registration fees by administrative rule.

	Chg. to Base Funding Positions	
GPR	- \$68,600	- 1.50
PR	<u>68,600</u>	<u>1.50</u>
Total	\$0	0.00

**30. WEIGHTS AND MEASURES PROGRAM**

**Governor/Legislature:** Provide \$6,000 annually for a 0.25 weights and measures inspector position to assist staff in addressing consumer inquiries and complaints. Program revenues are generated from inspections fees.

	Chg. to Base Funding Positions	
PR	\$12,000	0.25

**31. PUBLIC STORAGE WAREHOUSE KEEPERS PROGRAM**

**Governor/Legislature:** Provide \$6,200 annually and a 0.17 inspector to assist in the inspections of warehouses to ensure the security and safety of public warehouses. This will increase the existing 0.83 PR inspector dedicated to the program to full-time. Further, create a public warehouse keepers surcharge of \$100 for any applicant that the Department determines operated a warehouse without a required license. Payment of the license surcharge would not relieve the applicant

	Chg. to Base Funding Positions	
PR	\$12,400	0.17

of any other civil or criminal liability nor would it constitute evidence of any violation of other laws. Agency officials estimate that the surcharge would result in a minimal increase in program revenues.

[Act 27 Section: 3600]

### 32. DAIRY TRADE REGULATION FEES [LFB Paper 162]

**Governor:** Provide DATCP with the authority to collect a fee from dairy product manufacturers and processors based on the value of products sold. Under current law, DATCP has authority to collect a fee from dairy product manufacturers and processors based on the butterfat content of products sold. The bill establishes a fee of 1 cent per \$1,000 of product sales and provides DATCP with the authority to recover any overdue fees plus 2% interest per month for each month the fees are delinquent. Under the bill, the fees would be effective the first day of the second month beginning after publication of the bill. The current fee generated approximately \$94,500 in 1993-94. Preliminary agency estimates indicate that the fee change would result in revenues of less than \$5,000 annually. Further, a \$105,000 deficit on June 30, 1997, is projected for this appropriation without the fee change in the bill.

**Joint Finance/Legislature:** Delete the Governor's recommendation to provide DATCP with authority to establish a fee of 1 cent per \$1,000 of product sales. Rather: (a) establish a fee, to be effective July 1, 1995, at 5.49 cents per hundred pounds of ice cream products and 0.44 cents per hundred pounds of other dairy products, or as established by Department rule; (b) exempt from disclosure, under open records law, information relating to the pounds of products produced that is collected from specific producers; (c) provide DATCP authority to recover any overdue fees plus 2% interest per month for each month the fees are delinquent; and (d) eliminate the requirement that any revenues available on June 30 of each year that exceed 20% of the previous years expenditures be lapsed to the general fund. The fee change would result in approximately \$139,700 in revenues annually.

[Act 27 Sections: 476k, 3602 and 9404(2)]

### 33. UNLICENSED OPERATOR SURCHARGES

**Governor/Legislature:** Amend the surcharge amounts for retail food establishments, milk distributors and operators of bulk milk tankers who operate without a state license issued by DATCP. Under current law, those who operate without a license are required to pay a \$100 surcharge. Under the bill, the amount of the surcharge would equal \$100 or twice the amount of the annual license fee, whichever is less. Current annual license fees range from \$20 to \$210 for retail food establishments

depending on the amount of sales and the type of business. Annual license fees are \$50 for milk distributors and \$30 for the operator of a bulk milk tanker. Agency officials indicate that these changes would result in a minimal loss in program revenues.

[Act 27 Sections: 3598 and 3599]

**34. WISCONSIN AGRICULTURAL STATISTICS SERVICE**

**Governor/Legislature:** Convert \$34,300 in 1995-96 and \$45,800 in 1996-97 and 1.25 data entry positions annually from GPR funding to PR. Also, reduce state supplies and services funding by \$42,800 GPR in 1996-97 to reflect rental costs associated with the Department providing space for 22 federal National Agricultural Statistical Service employees. Federal funding would be required for the associated rental costs.

	Chg. to Base Funding Positions	
GPR	- \$122,900	- 1.25
PR	<u>80,100</u>	<u>1.25</u>
Total	- \$42,800	0.00

**35. CENTRALIZED WORD PROCESSING**

**Governor/Legislature:** Eliminate \$98,800 and 2.4 positions annually associated with the Department's centralized word processing functions.

	Chg. to Base Funding Positions	
GPR	- \$197,600	- 2.40

**36. POSITION REALLOCATIONS**

**Governor/Legislature:** Recommend reallocating the following positions within the Department: (a) transfer \$33,900 GPR and 1.0 GPR word processing operator position from the Division of Agriculture Resource Management to the Division of Management Services; and (b) transfer \$20,800 PR annually and 0.5 PR management information specialist position funded from the Division of Animal Health program fees to the Division of Management services to be funded through chargebacks to agency programs.

**37. TRADE AND CONSUMER PROTECTION PROGRAM**

**Governor/Legislature:** Convert \$218,500 and 3.45 positions in 1995-96 and \$239,300 and 3.7 positions in 1996-97 from GPR to the following funding sources (a) \$90,900 PR and 1.75 PR positions in 1995-96 and \$111,700 PR and 2.0 PR weights and measures inspector positions in 1996-97 to be funded from inspection fees; (b) \$38,800 PR and 0.5 PR bureau director position annually to be funded from fees on motor vehicle repair facilities that install or repair air conditioner equipment; (c) \$17,200 SEG and 0.2 SEG bureau director

	Chg. to Base Funding Positions	
GPR	- \$457,800	- 3.70
PR	280,200	2.50
SEG	<u>177,600</u>	<u>1.20</u>
Total	\$0	0.00

position annually to be funded from the segregated recycling fund; and (d) \$71,600 SEG and 1.0 SEG inspector position annually to be funded from the petroleum inspection fund.

**38. CONSUMER INFORMATION CENTER HOT LINE [LFB Paper 595]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$90,000	- \$90,000	\$0

**Governor:** Provide \$90,000 in 1995-96 from the DOA information technology fund to provide DATCP with interactive voice response equipment.

**Joint Finance/Legislature:** Delete \$90,000 in 1995-96 for receipt of grants from the information technology investment fund for interactive voice response equipment. Under a modified information technology development grant process, provide for funding to be allocated through an annual request submitted by DOA under s. 16.515 for all agencies. [See "Information Technology Investment Fund".]

[Act 27 Section: 490]

**39. TRANSFER CONSUMER PROTECTION FUNCTIONS [LFB Paper 166]**

	Chg. to Base Funding Positions	
GPR	\$838,100	16.80

**Joint Finance/Legislature:** Provide \$838,100 and 16.8 positions in 1996-97 to reflect the transfer of most consumer protection functions from the Department of Justice (DOJ) to DATCP on July 1, 1996. Transfer 13.8 positions, and the incumbents, from DOJ to DATCP and authorize 3.0 additional positions under DATCP (one attorney and two consumer specialists) for a total of 16.8 additional positions as follows:

<u>Position</u>	
Attorney	1.0
Consumer Complaint Supervisor	1.0
Consumer Specialist	5.0
Program Assistant	4.8
Regulation Compliance Investigator	<u>5.0</u>
Total	16.8

Require that DOJ consult with DATCP prior to commencing an action: (a) for violations of the state's fraudulent advertising laws (s. 100.18); (b) for violations of telecommunications trade practices (s.



100.207); (c) to recover a civil forfeiture to the state for violation of an injunction issued under the state's fraudulent advertising statutes (s. 100.18), drug pricing statutes (s. 100.182) and unfair trade practices (100.20(6)).

Transfer the following DOJ responsibilities to DATCP:

- Fraudulent Drug Advertising -- s. 100.182
- Penalties for Violations of DATCP Rules Relating to Methods of Competition and Trade Practices -- s. 100.26(6)
- Motor Vehicle Rustproofing Warranties -- s. 100.205
- Substantiation of Energy Savings and Safety Claims -- s. 100.21
- Penalties: Marketing and Trade Practices -- s. 100.26
- Sale of Cleaning Agents and Water Conditioners Containing Phosphorus -- s. 100.28
- Products Containing or Made with Ozone-Depleting Substances -- s. 100.50
- Ticket Refunds -- s. 134.22
- Cable Television Subscriber Rights -- s. 134.42
- Dating Service Contracts -- s. 134.68
- Fitness Center and Weight Reduction contracts -- s. 134.70
- Pawnbrokers and Secondhand Article and Jewelry Dealers -- s. 134.71
- Prizes Notices -- s. 134.74
- Mail-Order Sales regulated -- s. 134.83
- Motor Fuel Dealerships -- s. 134.85
- Future Service Plans -- s. 136.03 and s. 136.04
- Vehicles - Financial Responsibility: Damage Waivers and Penalties -- s.344.576 and s. 344.579
- Self-Service Storage Facilities -- s. 704.90
- Time Share Ownership Deposits, Escrow Requirements Remedies and Penalties -- s. 707.49 and s. 707.57
- Prepaid Maintenance Liens -- s. 779.93

Increase the number of consumer representatives on the DATCP Board from one to two and replace the first DATCP Board member with an agricultural background whose term expires or who leaves or resigns his or her Board membership after July 1, 1996, with an additional consumer representative.

All DOJ assets and liabilities, tangible personal property, including records, pending matters, and contracts primarily related to its consumer protection investigation and enforcement functions would become the assets and liabilities of DATCP on July 1, 1996. In the event of any disputes between the agencies, the DOA Secretary would determine the matter. The 13.8 employees transferring from DOJ to DATCP would have all state employment rights and the same status as they enjoyed immediately before the transfer. No transferred employee who has attained permanent status in class would be required to serve a probationary period.

**Veto by Governor [B-1]:** Delete the replacement of the first DATCP Board member with an agricultural background, whose term expires or who resigns after July 1, 1996, with an additional consumer representative. The Governor's partial veto increases the number of consumer representatives to two while retaining the six Board members with an agricultural background. As a result, on July 1, 1996, the DATCP Board membership will be increased from seven to eight members.

[Act 27 Sections: 121x, 3601c thru 3601t, 3602b thru 3602w, 3602y, 3607m, 3608g, 3608r, 3609m, 4146e thru 4146s, 4148b thru 4148v, 4454m, 6412e thru 6412s, 7064m, 7066c thru 7066w, 7129e thru 7129s, 9104(5q), 9136(3q) and 9436(2q)]

[Act 27 Vetoed Sections: 121x and 9104(5q)]

#### 40. CONSUMER PROTECTION -- TELECOMMUNICATION SERVICES

**Joint Finance/Legislature:** Require that DATCP, prior to promulgating rules relating to telecommunications services trade practices, do the following: (a) form an advisory group consisting of members from parties affected by the potential rule, the Department of Justice and the Public Service Commission to develop recommendations relating to the rule; and (b) forward the recommendations of the advisory group to the DATCP Board and the appropriate standing committee in each house of the Legislature.

[Act 27 Section: 3602x]

#### 41. TRANSFER INTERNATIONAL AGRIBUSINESS MARKETING FUNCTIONS [LFB Paper 163]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$834,900	- 12.00	\$834,900	12.00	\$0	0.00

**Governor:** Delete \$834,900 and transfer 12.0 positions in 1996-1997 associated with DATCP's international agribusiness marketing functions to the DOD effective July 1, 1996. The bill would transfer all incumbent DATCP employees with all the state employment rights they held immediately prior to transfer.

**Joint Finance/Legislature:** Delete provision. Further, require that no later than the seventh month after the effective date of the bill, DATCP enter into a memorandum of understanding with DOD that

includes a strategic plan for international agribusiness marketing and development and that specifies how the Departments will coordinate their promotional efforts relating to agricultural or agribusiness products.

[Act 27 Sections: 3566 and 3566e]

**42. TRANSFER PLAT REVIEW FUNCTION**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$316,000	- 5.50	\$12,600	0.50	-\$303,400	- 5.00

**Governor:** Delete \$316,000 and transfer 5.5 positions in 1996-1997 associated with the Department's plat review functions to the Department of Development. The bill would transfer all incumbent DATCP employes with all the state employment rights they held immediately prior to transfer. The transfer would be effective July, 1 1996.

**Joint Finance/Legislature:** Reduce the transfer to DOD by \$12,600 and 0.5 position in 1996-97 to reflect the deletion of a 0.5 plat review position as part of a general position and funding reduction.

[Act 27 Section: 9430(7)]

**43. AGRICHEMICAL CLEANUP GRANT PROGRAM [LFB Paper 155]**

Chg. to Base	
GPR-REV	\$3,100,000

**Joint Finance/Legislature:** Make the following modifications to the agrichemical cleanup grant program: (a) require that a \$3,100,000 unexpended 1993-95 funding balance from the GPR continuing appropriation for agricultural cleanup grants be lapsed to the general fund in 1995-96; (b) provide DATCP the authority to make grants in excess of the current \$50,000 or \$100,000 annual payment limits if sufficient funding is available and all initial grant payments have been made; and (c) require that grants be paid with both GPR and SEG funds in proportion to the amount that each source represents to the total program funding.

**Veto by Governor [B-2]:** Delete provision requiring that grants be paid with both GPR and SEG funds in proportion to the amount that each source represents to the total program funding.

[Act 27 Sections: 3574q, 3574r and 9204(2g)]

[Act 27 Vetoed Section: 3574q]

#### 44. WIND EROSION CONTROL

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
SEG	\$100,000	-\$100,000	\$0

**Joint Finance:** Provide \$50,000 SEG in each year from the agrichemical management fund for grants to local governments for payments to landowners that have installed or are installing wind erosion control practices. Further, extend the current program sunset date from June 30, 1995, to June 30, 1997.

**Assembly/Legislature:** Delete Joint Finance provision to provide \$50,000 SEG annually. Rather, transfer \$50,000 GPR annually from the soil and water resource management program for wind erosion control grants.

[Act 27 Sections: 482h and 3549p]

#### 45. PLANT NURSERY FEES

	Chg. to Base
SEG-REV	-\$24,000

**Joint Finance/Legislature:** Increase the annual gross sales limit for those required to pay plant nursery license fees and surcharges (in excess of the \$30 minimum) from \$500 to \$5,000 or more in gross annual sales. Fees and surcharge revenues are deposited to DNR's conservation fund. The provision would decrease revenues deposited to the conservation fund by approximately \$12,000 annually.

[Act 27 Sections: 3569p and 3569q]

#### 46. AGRICULTURAL DRAINAGE DISTRICTS

**Joint Finance/Legislature:** Require that when drainage work is undertaken in navigable waters within a drainage district, drainage boards shall obtain a DNR permit under the special procedures in cases affecting navigable waters (s. 88.31). Further, allow any drainage board or person within a drainage district that is currently seeking a permit to elect to obtain a permit under the special procedures in cases affecting navigable waters. Three separate permit processes are currently available for a drainage board to obtain a permit. This would require the drainage board to obtain a permit under the special procedures in cases affecting navigable waters, which establishes specific timelines for DNR decisions and requires DNR, in addition to environmental criteria, to consider the duties of the drainage board and needs of landowners to maintain district drains.

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

[Act 27 Vetoed Sections: 3529m, 3530g, 3530r, 9142(9z) and 9342(14z)]

**47. COUNTY FAIR AIDS**

Chg. to Base	
GPR	\$433,000

**Joint Finance/Legislature:** Provide \$216,500 annually to provide state aids to counties and agricultural societies, associations or boards and to incorporated dairy or livestock associations. Total funding available would be \$585,000 annually.

[Act 27 Section: 481h]

**48. AIDS TO LIVESTOCK BREEDERS ASSOCIATION**

Chg. to Base	
GPR	\$25,600

**Joint Finance/Legislature:** Provide \$12,800 annually for the Wisconsin Livestock Breeders Association to conduct junior livestock shows and other livestock educational programs. Total funding available would be \$40,000 annually.

**49. TRANSFER LABORATORY CERTIFICATION FUNCTIONS**

Chg. to Base Funding Positions		
PR	\$91,300	2.50

**Joint Finance/Legislature:** Provide \$91,300 and 2.0 microbiologist and 0.5 program assistant positions in 1996-97 associated with the transfer of the H&SS milk and food inspection laboratory certification activities to DATCP, effective July 1, 1996. Direct DATCP to promulgate rules by June 30, 1996, establishing fees to support the costs of the program which are to be deposited to the Department's food regulation appropriation. Transfer the 2.5 incumbent positions with all state employment rights and the same status as they enjoyed immediately before the transfer. No transferred employee who has attained permanent status in class would be required to serve a probationary period.

[Act 27 Sections: 476b, 816m, 4336L thru 3446n, 6324g thru 6324k, 9104(5g), 9126(31g), 9326(26g) and 9426(29g)]

**50. GENERAL POSITION AND FUNDING REDUCTIONS**

Chg. to Base Funding Positions		
GPR	- \$262,800	- 3.50
PR	- 614,000	- 9.93
Total	- \$876,800	- 13.43

**Joint Finance/Legislature:** Delete \$131,400 GPR annually with 3.5 GPR positions and \$307,000 PR annually with 9.93 PR positions. The deleted positions include the following: (a) one GPR position in the Bureau of Trade and Consumer Protection; (b) one GPR and one

PR position in the Division of Animal Health; (c) 0.5 PR position in the Division of Marketing Services; (d) 5.925 PR positions associated with the Milwaukee and Superior grain inspection programs; (e) 0.5 PR plat review program position; and (f) 1.5 GPR and two PR positions in the Division of Management Services.

**51. EXECUTIVE ASSISTANT POSITION**

	<u>Jt. Finance</u> <u>(Chg. to Base)</u>		<u>Senate/Leg.</u> <u>(Chg. to JFC)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$173,400	- 1.00	\$0	1.00	-\$173,400	0.00

**Joint Finance:** Delete \$86,700 and 1.0 executive assistant position annually associated with the repeal of statutory authority to appoint agency executive assistants.

**Senate/Legislature:** Restore the executive assistant position authority.

## ARTS BOARD

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$5,668,400	\$5,244,900	\$5,244,900	\$5,244,900	\$5,244,900	- \$423,500	- 7.5%
FED	1,780,400	1,792,000	1,792,000	1,792,000	1,792,000	11,600	0.7
PR	<u>105,400</u>	<u>107,800</u>	<u>107,800</u>	<u>107,800</u>	<u>107,800</u>	<u>2,400</u>	<u>2.3</u>
<b>TOTAL</b>	<b>\$7,554,200</b>	<b>\$7,144,700</b>	<b>\$7,144,700</b>	<b>\$7,144,700</b>	<b>\$7,144,700</b>	<b>- \$409,500</b>	<b>- 5.4%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	5.00	5.00	5.00	5.00	5.00	0.00
FED	5.00	6.00	6.00	6.00	6.00	1.00
PR	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>11.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>1.00</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the agency's base budget in each year for: (a) full funding of salaries and fringe benefits (-\$4,000 GPR, -\$2,300 FED and \$800 PR); (b) full funding of financial services charges (\$1,600 GPR and \$5,200 FED); (c) risk management costs (\$400 GPR and \$600 FED); (d) delayed pay adjustments (\$2,800 GPR, \$2,300 FED and \$400 PR); and (e) a technical correction (1.0 FED position annually).

	Chg. to Base Funding Positions	
GPR	\$1,600	0.00
FED	11,600	1.00
PR	<u>2,400</u>	<u>0.00</u>
<b>Total</b>	<b>\$15,600</b>	<b>1.00</b>

### 2. BASE BUDGET REDUCTION [LFB Paper 175]

**Governor:** Reduce base funding for the state aid for the arts appropriation by \$141,700 in 1995-96 and \$283,400 in 1996-97. Require the Board to submit a report to the Governor and the Joint Committee on Finance by October 1, 1995, recommending the allocation of these reductions among the Board's GPR appropriations; the bill does not indicate that approval of the report would be required. In addition to state aid for the arts (base funding

	Chg. to Base
GPR	- \$425,100

of \$1,544,900), the agency currently has two other GPR appropriations: challenge grant program (\$1,000,000) and general program operations (\$289,300).

**Joint Finance/Legislature:** Delete reporting provision. Instead, require the Board to submit a report by September 1, 1995, to the Joint Committee on Finance recommending allocation of the reductions among the agency's GPR appropriations. Provide that the report include a specific plan that identifies the programs, positions and expenditure categories to be eliminated or reduced and that the recommendations would be subject to the Committee's approval under a 14-day passive review process.

[Act 27 Section: 9105(2)]

### 3. WISCONSIN REGRANTING PROGRAM

	Chg. to Base
GPR	\$300,000

**Governor/Legislature:** Provide \$150,000 annually through a new, sum certain appropriation for grants to local arts agencies and municipalities. Require grant recipients to provide a matching amount (which may include private funds and in-kind contributions) equal to the state grant. (Although not specified in the bill, the Executive Budget Book indicates that grant recipients would, in turn, provide grants to arts organizations and artists in the community.) Require the Board to promulgate rules for the program. 1993 Act 16 provided \$75,000 GPR annually in the Board's state aid for the arts appropriation and directed that the funds be used to match an equal amount of federal funding for a similar regranting program.

[Act 27 Sections: 549 and 1995]

### 4. STATE AID FOR THE ARTS

	Chg. to Base
GPR	- \$300,000

**Governor/Legislature:** Decrease funding for the state aid for the arts program by \$150,000 annually.

### 5. ATTACHMENT TO DEPARTMENT OF TOURISM AND PARKS [LFB Paper 890]

**Governor:** Transfer the attachment of the Arts Board from the Department of Administration to the Department of Tourism and Parks (DTP) which would be created by this bill, effective July 1, 1996. Currently, the Board is attached to DOA for limited administrative purposes; however, the Board functions as an independent agency with a separate appropriation structure for its programs. This arrangement would continue under the Governor's proposal.

Provide for the transfer from DOA to DTP of all assets, liabilities, tangible personal property, records and contracts primarily related to the functions of the Board, as determined by the Secretary of DOA. In addition, transfer all incumbent employees holding positions primarily related to the functions of the Board.



Provide that the persons transferred would retain all employment rights and status they held prior to the transfer and that no transferred employee who had attained permanent status in the classified service would be required to serve a new probationary period.

**Joint Finance:** Modify provision by attaching the Arts Board to the new Department of Tourism, effective July 1, 1996.

**Senate/Legislature:** Change the date of the attachment of the Arts Board to the Department of Tourism to January 1, 1996, to reflect a change in the timing of the creation of the Department.

[Act 27 Sections: 104, 1073m, 9105(1) and 9405(1)]

## 6. FUTURE OF THE ARTS BOARD

**Joint Finance/Legislature:** Require the Board to submit to the Joint Committee on Finance by September 1, 1996, a report which describes how the agency will identify and secure revenue sources to support its operations and grant programs. Provide that if the report is not approved by the Joint Committee on Finance by May 1, 1997, the Arts Board and its functions would be eliminated, effective July 1, 1997, except for the Board's percent for art program which would be transferred to the Department of Administration.

**Veto by Governor [A-1]:** Delete the provisions relating to the approval of the report by the Joint Committee on Finance and elimination of the Board and its functions if the report is not approved. The reporting requirement would be retained.

[Act 27 Section: 9105(3g)]

[Act 27 Vetoed Sections: 22m, 103r, 104, 127m, 128, 394m, 548m thru 550j, 1066g, 1066j, 1193m, 1993te thru 1993tp, 1994m, 1995, 1995g, 3321m, 3323m, 9105(3g), 9205(1m) and 9405(1m)]

# BANKING

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	<u>Act 27 Change Over Base Year Doubled</u>	
						Amount	Percent
PR	\$10,595,000	\$5,266,200	\$5,205,500	\$5,205,500	\$5,205,500	- \$5,389,500	- 50.9%

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
PR	88.50	0.00	0.00	0.00	0.00	- 88.50

## 1. STANDARD BUDGET ADJUSTMENTS

<b>Chg. to Base</b>	
PR	- \$75,600

**Governor/Legislature:** Adjust the base budget by -\$40,300 in 1995-96 and -\$35,300 in 1996-97 for: (a) turnover reduction (-94,900 annually); (b) removal of noncontinuing elements from base (-\$63,900 annually); (c) full funding of salaries and fringe benefits (\$73,500 annually); (d) full funding of financial services charges (\$800 annually); (e) fifth week vacation as cash (\$11,400 in 1995-96 and \$16,400 in 1996-97); and (f) delayed pay adjustments (\$32,800 annually).

## 2. DOCUMENT IMAGING

<b>Chg. to Base</b>	
PR	\$150,000

**Governor/Legislature:** Provide \$150,000 in 1996-97 for document imaging, including a study by DOA of the feasibility of implementing the system.

### 3. INTERACTIVE VOICE TECHNOLOGY

	Chg. to Base
PR	\$18,300

**Governor/Legislature:** Provide \$9,000 in 1995-96 and \$9,300 in 1996-97 to purchase interactive voice technology for the agency's consumer affairs staff.

### 4. ANNUAL LICENSE FEE INCREASES [LFB Paper 180]

**Governor/Legislature:** Provide the following license and investigation fee increases for the Office of the Commissioner of Banking:

1. Increase the annual license fee from \$200 to \$500 for loan companies, other than banks, savings and loan associations, credit unions and savings banks, who assess finance charges in excess of 18% per year. In addition, increase the license investigation fee from \$100 to \$300, and specify that the fee would be nonrefundable and that if the cost of the investigation exceeds \$300, the Commissioner could require payment of actual costs.

2. Increase the annual license fee for insurance premium finance companies from \$400 to \$500. establish a nonrefundable license investigation fee that is \$300. Specify that if the cost of the investigation exceeds \$300, the Commissioner could require payment of actual costs.

3. Increase the annual license fee for sellers of checks to \$500 plus \$5 for each additional location in the state, not to exceed \$1,500. The current fee is \$50 for each of the first six locations, \$2 for each additional location up to 100, and \$1 for each location in excess of 100, not to exceed a maximum annual license fee of \$1,000. Delete the provision that allows a licensee of a single location to pay one-half the annual fee for a license issued after July 1. Increase the license investigation fee from \$100 to \$300, and specify that the fee would be nonrefundable and that if the cost of investigation exceeds \$300, the Commissioner could require payment of actual cost.

4. Provide that applicants for sales finance company license, other than a motor vehicle dealer, would be required to pay a nonrefundable investigation fee of \$300; if the cost of the investigation exceeds \$300, the Commissioner could require payment of actual costs.

5. Increase the license fees for sales finance companies to \$50 for gross volumes of retain contracts of motor vehicles sold in a prior 12-month period of up to \$100,000, with an additional \$15 for each \$100,000 of gross volume or part thereafter. The current fee is \$25 on gross volumes of \$25,000 or less, \$50 on gross volumes of \$25,000 to \$100,000, \$15 for each \$100,000 up to \$500,000, and \$10 on each \$100,000 of gross volume over \$500,000.

6. Increase the annual license fee for adjustment service companies from \$100 to \$200. Increase the license investigation fee from \$100 to \$200, and specify that the fee would be nonrefundable, and that if the cost of investigation exceeds \$200, the Commissioner could require payment of actual cost.

7. Increase the annual license fee for collection agencies from \$100 to \$200. Increase the license investigation fee from \$100 to \$1,000, and specify that the fee is nonrefundable and that if the cost of investigation exceeds \$1,000, the Commissioner could require payment of actual cost.

8. Increase the license fee for a collector or solicitor of a collection agency from \$2 to \$15. Delete the requirement that the Commissioner indorse a change of employment on the license. Provide, instead, that a license be surrendered and a new license obtained for a change in employment.

9. Increase the annual license fee of community currency exchanges from \$100 to \$300 and require the fee to be paid at the time of application. Increase the license investigation fees from \$100 to \$300 and specify that if the cost of investigation exceeds \$300, the Commissioner could require payment of actual cost. Increase the license renewal fee from \$50 to \$300.

It is estimated that these fees would generate approximately \$230,000 on an annualized basis. These provisions first apply to applications or renewals that are filed on the effective date of the bill.

[Act 27 Sections: 4157, 4178, 4181, 4183, 5802, 5804, 5842, 5861, 5897, 5913, 5915, 5949, 5957 and 9306(1)]

## 5. BANKING APPROPRIATION FOR SETTLEMENTS AND OTHER MONEYS RECEIVED

**Governor/Legislature:** Establish a PR continuing appropriation that would authorize the expenditure of all monies received from legal settlements negotiated by OCB, gifts and grants, the sale of publications or copying services, or from other services provided in carrying out the functions of the Office.

[Act 27 Section: 494]

## 6. TRANSFER OF FUNCTIONS TO DEPARTMENT OF FINANCIAL INSTITUTIONS [LFB Paper 340]

	Chg. to Base Funding Positions	
PR	-\$5,421,500	- 88.50

**Governor:** Delete \$5,421,500 in 1996-97 and transfer the functions of the Office of the Commissioner of Banking to the new Department of Financial Institutions, effective July 1, 1996. Transfer 74.0 positions and their incumbent employes to the new Department, and deauthorize 14.5 positions.

Under current law, the Office of the Commissioner of Banking regulates and examines state-chartered banks to ensure their safety and soundness. The Commissioner is appointed by the Governor, subject to Senate approval. The office is funded by examination and assessment fees of the institutions regulated. Included in its examinations of banks, when appropriate, is the examination of the trust departments of the state banks.

Banking also licenses and examines the following consumer credit companies to assure their compliance with licensing statutes: adjustment service companies, collection agencies, community currency exchanges, credit service organizations, insurance premium finance companies, loan companies, sales finance companies and sellers of checks.

In addition, Banking administers and enforces the Wisconsin Consumer Act, including providing consumer and merchant education about the Act. Under the Act, Banking enforces consumer rights in many credit transactions for \$25,000 or less. The five core consumer protection measures of the Act are: consumers are granted a three-day right to cancel certain contracts; the law limits charges that can be assessed in credit transactions; it provides penalties for prohibited credit procedures; it requires detailed notices be given to consumers entering credit transactions; and it limits finance charges on open-ended credit plans. The Act gives the Commissioner the authority to receive and act on complaints, seek voluntary compliance with the provisions of the Act, initiate administrative proceedings to rectify compliance problems, and when necessary, take civil actions through the Department of Justice.

A five-member Banking Review Board is appointed by the Governor, subject to Senate approval, to serve staggered five-year terms. The Board advises the Commissioner in the Development of policies, rules and legislation related to banking, takes final action on bank charter applications, acts as an appeals board when administrative decision of the agency are challenged. Similarly, five-member Consumer Credit Review Board provides similar functions in the area of consumer credit.

**Joint Finance/Legislature:** Modify the Governor's recommendation to attach the Division of Banking to the Department of Financial Institutions for administrative and budgetary matters only, until July 1, 2000. The Division would exercise powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning within the area of program responsibility of the Division. Budgeting and program coordination and related management functions would be performed under the direction and supervision of the Secretary of the Department. Specify that 12% of all fees collected would lapse to the general fund. This additional lapse requirement would maintain GPR-Earned amounts at the estimated AB 150 levels.

[Act 27 Sections: Shown under "Financial Institutions"]

## 7. NOTIFICATION FEE ADJUSTMENT

**Joint Finance/Legislature:** Require Banking to review acts, practices, procedures and consumer credit forms to determine compliance with the Wisconsin Consumer Act, when requested. Persons or organizations not already registered with Banking or from trade organizations in which the majority of members are not registered with Banking would be charged necessary expenses, if they request this service. Allow Banking to charge that person or organization with expenses incurred in providing the service and require payment within 30 days of the charge.

Rename the current notification fee a registration fee. Impose the registration fee on all persons or organizations that make consumer credit transactions, rather than just on transactions with interest at 12% or greater. Apply the fee to all persons who make consumer credit transactions, whether or not they are under the supervisory authority of another official or agency. Specify that the fee would have to be paid by persons reporting an amount of consumer credit over \$250,000.

Base the registration fee on the average monthly outstanding balances of the preceding calendar year reporting period of persons or organizations making consumer credit sales, consumer leases, and consumer loans originated in Wisconsin, rather than on the volume of transactions made at interest rates over 12%. Provide that the fee could not exceed 5 cents per \$1,000 of the average balances and that the minimum fee would be \$25 and the maximum fee would be \$1,500. Provide that in setting the fee that Banking would consider the costs and expenses incurred in administering the Wisconsin Consumer Act, including enforcement, education and seeking voluntary compliance. Specify that the registration fee would be due on February 28 of each year, rather than on December 1, as under current law.

Calculate the outstanding credit for each month from consumer credit transactions made pursuant to an open-end credit plan on all consumer credit transactions, rather than on transactions at interest rates of 12% or more, as under current law.

Delete the current law requirement that licensees of loan companies, insurance premium finance companies, sales finance companies, collection agencies, and mobile home dealers would receive a credit for the amount of fees paid to Banking or Credit Unions against the registration fee.

Provide that a person who fails to register or to submit documentation or fees required could be required to forfeit not more than \$50 per day after the date on which compliance was required until filed. Specify that Banking could bring action in circuit court to enforce the registration fee, rather than in any court of record as under current law. Require that any forfeiture recovered under the section be deposited to be used solely for consumer and merchant education.

[Act 27 Sections: 494, 495, 6470m and 6471b thru 6471z]

## 8. GENERAL POSITION AND FUNDING REDUCTIONS

**Joint Finance/Legislature:** Delete \$60,700 in 1995-96 and 1.5 positions.

	Chg. to Base
PR	- \$60,700

## BOARD ON AGING AND LONG-TERM CARE

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$1,008,400	\$913,100	\$883,100	\$883,100	\$883,100	-\$125,300	- 12.4%
PR	<u>574,000</u>	<u>373,900</u>	<u>643,300</u>	<u>643,300</u>	<u>643,300</u>	<u>69,300</u>	<u>12.1</u>
<b>TOTAL</b>	<b>\$1,582,400</b>	<b>\$1,287,000</b>	<b>\$1,526,400</b>	<b>\$1,526,400</b>	<b>\$1,526,400</b>	<b>-\$56,000</b>	<b>- 3.5%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	9.40	8.40	8.40	8.40	8.40	- 1.00
PR	<u>5.50</u>	<u>2.50</u>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>0.00</u>
<b>TOTAL</b>	<b>14.90</b>	<b>10.90</b>	<b>13.90</b>	<b>13.90</b>	<b>13.90</b>	<b>- 1.00</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the Board's base budget by -\$9,000 GPR and -\$36,000 PR in each year and delete 1.0 PR position, beginning in 1995-96. In each year, funding would be adjusted for: (a) removal of non-continuing elements (-\$5,900 GPR, -\$29,600 PR and -1.0 PR project position); (b) full funding of continuing positions and fringe benefits (-\$4,900 GPR and -\$9,200 PR); (c) full funding of financial service charges (\$100 GPR and \$200 PR); (d) risk management costs (\$100 GPR and \$100 PR); (e) full funding of lease costs (\$200 PR); and (f) delayed pay adjustments (\$1,600 GPR and \$2,300 PR).

	Chg. to Base Funding Positions	
GPR	-\$18,000	0.00
PR	<u>- 72,000</u>	<u>- 1.00</u>
<b>Total</b>	<b>-\$90,000</b>	<b>- 1.00</b>

### 2. MISCELLANEOUS ADJUSTMENTS

**Governor/Legislature:** Adjust the Board's base budget by \$6,500 in 1995-96 and by \$13,900 in 1996-97 for: (a) full funding of pay plan

	Chg. to Base
PR	\$20,400

increases (\$5,100 in 1995-96 and \$10,300 in 1996-97); and (b) full funding of health insurance premiums (\$1,400 in 1995-96 and \$3,600 in 1996-97).

### 3. MEDIGAP HOT LINE [LFB Paper 185]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$0	0.00	-\$30,000	0.00	-\$30,000	0.00
PR	- 162,100	- 2.00	269,400	3.00	107,300	1.00
Total	-\$162,100	- 2.00	\$239,400	3.00	\$77,300	1.00

**Governor:** Delete \$53,300 in 1995-96 and \$108,800 in 1996-97 and 2.0 positions, beginning January 1, 1996, to reflect the transfer of the medigap hot line from the Board to the Office of Commissioner of Insurance (OCI).

*Transfer Provisions.* Through session law provisions, specify that employes, assets, liabilities, tangible personal property, and pending matters which are primarily related to the medigap hot line, as determined by the Secretary of DOA, be transferred from DOA and the Board to OCI. Specify that transferred employes maintain their current status. Further, specify that existing contracts entered into by the Board and DOA that are related to the medigap hot line, as determined by the Secretary of DOA, and rules and orders in effect prior to the transfer from the Board remain in effect after the transfer.

*Reduction in Services.* Delete the current statutory requirement that the medigap hot line provide information and counseling about eligibility requirements for medical assistance. Under current law, the medigap hot line provides information and counseling to consumers about insurance policies that are available as a supplement to federal medicare insurance coverage, about long-term care insurance and about eligibility requirements for medical assistance.

**Joint Finance/Legislature:** Delete the Governor's provisions to transfer the medigap hotline from the Board to OCI and restore \$53,300 PR in 1995-96 and \$108,800 PR in 1996-97 and 2.0 PR positions. In addition, require OCI to transfer to the Board additional program revenues of \$53,100 in 1995-96 and \$54,200 in 1996-97 from assessments on insurance companies to compensate the Board for its overhead costs related to the medigap hotline. Convert \$53,100 in 1995-96 and \$54,200 in 1996-97 and 1.0 position, beginning January 1, 1996, of the Board's administrative and support staff positions and related costs from GPR to PR, funded by the additional program revenue. From the GPR funding reallocated from administrative and support staff, provide \$25,800 GPR in 1995-96 and \$51,500 GPR in 1996-97 to restore the ombudsman supervisor position (see Item #5) and delete the remaining GPR funds of \$27,300 in 1995-96 and \$2,700 in 1996-97 from the Board's budget.



**4. INFORMATION TECHNOLOGY PLAN**

Chg. to Base	
PR	\$13,600

**Governor/Legislature:** Provide \$8,300 in 1995-96 and \$5,300 in 1996-97 in unallotted reserve, subject to release by the Department of Administration, for funding computer purchases and maintenance.

**5. ELIMINATE OMBUDSMAN SUPERVISOR POSITION**  
[LFB Paper 186]

Chg. to Base Funding Positions		
GPR	- \$77,300	- 1.00

**Governor:** Delete \$25,800 in 1995-96 and \$51,500 in 1996-97 and 1.0 position, beginning January 1, 1996 to reflect the elimination of the agency's ombudsman supervisor position. Currently, one ombudsman supervisor oversees the Board's eight ombudsmen who investigate complaints from residents of nursing homes and other recipients of long-term care.

**Joint Finance/Legislature:** Retain the ombudsman supervisor position by reallocating \$25,800 GPR in 1995-96 and \$51,500 GPR in 1996-97 to restore 1.0 GPR position, beginning in 1995-96, from funding converted from GPR to PR for administrative and support staff positions.

## BONDING AUTHORIZATION

### 1. INCREASE GENERAL OBLIGATION BONDING AUTHORITY

**Governor/Building Commission:** Provide general obligation bonding authority of \$704,028,700 for the following purposes:

<u>Agency</u>	<u>Purpose</u>	<u>Net Change</u>
Building Commission	Housing State Agencies	\$47,312,000
	Equipment	15,325,400
	Other Public Purposes	210,129,300
	Other Public Purposes (WISTAR)	53,327,000
	Project Contingencies	9,730,300
Clean Water Fund	Clean Water Fund Activities	40,700,000
Corrections	Self-Amortizing Facilities	5,410,000
Historical Society	Self-Amortizing Facilities	2,016,600
Natural Resources	Nonpoint Source Grants	-4,000,000
	Environmental Repair	4,000,000
	Segregated Revenue Supported Dam Maintenance	1,600,000
	Segregated Revenue Supported Facilities	2,794,000
State Fair Park	Self-Amortizing Facilities	16,050,000
University of Wisconsin	Self-Amortizing Facilities	117,594,700
	Self Amortizing Energy Efficiency Projects	8,600,000
Veterans Affairs	Veterans Home Wastewater	-5,690,000
	Self Amortizing Mortgage Loans	170,000,000
	Self-Amortizing Housing Facilities	<u>1,629,400</u>
Subtotal--Excluding DOT		<u>\$696,528,700</u>
Transportation	Harbor Improvements	\$3,000,000
	Freight Railroad Assistance	<u>4,500,000</u>
Subtotal--DOT		<u>\$7,500,000</u>
TOTAL		<u>\$704,028,700</u>

Update summary schedules relating to bonding and debt service that appear for informational purposes. The transportation bonding was proposed as part of the Governor's recommendations for the 1995-97 transportation budget (Assembly Bill 402).

**Joint Finance:** Provide general obligation bonding authority of \$617,085,400 as follows:

<u>Agency</u>	<u>Purpose</u>	<u>Net Change</u>
Building Commission	Housing State Agencies	\$29,629,000
	Equipment	11,461,000
	Other Public Purposes	80,848,000
	Other Public Purposes (WISTAR)	38,327,000
	Project Contingencies	7,475,000
	Refunding Building Corporation Debt	-1,551,600
Clean Water Fund	Clean Water Fund Activities	40,700,000
Corrections	Correctional Facilities	41,020,000
	Self-Amortizing Facilities	4,703,000
Educational Communications Board	Communications Facilities	174,000
Health and Social Services	Mental Health Facilities	595,000
	Juvenile Correctional Facilities	29,175,000
Historical Society	Self-Amortizing Facilities	1,753,000
	Records Storage	348,000
Military Affairs	Armories and Military Facilities	172,000
Natural Resources	Stewardship	-19,000,000
	Nonpoint Source Grants	-4,000,000
	Environmental Repair	4,000,000
	Segregated Revenue Supported Dam Maintenance	1,000,000
	Segregated Revenue Supported Facilities	3,907,000
	General Fund Supported Facilities	869,000
State Fair Park	Self-Amortizing Facilities	11,780,000
	Youth and Athletic Facility	4,347,000
University of Wisconsin	Academic Facilities	41,486,000
	Self-Amortizing Facilities	113,879,000
Veterans Affairs	Veterans Home	762,000
	Veterans Home Wastewater	-5,690,000
	Self Amortizing Mortgage Loans	170,000,000
	Self-Amortizing Housing Facilities	1,417,000
Subtotal--Excluding DOT		\$609,585,400
Transportation	Harbor Improvements	\$3,000,000
	Freight Railroad Assistance	4,500,000
Subtotal--DOT		\$7,500,000
TOTAL		\$617,085,400

Update summary schedules relating to bonding and debt service that appear for informational purposes.

Senate/Legislature: Provide general obligation bonding authority of \$606,026,400 for the following purposes:

<u>Agency</u>	<u>Purpose</u>	<u>Net Change</u>
Building Commission	Housing State Agencies	\$34,082,000
	Equipment	12,328,000
	Other Public Purposes	93,000,000
	Other Public Purposes (WISTAR)	38,327,000
	Project Contingencies	7,658,300
	Refunding Building Corporation Debt	-1,551,600
Clean Water Fund	Clean Water Fund Activities	40,700,000
Corrections	Correctional Facilities	47,185,000
	Self-Amortizing Facilities	5,410,000
Educational Communications Board	Communications Facilities	200,000
Health and Social Services	Mental Health Facilities	684,000
	Juvenile Correctional Facilities	25,510,300
Historical Society	Self-Amortizing Facilities	2,016,000
	Records Storage	400,000
Military Affairs	Armories and Military Facilities	198,000
Natural Resources	Stewardship	-19,000,000
	Nonpoint Source Grants	-4,000,000
	Environmental Repair	4,000,000
	Segregated Revenue Supported Dam Maintenance	1,000,000
	Segregated Revenue Supported Facilities	4,494,000
	General Fund Supported Facilities	1,000,000
State Fair Park	Self-Amortizing Facilities	13,550,000
	Youth and Athletic Facility	5,000,000
University of Wisconsin	Academic Facilities	43,841,200
	Self-Amortizing Facilities	83,177,700
Veterans Affairs	Veterans Home	876,500
	Veterans Home Wastewater	-5,690,000
	Self Amortizing Mortgage Loans	170,000,000
	Self-Amortizing Housing Facilities	<u>1,629,400</u>
TOTAL		<u>\$606,026,400</u>

Update summary schedules relating to bonding and debt service that appear for informational purposes.

[Act 27 Section: 472]

## 2. TRANSPORTATION REVENUE BONDING AUTHORIZATION

**Governor:** Provide increased revenue bonding authority of \$123,680,500 for major highway construction and transportation facilities. This bonding was proposed as part of the Governor's recommendations for the 1995-97 transportation budget (Assembly Bill 402).

**Joint Finance:** Reduce the proposed level of revenue bonding authority to \$105,118,500, which would represent a reduction of \$18,562,000 from the amount proposed in AB 402. This lower bonding amount was incorporated in Assembly Substitute Amendment 1 to AB 402.

**Assembly:** Increase the proposed level of revenue bonding authority to \$138,867,500, which would represent an increase of \$33,749,000 from the amount proposed in ASA 1 to AB 402. This higher bonding amount was incorporated in Engrossed AB 150.

**Legislature:** Delete provision.

## 3. TRANSPORTATION REVENUE BONDING AUTHORIZATION (AB 557)

**Governor:** Provide increased revenue bonding authority of \$116,897,400. Specify that a total of \$183,800,300 (\$116,897,400 in new bonding authority and \$66,902,900 in authority previously available only to fund the cost of issuance, for a debt service reserve fund and to permit flexibility in the issuance of revenue bonds) be made available to fund construction projects. The \$183,800,300 is based on the amounts that DOT projects will be needed in the next two biennia, based on the proposed major highway development program. The shift from other uses to construction reflects a policy change to use a surety bond rather than a reserve fund. The fiscal effect of the additional bonding is shown under the major highway program.

**Joint Finance:** Increase the proposed level of revenue bonding authority and the amount available to fund construction projects by \$14,808,000 to reflect funding the acceleration of the STH 29 project through 100% bonding.

**Assembly:** Increase the proposed level of revenue bonding authority and the amount available to fund construction projects by \$1,098,700.

**Conference Committee/Legislature:** Increase the proposed level of revenue bonding authority and the amount available to fund construction projects by \$40,000,000. In total, revenue bonding authority would be increased by \$172,804,100 and the amount available to fund construction projects would be increased by \$239,707,000.

**Veto by Governor [1]:** Eliminate the \$40,000,000 increase in revenue bonding authority and the amount available to fund construction projects by deleting the proposed amounts (\$1,123,638,100 for the level of revenue bonding authority and \$1,081,341,000 for the amount available to fund construction

projects) and writing in lower amounts (\$1,083,638,100 for the level of revenue bonding authority and \$1,041,341,000 for the amount available to fund construction projects). In total, revenue bonding authority would be increased by \$132,804,100 and the amount available to fund construction projects would be increased by \$199,707,000.

[Act 113 Section: 57]

[Act 113 Vetoed Section: 57]

#### **4. BONDING FOR FREIGHT RAIL ASSISTANCE (AB 557)**

**Governor/Legislature:** Increase general obligation bonding authority by \$4,500,000 for the freight railroad assistance program to provide total bonding authority of \$14,500,000.

[Act 113 Section: 30]

#### **5. BONDING FOR HARBOR IMPROVEMENTS (AB 557)**

**Governor/Legislature:** Increase general obligation bonding authority by \$3,000,000 for harbor improvements to provide total bonding authority of \$12,000,000.

[Act 113 Section: 29]

## BUDGET RESERVES

### 1. REQUIRED GENERAL FUND STATUTORY BALANCE [LFB Paper 190]

#### Governor:

*Current Balance.* Provide, in the 1995-97 general fund condition statement based on the Governor's recommended level of GPR appropriations, \$82,503,400 GPR in 1995-96 and \$90,690,800 GPR in 1996-97 for the 1% required statutory balance.

*Future Balances.* Provide that the statutory balance requirement be increased from the present 1% of total general purpose revenues for a given fiscal year to the following amounts:

<u>Fiscal Year</u>	<u>%</u>
1998-99	1.2%
1999-2000	1.4
2000-01	1.6
2001-02	1.8
2002-03 (and thereafter)	2.0

**Joint Finance/Legislature:** Delete the Governor's provision. Instead, modify current law to specify that compensation reserve amounts be included with gross appropriations in calculating the 1% required statutory balance. Currently, the 1% applies only to gross appropriations. Including compensation reserve amounts in the 1% calculation increases the statutory balance by \$193,900 in 1995-96 and \$487,600 in 1996-97.

Based on the GPR appropriations and compensation reserves as approved by the Legislature, provide, in the 1995-97 general fund condition statement, \$82,905,500 in 1995-96 and \$91,734,500 in 1996-97 for the 1% required statutory balance.

[Act 27 Sections: 469b and 471]

## 2. COMPENSATION RESERVES [LFB Paper 191]

**Governor:** Provide, in the 1995-97 general fund condition statement, \$19,391,200 GPR in 1995-96 and \$52,979,300 GPR in 1996-97 as compensation reserves for state employees. Total compensation reserve amounts from all fund sources are shown below:

<u>Fund Source</u>	<u>1995-96</u>	<u>1996-97</u>
General Purpose Revenue	\$19,391,200	\$52,979,300
Federal Revenue	5,978,800	16,335,000
Program Revenue	15,151,700	41,396,500
Segregated Revenue	<u>3,963,700</u>	<u>10,829,200</u>
Total	\$44,485,400	\$121,540,000

**Joint Finance:** Reduce the amount included in the general fund condition statement for compensation reserves in 1996-97 by: \$4,216,000 GPR, \$1,299,900 FED, \$3,294,200 PR and \$861,800 SEG.

**Assembly:** Reduce the amount included in the general fund condition statement for compensation reserves in 1996-97 by: \$2,000,000 GPR, \$616,700 FED, \$1,562,700 PR and \$408,800 SEG.

**Senate/Legislature:** Restore in 1996-97 the following amounts to compensation reserves: \$2,000,000 GPR, \$616,700 FED, \$1,562,700 PR and \$408,800 SEG. Total compensation reserves from all fund sources as approved by the Legislature are shown below:

<u>Fund Source</u>	<u>1995-96</u>	<u>1996-97</u>
General Purpose Revenue	\$19,391,200	\$48,763,300
Federal Revenue	5,978,800	15,035,100
Program Revenue	15,151,700	38,102,300
Segregated Revenue	<u>3,963,700</u>	<u>9,967,400</u>
Total	\$44,485,400	\$111,868,100

[Act 27 Section: 471]

## 3. OPENING BALANCE

**Governor:** Estimate the July 1, 1995, opening general fund balance at \$310,739,600.

**Joint Finance:** Increase the July 1, 1995, opening general fund balance by \$14,171,400 to reflect a reestimate of medical assistance and other health-related expenditures in 1994-95.



**Assembly:** Increase the July 1, 1995, opening general fund balance by \$14,300,000 to reflect the additional projected lapses from 1994-95 compensation reserves reported to the Joint Committee on Finance on June 16, 1995.

**Senate/Legislature:** Decrease the July 1, 1995, opening general fund balance by \$2,000,000 to reflect: (a) an increase of \$200,000 in the balance to reflect the previously unanticipated lapse from the Cost Containment Commission's ending program revenue appropriation balance which will lapse to the general fund on June 30, 1995; and (b) a decrease of \$2,200,000 to reflect the Joint Committee on Finance's June 20, 1995, action to reallocate this amount of previously anticipated lapses to the Department of Corrections to fund corrections agreements with counties for use of county jail beds.

## BUILDING COMMISSION

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$41,963,400	\$59,442,500	\$59,442,500	\$59,442,500	\$59,442,500	\$17,479,100	41.7%
SEG	<u>2,048,400</u>	<u>2,048,400</u>	<u>2,048,400</u>	<u>2,048,400</u>	<u>2,048,400</u>	<u>0</u>	<u>0.0</u>
<b>Total</b>	<b>\$44,011,800</b>	<b>\$61,490,900</b>	<b>\$61,490,900</b>	<b>\$61,490,900</b>	<b>\$61,490,900</b>	<b>\$17,479,100</b>	<b>39.7%</b>

<b>FTE Position Summary</b>
There are no positions authorized for the Building Commission.

### 1. DEBT SERVICE REESTIMATE

**Governor/Legislature:** Provide \$3,043,200 in 1995-96 and \$14,435,900 in 1996-97 for estimated debt service on existing authorizations and on proposed bonding.

	Chg. to Base
GPR	\$17,479,100

### 2. MODIFY APPROPRIATIONS TO THE BUILDING TRUST FUND

**Governor/Legislature:** Specify that any amounts in the existing asbestos removal and hazardous materials removal appropriations be transferred to the segregated building trust fund for later expenditure, rather than being expended directly from these annual GPR appropriations. Although no monies are provided for this purpose in the 1995-97 budget, future appropriations would not lapse to the general fund at the end of the fiscal year if they remain unexpended.

Modify the existing facilities maintenance and improvement appropriation to be an annual appropriation, rather than continuing, and specify that any funding be used for the building program as it relates to preventative maintenance, rather than for carrying out the long-range building program. Provide that any funding be transferred to the building trust fund, rather than to an existing SEG continuing appropriation from that fund, which would establish the same structure as is proposed for the asbestos removal and hazardous materials removal appropriations.

[Act 27 Sections: 1169 thru 1171]

# BUILDING PROGRAM

## 1. 1995-97 ENUMERATED PROJECTS

	B. Commission (Chg. to Base)	Jt. Finance (Chg. to B.C.)	Senate/Leg. (Chg. to JFC)	Veto by Gov. (Chg. to Leg.)	Net Change
All Funds	\$668,685,000	\$55,089,300	- \$37,902,000	- \$684,000	\$685,188,300

**Building Commission:** Provide \$668,685,000 from all funding sources of enumerated 1995-97 financing authority for: (a) specific enumerated projects (\$481,981,000); and (b) all agency projects (\$186,704,000).

Specify that funding for these projects be drawn from the following sources: (a) \$436,591,700 from new general obligation bonding authority; (b) \$45,516,500 from general obligation bonding authority that is currently authorized; (c) \$2,785,400 in transportation revenue bonds; (d) \$13,924,200 from agency operating funds; (e) \$69,134,200 from federal funds; and (f) \$100,733,000 from agency gifts, grants and other receipts.

The funding source for the 1995-97 enumerated project authority by agency is shown in Table 1 which follows. A listing of individual major agency projects, as recommended by the Building Commission, Joint Finance and the Legislature is provided in Table 4.

**Joint Finance:** Delete the Northern Great Lakes Visitor Center with a project budget of \$7,000,000 and all-agency utilities repair and renovations projects totalling \$2,500,000. Add the following projects: Central Wisconsin Center--Laundry Facility -- \$684,000; Lake Buttes des Morts Breakwall -- Phase 2 \$1,700,000; UW-LaCrosse Medical Health Science Education and Research Center -- \$26,800,000; UW-Madison School of Pharmacy -- \$30,000,000; and UW-Platteville Russell Hall Remodeling -- \$7,297,000. Finally, reduce funding for the Southern Center -- Female Youth Center Expansion by \$1,891,700 and list the project as having 75 beds. The UW-LaCrosse and UW-Madison projects would be funded with bonding under the WISTAR program that could first be issued in the 1997-99 biennium.

The funding source for the 1995-97 building program by agency under Joint Finance is shown in Table 2, which follows.

**Senate/Legislature:** Delete the UW-Milwaukee Fine Arts Courtyard Enclosure (\$426,000), the UW-Madison East Side Ambulatory Care Facility (\$10,000,000), the UW-Madison University Station Building Acquisition (6,787,000), the UW-Madison Outpatient Treatment Center (\$4,189,000), the Juvenile Assessment and Evaluation Center (\$9,300,000), and the DNR Statewide Toilet/Shower building remodeling (\$300,000 existing stewardship borrowing). Substitute cash for borrowing for the UW-Eau

Claire Hilltop Kitchen and Serving remodeling project (\$1,000,000) and the UW-System Instructional Technology Improvements (\$4,000,000). Use existing bonding authority for the UW-Platteville Student Center remodeling (\$5,020,000) and the UW-Whitewater Drumlin Dining Hall remodeling (\$521,000). Reduce the scope of the UW-Madison Parking Ramp project from \$14,900,000 to \$8,000,000. Delay authorization of \$13,400,000 of bonding for the UW-LaCrosse Medical Health Science Education and Research Center project to July 1, 1997.

The funding source for the building program under the Senate/Legislature is shown in Table 3, which follows.

**Veto by Governor [C-13]:** Delete the Central Wisconsin Center laundry facility project enumeration of \$684,000.

[Act 27 Section: 9108(1)]

[Act 27 Vetoed Section: 9108(1)]

**TABLE 1**

**Building Commission Recommended Financing Sources for the 1995-97 Enumerated Projects**

	New General Obligation Bonds		Revenue Bonds	Existing Gen. Obligation Bonds	Agency Operating Funds	Gifts, Grants & Other	Federal Funds	Total
	GPR	PR	SEG					
<b>Agency Specific Projects</b>								
Administration	\$0	\$14,727,000	\$0	\$0	\$0	\$0	\$0	\$14,727,000
Corrections	48,775,000	5,410,000	0	0	4,800,000	0	50,000,000	108,985,000
Educational Communications Board	200,000	0	0	0	153,800	0	800,000	1,153,800
Health and Social Services	40,395,000	0	0	0	0	0	0	40,395,000
Historical Society	400,000	2,016,600	0	0	0	0	0	2,416,600
Legislature	16,540,000	0	0	0	0	0	0	16,540,000
Military Affairs	294,000	0	0	0	0	0	0	294,000
Natural Resources	0	0	2,020,000	0	1,061,400	260,000	989,600	6,413,000
State Fair Park	0	11,250,000	0	0	0	5,000,000	0	21,250,000
Transportation	0	0	0	0	0	0	0	0
Veterans Affairs	984,000	1,629,400	0	525,000	0	0	4,984,600	2,785,400
University of Wisconsin	44,117,000	83,888,700	0	30,618,000	1,200,000	85,473,000	0	245,296,700
Other Projects	0	0	0	3,500,000	0	0	3,500,000	7,000,000
<b>Subtotal</b>	<b>\$151,705,000</b>	<b>\$118,921,700</b>	<b>\$2,020,000</b>	<b>\$42,207,500</b>	<b>\$7,215,200</b>	<b>\$90,733,000</b>	<b>\$66,393,200</b>	<b>\$481,981,000</b>
<b>All Agency Projects</b>								
Facilities Repair & Renovation	\$30,000,000	\$40,800,000	\$255,000	\$627,000	\$82,000	\$0	\$556,000	\$72,320,000
Utilities Repair & Renovation	25,000,000	8,914,000	239,000	1,382,000	6,627,000	10,000,000	1,060,000	53,222,000
Health, Safety & Environment	25,000,000	4,607,000	280,000	300,000	0	0	1,125,000	31,312,000
Energy Initiative	10,000,000	8,600,000	0	0	0	0	0	18,600,000
Preventive Maintenance	3,000,000	0	0	1,000,000	0	0	0	4,000,000
Capital Equipment	5,250,000	0	0	0	0	0	0	5,250,000
Land & Property Acquisition	0	2,000,000	0	0	0	0	0	2,000,000
<b>Subtotal</b>	<b>\$98,250,000</b>	<b>\$64,921,000</b>	<b>\$774,000</b>	<b>\$3,309,000</b>	<b>\$6,709,000</b>	<b>\$10,000,000</b>	<b>\$2,741,000</b>	<b>\$186,704,000</b>
<b>TOTAL</b>	<b>\$249,955,000</b>	<b>\$183,842,700</b>	<b>\$2,794,000</b>	<b>\$45,516,500</b>	<b>\$13,924,200</b>	<b>\$100,733,000</b>	<b>\$69,134,200</b>	<b>\$668,685,000</b>

TABLE 2

Joint Finance Recommended Financing Sources for the 1995-97 Enumerated Projects

	New General Obligation Bonds			Revenue Bonds	Existing Gen. Obligation Bonds	Agency Operating Funds	Gifts, Grants & Other	Federal Funds	Total
	GPR	PR	SEG						
<b>Agency Specific Projects</b>									
Administration	\$0	\$14,727,000	\$0	\$0	\$0	\$0	\$0	\$0	\$14,727,000
Corrections	53,575,000	5,410,000	0	0	0	0	0	50,000,000	108,985,000
Educational Communications Board	200,000	0	0	0	0	153,800	0	800,000	1,153,800
Health and Social Services	39,187,300	0	0	0	0	0	0	0	39,187,300
Historical Society	400,000	2,016,600	0	0	0	0	0	0	2,416,600
Legislature	1,540,000	0	0	0	0	15,000,000	0	0	16,540,000
Military Affairs	294,000	0	0	0	0	0	0	6,119,000	6,413,000
Natural Resources	0	0	3,720,000	0	2,564,500	1,061,400	260,000	989,600	8,595,500
State Fair Park	5,000,000	11,250,000	0	0	0	0	5,000,000	0	21,250,000
Transportation	0	0	0	2,785,400	0	0	0	0	2,785,400
Veterans Affairs	984,000	1,629,400	0	0	525,000	0	0	4,984,600	8,123,000
University of Wisconsin	51,414,000	105,888,700	0	0	59,018,000	1,200,000	100,473,000	0	317,993,700
Other Projects	0	0	0	0	0	0	0	0	0
Subtotal	\$152,594,300	\$140,921,700	\$3,720,000	\$2,785,400	\$62,107,500	\$17,415,200	\$105,733,000	\$62,893,200	\$548,170,300
<b>All Agency Projects</b>									
Facilities Repair & Renovation	\$30,000,000	\$40,800,000	\$255,000	\$0	\$627,000	\$82,000	\$0	\$556,000	\$72,320,000
Utilities Repair & Renovation	25,000,000	6,414,000	239,000	0	1,382,000	6,627,000	10,000,000	1,060,000	50,722,000
Health, Safety & Environment	25,000,000	4,607,000	280,000	0	300,000	0	0	1,125,000	31,312,000
Energy Initiative	10,000,000	0	0	0	0	0	0	0	10,000,000
Preventive Maintenance	4,000,000	0	0	0	0	0	0	0	4,000,000
Capital Equipment	5,250,000	0	0	0	0	0	0	0	5,250,000
Land & Property Acquisition	0	2,000,000	0	0	0	0	0	0	2,000,000
Subtotal	\$99,250,000	\$53,821,000	\$774,000	\$0	\$2,309,000	\$6,709,000	\$10,000,000	\$2,741,000	\$175,604,000
<b>TOTAL</b>	\$251,844,300	\$186,142,700	\$4,494,000	\$2,785,400	\$64,416,500	\$24,124,200	\$115,733,000	\$65,634,200	\$723,774,300

TABLE 3

Senate/Legislature Recommended Financing Sources for the 1995-97 Enumerated Projects

Agency Specific Projects	New General Obligation Bonds			Revenue Bonds	Existing Gen. Obligation Bonds	Agency Operating Funds	Gifts, Grants & Other	Federal Funds	Total
	GPR	PR	SEG						
Administration	\$0	\$14,727,000	\$0	\$0	\$0	\$0	\$0	\$0	\$14,727,000
Corrections	53,575,000	5,410,000	0	0	0	0	0	50,000,000	108,985,000
Educational Communications Board	200,000	0	0	0	0	153,800	0	800,000	1,153,800
Health and Social Services	29,887,300	0	0	0	0	0	0	0	29,887,300
Historical Society	400,000	2,016,600	0	0	0	0	0	0	2,416,600
Legislature	1,540,000	0	0	0	0	15,000,000	0	0	16,540,000
Military Affairs	294,000	0	0	0	0	0	0	6,119,000	6,413,000
Natural Resources	0	0	3,720,000	0	2,264,500	1,061,400	260,000	989,600	8,295,500
State Fair Park	5,000,000	11,250,000	0	0	0	0	5,000,000	0	21,250,000
Transportation	0	0	0	2,785,400	0	0	0	0	2,785,400
Veterans Affairs	984,000	1,629,400	0	0	525,000	0	0	4,984,600	8,123,000
University of Wisconsin	55,588,000	62,871,700	0	0	64,559,000	6,200,000	100,473,000	0	289,691,700
Other Projects	0	0	0	0	0	0	0	0	0
Subtotal	\$147,468,300	\$97,904,700	\$3,720,000	\$2,785,400	\$67,348,500	\$23,415,200	\$105,733,000	\$62,893,200	\$510,268,300
<b>All Agency Projects</b>									
Facilities Repair & Renovation	\$30,000,000	\$40,800,000	\$255,000	\$0	\$627,000	\$82,000	\$0	\$556,000	\$72,320,000
Utilities Repair & Renovation	25,000,000	6,414,000	239,000	0	1,382,000	6,627,000	10,000,000	1,060,000	50,722,000
Health, Safety & Environment	25,000,000	4,607,000	280,000	0	300,000	0	0	1,125,000	31,312,000
Energy Initiative	10,000,000	0	0	0	0	0	0	0	10,000,000
Preventive Maintenance	4,000,000	0	0	0	0	0	0	0	4,000,000
Capital Equipment	5,250,000	0	0	0	0	0	0	0	5,250,000
Land & Property Acquisition	0	2,000,000	0	0	0	0	0	0	2,000,000
Subtotal	\$99,250,000	\$53,821,000	\$774,000	\$0	\$2,309,000	\$6,709,000	\$10,000,000	\$2,741,000	\$175,604,000
<b>TOTAL</b>	\$246,718,300	\$151,725,700	\$4,494,000	\$2,785,400	\$69,657,500	\$29,124,200	\$115,733,000	\$65,634,200	\$685,872,300

**TABLE 4**

**State Agency 1995-97 Enumerated Major Projects  
Total Project Authority (All Funding Sources)**

	<u>Building Commission</u>	<u>Joint Finance</u>	<u>Senate/ Legislature</u>	<u>Act 27</u>
<b>Administration</b>				
• Chiller Conversion--Madison	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
• Eau Claire Office Building Addition	6,300,000	6,300,000	6,300,000	6,300,000
• Hangar Construction and Acquisition--Madison	927,000	927,000	927,000	927,000
• Records Center and Office Facility--Madison	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	\$14,727,000	\$14,727,000	\$14,727,000	\$14,727,000
<b>Corrections</b>				
• Green Bay Correctional Institution--Master Plan	\$10,225,000	\$10,225,000	\$10,225,000	\$10,225,000
• Oakhill Correctional Institution--Master Plan	7,750,000	7,750,000	7,750,000	7,750,000
• Winnebago MHI--Kempster Hall Remodeling	5,800,000	5,800,000	5,800,000	5,800,000
• 800 Mhz Radio Systems	1,400,000	1,400,000	1,400,000	1,400,000
• McNaughton Center Housing Unit	3,400,000	3,400,000	3,400,000	3,400,000
• Racine Correctional Institution--Industries Laundry	3,910,000	3,910,000	3,910,000	3,910,000
• Oshkosh Industries Building	1,500,000	1,500,000	1,500,000	1,500,000
• Prison Expansion Project	<u>75,000,000</u>	<u>75,000,000</u>	<u>75,000,000</u>	<u>75,000,000</u>
	\$108,985,000	\$108,985,000	\$108,985,000	\$108,985,000
<b>Educational Communications Board</b>				
• Network Broadcast Facilities Replacement	\$800,000	\$800,000	\$800,000	\$800,000
• Satellite Uplink Conversion	<u>353,800</u>	<u>353,800</u>	<u>353,800</u>	<u>353,800</u>
	\$1,153,800	\$1,153,800	\$1,153,800	\$1,153,800
<b>Health and Social Services</b>				
• Juvenile Assessment and Evaluation Center	\$9,300,000	\$9,300,000	\$0	\$0
• Lincoln Hills Security Cottage	3,320,000	3,320,000	3,320,000	3,320,000
• Wisconsin Resource Center Expansion	12,100,000	12,100,000	12,100,000	12,100,000
• Southern Center--Female Youth Center Expansion--75 beds	5,675,000	3,783,300	3,783,300	3,783,300
• Secured Juvenile School	10,000,000	10,000,000	10,000,000	10,000,000
• Central Wisconsin Center--Laundry Facilities	<u>0</u>	<u>684,000</u>	<u>684,000</u>	<u>0</u>
	\$40,395,000	\$39,187,300	\$29,887,300	\$29,203,300
<b>Historical Society</b>				
• Collection Storage Building--Madison	\$400,000	\$400,000	\$400,000	\$400,000
• Old Wade House Sawmill and Dam Reconstruction	<u>2,016,600</u>	<u>2,016,600</u>	<u>2,016,600</u>	<u>2,016,600</u>
	\$2,416,600	\$2,416,600	\$2,416,600	\$2,416,600
<b>Legislature</b>				
• Capitol South Wing Renovation and Restoration	\$16,540,000	\$16,540,000	\$16,540,000	\$16,540,000



	<u>Building Commission</u>	<u>Joint Finance</u>	<u>Senate/ Legislature</u>	<u>Act 27</u>
<b>Military Affairs</b>				
• Lake Michigan Erosion Control	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
• Hayward Organizational Maintenance Shop	2,008,000	2,008,000	2,008,000	2,008,000
• Madison Aircraft Parking Expansion	1,800,000	1,800,000	1,800,000	1,800,000
• Madison Organizational Maintenance Shop	605,000	605,000	605,000	605,000
	<u>\$6,413,000</u>	<u>\$6,413,000</u>	<u>\$6,413,000</u>	<u>\$6,413,000</u>
<b>Natural Resources</b>				
• Havenwoods Landfill Cap--Milwaukee	\$600,000	\$600,000	\$600,000	\$600,000
• Kettle Moraine Wastewater System	657,100	657,100	657,100	657,100
• Devil's Lake Water Supply System	300,000	300,000	300,000	300,000
• Bayfield Hatchery Water Supply System	1,060,000	1,060,000	1,060,000	1,060,000
• State Park Trail Improvements	947,000	947,000	947,000	947,000
• Kettle Moraine--Lapham Peak Development -Phase I	798,000	798,000	798,000	798,000
• Governor Knowles State Forest Family Campground	523,400	523,400	523,400	523,400
• Rhinelander Ranger Station Storage Building	360,000	360,000	360,000	360,000
• Statewide Toilet and Shower Buildings	1,100,000	1,100,000	800,000	800,000
• Chippewa Moraine Interpretive Exhibits	550,000	550,000	550,000	550,000
• Lake Butte des Morts Breakwall -- Phase 2	0	1,700,000	1,700,000	1,700,000
	<u>\$6,895,500</u>	<u>\$8,595,500</u>	<u>\$8,295,500</u>	<u>\$8,295,500</u>
<b>State Fair Park</b>				
• Youth Dormitory	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
• Coliseum Renovation	5,000,000	5,000,000	5,000,000	5,000,000
• Racetrack Improvements	1,250,000	1,250,000	1,250,000	1,250,000
	<u>\$21,250,000</u>	<u>\$21,250,000</u>	<u>\$21,250,000</u>	<u>\$21,250,000</u>
<b>Transportation</b>				
• Wisconsin Rapids Office Building Remodeling	\$900,000	\$900,000	\$900,000	\$900,000
• Rice Lake Licensing Facility	1,130,600	1,130,600	1,130,600	1,130,600
• Footville Tower and Building	398,900	398,900	398,900	398,900
• Wittenberg Tower and Building	355,900	355,900	355,900	355,900
	<u>\$2,785,400</u>	<u>\$2,785,400</u>	<u>\$2,785,400</u>	<u>\$2,785,400</u>
<b>Veteran's Affairs</b>				
• Southeast Wisconsin State Veterans Cemetery	\$1,968,000	\$1,968,000	\$1,968,000	\$1,968,000
• Veterans Home--Independent Living Unit	4,655,000	4,655,000	4,655,000	4,655,000
• Veterans Home--Food Service Renovations	1,500,000	1,500,000	1,500,000	1,500,000
	<u>\$8,123,000</u>	<u>\$8,123,000</u>	<u>\$8,123,000</u>	<u>\$8,123,000</u>
<b>University of Wisconsin</b>				
• Eau Claire Hilltop Kitchen and Serving Remodeling	\$1,916,000	\$1,916,000	\$1,916,000	\$1,916,000
• La Crosse Medical Health Science Education and Research Center	0	26,800,000	26,800,000	26,800,000
• Madison Utility Improvements	3,645,000	3,645,000	3,645,000	3,645,000
• Madison Lathrop Hall Remodeling	4,930,000	4,930,000	4,930,000	4,930,000
• Madison Armory (Red Gym) Renovation	11,000,000	11,000,000	11,000,000	11,000,000
• Madison Robert M. Bock Laboratory Renovation	7,950,000	7,950,000	7,950,000	7,950,000
• Madison Environmental Management Center	4,725,000	4,725,000	4,725,000	4,725,000
• Madison Research Greenhouses	5,000,000	5,000,000	5,000,000	5,000,000
• Madison Waisman Center Addition and Remodeling	17,500,000	17,500,000	17,500,000	17,500,000

	<u>Building Commission</u>	<u>Joint Finance</u>	<u>Senate/ Legislature</u>	<u>Act 27</u>
• Madison McClain Student Academic Center	2,400,000	2,400,000	2,400,000	2,400,000
• Madison University Station Building Acquisition	6,787,000	6,787,000	0	0
• Madison East Side Ambulatory Care Facility	10,000,000	10,000,000	0	0
• Madison Outpatient Treatment Center	4,189,000	4,189,000	0	0
• Madison Parking Ramp	14,900,000	14,900,000	8,000,000	8,000,000
• Madison Medical School Office and Research Addition	8,250,000	8,250,000	8,250,000	8,250,000
• Madison Multi-Purpose Sports Arena	72,000,000	72,000,000	72,000,000	72,000,000
• Madison School of Pharmacy	0	30,000,000	30,000,000	30,000,000
• Madison Cogeneration Project	0	8,600,000	8,600,000	8,600,000
• Milwaukee Laboratory Remodeling Projects	791,000	791,000	791,000	791,000
• Milwaukee Fine Arts Courtyard Enclosure	426,000	426,000	0	0
• Milwaukee Bolton Hall Remodeling	3,282,000	3,282,000	3,282,000	3,282,000
• Oshkosh Nursing Education Addition	900,000	900,000	900,000	900,000
• Parkside Physical Education Addition and Remodeling	4,465,000	4,465,000	4,465,000	4,465,000
• Parkside Student Residence Hall	8,818,000	8,818,000	8,818,000	8,818,000
• Platteville Student Center Remodeling	5,020,000	5,020,000	5,020,000	5,020,000
• Platteville Doudna Hall Remodeling-Phase 2	3,759,000	3,759,000	3,759,000	3,759,000
• Platteville Russell Hall Remodeling	0	7,297,000	7,297,000	7,297,000
• River Falls Ames Teacher Education Center	6,500,000	6,500,000	6,500,000	6,500,000
• Stout Applied Arts Remodeling	4,500,000	4,500,000	4,500,000	4,500,000
• Whitewater Hyer Hall Remodeling	6,480,000	6,480,000	6,480,000	6,480,000
• Whitewater Parking and Pedestrian Circulation	1,862,700	1,862,700	1,862,700	1,862,700
• Whitewater Drumlin Dining Hall Remodeling	521,000	521,000	521,000	521,000
• Extension Center Addition and Remodeling	13,000,000	13,000,000	13,000,000	13,000,000
• Extension Acquisition-3817 Mineral Point Road Madison	780,000	780,000	780,000	780,000
• System--Great Lakes Research Molecular Probe Center	500,000	500,000	500,000	500,000
• System Instructional Technology Improvements	8,500,000	8,500,000	8,500,000	8,500,000
	<u>\$245,296,700</u>	<u>\$317,993,700</u>	<u>\$289,691,700</u>	<u>\$289,691,700</u>
<b>Other Projects</b>				
• Northern Great Lakes Visitor Center--Ashland	\$7,000,000	\$0	\$0	\$0
<b>All Agency Project Funding</b>				
• Facilities Repair and Renovation	\$72,320,000	\$72,320,000	\$72,320,000	\$72,320,000
• Utilities Repair and Renovation	53,222,000	50,722,000	50,722,000	50,722,000
• Health, Safety and Environment	31,312,000	31,312,000	31,312,000	31,312,000
• Wisconsin Energy Initiative	18,600,000	10,000,000	10,000,000	10,000,000
• Preventive Maintenance	4,000,000	4,000,000	4,000,000	4,000,000
• Capital Equipment Allocation	5,250,000	5,250,000	5,250,000	5,250,000
• Land and Property Acquisition	2,000,000	2,000,000	2,000,000	2,000,000
	<u>\$186,704,000</u>	<u>\$175,604,000</u>	<u>\$175,604,000</u>	<u>\$175,604,000</u>
<b>TOTAL -- All Categories</b>	<b>\$668,685,000</b>	<b>\$723,774,300</b>	<b>\$685,872,300</b>	<b>\$685,188,300</b>

## 2. 1995-97 BUILDING PROGRAM BONDING AUTHORIZATION [LFB Paper 198]

	<b>B. Commission (Chg. to Base)</b>	<b>Jt. Finance (Chg. to B.C.)</b>	<b>Senate/Leg. (Chg. to JFC)</b>	<b>Net Change</b>
BR	\$436,591,700	-\$50,791,700	-\$3,559,000	\$382,241,000

**Building Commission:** Provide \$436,591,700 in new general obligation bonding authority in 1995-97, as shown in the following table.

Authorize \$210,129,300 of this new bonding involving GPR-supported debt under one appropriation (Building Commission -- Other Public Purposes), rather than under separate, current law bonding appropriations established for Corrections, Educational Communications Board, Health and Social Services, the Historical Society, Military Affairs, Veterans Affairs, the University of Wisconsin and the Building Commission. Under this provision, by providing all of this bonding in one appropriation under its control, the Commission could reallocate bonding from one agency to another agency without approval of the Legislature.

Purpose	Net Change
University of Wisconsin Self-Amortizing Facilities	\$117,594,700
Self Amortizing Energy Efficiency Projects	8,600,000
Natural Resources Segregated Revenue Supported Facilities	2,794,000
Corrections Self-Amortizing Facilities	5,410,000
Building Commission Housing State Agencies	47,312,000
Equipment	15,325,400
Other Public Purposes	210,129,300
Project Contingencies	9,730,300
Historical Society Self-Amortizing Facilities	2,016,600
Veterans Affairs Self-Amortizing Housing Facilities	1,629,400
State Fair Park Self-Amortizing Facilities	<u>16,050,000</u>
<b>TOTAL</b>	<b>\$436,591,700</b>

**Joint Finance:** Delete the Building Commission's recommendation and, instead, authorize general obligation bonding for agency projects under current law bonding appropriations established for this purpose.

Modify building program bonding amounts as follows: (a) \$1,700,000 for the Lake Butte des Morts breakwall; (b) -\$2,500,000 for a utility and renovation project at State Fair Park; (c) -\$1,891,700 for the

Southern Center Female Youth Center; (d) -\$15,000,000 for the State Capitol south wing restoration project; (e) \$1,000,000 for DNR maintenance projects; (f) \$13,400,000 for the UW-La Crosse Medical Center; (g) \$5,000,000 for the youth dorm at State Fair Park; (h) \$4,800,000 for a corrections housing unit and radio systems; and (i) \$684,000 for Central Wisconsin Center laundry facilities.

In addition, reduce bonding amounts by a total of \$57,984,000 across-the-board, so that bonding authorized for the building program would total \$385,800,000. After adjustment for a \$10,800,000 reduction in the use of stewardship bonding in 1995-96 that is summarized under "DNR--Departmentwide and Administrative Services", a total of \$375 million of bonding would be available under the bill for the 1995-97 building program.

Specify that the Building Commission could not authorize any project in the 1995-97 building program that is funded with general obligation bonding until it has submitted a revised list of projects consistent with the adjusted \$375 million bonding cap. The Commission's revised list would be subject to review by the Joint Committee on Finance (JFC). JFC would have 14 working days to schedule a meeting for review. If no meeting is scheduled, the revised plan would be approved and the Commission could implement the building program. If JFC would schedule a meeting, the Commission could not authorize those building program projects until JFC met and approved a revised list.

**Senate/Legislature:** Eliminate the requirement that the Building Commission could not authorize any project in the 1995-97 building program that is funded with general obligation bonding until it has submitted to the Joint Committee on Finance a revised list of projects consistent with the adjusted \$375 million bonding limit in the budget.

The Building Commission met on June 21 and approved a revised list of projects consistent with the bonding limit. This provision would make the following changes to the building program to generally implement the Commission's revised project list:

- a. Delete the UW-Milwaukee Fine Arts Courtyard Enclosure (\$426,000), the UW-Madison East Side Ambulatory Care Facility (\$10,000,000), the UW-Madison University Station Building Acquisition (6,787,000), the UW-Madison Outpatient Treatment Center (\$4,189,000), the Juvenile Assessment and Evaluation Center (\$9,300,000), and the DNR Statewide Toilet/Shower building remodeling (\$300,000 existing stewardship borrowing).
- b. Substitute cash for borrowing for the UW-Eau Claire Hilltop Kitchen and Serving remodeling project (\$1,000,000) and the UW-System Instructional Technology Improvements (\$4,000,000).
- c. Use existing bonding authority for the UW-Platteville Student Center remodeling (\$5,020,000) and the UW-Whitewater Drumlin Dining Hall remodeling (\$521,000).
- d. Reduce the UW-Madison Parking Ramp project from \$14,900,000 to \$8,000,000.

e. Delay authorization of \$13,400,000 of bonding for the UW-LaCrosse Medical Health Science Education and Research Center project to July 1, 1997.

These specific reductions of \$61,543,000 of bonding would replace an across-the-board reduction of \$57,984,000 of bonding by the Joint Committee on Finance. Totals are shown in the following table.

Purpose	Net Change
University of Wisconsin	
Academic Facilities	\$43,841,200
Self-Amortizing Facilities	83,177,700
Natural Resources	
Segregated Revenue Supported Facilities	4,494,000
General Fund Supported Administrative Facilities	1,000,000
Corrections	
Correctional Facilities	47,185,000
Self-Amortizing Equipment	5,410,000
Health and Social Services	
Mental Health Facilities	684,000
Juvenile Correctional Facilities	25,510,300
Building Commission	
Housing State Departments and Agencies	34,082,000
Project Contingencies	7,658,300
Capital Equipment Acquisition	12,328,000
Other Public Purposes	93,000,000
Other Public Purposes (WISTAR)	38,327,000
Educational Communications Board	
Educational Communications Facilities	200,000
Historical Society	
Self-Amortizing Facilities	2,016,000
Records Storage	400,000
Military Affairs	
Armories and Military Facilities	198,000
Veterans Affairs	
Wisconsin Veterans Home	876,500
Self-Amortizing Facilities	1,629,400
State Fair Park	
Self-Amortizing Facilities	13,550,000
Youth and Athlete Facility	<u>5,000,000</u>
<b>TOTAL</b>	<b>\$382,241,000</b>

[Act 27 Sections: 563m, 1160g thru 1160s, 1164g, 1164r, 1165b thru 1165e, 1165g thru 1166r, 1167g, 1167r, 1168e thru 1168s and 1658m]

3. WISTAR FUNDING [LFB Paper 205]

	B. Commission (Chg. to Base)	Jt. Finance/Leg. (Chg. to B.C.)	Net Change
BR	\$53,327,000	-\$15,000,000	\$38,327,000

**Building Commission:** Provide \$53,327,000 of general obligation bonding authority for the Wisconsin Initiative for State Technology and Applied Research Program (WISTAR). This GPR-supported bonding could first be utilized in 1997-98. Under current law, \$111,673,000 of bonding has been authorized for this purpose. With this new bonding, a total of \$165,000,000 would be available for WISTAR.

**Joint Finance/Legislature:** Reduce the amount of bonding provided for WISTAR by \$15,000,000, so that total bonding for WISTAR would be \$150,000,000. Specify that the additional \$38,327,000 of bonding could not be used before July 1, 1997.

[Act 27 Sections: 1165t and 1165x]

4. UW ENERGY EFFICIENCY CAPITAL PROJECTS [LFB Paper 207]

**Building Commission:** Provide \$8,600,000 of general obligation bonding under the Building Commission, which is shown as part of Item 2, to acquire, construct, develop, enlarge or improve state facilities, or equipment in those facilities, under control of the Regents. Specify that the Commission could provide funding to the Board of Regents of the University of Wisconsin System for energy efficiency projects approved by DOA. The projects would have to relate to the acquisition, construction, development, enlargement or improvement of a state facility or to equipment installed in a facility and the Board would have to enter into an agreement with DOA to repay the debt incurred by the state for the project. Modify the UW's GPR energy costs appropriation to allow GPR monies from that annual appropriation to be used to pay for debt service on the bonds issued for this purpose and specify that an existing PR appropriation established to provide additional funding sources for self-amortizing bonds, if needed, would apply to these projects.

**Joint Finance/Legislature:** Modify the Building Commission's recommendation to provide \$8.6 million in UW general fund supported bonding, rather than Building Commission bonding. In addition, specify that the debt service would be paid from the current GPR UW debt service appropriation, rather than from the UW's GPR energy cost appropriation.

[Act 27 Section: 1160g]

5. **DELETE VETERANS HOME WASTEWATER TREATMENT FACILITIES PROJECT** [LFB Paper 213]

**Building Commission:** Delete \$5,690,000 of general obligation bonding authority authorized in the 1993-95 budget for wastewater treatment facilities at the Veterans Home at King, Wisconsin. Eliminate the project enumeration for this project that was established in the 1993-95 building program. Staff from Veterans Affairs indicate that the Home will be utilizing a municipal hook-up for wastewater treatment.

	Chg. to Base
BR	- \$5,690,000

**Joint Finance/Legislature:** Delete the PR debt service appropriations for the Veterans Affairs wastewater treatment facilities bonding appropriation.

[Act 27 Sections: 1037r, 1168e and 9108(2)]

6. **PROVIDE BONDING FOR VETERANS HOME HOUSING FACILITIES** [LFB Paper 213]

**Building Commission:** Create a new appropriation for general obligation bonding for housing facilities at the Veterans Home at King, Wisconsin. A correction would be needed to create a PR debt service appropriation for this purpose. Provide \$1,629,400 of bonding, which is shown as part of Item 2.

**Joint Finance/Legislature:** Create a PR debt service appropriation for the Veterans Affairs self-amortizing housing facilities bonding appropriation.

[Act 27 Sections: 1037g, 1037r and 1168e]

7. **INCREASE PROJECT ENUMERATION THRESHOLD** [LFB Paper 199]

**Building Commission:** Increase the threshold for project enumeration from \$250,000 to \$500,000. Under current law, the Commission can build projects costing up to \$250,000 without legislative approval, but projects costing more than \$250,000 must be enumerated (listed in a nonstatutory provision) by the Legislature. This enumeration requirement applies to the design and construction of any building, structure or facility as well as to the acquisition of land or repair, remodeling or improvement to any existing building, structure or facility. Under this provision, the Commission could build any project costing up to \$500,000 without approval by the Legislature.

**Joint Finance/Legislature:** Delete provision.

**8. STATE FAIR PARK PRIVATELY OWNED OR OPERATED FACILITIES [LFB Paper 199]**

**Building Commission:** Increase the threshold for Commission approval from \$250,000 to \$500,000 of State Fair Park projects that would involve a privately-owned or operated facility being constructed on state-owned land. Under current law, a privately-owned or operated facility costing up to \$250,000 can be built by or for the State Fair Park Board on state land without Commission approval, while all other state agencies have to receive Commission approval for such projects. Under this provision, the Board could build any such project costing up to \$500,000 without Commission approval.

**Joint Finance/Legislature:** Delete provision.

**9. DEPARTMENT OF TRANSPORTATION MINOR CONSTRUCTION PROJECTS [LFB Paper 199]**

**Building Commission:** Increase the size of project that can be funded from an appropriation for Department of Transportation minor projects from \$250,000 to \$500,000. Under current law, the total construction cost of any project funded from this appropriation cannot exceed \$250,000.

**Joint Finance/Legislature:** Delete provision.

**10. INCREASE EMERGENCY SITUATION APPROVAL AMOUNT [LFB Paper 199]**

**Building Commission:** Increase the dollar amount of repairs and construction that the Governor can approve in an emergency situation without Commission approval from \$250,000 to \$500,000. Under current law, in an emergency situation, the Governor may authorize repairs and construction of up to \$250,000 from the building trust fund or from other available monies; the Governor is required to report such an authorization to the Commission at its next regular meeting.

**Joint Finance/Legislature:** Delete provision.

**11. FINE ARTS IN STATE BUILDINGS PROJECT SIZE [LFB Paper 199]**

**Building Commission:** Provide that state building projects costing \$500,000 or less would be exempt from the requirement that at least two-tenths of one percent of the project's cost be used to pay for the purchase and related administrative costs, of works of art to be displayed in or around the project. Under current law, projects costing \$250,000 or less are exempt from the requirement.

**Joint Finance/Legislature:** Delete provision.



**12. EXCEPTION TO ENUMERATION REQUIREMENT -- PROJECTS WITH 65% GIFT/GRANT FUNDING [LFB Paper 200]**

**Building Commission:** Create an exception to the requirement that projects costing more than \$250,000 be enumerated by the Legislature. The exception would apply to a project if at least 65% of the funding for the project is derived from federal grants or private gifts or grants and if the Commission determines that construction is in the best interests of the state.

This provision would allow the Commission to build any project that is at least 65% gift or grant funded without approval by the Legislature.

**Joint Finance/Legislature:** Delete provision.

**13. USE OF PROCEEDS FROM THE SALE OF SURPLUS LAND [LFB Paper 201]**

**Building Commission:** Provide that one-half of the net proceeds from the sale or lease of surplus buildings, structures or land would be available for expenditure by the state agency that used that property, if: (a) the property was held by a single agency; and (b) there were no outstanding public debt from financing the purchase of the property or the construction of buildings or structures on the property. The remaining 50% of the net proceeds in this case would be deposited in the building trust fund for use by the Building Commission for the building program.

Proceeds from the sale of surplus property where any debt has been paid off but where the property was used by more than one agency or was under the management of DOA would be deposited in the building trust fund for use in the building program.

Proceeds from the sale of surplus property where debt is still outstanding that was used to finance its acquisition or construction would be deposited into the bond security and redemption fund for use in repaying that debt and any premium due upon refunding the debt.

A continuing appropriation under miscellaneous appropriations would be created to supplement the agency operating budget with the agency's share of any proceeds from the sale of surplus land, buildings or structures. The agency could request DOA to transfer these monies to any of its appropriations, except a sum sufficient appropriation. Agency expenditure of these monies would not be subject to the dollar limits otherwise established for the agency's appropriations and the agency could encumber the monies to allow them to be carried across a fiscal year.

Neither agency nor Commission expenditures of these monies would be subject to approval by the Legislature. For purposes of this provision and the current law surplus land reporting requirement, state agency would be defined as any office, department or independent agency in the executive or legislative branches or the courts.

Under current law, the proceeds from the sale of any surplus state property must be applied to debt service payments on the bonds originally issued to fund the costs of the surplus property. If there are no such bonds outstanding, the proceeds from the sale or lease are applied instead to debt service on bonds which bear the highest true interest cost, for debt service from whatever revenue source was used to support that property.

**Joint Finance/Legislature:** Modify the Building Commission's recommendation to, instead, deposit all monies received from the sale of surplus property, after paying off any outstanding bonds, in the Joint Finance Committee's appropriation. If the property was used by a single agency, 50% of these monies could be released by the Committee upon the request of the agency to supplement any agency appropriation (except a sum sufficient), without a finding of an emergency by the Committee. The remaining 50% of these monies would be released by the Committee upon the request of the Building Commission for transfer to the building trust fund, without a finding of an emergency by the Committee. Finally, if more than one agency used the property, 100% of the monies could be released by the Committee for transfer to the building trust fund, upon request of the Commission.

**Veto By Governor [C-12]:** Modify the provision to allow the Joint Committee on Finance, upon request of the Building Commission, to transfer up to 100% of the amount credited to the Committee's appropriation from the sale of surplus property to the building trust fund, rather than only 50% of such proceeds, regardless of whether one or more agencies used the property.

[Act 27 Sections: 16m, 24g and 24h thru 24m]

[Act 27 Vetoed Section: 16m]

#### **14. WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP PROGRAM [LFB Paper 202]**

**Building Commission:** Delete the reference to the Department of Natural Resources from the general land acquisition component of the Warren Knowles-Gaylord Nelson stewardship program. This would allow other organizations, if directed by law, to spend funds from the general land acquisition component. (A technical correction is needed to restore a cross-reference to the stewardship program's bonding authorization).

The statutes currently authorize \$250 million in general obligation bonding for the stewardship program. The statutes allocate \$23.1 million of general obligation bonding authority annually for the stewardship program, beginning in 1990-91 and ending in 1999-2000. In addition, it is anticipated that DNR will also allocate \$1.9 million annually of land acquisition funds from the federal government under the Land and Water Conservation Act, the Sport Fish Restoration Act and the Wildlife Restoration Act. In total (general fund supported bonding and federal funds) DNR would spend \$25 million per year for the stewardship program. Under current law, \$19 million of bonding would remain at the end of the ten-year period. The following table provides a summary of the general-fund supported bonding expenditures authorized for the Warren Knowles-Gaylord Nelson stewardship program. During 1990-91 and 1992-93,

the general land acquisition component was funded at a level of \$8,600,000. In 1992-93, the urban rivers component was created at a level of \$1,900,000 and the general land acquisition component was reduced to \$6,700,000.

**Annual Bonding Authorization 1992-93 through 1999-2000**

Component	Amount
General Land Acquisition	\$6,700,000
General Property Development	3,500,000
Local Park Aids	2,250,000
Lower Wisconsin State Riverway	2,000,000
Urban Rivers	1,900,000
Habitat Areas	1,500,000
Natural Areas Acquisition	1,500,000
Stream Bank Protection	1,000,000
Trails	1,000,000
Urban Green Spaces	750,000
Natural Areas Heritage Program	500,000
Ice Age Trail	<u>500,000</u>
<b>TOTAL</b>	<b>\$23,100,000</b>

Direct DNR to designate \$4,750,000 annually during 1995-97 and \$600,000 in 1997-98 from the general land acquisition component of the stewardship program. (A technical modification is needed to specify how the expenditures would be treated). The following projects would be designated for funding.

*Northern Great Lakes Visitor Center in Ashland County.* \$1,750,000 in 1995-96, \$1,750,000 in 1996-97 and \$600,000 in 1997-98 for the construction of the center. Require that the amount of money expended for the visitor center be the lesser of the \$4,100,000 designated from the general land acquisition component or the amount received from the federal government as matching funds. Direct that if the \$4.1 million for the visitor center would not be expended before July 1, 1998, DNR would be required to make the remaining funds available for expenditure for general land acquisition and the urban rivers grant program.

*Youth Dormitory Project at the State Fair Park in the City of West Allis.* \$2,500,000 in 1995-96 and \$2,500,000 in 1996-97 for the youth dormitory. Direct that if the \$5.0 million for the youth dormitory would not be expended before July 1, 1997, DNR would be required to make the remaining funds available for expenditure for general land acquisition and the urban rivers grant program.

*Preventive Maintenance of DNR Facilities.* \$500,000 in 1995-96 and \$500,000 in 1996-97 for preventive maintenance of DNR facilities. Direct that if the \$1.0 million for preventive maintenance

would not be expended before July 1, 1997, DNR would be required to make the remaining funds available for expenditure for general land acquisition and the urban rivers grant program.

Under the amendment, DNR would have \$1,950,000 annually available for general land acquisition during the 1995-97 biennium and \$6,100,000 in 1997-98. Current law requires DNR to allocate at least \$1,720,000 annually (from the general land acquisition component) for the acquisition of lands within property boundaries established after January 1, 1988. Consequently, DNR would have \$230,000 available (in 1995-96 and 1996-97) for general land acquisition for properties established on or before January 1, 1988.

Current law provides the following flexibility in the expenditure of funds under each component of stewardship, excluding the general property development component: (a) unspent stewardship bonding authority not used in one fiscal year is available for the same purpose in the next fiscal year; and (b) up to 50% of bonding authority from the next fiscal year may be used in the current fiscal year in order to allow for large or unique purchases, where funds would otherwise be insufficient, and where delaying or deferring part of the cost into the future is not reasonably possible.

Authorize DNR (beginning on July 1, 1995, and ending on June 30, 2000) to spend the general fund-supported bonding authorized for the stewardship program at a level beyond the expenditure limits defined for each component of the stewardship program, if DNR determines that all funds appropriated to DNR for the purpose of each component would not be sufficient. In addition, DNR would be allowed to spend stewardship funds that are currently statutorily designated for specific projects (including those designated under this amendment). Require the Governor to approve these expenditures. Require the proposed Department of Tourism and Parks (DTAP) to approve those DNR expenditures related to trails or the proposed joint stewardship responsibilities under AB 150, which are: (a) establishing priorities for acquiring land within the boundaries of projects established before January 1, 1988; (b) allocating funds designated for lands within the boundaries of projects established after that date; (c) determining the amount of funding that will be spent each year on general land acquisition, the Ice Age Trail and general property development; and (d) administering grants to "friends" groups.

Limit DNR's annual expenditure authority under this section to the amount that is equal to the difference of subtracting the total amount expended (equal to the general fund supported bonding and federal land acquisition expenditures under the stewardship program) since the start of the program (June 30, 1990) from \$150,000,000 in 1995-96. Each fiscal year after that, add \$25 million to the limit, so that it would equal \$175 million in 1996-97, \$200 million in 1997-98, \$225 million in 1998-99 and \$250 million in 1999-2000. Each year, annual expenditures since the beginning of the program would be subtracted from this increasing limit to determine DNR's annual expenditure authority. This modification would allow DNR to spend a portion of the \$19 million of general obligation bonding that DNR is not currently directed to spend, contingent on the level of federal funds DNR would spend each year for land acquisition. Under this change, DNR would be allowed to spend additional general fund supported monies on a 1:1 ratio, if federal land acquisition expenditures were decreased.

**Joint Finance/Legislature:** Delete provision. See "DNR -- Departmentwide and Administrative Services" for other modifications to the stewardship program.

#### **15. CAPITAL EQUIPMENT ACQUISITION BONDING**

**Building Commission/Legislature:** Authorize the Building Commission during the 1995-97 biennium to use bonding that is provided for capital equipment acquisition for:

- (a) capital equipment acquisition for any project in the building program;
- (b) replacement of capital equipment of the Educational Communications Board. Funds allocated could be used with other matching funds available to the Board; and
- (c) acquiring other priority capital equipment for any office, department or independent agency in the executive and legislative branch or the courts.

[Act 27 Section: 9108(6)]

#### **16. PROJECT CONTINGENCY FUNDING RESERVE**

**Building Commission/Legislature:** Specify that the Commission could, during the 1995-97 biennium, use bonding provided for project contingencies for any project in the building program. Generally, projects include an allowance of 5% to 7% of the total budget to cover unanticipated costs during construction.

[Act 27 Section: 9108(5)]

#### **17. STATEMENT OF BUILDING PROGRAM CONTINUATION**

**Building Commission/Legislature:** Continue, into the 1995-97 biennium, the building and financing authority enumerated under all previous building programs. Each building program is approved only for the current biennium; this provision would continue all past building programs into the 1995-97 biennium.

[Act 27 Section: 9108(3)]

## 18. CORRECTIONAL FACILITY PROJECT ENUMERATION

**Building Commission/Legislature:** Modify current statutory references naming and defining state prisons and authorizing DOC to construct and maintain them to reflect the proposed \$75,000,000 prison expansion project that would be enumerated in the 1995-97 building program.

[Act 27 Sections: 2099g, 6363g, 6363h and 6365g]

## 19. ALL AGENCY PROJECT LOANS

**Building Commission/Legislature:** Authorize the Commission, during the 1995-97 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for certain projects funded from non-GPR sources. The loans could be used for all-agency projects, including: (a) facilities repair and renovation; (b) health, safety and environment; (c) Wisconsin energy initiative; (d) utilities repair and renovation; (e) preventative maintenance; and (f) capital equipment allocation.

[Act 27 Section: 9108(4)]

## 20. EXCEPTION TO ENUMERATION REQUIREMENT -- KICKAPOO VALLEY PROJECTS [LFB Paper 211]

**Building Commission:** Establish a session law provision creating an exception, until July 1, 1998, for certain Kickapoo Valley projects from the requirement that projects costing more than \$250,000 (which would be increased to \$500,000 in the building program recommendations) be enumerated by the Legislature. Under this provision, the Commission could approve any project by the Kickapoo Valley Governing Board, without enumeration, if the project is funded from federal funds and is for a purpose specified in the statutes governing the Kickapoo Valley Reserve, including: (a) land acquisition; (b) environmental remediation; (c) development of a visitor center, education center or recreational facilities, including associated roads, trails, parking facilities or site or utility development; or (d) other facilities.

This provision would allow the Commission to build any project meeting these conditions without approval of the Legislature.

**Joint Finance/Legislature:** Delete provision.

**21. KICKAPOO VALLEY GOVERNING BOARD FEDERAL MONIES APPROPRIATION**

**Building Commission/Legislature:** Create an operating budget appropriation under the Department of Administration for the Kickapoo Governing Board that would allow the Board to expend all federal monies received for its intended purposes.

[Act 27 Section: 1081m]

**22. EXCEPTION TO ENUMERATION REQUIREMENT -- FEDERAL ISTEAFUNDED PROJECTS [LFB Paper 206]**

**Building Commission:** Establish a session law provision creating an exception for certain projects from the requirement that projects costing more than \$250,000 (which would be increased to \$500,000 in the building program recommendations) be enumerated by the Legislature. Under this provision, the Commission could approve any project, without enumeration, if the project is financed from federal funding received under the Federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), as amended, together with any special assessments or other matching funding as may be available for the project. A project could include: (a) site development; (b) improvements to land or facilities; and (c) other elements eligible for funding under the Act.

This provision would allow the Commission to build any project meeting these conditions without approval of the Legislature.

**Joint Finance/Legislature:** Delete provision.

**23. EXCEPTION FOR USE OF PROCEEDS FROM SALE OF MCNAUGHTON CORRECTIONAL CENTER PROPERTY [LFB Paper 203]**

**Building Commission:** Establish a session law provision creating an exception from the statutes governing the use of proceeds from the sale of surplus land, for the sale of state property used by the Department of Corrections as a minimum security correctional institution in the town of Lake Tomahawk, Oneida County. Under this provision, the Commission would be required to deposit monies from the sale in the bond security and redemption fund to fully repay any outstanding debt incurred to finance acquisition and development of the property or any premium due upon refunding of that debt. Specify that any remaining monies would be deposited in the building trust fund to finance the acquisition or construction of a replacement facility designated as the "correctional centers housing unit" in the 1995-97 building program and for other projects as the Commission considers appropriate.

This provision would allow the Commission to fund any project with these monies without approval of the Legislature.

**Joint Finance/Legislature:** Delete provision and, instead, specify that before July 1, 1996, the Department of Corrections would transfer the McNaughton property to the Department of Natural Resources in exchange for state-owned land in Oneida County under the jurisdiction of DNR. DNR would have to offer the property for exchange and DOC would have to find it suitable for building a correctional facility. Authorize \$4.8 million of general obligation bonding authority for use by DOC to construct a new prison facility (\$3.4 million) and to purchase statewide 800 megahertz radio systems (\$1.4 million), as enumerated in the building program.

**Veto By Governor [C-11]:** Eliminate the requirement that the transfer of the McNaughton property by the Department of Corrections to the Department of Natural Resources in exchange for state-owned land in Oneida County occur before July 1, 1996.

[Act 27 Sections: 1165b, 9108(1) and 9112(2x)]

[Act 27 Vetoed Section: 9112(2x)]

**24. EXCEPTION FROM HISTORIC PROPERTY PROTECTION FOR SALE OF MCNAUGHTON CORRECTIONAL CENTER PROPERTY**

**Building Commission:** Provide that the current requirement that a state agency which transfers or sells any historic property reserve a conservation easement to be transferred to, and held by, the State Historical Society to preserve and maintain the property, would not apply to property owned by the Department of Corrections, which is used as a minimum security correctional institution in the Town of Lake Tomahawk.

**Joint Finance/Legislature:** Delete provision.

**25. HISTORIC PROPERTY PRESERVATION WAIVER [LFB Paper 210]**

**Building Commission:** Allow the Department of Health and Social Services or the Department of Corrections to request the Building Commission to grant a waiver of compliance with certain state agency requirements under the historic preservation program if either of the two agencies determine that public safety may be jeopardized by such compliance. Allow the Building Commission to grant a waiver of compliance to H&SS or DOC. The current requirements affecting state agencies under the historic preservation program are related to the identification and reduction of adverse effects of proposed state agency actions on historic properties and the protection and use of historic properties owned by state agencies.

**Joint Finance/Legislature:** Modify the provision by specifying that if a waiver is granted to H&SS or DOC, the agency would be required to notify the historic preservation officer of any proposed



action which may affect an historic property at least 30 days before the action is taken and, during this 30-day period, to allow the Historical Society to document the condition of the historic property.

[Act 27 Sections: 17m and 1993j]

**26. 1997-99 BUILDING PROGRAM -- REVIEW OF CERTAIN PROJECTS [LFB Paper 204]**

**Building Commission:** Require the Commission to include specific recommendations and priorities for the following projects in its 1997-99 project recommendation report:

(a) University of Wisconsin - La Crosse Medical Health Science Education and Research Center recommended at \$13,400,000 to be funded from \$13,400,000 of new, general fund-supported borrowing and \$13,400,000 of existing, general fund-supported borrowing.

(b) University of Wisconsin - Madison School of Pharmacy recommended at \$15,000,000 to be funded from \$15,000,000 of new, general fund-supported borrowing and \$15,000,000 of existing, general fund-supported borrowing.

(c) University of Wisconsin - Platteville Russell Hall remodeling recommended at \$7,297,000, to be funded from general obligation bonding.

(d) Northern Great Lakes Regional Visitor Center in Ashland recommended at \$1,200,000 to be funded from \$600,000 of stewardship general land acquisition funds and \$600,000 in federal funds.

In addition, provide \$7,927,000 of general obligation bonding authority under the Building Commission--Other Public Purposes bonding appropriation, effective July 1, 1997. This funding amount is for the UW-Platteville Russell Hall remodeling project under (c).

A correction is needed to the funding sources specified in the amendment to reflect the intent of the Commission.

**Joint Finance:** Delete the 1997-99 advance listing of projects, and instead, enumerate the following projects as part of the 1995-97 building program:

(a) University of Wisconsin-La Crosse Medical Health Science Education and Research Center for \$26,800,000 to be funded from \$13,400,000 of matching WISTAR general fund supported borrowing and \$13,400,000 of program revenue supported borrowing or gift, grants and other receipts.

(b) University of Wisconsin-Madison School of Pharmacy for \$30,000,000 to be funded from \$15,000,000 of matching WISTAR general fund supported borrowing and \$15,000,000 of gifts, grants and other receipts.

(c) University of Wisconsin-Platteville Russell Hall remodeling for \$7,297,000 to be funded from \$7,297,000 of general fund supported borrowing.

Provide \$13,400,000 of program revenue supported bonding for the UW-LaCrosse project, which is shown under Item #2.

**Senate/Legislature:** Delay authorization of \$13,400,000 of bonding for the UW-LaCrosse project until July 1, 1997.

[Act 27 Sections: 1160s, 9108(1) and 9408(1)(z)]

**27. UPDATE SUMMARY SCHEDULES FOR BONDING**

**Building Commission/Legislature:** Modify the summary schedule relating to bonding that appears in the statutes for informational purposes only, to reflect the 1995-97 building program.

[Act 27 Section: 472]

**28. ELIMINATE SEPARATE BID REQUIREMENT [LFB Paper 209]**

**Building Commission:** Delete the requirement that the Department of Administration take both single bids and separate bids on any division of work that it designates on construction contracts. Specify, instead, that DOA could take either a single bid or separate bids. Under current law, a single bid would be from a general contractor for the entire project, while separate bids would be from individual subcontractors for individual components of the project.

**Joint Finance/Legislature:** Delete the Building Commission's recommendation and, instead, specify that DOA could take either separate or single bids on construction contracts whenever the estimated construction costs do not exceed \$100,000.

[Act 27 Section: 400p]

**29. BUILDING REMODELING REQUIREMENTS FOR ACCESSIBILITY FOR PHYSICALLY DISABLED PERSONS**

**Building Commission/Legislature:** Delete current requirements that remodeling of public buildings and places of employment include the following changes related to access for physically disabled persons:

a. If more than 50% of the interior square footage of a public building is to undergo proposed remodeling, the entire building shall be made to provide reasonable means of ingress and egress by the physically disabled.

b. If 25% to 50% of the interior square footage of a public building is to undergo proposed remodeling, that part of the building which is to be remodeled shall be made to provide reasonable means of ingress and egress by the physically disabled.

c. If less than 25% of the interior square footage of a public building is to undergo proposed remodeling, the remodeling does not have to provide a reasonable means of ingress and egress by the physically disabled.

d. If remodeling is undertaken pursuant to a plan whereby the project is done in stages which, taken together, add up to a portion of the public building subjecting the remodeling to the 25% to 50% or more than 50% requirement, then the appropriate requirement shall be complied with by the time the remodeling under the plan is completed.

e. In remodeling of buildings having vertical transportation with adequate elevator openings to meet disabled requirements: (1) buildings with five floors or less shall be provided with accessible toilet room accommodations for each sex on at least one floor; and (2) buildings with more than five floors shall provide accessible toilet room accommodations for each sex for every five floors or fraction thereof.

f. The owner of any public building who fails to comply with these provisions may be compelled to meet its requirements in a Circuit Court suit by any interested person. Such person shall be reimbursed, if successful, for all costs and disbursements plus such actual attorney fees as may be allowed by the court.

g. Each toilet room accommodation provided for disabled persons as required by this section shall be identified on its entrance as a disabled accommodation, and directions to such accommodations shall appear at the building's primary entrance.

Staff from DOA and DILHR indicate these provisions would be repealed because they have been superseded by the federal Americans with Disabilities Act (ADA). ADA requires that when alterations to primary function areas are made, an accessible path of travel to the altered area (and the toilet rooms, telephones and drinking fountains serving that area) must be provided to the extent that the added accessibility costs are not disproportionate to the overall cost of the alterations.

[Act 27 Section: 3663m]

**30. RELOCATION BENEFITS FROM ACTS OF EMINENT DOMAIN [LFB Paper 208]**

**Building Commission:** Modify the current requirement that authorizes an owner-occupant of property being acquired to waive rights to relocation payments or services to:

- a. Delete a requirement that the property not be contiguous to any other property which may be acquired by the condemnor;
- b. Delete a requirement that the property not be part of a previously identified or proposed project where it is reasonable to conclude that acquisition by the condemnor may occur in the foreseeable future;
- c. Delete a requirement that, prior to the execution of any waiver under the section, the condemnor shall provide to the owner-occupant, in writing, full information about the specific payments and services being waived by the owner-occupant;
- d. Delete a requirement that the Department of Industry, Labor and Human Relations shall, by rule, establish procedures for relocation assistance waivers under the section to ensure that the waivers are voluntarily and knowledgeably executed;
- e. Create a requirement that the definition of an owner-occupant who is eligible to waive his or her right to relocation assistance does not apply if the property being acquired is part of a program or project receiving federal financial assistance;
- f. Create a requirement that the owner-occupant who is eligible to waive his or her right to relocation assistance may agree to indemnify the condemnor from all relocation payments and services under the subchapter that are associated with the acquisition of the property, including the cost of preparing required relocation assistance plans, and may agree to prepare and file the required relocation assistance plans on behalf of the condemnor.

If the owner-occupant waives relocation assistance payments and services, exempt a condemnor from the requirement that the condemnor may not proceed with any activity that may involve the displacement of persons, business concerns or farm operations before filing a written relocation payment plan and relocation assistance service plan.

**Joint Finance/Legislature:** Delete provision.

**31. DEPARTMENT OF ADMINISTRATION RESPONSIBILITY FOR UNIVERSITY OF WISCONSIN LEASES OF REAL PROPERTY**

**Building Commission/Legislature:** Specify that all leases of real property to be occupied by the UW would be the responsibility of the Department of Administration.

Provide that relevant leases would be subject to the powers of the UW Hospital Authority.

[Act 27 Section: 1757]

**32. EXCESS GENERAL OBLIGATION BONDING AUTHORITY**  
[LFB Paper 212]

Chg. to Gov.	
BR	- \$1,551,600

**Joint Finance/Legislature:** Decrease existing general obligation bonding authorized to refund self-amortizing debt issued by the old building corporations by \$1,551,600.

[Act 27 Section: 1165f]

**33. GPR DEBT SERVICE REESTIMATE** [LFB Paper 214]

Chg. to Gov.	
GPR-Lapse	\$3,000,000

**Joint Finance/Legislature:** Increase estimated GPR-Lapse amounts by \$1.5 million annually, attributable to interest earnings on balances held in the bond security and redemption fund, which will be used to reduce debt service payments in the 1995-97 biennium.

**34. MAXIMUM SECURITY PRISON** [LFB Paper 196]

**Joint Finance/Legislature:** Specify that the Building Commission could not issue the \$25 million of bonding provided in the 1995-97 building program for a new \$75 million maximum security prison and could not authorize construction of the project until at least \$50 million in federal funds for prison construction have been received.

**Veto by Governor [C-14]:** Delete the requirement that at least \$50 million in federal funds be received prior to issuing bonds or authorizing construction. As a result, the prison project could be implemented if any federal funding is received for the project.

[Act 27 Section: 9108(7)]

[Act 27 Vetoed Section: 9108(7)]

**35. JUVENILE CORRECTIONAL INSTITUTIONS JFC APPROVAL**

**Joint Finance/Legislature:** Require that, prior to construction or remodeling, construction and remodeling plans be submitted for approval to the Joint Committee on Finance for the following projects:

- The 250 juvenile secured correctional program beds in southwestern Wisconsin authorized in 1993 Wisconsin Act 377;
- The Juvenile Assessment and Evaluation Center, and
- Southern Center -- Female Youth Center Expansion -- 75 beds.

**Veto by Governor [D-7]:** Delete provision.

[Act 27 Vetoed Section: 9108(2g)]

**36. CORRECTIONAL INSTITUTION OPERATING COST ESTIMATES [LFB Paper 195]**

**Joint Finance/Legislature:** Require the Building Commission staff to include projected annual operating costs and staffing needs that will result from new or expanded correctional institutions in any material provided to the Building Commission.

[Act 27 Sections: 18m and 18n]

**37. STATE CAPITOL SOUTH WING RESTORATION PROJECT**

**Building Commission:** Provide \$16,540,000 of general fund supported bonding to fund the south wing restoration project at the State Capitol.

**Joint Finance/Legislature:** Provide \$15,000,000 GPR and delete \$15,000,000 BR to fund the south wing project. Specify that no contract for this project could be entered into without completion of final plans, arrangement for supervision and prior approval by the Building Commission.

Once the plan would be completed and approved, the Department of Administration would be required to transfer the GPR funding required to finance construction to the capital improvement fund.

[Act 27 Sections: 1154e and 9108(11g)]

## CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$970,000	\$242,500	\$242,500	\$242,500	\$242,500	-\$727,500	- 75.0%
FED	250,000	250,000	250,000	250,000	250,000	0	0.0
PR	2,612,200	3,366,500	3,366,500	3,366,500	3,366,500	754,000	28.9
SEG	85,000	85,000	85,000	85,000	85,000	0	0.0
<b>TOTAL</b>	<b>\$3,917,200</b>	<b>\$3,944,000</b>	<b>\$3,944,000</b>	<b>\$3,944,000</b>	<b>\$3,944,000</b>	<b>\$26,800</b>	<b>0.7%</b>

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
PR	4.00	4.00	4.00	4.00	4.00	0.00

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the Board's base budget by \$3,900 PR and -\$12,500 SEG in 1995-96 and by \$4,400 PR and -\$12,500 SEG in 1996-97 for: (a) removal of non-continuing elements (-\$14,400 PR and -\$12,500 SEG in each year); (b) full funding of continuing positions and fringe benefits (\$11,500 PR in each year); (c) full funding of financial services charges (\$200 PR in each year); (d) position reclassifications (\$5,500 PR in each year); (e) full funding of lease costs (\$600 PR in 1995-96 and \$1,100 PR in each year); and (f) delayed pay adjustments (\$500 PR in each year).

Chg. to Base	
PR	\$8,300
SEG	- 25,000
<b>Total</b>	<b>-\$16,700</b>

### 2. MISCELLANEOUS ADJUSTMENTS

**Governor/Legislature:** Adjust the Board's base budget by \$5,200 in 1995-96 and by \$10,300 in 1996-97 for: (a) full funding of pay plan increases (\$4,300 in 1995-96 and \$8,400 in 1996-97); (b) full funding of health insurance premiums (\$700 in 1995-96 and \$1,700 in 1996-97); and (c) length of service awards (\$200 in each year).

Chg. to Base	
PR	\$15,500

3. INCREASE BIRTH CERTIFICATE FEE TO FUND RIGHT FROM THE START GRANT PROGRAM [LFB Paper 215]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR-REV	\$862,500	-\$172,500	\$690,000
GPR	-\$727,500	0	-\$727,500
PR	<u>727,500</u>	<u>0</u>	<u>727,500</u>
Total	\$0	\$0	\$0

**Governor:** Modify funding for the right from the start grant program to convert funding of \$242,500 in 1995-96 and \$485,000 in 1996-97 from GPR to PR.

*Right from the Start.* Effective January 1, 1996, repeal the two, GPR appropriations for right from the start general program operations and technical assistance and grants. Instead, specify that right from the start grants may be funded with program revenues generated from the fee on duplicate birth certificates collected by state and local registrars of vital statistics.

Under current law, base funding for the right from the start grant program is \$485,000 GPR annually (\$460,000 GPR for grants and \$25,000 GPR for general program operations). Under the Governor's proposal, the right from the start program would be funded with \$242,500 GPR for the first six months of 1995-96 and \$242,500 PR for the last six months of 1995-96. In 1996-97, the program would be funded entirely with program revenue.

Four organizations statewide currently receive comprehensive grants to provide a family resource center, outreach and family visiting services and parent education; two organizations receive supplemental grants to provide outreach and family visiting services, including the coordination of these services with an existing family resource center. The organizations which receive comprehensive grants are: (a) Family Forum, Inc., Douglas County; (b) Lancaster Memorial Hospital and Clinics, Grant County; (c) YWCA, Milwaukee County; and (d) Renewal Unlimited, Columbia County. The organizations receiving supplemental grants are: (a) Family Enhancement, Dane County; and (b) Silver Spring Neighborhood Center, Milwaukee County.

*Birth Certificate Fee.* Increase the fee for duplicate birth certificates by \$5, effective January 1, 1996. Specify that \$2.50 of the increase must be forwarded to the State Treasurer to fund the activities of the Child Abuse and Neglect Prevention Board. The remaining \$2.50 would be retained by the state or local registrar that collects the fee. As a result of the fee increase, an estimated \$287,500 PR in 1995-96 and \$575,000 PR in 1996-97 in additional revenues would be collected for the Board, assuming demand for duplicate birth certificates remains constant. Under current law, the total fee for a duplicate birth certificate is \$10. With the increase, the total fee would be \$15, of which \$7.50 would fund the activities



of the Board. The remaining \$7.50 for each duplicate birth certificate would be retained by the state or local registrar that collects the fee.

**Joint Finance/Legislature:** Modify the bill to reduce the increase in the fee for duplicate birth certificates by \$3, from \$5 to \$2. Require that the remaining \$2 increase in the fee be forwarded to fund the activities of the Child Abuse and Neglect Prevention Board, including the right from the start grant program. With the modification, the total fee for a duplicate birth certificate would be \$12, of which \$7 would fund the activities of the Board. Compared to the Governor's recommendation, this provision would reduce revenues by \$57,500 in 1995-96 and by \$115,000 in 1996-97.

In addition, increase the required match that organizations which receive right from the start grants must provide from 20% of the grant amount under current law to 30% of the grant amount, beginning in 1995-96.

[Act 27 Sections: 801 thru 803, 2623, 2623d, 3343d and 9409(1)]

**4. CHILD ABUSE PREVENTION VIDEOS AND BOOKLETS**

Chg. to Base	
SEG	\$25,000

**Governor/Legislature:** Provide \$12,500 annually to produce and distribute additional copies of the Board's child abuse prevention video and "Positive Parenting" booklet to individuals and organizations that request copies. The segregated funding is provided from private donations to the Children's Trust Fund.

**5. COMPUTER PRINTERS**

Chg. to Base	
PR	\$3,000

**Governor/Legislature:** Provide \$3,000 in 1995-96 to purchase computer printers.

## CIRCUIT COURTS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$108,698,000	\$125,648,800	\$122,119,100	\$122,119,100	\$122,119,100	\$13,421,100	12.3%
PR	<u>298,600</u>	<u>314,600</u>	<u>314,600</u>	<u>314,600</u>	<u>314,600</u>	<u>16,000</u>	<u>5.4</u>
<b>TOTAL</b>	<b>\$108,996,600</b>	<b>\$125,963,400</b>	<b>\$122,433,700</b>	<b>\$122,433,700</b>	<b>\$122,433,700</b>	<b>\$13,437,100</b>	<b>12.3%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	502.00	494.00	494.00	494.00	494.00	- 8.00

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Provide funding of \$777,600 GPR and -\$149,300 PR each year. Annual adjustments relate to full funding of salary costs (\$610,100 GPR), removal of one-time financing (-\$14,000 GPR and -\$149,300 PR), delayed pay plan adjustments (\$159,000 GPR), State Bureau of Financial Operations charges (\$1,700 GPR) and cash payment in lieu of a fifth week of vacation for certain long-term employees (\$20,800 GPR).

	Chg. to Base
GPR	\$1,555,200
PR	<u>- 298,600</u>
<b>Total</b>	<b>\$1,256,600</b>

### 2. STATE FINANCING OF COUNTY COURT COSTS [LFB Paper 221]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$18,931,500	-\$1,645,600	\$17,285,900
GPR	\$14,550,200	-\$1,645,600	\$12,904,600

**Governor:** Increase the court support fee by \$20 and provide \$4,850,100 in 1995-96 and \$9,700,100 in 1996-97 to offset county court cases as described below.

**Joint Finance/Legislature:** Delete \$773,600 GPR in 1995-96 and \$872,000 GPR in 1996-97 to reflect a reestimate of revenues generated from the Circuit Court support fee.

a. *Court Support Fee*

**Governor:** Double the current \$20 court support services fee on forfeiture judgements and most civil court filings including garnishments, wage earner actions, small claims actions and third-party complaints to \$40 effective October 1, 1995. Revenue from the fee is deposited into the general fund and estimated to total \$19,603,500 in 1995-96 and \$25,872,000 in 1996-97 an increase to current law of \$6,331,500 and \$12,600,000 respectively.

**Joint Finance/Legislature:** Reduce the increase in the small claims filing fee from \$20 to \$10 (a total \$30 fee) and increase the large claims filing fee from \$20 to \$80 (a \$100 fee). Large claims would be defined as most civil cases seeking recovery in an amount exceeding the small claims limit (increased from \$4,000 to \$5,000 under the substitute amendment).

[Act 27 Sections: 7141r, 7175d, 7175f, 7175h, 7175k, 9310(4) and 9410(2)]

b. *Circuit Court Support Grants*

**Governor:** Increase county grants to provide (a) a base grant of \$32,900 per branch (judge); (b) for each county with one or fewer Circuit Court branches -- an additional \$5,000 in 1995-96 and \$10,000 each year thereafter; and (c) for counties with more than one Circuit Court branch -- a payment equal to the county's proportion of the state population times the amount remaining after funding for base grants and grants to counties with one or fewer branches has been allocated. Under current law, funding for court support grants is \$7,661,500 annually to provide grants to counties of approximately \$32,900 per Circuit Court branch to partially reimburse the costs of juror and witness fees and judicial assistants. In addition, the bill would expand eligible uses of grant funds to include any county court costs except for costs relating to courtroom security, rent, utilities, maintenance, remodeling or construction. Further, the bill would transfer the \$4,738,500 annually available for reimbursement of guardian ad litem fees to the Circuit Court support grant appropriation and allow grants to be used for these costs (replacing current provisions where the state reimburses counties for certain costs of guardians ad litem). Under the bill, counties would receive total grants of \$10,030,700 in calendar year 1995 and \$22,100,000 in 1996 and thereafter. In order to receive grants, counties would be required to report annual court expenditures on all court functions except costs related to courtroom security, rent, utilities, maintenance, remodeling or construction.

**Joint Finance/Legislature:** Reinstate a separate appropriation for county guardian ad litem reimbursement (GAL) and transfer \$4,738,500 annually from the court support grants to fund GAL costs. Provide that funding for GAL reimbursement be distributed based equally on each county's proportion of: (1) court branches; (2) revenue generated by the Circuit Court support fee; and (3) cases that would likely involve GAL services as determined by the Director of State Courts. Require counties to report

total guardian ad litem costs incurred annually as a separate category of expenditures (rather than the current requirement to report by statutory cite). Funding remaining for Circuit Court support grants would total \$11,738,000 in 1995-96 and \$16,489,600 in 1996-97 (an average of \$70,770 per court or \$91,100 per court with the GAL grant).

[Act 27 Sections: 1141m, 7086, 7087, 7088, 7089, 7090, 7091, 7092 and 7095k]

c. *Judicial Assistants*

**Governor:** Require counties with three or more Circuit Court branches to provide at least one full-time judicial assistant for every three court branches in the county. Currently, Circuit Court grants may be used to offset the costs of judicial assistants which may be provided at the discretion of the county board.

**Joint Finance/Legislature:** Delete the provisions relating to requiring certain counties to provide judicial assistants. Counties would continue to be able to use support grants toward judicial assistance if they choose to provide them.

3. COURT TRANSCRIPTION [LFB Paper 220]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$818,900	- 8.00	-\$1,884,100	0.00	-\$1,065,200	- 8.00

**Governor:** Provide \$1,274,400 in 1995-96 and delete \$455,500 in 1996-97 to reflect changes relating to the recording of court proceedings.

a. *Computer Aided Transcription Equipment*

**Governor:** Provide one-time funding of \$931,500 in 1995-96 and an additional \$101,300 annually to purchase and maintain computer-aided transcription equipment for the 81 court reporters who do not already own machines. Computer-aided transcription equipment increases efficiency in transcript production by automatically translating into English the shorthand that the court reporter enters into the machine. Currently, court reporters who have this equipment either purchased their own or had it supplied by the county. Court reporters provide transcripts upon request at fees ranging from \$1.50 to \$1.75 for each original page of transcription and from 25 cents to 60 cents for each duplicate page. Under the bill, court reporters who receive equipment from the state would no longer receive fees for transcripts. Court reporters who purchased their own equipment prior to January 1, 1995, would continue to receive transcript revenue through June 30, 1997, at which time the fees would be eliminated.

**Joint Finance/Legislature:** Delete one-time funding of \$931,500 in 1995-96 and \$101,300 GPR annually and eliminate the purchase of computer-aided transcription equipment. Require court reporters to purchase their own equipment by July 1, 1999. Require the state to purchase equipment for any court reporter, except for those within two years of retirement (as determined by the Director of State Courts), who have not purchased their equipment by July 1, 1999. Provide that court reporters hired after July 1, 1999, would have the option to purchase their own equipment. Court reporters who opt not to purchase their own, at the time of employment, would have the state purchase the equipment for them. All court reporters would receive transcript revenue until the state purchases their equipment, at which time their transcript revenue would be deposited to the state's general fund to offset the costs of their equipment. Provide \$140,000 GPR annually under the Public Defender to retain transcript fees for all court reporters (see "Public Defender"). In addition, require the Courts to conduct a study of the current amount of court reporter overtime, ways to reduce potential overtime costs, the volume of transcripts, court reporter training costs and more efficient means to record court proceedings. Further, provide that the Courts submit a report on results of the study to the Governor and Joint Committee on Finance by January 1, 1997.

**Veto by Governor [C-28]:** Delete provision requiring the Director of State Courts to conduct a study of court reporter overtime, transcript volume and training costs.

[Act 27 Sections: 2008, 7077, 7084, 7181, 7182 and 9110(1t)]

[Act 27 Vetoed Section: 9110(1t)]

*b. Audio Transcription Equipment*

**Governor:** Provide one-time funding of \$498,000 in 1995-96 and \$166,000 annually to purchase and maintain audio systems for each county court system and an additional 14 for courtrooms in southeastern Wisconsin (a total of 83 systems). Audio systems would be used to record court proceedings in matters for which transcripts are not often requested.

**Joint Finance/Legislature:** Delete one-time funding of \$450,000 GPR in 1995-96 and \$150,000 GPR annually to eliminate purchase of audio transcription equipment for all counties, except Milwaukee (for a total of eight systems).

*c. Court Reporters*

**Governor:** Eliminate the requirement that each Circuit Court judge appoint a court reporter, and instead require that the chief judge, in coordination with the district court administrator, appoint, assign and supervise court reporters to serve within the district. Also, reduce funding available under the Circuit Court's sum sufficient appropriation for private court reporters, who are used on a temporary basis to supplement or fill-in for permanent court reporters, by \$236,000 in 1995-96 and \$350,000 in 1996-97 to

reflect cost savings associated with the provisions described above. Further, eliminate 8.0 court reporter positions (-\$186,400 in 1995-96 and -\$372,800 in 1996-97) in Milwaukee County that are currently assigned to the Circuit (rather than to a specific judge).

**Joint Finance/Legislature:** Maintain court reporter certification and the requirement that each Circuit Court judge appoint a court reporter. Require that when a court reporter is needed for a court, because the court reporter assigned to that court is not available, Court officials attempt to find a state court reporter to record proceedings before hiring a private reporter.

[Act 27 Section: 7068g]

#### 4. MILWAUKEE SPEEDY TRIAL DRUG COURT

	Chg. to Base
PR	\$314,600

**Governor/Legislature:** Provide \$154,600 in 1995-96 and \$160,000 in 1996-97 to fund reimbursements to Milwaukee County for a deputy clerk and two bailiffs for a speedy trial drug court. Funding is from anti-drug funds administered by the Office of Justice Assistance. The sunset date for this appropriation would be extended by two years to June 30, 1997. Further, delete a GPR appropriation that provided one-time reimbursement of remodeling and other drug court costs and that sunset on June 30, 1991.

[Act 27 Sections: 1140, 1142, 7070 and 9101(19)]

#### 5. INTERPRETER REIMBURSEMENTS

	Chg. to Base
GPR	\$26,500

**Governor/Legislature:** Provide an additional \$8,600 in 1995-96 and \$17,900 in 1996-97 for reimbursement to counties for the costs of court interpreters (for persons with speech or hearing impairments or difficulties with the English language) for indigent persons. Base level funding is \$98,500.

#### 6. HEARINGS BY REMOTE ACCESS

**Governor/Legislature:** Eliminate the requirement that the defendant give consent to conduct certain proceedings by telephone or live audiovisual means. Currently, if the defendant consents, certain proceedings may be conducted by telephone or live audiovisual means including: (a) initial appearances; (b) waivers of certain preliminary examinations, competency hearings or jury trials; (b) motions for time extension; or (c) arraignments, if the defendant intends to plead not guilty or refuses to plead. Under the bill, these proceedings may be conducted by telephone or audiovisual means if either party requests, unless the opposing party shows good cause why personal appearances should be made.

[Act 27 Sections: 7246 and 7247]

## 7. FILING FEES FOR REVISION OF CHILD SUPPORT

**Joint Finance/Legislature:** Provide that, in cases involving the revision of child or family support, the \$30 filing fee (of which \$15 is deposited to the state treasury and \$15 to the county) would not apply if both parties agree (stipulate) to the revised judgement.

[Act 27 Sections: 7154r and 9310(1g)]

## 8. SMALL CLAIMS LIMIT

**Joint Finance/Legislature:** Increase the maximum claim in a small claims action from \$4,000 to \$5,000 on October 1, 1995. The small claims limit was increased from \$2,000 to \$4,000 in 1993 Wisconsin Act 181, effective August 4, 1994.

[Act 27 Sections: 7140m, 7140p, 7140r, 9310(9q) and 9410(4q)]

## 9. FORFEITURE JUDGEMENT FEE

**Assembly/Legislature:** Increase the fees for forfeiture judgements by \$5 beginning on October 1, 1995. Under current law, the fee is \$43 (of which \$7.50 goes to the county and the remainder to the state). The total increase under the bill would be \$27 (including \$20 for court support grants and \$2 for justice information systems) for a fee of \$70. While, the extent to which the fee may be waived by the court or go unpaid is not known, revenues generated from the \$5 increase are estimated at roughly \$2.5 million annually (\$1,500,000 the first year) based on the number of forfeiture actions filed in calendar 1993.

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

[Act 27 Sections: 7172d, 7172f, 9310(4x) and 9410(4x)]

# CLEAN WATER FUND

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$36,317,400	\$45,881,400	\$45,881,400	\$42,090,900	\$42,090,900	\$5,773,500	15.9%
SEG	<u>7,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>1,000,000</u>	<u>14.3</u>
TOTAL	\$43,317,400	\$53,881,400	\$53,881,400	\$50,090,900	\$50,090,900	\$6,773,500	15.6%
BR		\$40,700,000	\$40,700,000	\$40,700,000	\$40,700,000	N.A.	N.A.

**FTE Position Summary**

Positions for the Clean Water Fund Program are provided under the  
Departments of Natural Resources and Administration.

## 1. CLEAN WATER FUND BONDING

	Chg. to Base
BR	\$40,700,000

**Governor/Legislature:** Provide \$40,700,000 in general obligation bonding authority for the clean water fund. The requested funds are for eligible projects, including planning, designing, constructing or replacing a municipal wastewater treatment facility or urban stormwater runoff control project. General obligation bonding for the program would be increased from \$508,494,000 to \$549,194,000. General obligation bonds finance: (a) a reserve fund to leverage program revenue bond issuances; (b) matching requirements to federal construction grants; (c) subsidies of interest rates; and (d) direct grants.

[Act 27 Section: 1161]

## 2. DEBT SERVICE ESTIMATE -- GENERAL OBLIGATION BONDS

	Chg. to Base
GPR	\$12,772,900

**Governor/Legislature:** Provide \$3,925,200 in 1995-96 and \$8,847,700 in 1996-97 for estimated increases in debt service costs of general obligation bonds. Total general fund debt service for the biennium is estimated to be \$18.6 million in 1995-96 and \$23.5 million in 1996-97.



**3. USE OF LOAN REPAYMENTS [LFB Paper 232]**

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	-\$3,208,900	-\$3,791,100	-\$7,000,000
SEG	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
Total	-\$2,208,900	-\$3,791,100	-\$6,000,000

**Governor:** Provide \$500,000 SEG annually from the clean water fund to increase the amount of general obligation bond debt service paid by loan repayments received from municipalities from loans which were originally provided from the proceeds of general obligation bonds. The total amount of general obligation bond debt service that would be paid by loan repayments would equal \$4,000,000 SEG annually. Under current law, an equal amount of GPR is provided to reimburse the clean water fund for its debt service costs.

The bill would decrease base funding by \$1,358,300 GPR in 1995-96 and \$1,850,600 GPR in 1996-97 for the transfer from the general fund to the clean water fund. Further, the bill would delete the requirement that a sum sufficient amount of GPR equal to the SEG revenues used for general obligation bond debt service be transferred to the clean water fund. Instead, the bill would provide that the GPR amounts appropriated would be transferred to the clean water fund. The GPR funds transferred to the clean water fund would equal \$2,141,700 in 1995-96 and \$1,649,400 in 1996-97. This would result in a net loss to the clean water fund of \$1,858,300 in 1995-96 and an additional \$2,350,600 in 1996-97.

**Assembly/Legislature:** Decrease base funding by \$2,141,700 GPR in 1995-96 and \$1,649,400 GPR in 1996-97 to eliminate the GPR-supplement to the clean water fund.

[Act 27 Sections: 625b and 4285e]

**4. PRESENT VALUE SUBSIDY [LFB Papers 231 and 234]**

**Governor:** Provide a "present value subsidy limit" of \$80,000,000 in the 1995-97 biennium for the clean water fund program. The proposed present value subsidy limit is the estimated cost, in 1994 dollars, of the commitments to be made under the clean water fund in the biennium. If the present value subsidy of projects requested exceeds the subsidy limit established for the biennium, projects would be funded in priority order.

Delete the allocation of present value subsidy that currently provides up to 18% of the state subsidy to hardship assistance projects, up to 74% to non-hardship projects and 8% for contingency costs. Provide that the total amount of present value subsidy that is provided to hardship projects in 1995-97 may not exceed \$9,600,000 (equal to 12%).

Authorize DOA to allocate present value subsidies to approved projects until June 30 of the fiscal year following the biennium. Under current law, authorized present value subsidy may not be carried beyond the current biennium.

**Joint Finance/Legislature:** Provide that hardship projects shall be allocated 15% of the present value subsidy limit in every biennium, which would provide \$12,000,000 in present value subsidy for hardship projects in 1995-97 instead of \$9,600,000. Specify that the carry over of present value subsidy would be allowed only for projects with completed applications that received a present value subsidy allocation in the biennium from which the carry over is made. Provide for a six-month carry over instead of a one year carry over.

[Act 27 Sections: 4267, 4278 thru 4283 and 9142(7)]

## 5. **HARDSHIP PROGRAM** [LFB Paper 234]

**Governor:** Delete the grant component of the hardship program. Currently, municipalities may receive a grant for a maximum of 70% of project costs and a low-interest loan for the remainder of project costs. Replace grant provisions with a 0% interest rate loan for all eligible project costs amortized over a 20-year maximum term.

Delete current eligibility criteria for hardship funding that include: (a) total residential wastewater treatment charges of the municipality are greater than 1.5% of total residential adjusted gross income; (b) the municipality is one of the top 25% of municipalities for total wastewater treatment charges as a percentage of total equalized property value in the municipality; (c) the per capita adjusted gross income of the residents of the municipality does not exceed the state's average adjusted gross income; and (d) the average equalized value of improved residential property in the municipality does not exceed the state's average. Instead, require that in order to qualify for a 0% loan, the municipality would be required to have: (a) median household income (as determined by the U.S. Bureau of Census in the most recent federal census) that is less than 80% of the state median household income; and (b) residential wastewater treatment charges that are greater than 2.5% of the municipality's median household income.

The modifications would first apply to projects that receive a notice of financial assistance after the effective date of the biennial budget act. The current law eligibility criteria would continue to apply to: (a) projects that received hardship assistance for project planning and design during the 1991 to 1995 fiscal years; or (b) projects on the hardship funding lists for 1993, 1994 and 1995. However, these projects would receive 0% loans rather than a grant for a portion of the project cost.

**Joint Finance:** Modify the Governor's recommendation as follows:

a. Delete the Governor's recommendation of 0% interest rate loans for hardship projects, rather retain a grant component for certain municipalities. Municipalities with residential wastewater treatment charges that are greater than 2.0% (rather than the 2.5% recommended by the Governor) of the municipality's median household income would be eligible for a grant of up to 50% of eligible project

costs. Remaining project costs would be eligible for a low- or 0% interest rate loan to reduce residential wastewater treatment charges to 2.0% of the municipality's median household income, if possible.

b. Provide advance funding grants to municipalities with median household income less than 80% of the state median household income as follows: (1) for the facility plan, provide up to a \$20,000 maximum grant; and (2) for the project plans and specifications, provide up to a \$40,000 maximum grant. For both types of grants, require a 50% local match of the grant.

c. Direct the DNR to promulgate an administrative rule that includes a standardized formula for estimating operations, maintenance and replacement costs.

d. Provide that funding from sources other than the clean water fund shall not result in a decrease in the amount of hardship assistance funding unless the combination of hardship funding and other funding would reduce the residential wastewater treatment charges below 2.0% of the municipality's median household income.

e. Require that, beginning with the 1996 funding list, all hardship projects that rank in the top 20% of environmental priority ranking scores in a year that are not funded, shall be provided the highest funding priority in subsequent years until there is adequate funding for the projects.

f. Clarify that projects which receive a notice of financial assistance prior to the effective date of the biennial budget act would receive hardship assistance under the current grant program.

**Assembly/Legislature:** Increase the maximum hardship grant from 50% to 90% of project costs and reduce the minimum contribution of the municipality from the current 30% to 10% of project costs.

**Veto by Governor [B-6 and B-7]:** Delete the 90% maximum grant provision and delete the decrease in the amount that a municipality must pay, retaining the current law requirement that a municipality must pay a minimum of 30% of project costs. This would return to the current law maximum grant of 70% of project costs. Delete the provision of advance funding grants.

[Act 27 Sections: 4215, 4217, 4218, 4226, 4253b, 9142(7) and 9342(11h)]

[Act 27 Vetoed Sections: 4226 and 4253b]

## 6. OTHER STATUTORY CHANGES [LFB Papers 231 and 233]

**Governor:** Provide the following statutory changes to the clean water fund program:

*Transfer Certain Administrative Responsibilities.* Transfer the following administrative functions from the DNR to DOA, effective January 1, 1996, except as noted: (a) approval of financial hardship assistance projects after June 30, 1997; (b) notify municipalities when their applications for project funding are approved after DNR and DOA determine the project meets requirements; (c) calculate the present value

of the subsidy to be provided to each approved project (currently, DNR and DOA jointly calculate this amount); (d) allocate the available present value subsidy to projects; (e) specify the method by which financial assistance is to be provided for each approved application; (f) establish, by rule, the percentage of market interest rates for loans for tier one and tier two projects specified in the statutes; (g) request the Joint Committee on Finance, under s. 13.10, to modify the percentage of market interest rates established by rule for tier one and tier two projects; (h) approve the system of user charges that a municipality that receives financial assistance under the program must adopt; and (i) enter into a financial assistance agreement with a municipality if the municipality meets program requirements.

Authorize DOA to audit or contract for audits of projects receiving financial assistance under the program. (DNR currently is authorized one position for this function.) Authorize DOA to contract for the determination of whether systems of user fees are equitable. The bill would delete 9.0 DNR loan processing positions and create 2.0 loan processing positions in DOA. Under the bill, DNR would be authorized a total of 38.0 positions for the program in 1996-97 and would continue to be responsible for calculating project priority values, inspecting project construction to determine compliance with construction plans and specifications approved by DNR and taking the lead state role in relations with the Environmental Protection Agency, including agreements necessary to receive a capitalization grant.

*Priority Ranking.* Provide that when DNR submits a biennial needs list of projects to DOA, it shall include a list of wastewater treatment projects for which DNR estimates a municipality will apply for financial assistance during the next biennium, instead of the current list of projects that DNR estimates will receive notices of financial assistance commitment.

*Conditions of Financial Assistance.* Require that when a municipality establishes, under current law, a dedicated source of revenue for the repayment of financial assistance, the source of revenue be acceptable to DOA. Authorize DOA, when setting terms and conditions of financial assistance agreements, to consider the pledge of security for the municipal obligation.

Require that a municipality seeking financial assistance, except if seeking a capital cost loan, shall first complete a facility plan. After DNR approves the plan, the municipality shall submit an application for participation to DNR. Current law requires the municipality to complete a staged facility plan when seeking financial assistance, but does not require DNR to approve the plan before the municipality submits a program application.

*Funding Cycle.* Delete the current annual funding cycle and replace it with a continuous funding process, effective January 1, 1996. Require that a municipality notify DNR of its intent to apply for financial assistance no later than December 31 of the preceding year. Require that if the municipality does not apply for financial assistance by December 31 two years later, it must submit a new notice. Allow DNR to waive either of these two provisions upon the written request of the municipality.

Allow a municipality to submit only one application for participation in any 12-month period, except for applications for additional costs of an approved project.

Direct DOA to allocate present value subsidy to a project after DNR and DOA determine that the project and municipality meet eligibility requirements. Direct DOA to inform the municipalities with approved projects of the date by which complete plans and specifications must be submitted to DNR. If the municipality does not submit the required plans and specifications by the required date, DOA shall release the amount of subsidy allocated for the project, making it available for other projects. Direct DOA to promulgate rules that contain a method for determining a deadline by which a municipality that has been allocated subsidy must enter into a financial assistance agreement, and authorize DOA to promulgate emergency rules to accomplish this. If a municipality does not enter into a financial assistance agreement by the required deadline, DOA shall release the amount of subsidy allocated for the project. The subsidy would then be available for the next eligible project. Direct DOA to place approved projects on an allocation list if a sufficient amount of subsidy is not initially available.

*Interest Rates.* Repeal the requirement that the percentage of market interest rates established shall fully allocate the amount of authorized general obligation bonding, revenue bonding and present value subsidy limit. Repeal the requirement that the program, when establishing percentage of market interest rates, shall attempt to ensure that those rates do not result in increases to general obligation debt service costs for all state water pollution abatement programs that exceed 4% annually.

*Industrial Users.* Authorize provision of financial assistance for the portion of a project that treats wastes from industrial users at the tier one or tier two interest rates, which are less than market rate. Currently, projects where all or a portion of project costs address industrial flow receive market rate interest for the portion of the project that relates to industrial flow and below market rate interest for the residential and governmental portions. This provision would first apply to projects that receive a notice of financial assistance on the effective date of the biennial budget act.

**Joint Finance/Legislature:** Make the following changes related to transfer of administrative responsibilities: (a) changes would be effective July 1, 1996, except that the audit function would be transferred on the effective date of the bill; (b) DNR would continue to approve hardship projects; (c) DNR would retain its current role as the main contact with municipalities; (d) the percentage of market interest rates for loans for tier one and tier two projects would be set in statute, with changes to be proposed by DOA and DNR as part of the biennial finance plan; (e) DNR would retain its current responsibility for approving user charge systems of municipalities that receive financial assistance; and (f) retain 1.5 SEG positions in DNR (delete 7.5 positions in DNR instead of nine) and create 0.5 SEG position in DOA (instead of two). DNR would retain most loan processing functions other than audit functions, which would be administered by DOA through contract funding and with the one-half time position. Establish the tier one project interest rate at 50% of the market rate (rather than the current 55%) where the facility plan is approved by DNR after the effective date of the bill. Tier two projects would continue at 70% of the market rate.

Make the following changes related to the funding cycle effective July 1, 1996: (a) establish a "circuit breaker" mechanism to provide that, in a biennium where a shortfall of funding for projects may occur, awards would be made according to the current basis of environmental ranking, with the process being activated if the Governor recommends, or the Legislature approves, 85% or less of the funding needs (including general obligation bond authority, revenue bond authority or present value subsidy limit)

outlined in the biennial finance plan; (b) specify that program applications would not be considered to be complete nor would present value subsidy be allocated until a clean water fund financial assistance application form is submitted and approvable project plans and specifications have been received by DNR; (c) allow municipalities to submit an application form for DOA review and issuance of a nonbinding initial determination of financial eligibility; and (d) specify that if adequate funding is not provided according to the 85% threshold, municipalities wanting to participate in the program would be required to submit complete applications by June 30 of affected years.

Require DNR (instead of DOA) to promulgate administrative rules, in consultation with DOA, that contain a method for determining a deadline by which a municipality that has been allocated subsidy must enter into a financial assistance agreement and direct that the emergency rules be promulgated by July 1, 1996.

Direct that funding of industrial capacity would continue at current market rates, instead of at less than market rates. Change DNR's federal administrative appropriation from an annual to a continuing appropriation.

**Veto by Governor [B-8]:** Delete the provision that would have statutorily established the interest rates for tier one and tier two loans. This would return to the current law interest rates as set by administrative rule and would delete the reduction of the tier one interest rate from 55% to 50% of the market interest rate. Delete the repeal of the requirements that: (a) the percentage of market interest rates established shall fully allocate the amount of authorized general obligation bonding, revenue bonding and present value subsidy limit; and (b) the program, when establishing percentage of market interest rates, shall attempt to ensure that those rates do not result in increases to general obligation debt service costs for all state water pollution abatement programs that exceed 4% annually.

[Act 27 Sections: 727b, 4219 thru 4223d, 4227 thru 4252, 4254 thru 4265, 4284 thru 4294, 9101(17), 9142(6g), 9342(11g) and 9442(8)]

[Act 27 Vetoed Sections: 4247b, 9342(11g) and 9442(8)]

## 7. BIENNIAL FINANCE PLAN [LFB Paper 230]

**Governor:** Make the following modifications to the requirements that DNR and DOA prepare a biennial finance plan for the clean water fund program:

a. Direct DNR and DOA to prepare amendments to the original biennial finance plan prepared as part of the biennial budget process to reflect the Governor's budget bill and the budget act, rather than require them to prepare a second and third version of the plan.

b. Eliminate the requirement that the biennial finance plan include projections of wastewater treatment needs and financial assistance to be provided by the program beyond the end of the following biennium. Under current law, these projections must be included for the following two biennia.

c. Eliminate the requirement that the biennial finance plan include information about the extent to which the clean water fund will be maintained in perpetuity, the extent to which the fund will retain its purchasing power and provide a stable and sustainable annual level of financial assistance proportional to the state's long-term water pollution abatement and management needs and priorities.

d. Direct that the biennial finance plan shall include audited financial statements of the program instead of the information required under current law. Currently, the plan must include a fund balance sheet, cash flow of existing loans and commitments, report of loans and commitments, fund profits and losses, the estimated fund capital available in each of the next four fiscal years and the projected clean water fund balance for each of the next 20 years.

e. Modify the requirement that the biennial finance plan include the amount of any service fee expected to be charged during the next biennium to an applicant to require that the plan include the amount of service fee expected to be charged if a service fee is proposed.

**Joint Finance/Legislature:** Retain the current requirements that: (a) a final version of the biennial finance plan is prepared to reflect the biennial budget act; (b) program needs and funding continue to be projected for two biennia; (c) a listing of project loans and commitments be included in the plan; (d) the plan include projected fund balances for the next 20 years; (e) the plan contain information about the extent to which the fund will be maintained in perpetuity; and (f) the plan include the amount of any service fee expected to be charged during the next biennium to an applicant.

[Act 27 Sections: 25 and 4269 thru 4277]

## 8. VILLAGE OF WAUSAUKEE LOAN

	Legislature Chg. to Base
GPR	\$600

**Assembly:** Direct DNR and DOA to amend the clean water fund financial assistance agreement with the Village of Wausaukee (Marinette County) to provide a 0% interest rate loan for the amount of its cost overruns up to \$480,000. Direct that DNR may not decrease the amount of the grant, or increase the interest rate on any portion of any other loan to the Village under the financial assistance agreement. Specify that the present value for the loan be allocated from the amount allocated for financial assistance other than hardship assistance (85% of the total present value subsidy limit). The Village has received \$3.2 million in clean water fund assistance including a \$1,557,225 hardship program grant with remaining costs at 0% interest (except for \$35,411 in industrial flow related costs which are ineligible for subsidy under the program). The composite interest rate of the loan is 0.124% (the rate between the 0% rate and the 5.8% market rate).

**Legislature:** Instead of providing a 0% interest rate loan for cost overruns up to \$480,000, forgive the interest on \$480,000 of the Village of Wausaukee's clean water fund hardship assistance loan and exempt the loan from the statutory requirement that industrial costs must be financed at the market interest rate. The effect of this provision would be to reduce Wausaukee's average annual debt service payment by approximately \$313 over a 19-year period and to increase general obligation bond debt service by the same amount.

[Act 27 Section: 9142(7g)]

# CORRECTIONS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$665,531,600	\$798,201,500	\$859,499,900	\$859,499,900	\$859,499,900	\$193,968,300	29.1%
FED	467,200	98,200	2,829,200	2,829,200	2,829,200	2,362,000	505.6
PR	<u>68,264,400</u>	<u>70,737,400</u>	<u>153,787,500</u>	<u>153,787,500</u>	<u>153,787,500</u>	<u>85,523,100</u>	<u>125.3</u>
<b>TOTAL</b>	<b>\$734,263,200</b>	<b>\$869,037,100</b>	<b>\$1,016,116,600</b>	<b>\$1,016,116,600</b>	<b>\$1,016,116,600</b>	<b>\$281,853,400</b>	<b>38.4%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	5,449.30	6,803.40	6,298.50	6,299.50	6,299.50	850.20
FED	3.50	0.00	0.00	0.00	0.00	- 3.50
PR	<u>162.85</u>	<u>192.60</u>	<u>1,476.70</u>	<u>1,476.70</u>	<u>1,476.70</u>	<u>1,313.85</u>
<b>TOTAL</b>	<b>5,615.65</b>	<b>6,996.00</b>	<b>7,775.20</b>	<b>7,776.20</b>	<b>7,776.20</b>	<b>2,160.55</b>

## Departmentwide

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the base budget for: (a) turnover reductions of -\$2,948,400 GPR and -\$80,700 PR annually; (b) removal of non-continuing items of -\$1,549,500 GPR annually and -\$178,200 FED in 1995-96 and -\$200,600 FED in 1996-97 with -3.5 FED positions annually; (c) full-funding of salaries and fringe benefits of \$67,600 GPR and \$86,900 PR annually; (d) full-funding of financial service charges of \$41,100 GPR and \$10,900 PR annually; (e) overtime funding of \$6,459,100 GPR and \$148,800 PR in 1995-96 and \$6,620,200 GPR and \$152,400 PR in 1996-97; (f) night and weekend pay rate differential of \$2,572,300 GPR and \$16,300 PR annually; (g) fifth week of vacation as cash for certain long-term employes of \$82,300 GPR and \$1,300 PR annually; (h) full-funding of lease costs and directed moves of \$3,300 GPR annually; (i) full-funding of delayed pay adjustment of \$751,000 GPR, \$300 FED and

	Chg. to Base Funding Positions	
GPR	\$11,756,900	0.00
FED	- 378,200	- 3.50
PR	<u>428,600</u>	<u>0.00</u>
<b>Total</b>	<b>\$11,807,300</b>	<b>- 3.50</b>



\$29,000 PR annually; and (j) late full-funding of nurses salaries and fringe benefits of \$319,100 GPR annually.

**2. DEBT SERVICE REESTIMATE**

**Governor/Legislature:** Provide \$6,698,100 GPR and -\$42,000 PR in 1995-96 and \$9,741,300 GPR and -\$45,600 PR in 1996-97 for debt service costs. Base funding for debt service is \$31,728,500 GPR and \$126,700 PR.

	Chg. to Base
GPR	\$16,439,400
PR	- 87,600
Total	\$16,351,800

**3. FULL-FUNDING OF NON-SALARY COSTS**

**Governor/Legislature:** Provide \$832,800 each year to annualize non-salary costs, including rent, supplies, services, fuel, utilities and internal service charges associated with positions created for only part of a year in 1993 Acts 16 and 437. Annually, funding would be provided as follows: (a) \$279,500 for the Division of Intensive Sanctions; (b) \$218,600 for the Division of Probation and Parole; (c) \$165,200 for the Division of Program Services; (d) \$155,100 for the Division of Adult Institutions; (e) \$12,700 for the Division of Management Services; and (f) \$1,700 for the Office of the Secretary.

	Chg. to Base
GPR	\$1,665,600

**4. RENT**

**Governor/Legislature:** Provide \$327,200 GPR and \$18,800 PR in 1995-96 and \$470,000 GPR and \$33,100 PR in 1996-97 for increases in rental costs at regional offices on a departmentwide basis.

	Chg. to Base
GPR	\$797,200
PR	51,900
Total	\$849,100

**5. FUEL AND UTILITY REESTIMATE**

**Governor/Legislature:** Provide \$299,600 in 1995-96 and \$426,300 in 1996-97 for reestimated fuel and utility costs. Base funding for fuel and utilities is \$6,917,000.

	Chg. to Base
GPR	\$725,900

**6. FEDERAL AND PROGRAM REVENUE EMPLOYEE COMPENSATION**

**Governor/Legislature:** Provide \$2,800 FED and -\$137,800 PR in 1995-96 and \$6,400 FED and \$5,600 PR for employe compensation as follows:

	Chg. to Base
FED	\$9,200
PR	- 132,200
Total	- \$123,000

a. *Length of Service Payments.* -\$10,700 PR annually for salaries and fringe benefits associated with length of service payments.

b. *Compensation Reserves.* \$2,800 FED and -\$127,100 PR in 1995-96 and \$6,400 FED and \$16,300 PR in 1996-97 for estimated pay plan for employees.

**7. PAYMENTS FOR MUNICIPAL SERVICES**

	<b>Chg. to Base</b>
PR	\$4,200

**Governor/Legislature:** Provide \$2,100 PR annually for payments for municipal services associated with Badger State Industries and the central generating plant in Waupun.

**8. CAPITAL BUDGET FUNCTION REDUCTIONS [LFB Paper 240]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	-\$892,900	- 8.20	\$166,800	2.00	-\$726,100	- 6.20
PR	- 193,400	- 1.60	0	0.00	-\$193,400	- 1.60
<b>TOTAL</b>	<b>-\$1,086,300</b>	<b>- 9.80</b>	<b>\$166,800</b>	<b>2.00</b>	<b>-\$919,500</b>	<b>- 7.80</b>

**Governor:** Delete \$382,700 GPR and \$82,900 PR in 1995-96 and \$510,200 GPR and \$110,500 PR in 1996-97 with 8.2 GPR and 1.6 PR positions annually associated with the consolidation of capital planning and building functions of state agencies in DOA. The Department would retain 3.2 positions for capital planning.

**Joint Finance/Legislature:** Restore \$71,500 GPR in 1995-96 and \$95,300 GPR in 1996-97 and 2.0 GPR positions annually associated with telecommunications and leased space management.

**9. PERSONNEL AND FINANCIAL COMPUTER SERVICES**

	<b>Chg. to Base</b>
GPR	4.00

**Governor/Legislature:** Reallocate \$179,500 in 1995-96 and \$194,100 in 1996-97 from supplies and services to fund 3.0 permanent and 1.0 project position. Reallocated funding is currently used to pay the Department of Health and Social Services for personnel and financial computer services which will be performed by Corrections beginning in 1995-97. The positions would be: (a) 1.0 accountant position for financial information services; (b) 1.0 project position to improve control of worker's compensation claims; and (c) 2.0 management information specialists for developing and maintaining a payroll and position tracking system.

10. INFORMATION TECHNOLOGY PROJECTS [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$340,000	- \$340,000	\$0

**Governor:** Provide \$110,000 in 1995-96 and \$230,000 in 1996-97 from the Department of Administration's information technology fund to: (a) purchase integrated learning software for pretesting, lesson assignment and post-testing of an inmate's basic skills level (\$200,000 in 1996-97); (b) purchase and install distance education hardware and software (\$70,000 in 1995-96). Distance education is the use of two-way interactive technology designed to provide access to education regardless of the location of a teacher or student; (c) study document conversion to an electronic format (\$40,000 in 1995-96). The study would include the Department of Justice and the Department of Health and Social Services, and would review imaging of criminal, medical and dental records of correctional inmates, juvenile offenders and individuals in care and treatment facilities; and (d) purchase scheduling software for the correctional institutions to track inmate movement and program assignments (\$30,000 in 1996-97). Corrections and the Department of Health and Social Services would work jointly to implement one scheduling system for both departments.

**Joint Finance/Legislature:** Delete agency funding for receipt of grants from the information technology investment fund. Under a modified information technology development grant process, provide for funding to be allocated through an annual request submitted by DOA under s. 16.515 for all agencies. [See "Information Technology Investment Fund."]

11. EMPLOYE HEALTH

	Chg. to Base
GPR	\$271,900

**Governor/Legislature:** Provide \$194,400 in 1995-96 and \$77,500 in 1996-97 for tuberculosis and hepatitis B immunizations for employees.

12. THIRD-PARTY INSURANCE COLLECTIONS [LFB Paper 241]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$200,000		-\$200,000		\$0	
PR-REV	0		200,000		200,000	
GPR	\$37,400	0.50	-\$200,000	- 0.50	-\$162,600	0.00
PR	0	0.00	200,000	0.50	200,000	0.50
TOTAL	\$37,400	0.50	\$0	0.00	\$37,400	0.50

**Governor:** Provide \$18,400 in 1995-96 and \$19,000 in 1996-97 and 0.5 position annually to collect third-party health insurance payments from individuals, private insurers, medicare or worker's compensation to reimburse the state for medical care provided to inmates. The Department of Administration estimates that \$100,000 in GPR-Earned will be generated annually from third-party collections.

**Joint Finance/Legislature:** Delete \$100,000 GPR and 0.5 GPR position annually associated with third-party insurance collections. Instead, provide \$100,000 PR and 0.5 PR position annually to support third-party collections and general program operations at correctional institutions funded from third-party collections.

[Act 27 Sections: 783x, 6369q and 9312(2g)]

**13. DENTAL SERVICES CONTRACT**

	<b>Chg. to Base</b>
GPR	\$72,800

**Governor/Legislature:** Provide \$72,800 in 1995-96 for contracts for dental services at the northern correctional centers (McNaughton, Flambeau and Gordon). These services would be provided at the Jackson County Correctional Institution beginning in 1996-97.

**14. MARQUETTE UNIVERSITY DENTAL SCHOOL**

	<b>Chg. to Base Funding Positions</b>	
GPR	-\$86,200	- 1.00

**Governor/Legislature:** Reduce funding and position authority by \$43,100 and 1.0 position annually at the Racine Correctional Institution related to dental services provided to inmates in correctional centers in Milwaukee County. Specify that Marquette University School of Dentistry use grant funding, provided through H&SS, for dental services for inmates in the correctional centers in Milwaukee County. Under current law, Marquette provides dental services at clinics in the City of Milwaukee. Provision of dental services for inmates would be in addition to current law requirements.

[Act 27 Section: 6314]

**15. PHYSICIAN SUPERVISOR [LFB Paper 242]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$80,500	0.50	-\$113,800	- 0.50	-\$33,300	0.00
PR	<u>0</u>	<u>0.00</u>	<u>113,800</u>	<u>0.50</u>	<u>113,800</u>	<u>0.50</u>
TOTAL	\$80,500	0.50	\$0	0.00	\$80,500	0.50

**Governor:** Provide \$34,500 in 1995-96 and \$46,000 in 1996-97 to fund a 0.5 physician supervisor position. The half-time position will be added to an existing half-time position to provide oversight and preauthorization for tests, outpatient referrals and inpatient surgery.

**Joint Finance/Legislature:** Convert \$48,800 in 1995-96 and \$65,000 in 1996-97 and 0.5 physician supervisor position from GPR to PR. Program revenue funding would be generated from charges to inmates of at least \$2.50 for each request for medical and dental services.

**16. MEDICAL AND DENTAL SERVICES FOR PRISONERS [LFB Paper 242]**

	Chg. to Base
GPR	- \$761,800

**Governor/Legislature:** Reduce funding for inmate medical and dental care by \$380,900 annually to reflect the implementation of a requirement that inmates receive approval prior to medical or dental treatment.

**17. MEDICAL AND DENTAL SERVICE FEES [LFB Paper 242]**

	Chg. to Base
PR-REV	\$113,800

**Governor:** Require Corrections to charge inmates who earn wages at least \$2.50 for each request for medical or dental service. Specify that the Department may exempt or waive the charges according to rules developed by the Department. Specify that no inmate could be denied services because of inability to pay the charge, but require that the inmate would still be liable for the charge unless waived by Corrections. Under the bill, receipts would be deposited to the general fund. No estimate of additional revenues is provided in the bill.

**Joint Finance/Legislature:** Create an annual, program revenue appropriation for the deposit of revenues from charges to inmates for medical and dental requests, for the general operation and medical care at the correctional institutions. Estimate revenue received from charges at \$48,800 in 1995-96 and \$65,000 in 1996-97.

[Act 27 Sections: 783x, 6370, 6371, 6371g, 6372, 6373 and 9312(2)]

**18. SPECIALIZED TRAINING AND EMPLOYMENT [LFB Paper 243]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$240,200	2.00	-\$132,700	- 2.00	\$107,500	0.00

**Governor:** Provide \$107,500 in 1995-96 and \$132,700 in 1996-97 and 2.0 positions annually for the specialized training and employment program for inmates. Funding would replace federal funding

from a pilot program. The program is designed to reduce recidivism by offering inmates prerelease programming, transition services, early "earned" parole, and supervision and employment training in the community.

**Joint Finance/Legislature:** Delete \$132,700 and 2.0 positions in 1996-97 associated with the specialized employment and training program.

**19. BADGER STATE INDUSTRIES -- INCREASED STAFF**

	Chg. to Base Funding Positions	
PR	\$253,600	7.00

**Governor/Legislature:** Provide \$284,200 in 1995-96 and -\$30,600 in 1996-97 and 7.0 positions annually for Badger State Industries. The recommendation would be divided as follows: (a) position funding, \$184,600 in 1995-96 and \$235,400 in 1996-97; (b) reduction in limited-term employe salaries and fringe benefits, \$71,800 in 1995-96 and \$117,800 in 1996-97; and (c) supplies and services, \$171,400 in 1995-96 and -\$148,200 in 1996-97. The reductions in supplies and services in 1996-97 are attributed to a projected reduction in systems furniture sales. The additional seven positions would be divided as follows: (a) 1.0 industries specialist to supervise mattress manufacturing at the Green Bay Correctional Institution; (b) 1.0 industries specialist to supervise textile, mattress and laundry operations at the Green Bay Correctional Institution; (c) 1.0 industries specialist for metal shop production at the Waupun Correctional Institution; (d) 1.0 industries specialist for delivery of furniture and laundry; (e) 1.0 industries specialist for installation and repair of systems furniture; (f) 1.0 program assistant for marketing; and (g) 1.0 financial specialist for processing orders and invoices.

**20. PRIVATE BUSINESS/PRISON EMPLOYMENT PROGRAM [LFB Paper 244]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$3,200,000	-\$4,025,000	-\$825,000
PR-REV	0	4,025,000	4,025,000
GPR	\$0	-\$4,025,000	-\$4,025,000
PR	0	4,025,000	4,025,000
Total	\$0	\$0	\$0

**Governor:** Allow Corrections to lease space within state prisons and juvenile correctional institutions to not more than three private businesses to employ prison inmates to manufacture products or components or to provide services for sale on the open market. In selecting businesses to participate in the program, require the Department to comply with state procurement laws. Require the Department to consult with trade organizations and labor unions prior to issuing requests for proposals and prior to selecting proposals. Specify that before a private business/prison employment program begins, the Joint Committee on Finance must hold a hearing and the Prison Industries Board must approve the business. Further, specify that the enterprises would be operated as a private business rather than a prison industry, except in regard to

payment and disposition of wages, eligibility of employees for worker's compensation benefits and the authority of Corrections to maintain security and control in its institutions. Specify that the private business would not be subject to provisions that: (a) require adherence to state purchasing requirements; (b) prohibit the sale of prison industries products in the open market; (c) require the sale of products by prison industries sales personnel; and (d) include all the prison industries in a manufacturing and marketing plan and a separate accounting system.

Create statutory language specifying that private businesses may sell prison produced products on the open market, and that similar products, components or services from prison industries in another state may be sold in the open market.

The executive budget book indicates that working inmates will be charged for a portion of the cost of incarceration. The administration estimates that this charge will generate \$3,200,000 for the general fund in 1996-97. The estimate is based on approximately 750 inmates working 2,000 hours per year at an average wage of \$4.25 per hour with Corrections retaining 50% of inmate wages.

**Joint Finance/Legislature:** Create an annual, program revenue appropriation for receipt of charges to inmates employed in the private business/prison employment program and inmates on work release, to be used to support the general operations of the correctional institutions. Reduce appropriations for the correctional institutions by \$400,000 GPR in 1995-96 and \$3,625,000 GPR in 1996-97, and provide a corresponding increase in program revenue. Specify that the Joint Committee on Finance review and approve each private business/prison employment program lease prior to Corrections entering into any lease agreement.

**Veto by Governor [C-15]:** Delete provision specifying that the Joint Committee on Finance review and approve each private business/prison employment program lease prior to Corrections entering into any lease agreement.

[Act 27 Sections: 783x, 6384, 6385, 6393, 6395, 6398p, 6400, 9312(2h) and 9412(2)]

[Act 27 Vetoed Section: 6384]

## **21. OSHKOSH CORRECTIONAL INSTITUTION INDUSTRIES BUILDING [LFB Paper 197]**

**Building Commission/Legislature:** Enumerate \$1,500,000 in program revenue supported general obligation borrowing to construct a multi-purpose pre-engineered metal industries building for the private business/prison employment program.

[Act 27 Section: 9108(1)(b)]

**22. CORRECTIONAL FARMS -- STAFFING**

**Governor/Legislature:** Provide \$174,500 in 1995-96 and \$266,400 in 1996-97 and 2.0 positions annually for the correctional farms. Of the two positions, one is a food production assistant to work at the new creamery in Waupun and the other is an automobile mechanic. Of the total funding, \$120,000 in 1995-96 and \$199,300 in 1996-97 is provided for transportation of inmates, animal feed, veterinarians fees, seed and fertilizer.

	Chg. to Base Funding Positions	
PR	\$440,900	2.00

**23. REPLACE TECHNICAL COLLEGE SYSTEM CONTRACTS**

**Governor/Legislature:** Provide \$712,600 in 1995-96 and \$636,100 in 1996-97 for 16.0 vocational education instructors. Eliminate \$1,051,000 annually currently used to contract with local technical colleges for vocational and adult education instruction. Positions would be provided as follows: (a) Taycheedah Correctional Institution with 5.0 positions; (b) Oakhill Correctional Institution with 2.0 positions; (c) Racine and Oshkosh Correctional Institutions with 4.0 positions each; and (d) Northern Wisconsin Center System with 1.0 position.

	Chg. to Base Funding Positions	
GPR	-\$753,300	16.00

**24. SERVICES FOR INMATES**

**Governor/Legislature:** Provide \$76,000 in 1995-96 and \$123,700 in 1996-97 for the purchase of services for inmates. Services include legal assistance for institutionalized persons, prerelease alcohol and other drug abuse counseling, sex offender and family counseling, anger management, and a visitors bus contract. Base funding for these services is \$500,400.

	Chg. to Base	
GPR	\$199,700	

**25. TEACHER ASSISTANT POSITIONS**

**Governor/Legislature:** Provide \$51,000 and 3.0 positions in 1996-97 for teacher assistants in the adult educational program at the Racine Correctional Institution.

	Chg. to Base Funding Positions	
GPR	\$51,000	3.00

**26. REDUCE SOCIAL WORKER POSITIONS**

**Governor/Legislature:** Reduce funding and position authority by \$651,900 and 16.0 positions annually to reflect a 20% reduction in the number of social worker positions in the correctional institutions. The bill does not specify at which institutions the positions would be eliminated, but instead reduces funding and positions in the Division of Adult Institutions, central administration.

	Chg. to Base Funding Positions	
GPR	-\$1,303,800	- 16.00



**27. ELIMINATE SUPERVISING TEACHERS**

**Governor/Legislature:** Reduce funding and position authority by \$570,500 and 9.0 positions annually to reflect the elimination of supervising teacher positions in the correctional institutions. The bill does not specify at which institutions the positions would be eliminated, but instead reduces funding and positions in the Division of Adult Institutions, central administration.

Chg. to Base Funding Positions		
GPR	-\$1,141,000	- 9.00

**28. ELIMINATE RECREATION-RELATED POSITIONS**

**Governor/Legislature:** Reduce funding and position authority by \$365,700 and 8.0 positions annually to reflect the elimination of seven recreational director positions in the correctional institutions and a recreation assistant. The bill does not specify at which institutions the positions would be eliminated, but instead reduces funding and positions in the Division of Adult Institutions, central administration.

Chg. to Base Funding Positions		
GPR	-\$731,400	- 8.00

**29. ELIMINATE LIBRARY AIDE POSITIONS**

**Governor/Legislature:** Reduce funding and position authority by \$46,900 and 1.5 positions annually to reflect the elimination of library aide positions in the correctional institutions. The bill does not specify at which institutions the positions would be eliminated, but instead reduces funding and positions in the Division of Adult Institutions, central administration.

Chg. to Base Funding Positions		
GPR	-\$93,800	- 1.50

**30. SUPPLIES AND OVERTIME REDUCTIONS**

**Governor/Legislature:** Delete the following amounts: (a) inmate supplies (wages, clothing and laundry), \$206,500 in 1995-96 and \$221,100 in 1996-97; and (b) correctional officer overtime and prisoner medical transportation funding, \$99,700 annually.

Chg. to Base		
GPR	-\$627,000	

**31. GENERAL POSITION AND FUNDING REDUCTIONS**

**Joint Finance/Legislature:** Reduce funding and positions annually as follows: (a) Division of Program Services, -\$191,000 GPR and -3.6 GPR positions, and -\$9,100 FED; (b) home detention services, -\$90,000 PR and -3.3 PR positions; and (c) Division of Adult Institutions, -\$89,700 GPR and -3.35 GPR positions.

Chg. to Base Funding Positions		
GPR	-\$561,400	- 6.95
FED	- 18,200	0.00
PR	- 180,000	- 3.30
Total	- \$759,600	- 10.25

**32. ELIMINATE EXECUTIVE ASSISTANT POSITION**

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$122,600	- 1.00	\$0	1.00	-\$122,600	0.00

**Joint Finance:** Delete \$61,300 and 1.0 position annually associated with the elimination of all executive assistant positions.

**Senate/Legislature:** Restore the executive assistant position but not the associated funding.

**33. LEGAL ACTIONS BY INMATES**

**Assembly/Legislature:** Specify that no prisoner may bring a civil action or special proceeding against an officer, employe or agent of the Department of Corrections for any act arising from the discharge of the employe's duties, until administrative remedies have been exhausted. The provision would become effective on November 1, 1995.

[Act 27 Sections: 7141g, 9310(3x) and 9410(3x)]

**Adult Institutions**

**1. ADULT INSTITUTIONS -- POPULATION ADJUSTMENTS**

	Chg. to Base
GPR	\$14,307,300

**Governor/Legislature:** Provide \$5,059,400 in 1995-96 and \$9,247,900 in 1996-97 for food, health care, clothing, laundry, inmate wages and other supplies for prisoners at the adult institutions. Of the total, \$904,900 in 1995-96 and \$1,276,900 in 1996-97 are placed in unallotted reserve. Under the bill, populations at the adult prisons are projected to average 11,020 for 1995-96 and 12,006 for 1996-97. The actual prison population on January 6, 1995, was 10,124.

2. JACKSON COUNTY CORRECTIONAL INSTITUTION STAFFING [LFB Paper 245]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$19,851,500	317.48	- \$782,300	- 17.03	\$19,069,200	300.45
PR	259,100	3.00	- 259,100	- 3.00	0	0.00
Total	\$20,110,600	320.48	- \$1,041,400	- 20.03	\$19,069,200	300.45

**Governor:** Provide \$7,232,300 GPR with 268.16 GPR positions in 1995-96 and \$12,619,200 GPR and \$259,100 PR with 317.48 GPR and 3.0 PR positions in 1996-97 to staff the 900-bed Jackson County Correctional Institution. Six hundred of the 900 beds are expected to be available in February, 1996, with the remaining 300-beds available in September, 1996. Funding and positions are divided as follows: (a) \$4,744,700 GPR and 246.16 GPR positions in 1995-96 and \$10,192,900 GPR and 294.48 GPR positions for security and operations; (b) \$257,200 GPR annually for wastewater treatment services provided by the Winnebago Indian Nation; (c) \$25,000 GPR in 1995-96 and \$50,000 GPR in 1996-97 for water service; (d) \$100,000 GPR annually for improvements to the water treatment plant in the Town of Brockway; (e) \$405,400 GPR and 16.0 GPR positions in 1995-96 and \$827,600 GPR and 17.0 GPR positions in 1996-97 for clinical and health services; (f) \$62,500 GPR in 1995-96 and \$250,000 GPR in 1996-97 to contract for psychological services; (g) \$24,900 GPR in 1995-96 and \$73,200 GPR in 1996-97 and 2.0 GPR positions annually for the Office of Offender Classification to conduct inmate program reviews; (h) \$1,554,700 GPR in 1995-96 and \$802,500 GPR in 1996-97 with 3.0 GPR positions annually for Corrections central administration (payroll, personnel and computer services), preservice training and overtime funding; (i) \$259,100 PR and 3.0 PR positions in 1996-97 for Badger State Industries to employ inmates to manufacture inmate clothing; and (j) \$57,900 GPR in 1995-96 and \$65,800 GPR in 1996-97 with 1.0 GPR position annually for an additional member of the Parole Commission. [The bill does not, however, increase the current five-member Parole Commission.]

**Joint Finance/Legislature:** Delete \$10,200 GPR in 1995-96 and \$69,000 GPR in 1996-97 with 1.0 GPR position annually to provide staffing levels similar to other correctional institutions. Transfer \$592,600 GPR and 15.03 GPR positions in 1996-97 associated with a 150-bed housing unit authorized at Jackson County but moved by the Building Commission to the Oshkosh Correctional Institution. In addition, delete funding associated with Badger State Industries proposed clothing manufacturing industry at Jackson County Correctional Institution (\$259,100 PR and 3.0 PR positions in 1996-97) and an additional parole commissioner (\$44,700 GPR in 1995-96 and \$65,800 GPR in 1996-97 with 1.0 GPR position annually). Industries staffing needs at Jackson County could be considered in connection with the Joint Finance hearing required prior to establishment of a new prison industry.

3. DODGE CORRECTIONAL INSTITUTION STAFFING [LFB Paper 245]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$12,394,200	169.42	-\$381,800	- 5.89	\$12,012,400	163.53

**Governor:** Provide \$5,877,300 in 1995-96 and \$6,516,900 in 1996-97 with 169.42 positions annually to staff the opening of the final 300 beds of the 500-bed expansion of the Dodge County Correctional Institution. (In 1993 Act 437, 92.0 positions were provided for staffing of one 200-bed housing unit, a long-term health care unit, assessment and evaluation unit, pharmacy and administration building.) It is estimated that construction will be completed by October, 1995. Funding and positions are divided as follows: (a) \$4,504,000 in 1995-96 and \$5,751,500 in 1996-97 with 161.42 positions annually for security and operations; (b) \$155,700 in 1995-96 and \$206,400 in 1996-97 with 4.0 positions annually for clinical services and a sexual offender treatment program; (c) \$64,100 in 1995-96 and \$106,500 in 1996-97 with 2.0 positions for the pharmacy; (d) \$877,100 in 1995-96 and \$372,500 in 1996-97 with 1.0 risk management position annually, and funding for officer preservice training and overtime; and (e) \$276,400 in 1995-96 and \$80,000 in 1996-97 with 1.0 personnel specialist position, and funding for officer preservice supplies.

**Joint Finance/Legislature:** Delete \$173,000 in 1995-96 and \$208,800 in 1996-97 with 5.89 positions annually to provide staffing levels similar to other correctional institutions.

4. OSHKOSH CORRECTIONAL INSTITUTION STAFFING [LFB Paper 245]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$5,733,800	70.45	\$155,600	10.43	\$5,889,400	80.88

**Governor:** Provide \$2,934,100 in 1995-96 and \$2,799,700 in 1996-97 with 70.45 positions annually to staff the opening of a 300-bed expansion of the Oshkosh Correctional Institution. Occupancy of one 150-bed unit began in January, 1995, and the other is scheduled to open in May, 1995. One 150-bed unit will be an alcohol and other drug abuse unit, and the other 150-bed unit will provide treatment to inmates with developmental disabilities, mental illness, personality disorders or inmates who are depressed. Funding and positions are divided as follows: (a) \$2,217,100 in 1995-96 and \$2,306,300 in 1996-97 with 61.7 positions annually for security and operations; (b) \$151,400 in 1995-96 and \$200,800 in 1996-97 with 4.0 positions annually for clinical services; (c) \$89,000 in 1995-96 and \$117,600 in 1996-97 with 3.25 positions for health services; (d) \$28,300 in 1995-96 and \$33,100 in 1996-97 with 1.0 position annually for the Officer of Offender Classification to conduct inmate program reviews; (e) \$323,500 in 1995-96 and \$103,000 in 1996-97 for officer preservice training and overtime; and (f) \$124,800 in 1995-96 and

\$38,900 in 1996-97 with 0.5 policy and budget analyst position, and funding for officer preservice supplies.

**Joint Finance/Legislature:** Delete \$116,600 in 1995-96 and \$320,400 in 1996-97 with 4.6 positions annually to provide staffing levels similar to other correctional institutions. Transfer \$592,600 and 15.03 positions in 1996-97 associated with a 150-bed housing unit authorized at Jackson County but moved by the Building Commission to the Oshkosh Correctional Institution.

**5. TAYCHEEDAH CORRECTIONAL INSTITUTION STAFFING**

Chg. to Base Funding Positions		
GPR	\$1,326,300	12.00

**Governor/Legislature:** Provide \$695,900 in 1995-96 and \$630,400 in 1996-97 with 12.0 positions annually to staff the opening of a 96-cell (184-bed) expansion of the Taycheedah Correctional Institution. The new maximum security unit is designed to replace an existing 50-bed housing unit. Construction is estimated to be completed by March, 1995. Funding and positions are divided as follows: (a) \$525,700 in 1995-96 and \$451,100 in 1996-97 with 10.3 positions annually for security and operations; (b) \$13,400 in 1995-96 and \$13,800 in 1996-97 with 0.5 program assistant position annually for clinical services; (c) \$78,000 in 1995-96 and \$104,000 in 1996-97 for contract psychiatric services for 1,040 hours per year; (d) \$36,700 in 1995-96 and \$46,800 in 1996-97 with 1.2 positions for health services; and (e) \$42,100 in 1995-96 and \$14,700 in 1996-97 for officer preservice training and overtime.

**6. FOX LAKE CORRECTIONAL INSTITUTION STAFFING [LFB Paper 246]**

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov.) Funding Positions		Net Change Funding Positions	
GPR	\$1,272,500	21.15	-\$160,800	- 2.50	\$1,111,700	18.65

**Governor:** Provide \$466,700 in 1995-96 and \$805,800 in 1996-97 with 21.15 positions annually to staff the opening of a new administration building and the remodeling of an existing building to provide an additional 30-beds at the Fox Lake Correctional Institution. Construction is expected to be completed by June, 1996. The executive budget book indicates that the current construction project will provide an administration building outside the secured perimeter, an armory, security control center and make improvements to the institution's gate house and vehicle entrance. In addition, a building which used to serve as a segregation unit and reception and orientation center is being remodeled to provide the additional 30-beds for inmate work crews. The former administration building, within the perimeter, will be used for health services, clinical services and other programs. Funding and positions are divided as follows: (a) \$327,500 in 1995-96 and \$724,600 in 1996-97 with 20.15 positions annually for security and operations; and (b) \$139,200 in 1995-96 and \$81,200 in 1996-97 with 1.0 information systems position annually, and funding for officer preservice training and overtime.

**Joint Finance/Legislature:** Delete \$37,300 in 1995-96 and \$123,500 in 1996-97 and 2.5 positions annually associated with the elimination of a heating and air conditioning specialist, a plumber and a management information specialist and creation of a one-half time maintenance position. As a result, funding would be provided for 18.65 security and operations staff including 1.0 electronics technician and 0.5 maintenance position.

**7. WAUPUN CORRECTIONAL INSTITUTION STAFFING [LFB Paper 245]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,048,500	45.25	-\$998,900	- 7.08	\$49,600	38.17

**Governor:** Provide \$1,048,500 in 1996-97 with 45.25 positions to staff the opening of a 180-bed expansion at the Waupun Correctional Institution expected to be available in March, 1997. (Construction of the additional beds and a new health services unit was approved in 1993 Act 16.) The request assumes that positions would be funded for four months in 1996-97. Funding and positions are divided as follows: (a) \$699,700 in 1996-97 with 43.25 positions for security and operations; (b) \$25,700 in 1996-97 with 1.0 position for clinical services; and (c) \$323,100 in 1996-97 with 1.0 management information position, and funding for officer preservice training and overtime.

**Joint Finance/Legislature:** Delete \$998,900 and 7.08 positions in 1996-97 to provide staffing levels similar to other correctional institutions and associated with a later opening (October, 1997) of the expansion than originally estimated (March, 1997).

**8. GREEN BAY CORRECTIONAL INSTITUTION STAFFING**

	Chg. to Base	
	Funding	Positions
GPR	\$743,000	11.20

**Governor/Legislature:** Provide \$360,500 in 1995-96 and \$382,500 in 1996-97 with 11.2 positions annually for the Green Bay Correctional Institution. Funding and positions would be divided as follows: (a) \$239,900 in 1995-96 and \$317,500 in 1996-97 with 10.0 positions annually for staffing a 50-bed dormitory unit used for increased capacity; (b) \$26,900 in 1995-96 and \$34,600 in 1996-97 with 1.2 positions annually for supervision of a pilot inmate work crew program; and (c) \$93,700 in 1995-96 and \$30,400 in 1996-97 for preservice training, overtime and risk management funding.

**9. JAIL BED CONTRACTS**

	Chg. to Base
GPR	\$4,638,500

**Governor/Legislature:** Provide \$2,290,600 in 1995-96 and \$2,895,500 in 1996-97 to contract with counties for additional jail bed and

temporary-lockup space. In addition, eliminate \$273,800 annually currently used to contract with the Dane County Ferris Center for housing of 15 female inmates. Of the total, \$2,190,000 annually is placed in unallotted reserve. Base level funding of \$6,344,300 supports approximately 300 jail beds daily. Total funding under the bill would be \$8,361,100 in 1995-96 (for approximately 400 inmates daily) and \$8,966,000 in 1996-97 (for approximately 420 inmates daily). Under current law, Corrections is prohibited from contracting for beds at any rate higher than \$60 per person per day.

**10. CORRECTIONAL INSTITUTION TOWER STAFFING [LFB Paper 247]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$1,700,000	- 60.00	\$0	60.00	-\$1,700,000	0.00

**Governor:** Reduce funding and position authority by \$1,700,000 and 60.0 positions in 1996-97 to reflect reduced hours of staffing at guard towers at correctional institutions. Specific institutions and positions have not been identified.

**Joint Finance/Legislature:** Restore 60.0 positions in 1996-97. Specify that the \$1,700,000 reduction in 1996-97 be allocated by Corrections. Require Corrections to report to the Joint Committee on Finance, under a 14-day passive review process, by January 1, 1996, indicating where the reductions would be made and the positions to be reduced.

[Act 27 Section: 9112(2t)]

**11. RACINE CORRECTIONAL INSTITUTION WATER AND SEWER**

	Chg. to Base
GPR	\$350,000

**Governor/Legislature:** Provide \$350,000 in 1996-97 on a one-time basis to upgrade sewer and water lines into the Racine Correctional Institution.

**12. RACINE CORRECTIONAL INSTITUTION POWER PLANT**

	Chg. to Base Funding Positions	
GPR	-\$336,000	- 5.00

**Governor/Legislature:** Reduce the Racine Correctional Institution power plant by \$203,700 and 6.0 positions annually. Provide \$31,900 in 1995-96 and \$39,500 in 1996-97 with 1.0 position annually for a heating and air conditioning/refrigeration specialist to operate the Institution's heating and cooling equipment.

**13. ELIMINATE DEPUTY SECURITY DIRECTORS**

**Governor/Legislature:** Delete \$169,100 and 3.0 positions annually to reflect the elimination of all deputy security director positions (one each at Waupun, Green Bay and Fox Lake Correctional Institutions).

Chg. to Base Funding Positions		
GPR	- \$338,200	- 3.00

**14. CORRECTIONAL OFFICER TRAINING**

**Governor/Legislature:** Reduce funding by \$141,000 annually associated with salaries and fringe benefits currently provided to new correctional officers in reclassification training. Currently, after seven weeks of initial correctional officer training, new officers (correctional officers 1) receive an additional week of training to be reclassified to correctional officer 2. In order to be reclassified, officers 1 must complete 80 total hours of reclassification training within two years (40 hours of which are currently completed after initial training), receive satisfactory job evaluations, receive a supervisor's recommendation and have been an officer 1 for at least two years.

Chg. to Base	
GPR	- \$282,000

**15. INSTITUTIONAL RECORDS OFFICES**

**Governor/Legislature:** Provide \$7,200 and 1.0 position in 1995-96 and \$66,100 and 2.0 positions in 1996-97 for assistance with inmate records at Racine and Dodge Correctional Institutions.

Chg. to Base Funding Positions		
GPR	\$73,300	2.00

**16. WAUPUN POSITION CONVERSION [LFB Paper 248]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$0	3.00	\$0	0.00	\$0	3.00
PR	0	- 3.00	- \$246,600	0.00	- 246,600	- 3.00
Total	\$0	0.00	- \$246,600	0.00	- \$246,600	0.00

**Governor:** Convert 3.0 positions from PR to GPR to reflect their actual job duties. The three positions are currently budgeted at the Waupun central generating plant but are assigned to the Waupun Correctional Institution. The prison currently pays for these positions through charge-backs from the power plant. The bill transfers funding from fuel and utilities to salaries and fringe benefits at the Waupun Correctional Institution. No PR funding reduction is made.

**Joint Finance/Legislature:** Delete \$123,300 PR annually associated with the conversion of 3.0 positions from PR to GPR at the Waupun central generating plant.



**17. KETTLE MORAINÉ AND OSHKOSH CORRECTIONAL INSTITUTION HOUSING UNIT EXPANSIONS STAFFING**  
[LFB Paper 195]

	Chg. to Base Funding Positions	
GPR	\$4,365,800	52.87

**Joint Finance/Legislature:** Provide an additional \$2,544,900 and 67.9 positions in 1995-96 and \$1,820,900 and 52.87 positions in 1996-97 to staff a 150-bed expansion at the Kettle Moraine Correctional Institution and a 300-bed expansion at the Oshkosh Correctional Institution associated with housing unit expansions approved by the Building Commission in December, 1994. In addition, require the Building Commission staff to include projected annual operating costs and staffing needs that will result from new or expanded correctional institutions in any material provided to the Building Commission.

[Act 27 Sections: 18m and 18n]

**18. PRISON COST RECOVERY**

**Joint Finance/Legislature:** Allow Corrections to recover costs of incarceration from inmates during incarceration and subsequent to their release. Upon request of Corrections, the Attorney General would be able to bring a civil action to recover costs that Corrections has been unable to collect. Specify that Corrections may not recover costs that have already been collected (such as through medical services fees or prior deductions from inmate wages). Require Corrections to develop rules regarding the procedures for collection and specify that charges would be made based on an inmate's ability to pay.

[Act 27 Sections: 6362g, 6364g, 6373m, 6398r and 9312(3g)]

**19. MAXIMUM SECURITY PRISON [LFB Paper 196]**

**Building Commission:** Enumerate \$75,000,000 to construct a new maximum security prison. Of the construction costs, \$50,000,000 would be supported by federal funds and \$25,000,000 would be supported by general fund supported borrowing. The 1,200-cell facility would contain 500 "super-maximum" security cells and 700 maximum security cells. The Building Commission would determine the site of the facility.

**Joint Finance/Legislature:** Specify that \$25,000,000 in general fund supported borrowing may not be issued until at least \$50,000,000 in federal funds for prison construction have been received.

**Veto by Governor [C-14]:** Delete the provision requiring that "at least \$50,000,000" in federal funds be received prior to the issuance of \$25,000,000 in general fund supported borrowing.

[Act 27 Sections: 2099g, 6363g, 6363h, 6365g and 9108(1)(b)&(7)]

[Act 27 Vetoed Sections: 9108(7)]

## Intensive Sanctions

### 1. INTENSIVE SANCTIONS -- POPULATIONS [LFB Paper 249]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$3,537,000	30.00	-\$2,599,100	- 17.50	\$937,900	12.50

**Governor:** Provide \$937,900 and 12.5 positions in 1995-96 and \$2,599,100 and 30.0 positions in 1996-97 for the Division of Intensive Sanctions as the result of anticipated caseload growth. Under the bill, it is estimated that populations will total 2,370 inmates in the community on June 30, 1996, and 2,620 on June 30, 1997. On February 24, 1995, 1,439 inmates were under community supervision in the Intensive Sanctions program.

**Joint Finance/Legislature:** Delete \$937,900 and 12.5 positions in 1995-96 and \$1,661,200 and 17.5 positions in 1996-97 associated with the intensive sanctions program. The intensive sanctions community population would be budgeted at 2,370 on June 30, 1997, (a 28% annual growth rate).

## Probation and Parole

### 1. CASELOAD GROWTH

**Governor/Legislature:** Provide \$2,885,300 and 120.0 positions in 1995-96 and \$7,586,400 and 261.0 positions in 1996-97 for the Division of Probation and Parole as a result of projected caseload growth. Under the bill, probation and parole caseload is budgeted at 57,587 on June 30, 1996, and 63,796 on June 30, 1997. On February 1, 1995, 49,087 offenders were under supervision.

	<u>Chg. to Base</u> <u>Funding Positions</u>	
GPR	\$10,471,700	261.00

### 2. PROBATION AND PAROLE SERVICES

**Governor/Legislature:** Provide \$1,071,600 in 1995-96 and \$2,642,800 in 1996-97, and 1.0 position annually for probationer and parolee services. The request would be divided as follows:

	<u>Chg. to Base</u> <u>Funding Positions</u>	
GPR	\$3,714,400	1.00

a. *Electronic Monitoring.* \$120,400 in 1995-96 and \$140,500 in 1996-97 for 125 electronic monitors, monitor warranties and telephone line connections for probation and parole clients. In addition, provide \$28,700 in 1995-96 and \$31,800 in 1996-97 with 1.0 position for the Department's monitoring center.

b. *Purchase of Services.* \$285,500 in 1995-96 and \$586,200 in 1996-97 for purchasing services for offenders (alcohol and drug abuse assessments, education, counseling, urinalysis screening, domestic abuse counseling and assessments, emergency rent, clothing and medication, and employment services).

c. *Halfway House Beds.* \$528,700 in 1995-96 and \$1,480,100 in 1996-97 for an additional 50 halfway house beds (currently, the Department contracts for 251 beds), one-time start up funding (\$90,000 annually for new programs), an inflationary increase for existing halfway houses and funds for remodeling associated with the federal Americans with Disabilities Act.

d. *Transitional Housing.* \$108,300 in 1995-96 and \$404,200 in 1996-97 for an additional 36 transitional housing beds (currently, the Department contracts for 18 beds). Transitional housing is for newly released, employed parolees or probationers until they are able to secure more permanent housing. Transitional housing is available for up to 90 days, typically in apartments where Corrections staff conduct unannounced drop-in visits to monitor behavior.

3. **CONTRACT FOR SUPERVISION [LFB Paper 250]**

	<u>Governor</u> <u>(Chg. to Base)</u> Funding Positions	<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u> Funding Positions	<u>Net Change</u> Funding Positions
GPR	-\$3,000,000 - 100.00	-\$2,538,900 0.00	-\$5,538,900 - 100.00

**Governor:** Delete \$3,000,000 and 100.0 positions in 1996-97 and allow Corrections to contract for the supervision of offenders needing minimum or administrative supervision. Specify that, on July 1, 1996, Corrections may contract with public, private or voluntary vendors for supervision. Require that the contract authorize any vendor to charge an offender a fee sufficient to cover the cost of supervision and administration of the contract. Require Corrections to promulgate rules regarding fees, collections, reporting and verification of offenders supervised by the vendor.

Create the following definitions:

a. *Administrative Supervision.* Supervision of a probationer or parolee in which Corrections requires: (1) a minimum of one face-to-face contact every six months between the offender and a representative of Corrections; and (2) monthly reports from the probationer or parolee submitted to DOC.

b. *Minimum Supervision.* Supervision of a probationer or parolee in which Corrections requires: (1) a minimum of one face-to-face contact every 90 days between the offender and a representative of Corrections; and (2) monthly reports from the probationer or parolee submitted to DOC.

**Joint Finance/Legislature:** Delete \$1,846,500 and 100.0 positions in 1995-96 and \$692,400 in 1996-97 associated with beginning contracts for supervision on January 1, 1996, instead of July 1, 1996. Allow Corrections to either contract for probation and parole supervision of lower-risk offenders or provide such supervision directly. Create an annual, program revenue appropriation for receipt and expenditure of revenues from contract supervision or from fees charged by Corrections for supervision. Allow Corrections to utilize emergency rules prior to the promulgation of administrative rules.

[Act 27 Sections: 783t, 6359, 6407x and 9112(3x)]

**4. PROBATION AND PAROLE REIMBURSEMENT FEE [LFB Paper 251]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$4,000,000	- \$4,000,000	\$0
PR-REV	0	6,000,000	6,000,000
GPR	\$0	- \$6,000,000	- \$6,000,000
PR	0	6,000,000	6,000,000
Total	\$0	\$0	\$0

**Governor:** Require that, beginning on July 1, 1996, Corrections charge a \$1 per day fee to probationers and parolees to partially reimburse the Department for the costs of providing supervision and services. Specify that Corrections collect the fees and deposit those moneys in the general fund.

Specify that Corrections not charge the fee while the probationer or parolee meets any of the following conditions:

- a. is unemployed.
- b. is pursuing a full-time course of instruction approved by Corrections.
- c. is undergoing treatment approved by the Department and is unable to work.
- d. has a statement from a physician certifying to Corrections that the probationer or parolee should be excused from working for medical reasons.

Require Corrections to promulgate rules specifying the procedure and timing for collecting fees.

The budget estimates that \$4,000,000 in GPR-Earned will be generated in 1996-97.

**Joint Finance/Legislature:** Convert \$2,000,000 in 1995-96 and \$4,000,000 in 1996-97 from GPR to PR associated with charging a daily fee to probationers and parolees. Create an annual, program revenue appropriation for the receipt of revenues from charges to offenders to support probation and parole operations. Modify the Governor's provision to allow Corrections to charge not less than \$1 per day, if appropriate. Allow Corrections to charge a varying fee depending on the financial ability of the offender. Require Corrections to consider exempting individual offenders under specified circumstances, rather than categorically exempting offenders. Allow Corrections to utilize emergency rules prior to the implementation of administrative rules.

[Act 27 Sections: 783v, 6408 and 9112(3g)]

**5. PROBATION AND PAROLE HOLD REIMBURSEMENT [LFB Paper 252]**

	Chg. to Base
GPR	\$687,800

**Governor:** Increase the threshold number of reimbursable hold days required to receive a \$500,000 annual payment from 12,000 or more days to 18,000 or more days. The provision would first apply to payments made on the effective date of the bill. Under current law, Corrections may reimburse counties up to \$40 per day for felons being held in jail pending the revocation of their probation or parole for non-criminal rules violations. Payments are prorated if the number of reimbursable days exceeds the appropriated amount. Any county with 12,000 or more reimbursable hold days receives \$500,000 of the appropriation annually with the remainder being used to reimburse all counties at a daily rate for actual probation and parole holds. Milwaukee County is the only county which currently meets the threshold. In 1993-94, Milwaukee County had 21,004 hold days while Dane County was the next highest with 10,584 hold days.

**Joint Finance/Legislature:** Delete provision. Repeal the current law requirement that any county with 12,000 or more reimbursable hold days receive \$500,000 of the appropriation annually. Provide \$99,400 in 1995-96 and \$588,400 in 1996-97 to reimburse counties at an estimated \$40 per day. Reimbursements would total \$3,164,000 in 1995-96 and \$3,653,000 in 1996-97.

[Act 27 Sections: 6367x, 6368c and 9312(1)]

**6. PAROLE COMMISSION PROGRAM REVENUE APPROPRIATION**

**Governor/Legislature:** Create a continuing, program revenue appropriation in the Parole Commission for all monies received from other state agencies and for monies received from other Corrections programs to be used for the administration of programs and projects for which they were received.

[Act 27 Section: 791]

## Juvenile Corrections

### 1. YOUTHFUL OFFENDER FACILITY [LFB Paper 507]

	Chg. to Base Funding Positions	
GPR	\$108,300	8.00

**Governor:** Provide \$108,300 and 8.0 positions in 1996-97 for planning the opening of the youthful offender program. None of the 250 beds authorized in 1993 Act 377 are expected to become operational before October, 1997. Under current law, the program, under which judges may sentence certain youth to Corrections for incarceration and intensive community supervision, becomes effective on December 1, 1995. The bill, however, delays this date by one month to January 1, 1996.

**Joint Finance/Legislature:** Transfer \$107,900 and 8.0 positions associated with the youthful offender program to the new Division of Juvenile Correctional Services within Corrections; the remaining \$400 would remain in general program operations. Modifications to this funding are budgeted under the "Transfer of Juvenile Institutions," Item #8. In addition, delete obsolete statutory provisions and references for the youthful offender program on December 1, 1995.

### 2. BADGER STATE INDUSTRIES IN JUVENILE CORRECTIONAL INSTITUTIONS

**Governor/Legislature:** Allow the Department of Corrections, beginning January 1, 1996, to operate Badger State Industries (BSI) in any correctional institution holding children in secure custody who have been adjudicated delinquent. Specify that juvenile residents participating in BSI who are injured are eligible to receive worker's compensation, but may not receive other injury compensation from Corrections. Under current law, adult inmates participating in most BSI work programs who are injured and whose earning capacity is reduced are eligible to receive the equivalent of worker's compensation up to a total of \$10,000 upon release to the community. Inmates in BSI programs providing products to private businesses, and those on work release or in transitional employment programs who are injured are not eligible for the cash award upon release but are eligible for worker's compensation.

[Act 27 Sections: 6355, 6382, 6383, 6386 thru 6391, 6394, 6401 thru 6403 and 9412(1)]

### 3. ELECTRONIC MONITORING

**Governor/Legislature:** Allow the Department of Corrections to enter into contracts with a county social services department or the state Department of Health and Social Services to provide electronic monitoring services for any child who is in the custody or under the supervision of the county department or H&SS. Require the Department to charge a fee for the monitoring services. Specify that, under a placement agreement, the child or the child's parent or guardian may be charged a fee for monitoring

services. Specify that existing contractual arrangements remain in effect until modified. Under current law, Corrections may enter into contracts with counties to provide electronic monitoring for certain juveniles who have been adjudicated delinquent or who are being held in secure custody. Currently, these youth may not be assessed a fee for electronic monitoring.

[Act 27 Sections: 784, 790, 6362, 6363, 6374 thru 6381 and 9112(1)]

#### 4. OVERVIEW OF JUVENILE JUSTICE CHANGES [LFB Papers 504 thru 507]

**Governor:** In general, the Governor's recommendations would:

- Eliminate juvenile court jurisdiction over 17-year-olds alleged to have committed criminal offenses and lower the minimum age of adult court jurisdiction from 18 to 17;
- Eliminate several current law provisions addressing dispositional options and funding for juveniles who commit serious or violent offenses, including extended jurisdiction, violent juvenile offender and youthful offender provisions;
- Establish a serious juvenile offender program operated by Corrections, in place of the current youthful offender program under DOC which would be implemented in the 1995-97 biennium under current law;
- Consolidate programming and funding for serious juvenile offenders over age 14 under the serious juvenile offender program administered by the Department of Corrections;
- Retain programming and funding in H&SS for juvenile offenders under age 14 and juveniles over age 14 who are not eligible for the serious juvenile offender program;
- Authorize placement of waived youth under age 16 in a secure juvenile correctional facility operated by Corrections; and
- Transfer of Ethan Allen School (EAS) and Lincoln Hills School (LHS) from H&SS to Corrections.

Although components of these provisions are described separately in the following items, many of the changes to juvenile court jurisdiction and the placement of juveniles in state institutions interact. As a result, the combined fiscal impact of all of the juvenile justice provisions is summarized under the transfer of juvenile institutions.

**Joint Finance/Legislature:** In general, the modifications to funding and positions adopted by the Joint Committee on Finance reflect:

- The transfer of the remaining programs and responsibilities of the Division of Youth Services from H&SS to a newly-created Division of Juvenile Corrections in the Department of Corrections, effective July 1, 1996;
- The transfer of additional positions from the Division of Management Services in H&SS to Corrections, effective July 1, 1996;
- The conversion of funding and positions from GPR to PR for secure mental health treatment beds for juveniles at Mendota Mental Health Institute (MMHI) and additional funding reductions related to the secure mental health treatment beds;
- The provision of additional capacity building funding to be distributed to counties in the 1995-97 biennium;
- The establishment of a new, sum-certain GPR appropriation to reimburse county costs relating to actions or proceedings involving violations committed by juveniles residing at state juvenile correctional institutions in the 1995-97 biennium; and
- The reestimate of funding for youth aids, the violent juvenile offender program extended jurisdiction/waived youth and alternate care in the 1995-97 biennium, and modifications to youth aids, beginning in 1996-97.

Additional information on specific statutory changes to the Children's Code and the transfer of programs for juvenile offenders to Corrections is provided under other items in this section and "H&SS -- Youth Services."

## 5. JUVENILE COURT JURISDICTION/AGE OF DELINQUENCY

**Governor/Legislature:** Eliminate juvenile court jurisdiction over 17-year-olds who are alleged to have violated a state or federal criminal law and lower the minimum age of adult court jurisdiction from age 18 to 17. Define an adult as a person who is 18 or older, except that for purposes of prosecuting a person who is alleged to have committed a crime, define an adult as a person who has attained age 17. Generally, where the provisions of the Children's Code and criminal code specifically apply to an 18-year-old, lower the age to 17.

Under the Governor's recommendation, a 17-year-old may be charged, tried and convicted as an adult for violating any state or federal criminal law. The provisions would take effect on January 1, 1996, or the day after publication, whichever is later.

*Current Law.* Under current law, the juvenile court has exclusive jurisdiction over juveniles ages 12 through 17 who are alleged to have violated a state or federal criminal law with limited exceptions for



youth who are waived to adult court. Currently, a 17-year-old who is adjudicated delinquent may be subject to any of the delinquency dispositional alternatives available under the Children's Code.

The fiscal impact of this provision, which interacts with other recommendations to modify juvenile court jurisdiction and the placement of juveniles in state institutions, is included under the transfer of juvenile institutions.

[Act 27 Sections: 787, 2195, 2423 thru 2425, 2431, 2432, 2446, 2464 thru 2465p, 2469p, 2473, 2478, 2479, 2522 thru 2525, 2529 thru 2530v, 2532, 4442 thru 4449, 6367, 6367m, 7236, 7238 thru 7240, 7242, 7243, 7294, 7295, 9310(5) and 9410(3)]

## 6. EXTENDED JUVENILE COURT JURISDICTION/VIOLENT JUVENILE OFFENDERS

**Governor:** Repeal current statutory provisions for extended juvenile court jurisdiction and violent offenders, as follows.

### *Extended Juvenile Court Jurisdiction*

Eliminate extended jurisdiction as a dispositional option and prohibit a juvenile court from extending its jurisdiction for offenses committed on or after January 1, 1996. Delete \$621,900 GPR in 1996-97 (\$295,300 GPR in base level funding and \$326,600 GPR in increased funding provided in this bill) from the appropriation in H&SS which funds juvenile correctional services for extended jurisdiction youth over age 19 and waived youth under age 16. The funds would be used to offset the costs to Corrections of the serious juvenile offender program.

In addition, reduce the age at which the state assumes financial responsibility for extended jurisdiction youth from 19 to 18 and reduce the age at which an extended jurisdiction youth may be transferred to a state prison from 18 to 17.

*Current Law.* A juvenile court is required to enter an order extending its jurisdiction for youth who are placed in a secure juvenile correctional institution (JCI) for the following offenses:

#### To Age 25

- First-degree intentional homicide

#### To Age 21

- First-degree reckless homicide
- First-degree sexual assault
- Physical abuse of a child
- Battery or aggravated assault in a JCI
- Second-degree intentional homicide
- Mayhem
- Mental harm to a child

The youth may remain incarcerated until age 25 or age 21, depending on the offense. A hearing before the court is required to revise the order, place the youth on aftercare or terminate the order and discharge the youth from supervision. Once a youth on extended jurisdiction attains age 18, H&SS and Corrections may jointly agree to transfer the youth from a JCI to a state prison. If the youth is transferred to a state prison, legal supervision remains with H&SS.

Counties pay for the costs of juveniles placed either in the JCIs or a state prison on extended jurisdiction until the youth attains age 19, with the exception of juveniles under age 19 in the JCIs or state prison on extended jurisdiction for offenses covered under the violent juvenile offender program. Base level funding for Corrections to care for extended jurisdiction youth under 19 who are transferred to a state prison is \$117,900 PR. The state directly funds the costs of care for all extended jurisdiction youth age 19 and over, regardless of whether the youth is in a JCI, state prison, alternate care or aftercare.

### ***Violent Juvenile Offender Program***

Repeal the violent juvenile offender program effective July 1, 1996. Repeal the violent juvenile offender appropriation and delete \$11,194,000 GPR in 1996-97 (\$2,749,200 GPR in base level funding and \$8,444,800 GPR in increased funding provided in this bill). The funds would be used to offset the costs to Corrections of the serious juvenile offender program.

*Current Law.* The state is required to directly fund the correctional costs of juveniles adjudicated delinquent and placed at a JCI for the following offenses:

- First-degree intentional homicide
- First-degree reckless homicide
- Second-degree intentional homicide
- Felony murder
- First-degree sexual assault
- Armed robbery

In addition, the state directly funds the costs of juveniles under age 19 who are placed in either a JCI or a state prison on extended jurisdiction for the following offenses:

- First-degree intentional homicide
- First-degree reckless homicide
- First-degree sexual assault
- Second-degree intentional homicide

Current law transfers \$2,422,800 GPR in 1994-95 from the 1995 youth aids appropriation (\$4,945,600 on an annualized basis) to the violent offender appropriation and provides an additional \$326,400 GPR in 1994-95 for the increased costs of violent offenders during the first six months of 1995. In addition, at the December, 1994, quarterly meeting of the Joint Committee on Finance, an additional \$1,019,700 GPR was transferred to the violent juvenile offender program. Therefore, a total of \$3,768,900 GPR in 1994-95 is provided for the violent juvenile offender program for the first six months of 1995.

The fiscal impact of this provision, which interacts with other recommendations to modify juvenile court jurisdiction and the placement of juveniles in state institutions, is included under the transfer of juvenile institutions.

**Joint Finance/Legislature:** Delay the elimination of extended juvenile court jurisdiction to June 30, 1996, to conform with the effective date for the serious juvenile offender program.

[Act 27 Sections: 788m, 827, 831m, 2163m, 2165 thru 2167, 2445, 2470, 2471, 2472 thru 2472z, 9310(7), 9410(5) and 9426(24)]

## 7. SERIOUS JUVENILE OFFENDER PROGRAM [LFB Paper 507]

**Governor:** Effective January 1, 1996, rename the youthful offender program as the serious juvenile offender program (SJOP) and modify the program requirements as follows.

*Requirements for Placement.* Eliminate the following requirements for a juvenile to be placed in the youthful offender program: (a) a previous delinquency or CHIPS adjudication for a felony; (b) \$30,000 or more in expenditures for post-dispositional services since age 12; and (c) a Corrections recommendation for placement in the program.

In addition, modify the minimum age and offense requirements for placement in the program. Require a juvenile court to transfer legal custody to Corrections for participation in the serious juvenile offender program if all of the following apply, unless the court, in its discretion, places the serious juvenile offender in a secure juvenile correctional facility under the supervision of H&SS:

- a. The juvenile is age 14 through 16;
- b. The juvenile is adjudicated delinquent for committing any of the specified serious offenses;
- c. The judge finds that the only other appropriate disposition would be placement in a secure juvenile correctional facility operated by H&SS; and
- d. A correctional placement report submitted to the court by the agency designated by the court to provide court reports recommends placement in the serious juvenile offender program.

Specify that a juvenile age 14 or older may be placed in the serious juvenile offender program for any of the following offenses committed on or after January 1, 1996:

- Drug manufacturing, drug delivery, drug possession with intent to manufacture or deliver
- Conspiracy to commit drug manufacturing or delivery of certain drugs (less dangerous drugs are excluded), if one or more of the parties to the conspiracy does an act to effect its object
- Solicitation, conspiracy (if one or more parties does an act to effect it) or attempting to commit a crime punishable by life imprisonment

- First- or second-degree intentional homicide
- First- or second-degree reckless homicide
- Felony murder
- Homicide by intoxicated use of a vehicle or firearm
- Mutilating or hiding a corpse
- Substantial or aggravated battery (Class C, D or E felony)
- Battery to law enforcement officers, fire fighters, probation and parole agents, witnesses and jurors, public officers, school district or VTAE employes or public transit operators, drivers or passengers
- Battery or threat to a judge, a DOR employe or a DILHR employe
- Mayhem
- First-, second- or third-degree sexual assault
- First- or second-degree reckless injury
- Taking hostages
- Kidnapping
- Stalking when stalker obtains and uses personally identifiable electronic information or records
- Felony intimidation of witnesses or victims
- Intentionally discharging a firearm into a vehicle or building when a human being might be present
- Setting a spring gun
- Intentionally discharging a firearm at or toward a person, building or vehicle from a vehicle or public parking lot
- Disarming a peace officer
- Sale, possession, use or transportation of machine guns and other automatic firearms
- Sale of tear gas (or similar compounds, excluding pepper spray) bombs, hand grenades, projectiles or containers
- Converting firearm to fully automatic
- Using pepper spray against a peace officer or to commit another crime
- Possession of short-barreled shotgun or rifle
- Possession of a firearm by an adjudicated delinquent for a felonious act or a juvenile under involuntary mental health treatment who has been ordered not to possess a firearm
- Sale, transportation, manufacture or possession of electric weapon
- Possession or use of handgun and an armor-piercing bullet during a crime
- Sale, delivery or possession of a firearm silencer
- First-degree recklessly endangering safety
- Administering dangerous or stupefying drug with intent to facilitate a crime
- Causing death by felony tampering with a household product
- Solicitation of child to participate in criminal gang activity
- Arson of buildings or arson with intent to defraud
- Armed burglary, use of explosives in burglary or battery during a burglary
- Carjacking
- Robbery with the use of force or threat of imminent force
- Prisoner places person in apprehension of death or great bodily harm or confines individual against will
- First- or second-degree sexual assault of a child or repeated acts of sexual assault of same child
- Physical abuse of child
- Causing mental harm to a child
- Sexual exploitation of a child or forcing child to view sexual activity
- Incest with a child
- Child enticement
- Soliciting a child for prostitution
- Intentionally exposing a child to harmful material
- Abduction of another's child by force or threat of imminent force
- Solicitation of a child to commit a felony

- Use of a child to commit a Class A felony
- Providing a dangerous weapon to a child if death results
- Discharge of a firearm in a school zone
- Repeated possession of a dangerous weapon, other than a firearm, on school premises

*Discharges and Transfers.* Specify that serious juvenile offenders age 17 and older, rather than 18 and older, may be transferred to a state prison. Authorize Corrections to transfer legal custody and control of a serious juvenile offender to H&SS, if H&SS agrees. In addition, authorize H&SS to transfer supervision and control of a person under the supervision of H&SS to Corrections for participation in the serious juvenile offender program, if Corrections agrees.

As under current law, authorize Corrections to contract with H&SS, a county department or any public or private agency for the purchase of goods, care and services for serious juvenile offenders.

*Funding.* As under current law for the youthful offender program, the state would directly fund the costs of caring for juveniles placed in the serious juvenile offender program. However, if a juvenile court, in its discretion, places a serious juvenile offender in a JCI operated by H&SS, the county of commitment would be financially responsible for the costs of caring for the juvenile.

*Current Law Youthful Offender Program.* The Department of Corrections is required to operate youthful offender program, beginning on December 1, 1995. A juvenile court may place in the program any 16- or 17-year-old who meets the following criteria:

- a. The youth is adjudicated delinquent for a Class A, B, C or D felony committed on or after December 1, 1995;
- b. The youth has previously been adjudicated delinquent or found to be a child in need of services or protection (CHIPS) for an act that would be a felony if committed by an adult;
- c. The youth has been subject to one or more previous delinquency or CHIPS dispositional orders and \$30,000 or more has been expended on providing post-dispositional services since age 12;
- d. The court finds that the only other appropriate disposition would be placement at a JCI; and
- e. Corrections recommends placement of the juvenile in the youthful offender program.

Youthful offenders committed to Corrections as a result of a Class A felony must remain in the program until age 25, while all other youthful offenders are committed for a five-year period. The Parole Commission may grant a participant parole after completing two years in the program; Corrections may discharge a participant after three years of participation. Youthful offenders age 18 and older may be transferred from a youthful offender facility to a state prison.

Current law prohibits Corrections from transferring legal custody and control of a youthful offender to H&SS. However, Corrections may contract with H&SS, a county department or any public or private agency for the purchase of goods, care and services for youthful offenders.

Current law requires Corrections to design the youthful offender program to: (a) cost less than an ordinary JCI placement and be more restrictive than an ordinary community placement; and (b) provide intensive and highly structured component phases for each participant based on public safety considerations and the participant's need for supervision, care and rehabilitation.

Provisions of 1993 Wisconsin 377 provide \$24,275,000 in general obligation bonding for the construction of 250 secure beds to establish a youthful offender facility in the Department of Corrections. Current law prohibits Corrections from charging counties under youth aids for juveniles placed in the youthful offender program and provides that the costs of operating the youthful offender program will be paid directly by the state. However, funding has not yet been appropriated for operating costs.

The fiscal impact of this provision, which interacts with other recommendations to modify juvenile court jurisdiction and the placement of juveniles in state institutions, is included under the transfer of juvenile institutions.

**Joint Finance/Legislature:** Modify the Governor's recommendations relating to the serious juvenile offender program (SJOP) to:

*Phase-In Offenses for the Serious Juvenile Offender Program.* Limit the program to the specified serious offenses which are Class A or B felonies.

Act 27

Serious Juvenile Offender Felony Offenses

CLASS A FELONY OFFENSES	
First degree intentional homicide	Use of a child to commit a Class A felony
Tampering with household products-death occurs	Taking hostages
Carjacking with force/weapon-death occurs	Kidnapping: against will and held for ransom
Felony murder	

CLASS B FELONY OFFENSES	
Taking hostages	Kidnapping: release without permanent phys. injury
Kidnapping: against will and held for ransom	Arson of buildings: damage of property by explosives
Conspiracy to commit a Class A felony	Armed burglary
Attempt to commit a Class A felony	Carjacking with force/weapon
First degree reckless homicide	Carjacking with force/weapon-grave bodily harm occurs
Second degree intentional homicide	Robbery: by use of a dangerous weapon
Mayhem	First degree sexual assault of a child
First degree sexual assault	Engaging in repeated acts of sex. assault of same child
Taking hostages: release without bodily harm	Abduction of another's child: constructive custody
Kidnapping: no ransom	Soliciting a child to commit a Class A felony

*Effective Date for the Serious Juvenile Offender Program.* Delay the effective date for the SJOP and the elimination of extended juvenile court jurisdiction to first apply to offenses committed on or after July 1, 1996. Retain the January 1, 1996, effective date for reducing the age of adult court jurisdiction to 17 years.

*Modify the Criteria for Placement in the Serious Juvenile Offender Program.* For placement in the serious juvenile offender program: (a) authorize a juvenile court, for a youth adjudicated delinquent under the SJOP, to request a written report from Corrections and/or a county human/social services department, regarding a youth's suitability for placement in secure care with Corrections or in an alternative out-of-home placement or in a community-based program; and (b) remove the requirement that, in order for a court to place a youth in the SJOP, the written report submitted by an agency designated by the court recommend placement of the youth in the SJOP.

*Authorize Alternative Placements for Serious Juvenile Offenders.* For alternative placements for serious juvenile offenders, authorize a juvenile court to place, at county cost, a serious juvenile offender in non-secure facilities or other community-based programs, including community supervision under court-imposed conditions.

Additional information on specific statutory changes to the Children's Code and the transfer of programs for juvenile offenders to Corrections is provided under other items in this section and "H&SS -- Youth Services."

[Act 27 Sections: 783m, 834m, 2433m thru 2437p, 2442m, 2442p, 2448r, 2450 thru 2451r, 2453m thru 2459, 2469m, 2475m, 2539m, 2551m thru 2563m, 2614m, 2416p, 6226, 6356m thru 6356t, 6405, 6405m, 7233m thru 7235x, 9310(6d) and 9410(4t)]

**8. TRANSFER OF JUVENILE INSTITUTIONS AND SERIOUS JUVENILE OFFENDER PROGRAM [LFB Papers 504 and 507]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$32,808,500	587.85	\$74,539,700	- 569.25	\$107,348,200	18.60
FED	0	0.00	2,749,200	0.00	2,749,200	0.00
PR	1,107,900	22.35	73,737,000	1,289.40	74,844,900	1,311.75
Total	\$33,916,400	610.20	\$151,025,900	720.15	\$184,942,300	1,330.35

**Governor:** Provide \$32,808,500 GPR and 587.85 GPR positions and \$1,107,900 PR and 22.35 PR positions in 1996-97 to reflect:

- The transfer of Ethan Allen School (EAS) and Lincoln Hills School (LHS) from H&SS to Corrections;
- The establishment of a serious juvenile offender program operated by Corrections; and
- The lowering of the minimum age of adult court jurisdiction from 18 to 17.

The fiscal impact of this provision includes the interaction of all of the Governor's recommendations summarized in other items which modify juvenile court jurisdiction.

**Modifications to Funding and Positions**

**GPR Funding and Positions.** Provide \$32,808,500 GPR and 587.85 GPR positions in 1996-97, as follows:

- a. \$1,047,700 GPR and 15.5 GPR positions for the general program operations appropriation. Of the total amount, \$227,700 GPR is provided in the Division of Adult Institutions to fund the costs of providing services to an increased population of 17-year-olds in 1996-97;



- b. \$342,900 GPR in the institutional repair and maintenance appropriation for repair and maintenance costs at EAS and LHS;
- c. \$30,684,000 GPR and 572.35 GPR positions in the serious juvenile offender program appropriation. Of the total amount, \$11,206,700 GPR and 283.55 GPR positions would be provided for EAS; \$9,187,400 GPR and 228.3 GPR positions would be provided for LHS; and
- d. \$733,900 GPR in the energy costs appropriation for fuel and utility costs at EAS and LHS.

Of the total \$32,808,500 GPR provided in 1996-97, \$29,982,200 GPR would be transferred from H&SS. The remaining \$2,826,300 would be new GPR.

***PR Funding and Positions.*** Provide \$1,107,900 PR and 22.35 PR positions in 1996-97, as follows:

- a. \$30,500 PR in the state-owned housing maintenance appropriation for state-owned housing for EAS and LHS;
- b. \$108,100 PR in the institutional operations and charges appropriation for canteen operation; and
- c. \$969,300 PR and 22.35 PR positions in the interagency and intra-agency program appropriation for program staff at EAS and LHS.

***Modify Appropriation Structure.*** Create two, annual PR appropriations under Corrections, one for the receipt of uniform fee collections for serious juvenile offender correctional services provided by Corrections and one for the receipt of uniform fee collections for foster care, treatment foster care, group home care and institutional child care provided to serious juvenile offenders. Authorize Corrections to reimburse H&SS, a county department or any public or private agency from which it purchases goods, care or services for serious juvenile offenders from the newly-created, program revenue appropriations.

### **Transfer EAS and LHS to Corrections**

***Transfer of Custody of Juveniles.*** Effective July 1, 1996, or the day after publication, whichever is later, transfer all persons who are placed at EAS and LHS under the supervision of H&SS to the supervision of Corrections. Require H&SS and Corrections to jointly determine those persons and to jointly develop a plan for the orderly transfer of juveniles placed at EAS and LHS. If there is a dispute between the two departments, require the Secretary of DOA to resolve the dispute and develop a plan for the orderly transfer.

***Transfer of Positions and Property.*** Through nonstatutory provisions, effective July 1, 1996, or the day after publication, whichever is later, transfer EAS and LHS from H&SS to Corrections. Transfer

a total of 586.85 positions and the incumbent employees in those positions from H&SS to Corrections. Specify that transferred employees have the same rights and status in Corrections, as they had in H&SS. Also, transfer to Corrections all assets and liabilities, tangible personal property (including records), pending matters and contracts of H&SS that are primarily related to EAS and LHS. Specify that all rules and orders in effect on July 1, 1996, that are primarily related to EAS and LHS would remain in effect until their specified expiration date or until amended, modified, rescinded or repealed by Corrections.

**Operation of Program.** In addition, statutorily require Corrections to: (a) operate LHS for the treatment of delinquent boys who are placed under the supervision of Corrections under the serious juvenile offender program; and (b) maintain a cottage-based intensive AODA program at one or more secured juvenile correctional facility operated by Corrections.

**Definition of a JCI.** Expand the definition of a secured juvenile correctional facility under the Children's Code to include a school or correctional institution operated or contracted for by H&SS or Corrections as well as any state treatment facility operated by H&SS for the diagnosis, care or treatment of delinquents.

### **Modify Juvenile Code Provisions**

In general, the Governor's recommendations would:

- Eliminate juvenile court jurisdiction over 17-year-olds alleged to have committed criminal offenses;
- Eliminate several current law provisions addressing dispositional options and funding for juveniles who commit serious or violent offenses, including extended jurisdiction, violent juvenile offender and youthful offender provisions;
- Consolidate programming and funding for serious juvenile offenders over age 14 under a serious juvenile offender program administered by the Department of Corrections;
- Retain programming and funding in H&SS for juvenile offenders under age 14 and juveniles over age 14 who are not eligible for the serious juvenile offender program; and
- Authorize placement of waived youth under age 16 in a secure juvenile correctional facility operated by Corrections.

### **Criteria for Placement in a JCI Operated by H&SS**

Modify requirements for placing a juvenile in a secure juvenile correctional facility under the supervision of H&SS as follows:

- Specify that the youth must be under age 14; or
- If the youth is age 14 or older, specify that the youth must have committed an offense that is not included under the SJOP; or
- If the child is age 14 or older and has committed an offense included under the SJOP, specify that the court may, in its discretion, place the juvenile in a JCI operated by H&SS, rather than in the SJOP.

In addition, as required under current law to place a youth in a JCI, the youth must be: (a) adjudicated delinquent for an offense that would be punishable by imprisonment of six months or more if committed by an adult; (b) a danger to the public; and (c) in need of restrictive custodial treatment.

Specify that the provisions would first apply to offenses occurring on or after January 1, 1996.

*Current Law.* Under current law, a court may place a youth age 12 or older in a JCI under the supervision of H&SS if all of the following apply:

- The youth is adjudicated delinquent for an offense that would be punishable by imprisonment of six months or more if committed by an adult; and
- The youth has been found to be a danger to the public and in need of restrictive, custodial treatment.

#### *Youth Waived into Adult Court*

Specify that a juvenile under age 16 who is waived, convicted and sentenced to prison in adult court may be placed in a JCI operated by Corrections. Authorize Corrections to transfer a waived youth over which it has legal custody to state prison after the youth attains age 16. In addition, authorize Corrections to place a waived youth under age 16 in state prison, if it determines that placement in prison is appropriate.

*Current Law.* A juvenile court may waive its jurisdiction over a youth who, on or after the youth's fourteenth birthday, is alleged to have committed:

- |   |                      |
|---|----------------------|
| • First-degree intentional homicide           | • Kidnapping         |
| • First-degree reckless homicide              | • Taking hostages    |
| • Second-degree intentional homicide          | • Armed robbery      |
| • Attempted first-degree intentional homicide | • Drug delivery      |
| • Gang-related felony                         | • Drug manufacturing |

A juvenile court may also waive its jurisdiction over any youth who is alleged to have violated any state criminal law on or after their sixteenth birthday.

Under current law, a youth under age 16 who is waived and subsequently sentenced in adult court to a prison term must be held in a JCI operated by H&SS rather than a state prison, unless H&SS determines, in consultation with Corrections, that placement in a state prison is more appropriate. After the youth reaches age 16, the youth may be transferred to a state prison. The state is financially responsible for the costs of caring for all juveniles who are waived into adult court and sentenced to prison or probation.

The following table shows which department would have jurisdiction over juvenile offenders by age and nature of the offense committed and in what type of facility the juvenile offender may be placed under current law and under the Governor's recommendation.

### Jurisdiction Over Juvenile Offenders

CURRENT LAW	
Health and Social Services	Corrections
<p><b>In a secure juvenile correctional facility:</b></p> <ul style="list-style-type: none"> <li>• Juveniles ages 12 through 17</li> <li>• Violent juvenile offenders</li> <li>• Extended jurisdiction youth               <ul style="list-style-type: none"> <li>• May be transferred to state prison at age 18</li> </ul> </li> <li>• Waived youth ages 14 and 15</li> </ul>	<p><b>In a youthful offender facility</b></p> <ul style="list-style-type: none"> <li>• Youthful offenders               <ul style="list-style-type: none"> <li>• Adjudicated at ages 16 or 17</li> <li>• A,B,C,D felonies</li> <li>• Previous felony adjudication</li> <li>• Over \$30,000 in expenditures since age 12</li> <li>• DOC approval</li> </ul> </li> </ul> <p><b>In state prison</b></p> <ul style="list-style-type: none"> <li>• Extended jurisdiction youth transferred from H&amp;SS at age 18</li> <li>• Waived youth age 16 and over</li> </ul>

**GOVERNOR'S RECOMMENDATION**

Health and Social Services	Corrections
<p><b>In a secure juvenile correctional facility:</b></p> <ul style="list-style-type: none"> <li>• Juveniles age 12 and 13</li> <li>• Juveniles age 14 through 16 placed under the supervision of H&amp;SS for an offense not included under the serious juvenile offender program</li> <li>• Serious juvenile offenders placed by the court, in its discretion, under the supervision of H&amp;SS</li> </ul>	<p><b>In a secure juvenile correctional facility</b></p> <ul style="list-style-type: none"> <li>• Serious juvenile offenders                             <ul style="list-style-type: none"> <li>• Adjudicated at ages 14, 15 or 16</li> <li>• Specified felony offenses</li> </ul> </li> <li>• Youth ages 12 and over placed on extended jurisdiction before January 1, 1996                             <ul style="list-style-type: none"> <li>• May be transferred to state prison at age 17</li> </ul> </li> <li>• Waived youth ages 14 and 15</li> </ul> <p><b>In state prison</b></p> <ul style="list-style-type: none"> <li>• Extended jurisdiction youth age 17 and over</li> <li>• Waived youth age 16 and over</li> <li>• 17-year-olds convicted in adult court</li> </ul>

***Administrative Responsibility for Juvenile Offenders***

Effective July 1, 1996, or the day after publication, whichever is later, modify statutory provisions specifying the authority and powers of H&SS and Corrections with respect to juvenile offenders.

*Authority of the Department of Corrections.* Similar to existing provisions under the Children's Code specifying the authority and powers of H&SS, create new, separate provisions, which specify the authority and powers of Corrections to promote the enforcement laws related to delinquent children, accept legal custody of and provide appropriate care and treatment for serious juvenile offenders and establish and enforce standards for services provided under the SJOP.

In addition, modify statutory provisions to clarify the powers, duties and responsibilities of the Department of Corrections and its employees with respect to juveniles. As under current law for H&SS:

- Specify that child support payments for residential services, when purchased, funded or provided by Corrections must be determined under the percentage standard.
- Require Corrections to establish fees for juvenile correctional services provided by Corrections for inclusion in the uniform system of fees. Require H&SS to collect such fees for Corrections.
- Require the county department of social services, at the request of Corrections, to assume oversight of any juvenile under parole or state supervision.

- Require a juvenile court to open its records for inspection at the request of Corrections.
- Specify that the confidentiality provisions of the Children's Code apply to Corrections. However, specify that the provisions do not prohibit Corrections from disclosing information about: (a) a person who has been convicted of violating a state or federal criminal law; or (b) a juvenile adjudicated delinquent for a sexually violent offense to specified persons.
- Specify that Corrections is financially responsible for the costs of returning, under the interstate compact on juveniles, a juvenile who has escaped or absconded from its legal custody.
- Authorize Corrections to immediately transfer a juvenile to a state treatment facility, if it determines that the juvenile is in need of services for a developmental disability, AODA or psychiatric services. In addition, specify that Corrections may authorize the emergency transfer of a juvenile from a JCI to a state treatment facility.
- Prohibit county departments of developmental disabilities services from reimbursing any state institution for serious juvenile offenders under the legal custody of Corrections.
- Require a court to notify Corrections and provide transportation to a receiving center designated by Corrections when the court transfers legal custody of a child to Corrections.
- Expand the definition of an agency under the permanency planning statutory provisions to include Corrections. Clarify that if an agency (including a county department, a licensed child welfare agency, H&SS or Corrections) recommends placement of a juvenile in a JCI or the SJOP, the agency is not required to submit a permanency plan, unless the court rejects the recommendation. Under current law, only Corrections may recommend placement in the youthful offender program.
- Specify that Corrections is a legal custodian of a juvenile under the statute criminalizing interference with custody by a parent or others.

Modify provisions of the Children's Code relating to court notification of placement, examination of juveniles, notification of release of juveniles, duration and control over juveniles, and records on juveniles which refer to the responsibilities of both H&SS and Corrections to delete the references to Corrections. Instead, create separate but substantially similar provisions requiring Corrections to:

- Examine every child whose custody is transferred to it, including an evaluation to determine whether the child is eligible for the serious juvenile offender program;

- Notify specified agencies or persons at least 15 days prior to the date of release of a child from a JCI or a placement in the community under the SJOP;
- Except as provided under the SJOP, discharge all children placed in the legal custody of Corrections under the SJOP as soon as there is a reasonable probability that departmental supervision is no longer necessary either for the rehabilitation and treatment of the child or for the protection of the public; and
- Keep a complete record on each child its custody under the SJOP.

In addition, modify statutory provisions related to the authority of the Department of Corrections as follows:

- Expand the purpose of the Corrections chapter to include the prevention of delinquency.
- Expand the definition of a secure correctional institution to include a secured juvenile correctional facility, operated by Corrections.
- Authorize Department of Corrections personnel specified by the Department, rather than Corrections personnel specified by agreement with H&SS, to take a child into physical custody.
- At the request of Corrections, require the Attorney General or the district attorney of the proper county to aid any legal proceedings under the sections of the Children's Code related to Corrections.
- Require Corrections to maintain all money of residents as it maintains the money of prisoners.

*Facilities for Children under Care of Corrections.* Create a new, separate provision, identical to the existing provision for H&SS, specifying the types of facilities that Corrections may maintain and use for children in its care, including receiving homes, regular and treatment foster homes, group homes, institutions and other facilities. Authorize Corrections to place children in regular and treatment foster homes. Authorize the payment of AFDC to such non-secure facilities on behalf a child placed by Corrections. Specify that no contract is required for Corrections to purchase foster care from a provider licensed by H&SS.

Require Corrections to report to H&SS, in a manner specified by H&SS, on all children in the legal custody of Corrections who are placed in a non-secure facility so that H&SS may claim federal foster care and adoption assistance reimbursement with respect to those children. In addition, specify that Corrections may not make any placements to any child welfare agency where an H&SS review has failed to indicate the need for additional placement resources.

*Authority of H&SS under the Children's Code.* Modify statutory provisions as follows to clarify the duties and responsibilities of H&SS and its employees:

- Authorize H&SS to accept supervision, rather than legal custody, of juveniles transferred to it by the juvenile court for placement in a JCI operated by H&SS;
- Specify that H&SS is responsible for the establishment and enforcement of standards for services provided under juvenile delinquency dispositions, other than services provided by Corrections under the SJOP;
- Specify that the Office of Juvenile Offender Review is only responsible for decisions regarding case planning and the release of juveniles from secure juvenile correctional facilities operated by H&SS to aftercare and corrective sanctions;
- Clarify that aftercare plans must only be developed for juveniles placed in a secure juvenile correctional facility under the supervision of H&SS; and
- Clarify that H&SS, rather than Corrections, may establish a program for the early release and intensive supervision for certain juveniles placed at the secure juvenile correctional facilities operated by H&SS.

**Joint Finance/Legislature:** Provide \$82,100 PR in 1995-96 and \$74,539,700 GPR, \$2,749,200 FED and \$73,654,900 PR in 1996-97 and delete 569.25 GPR positions and provide 1,289.40 PR positions, beginning in 1996-97, to reflect the transfer of juvenile correctional services from H&SS to Corrections.

In general, the funding and position modifications reflect:

- The transfer of the remaining programs and responsibilities of the Division of Youth Services from H&SS to a newly-created Division of Juvenile Corrections in the Department of Corrections, effective July 1, 1996;
- The transfer of additional positions from the Division of Management Services in H&SS to Corrections, effective July 1, 1996;
- The conversion of funding and positions from GPR to PR for secure mental health treatment beds for juveniles at Mendota Mental Health Institute (MMHI) and additional funding reductions related to the secure mental health treatment beds;
- The provision of additional capacity building funding to be distributed to counties in the 1995-97 biennium;



- The establishment of a new, sum-certain GPR appropriation to reimburse county costs relating to actions or proceedings involving violations committed by juveniles residing at state juvenile correctional institutions in the 1995-97 biennium; and
- The reestimate of funding for youth aids, the violent juvenile offender program extended jurisdiction/waived youth and alternate care in the 1995-97 biennium, and modifications to youth aids, beginning in 1996-97.

## **Modifications to Program Responsibility, Juvenile Institutions, Funding and Positions**

### ***Health and Social Services***

*Division of Youth Services.* Transfer the remaining programs and responsibilities of the Division of Youth Services in H&SS to Corrections, as follows:

- Southern Oaks facility for girls
- Aftercare supervision for non-serious/under age 14 juvenile offenders
- Alternate care for non-serious/under age 14 juvenile offenders
- Corrective sanctions program
- Juvenile boot camp program
- SPRITE program
- Office of Juvenile Offender Review
- Health services for non-serious/under age 14 juvenile offenders
- Youth aids program
- Capacity building funding
- All other functions remaining in the central office

Specify that the fund source for the facilities and programs would continue to be program revenue. Transfer the appropriation structure from the Division of Youth Services and a total of \$85,770,300 all funds and 283.75 positions, excluding the unclassified division administrator, as follows:

- \$62,505,100 GPR and 10.0 GPR positions in 1996-97;
- \$2,449,200 FED in 1996-97; and
- \$20,816,000 PR and 273.75 PR positions in 1996-97.

*Administrative Positions.* Transfer administrative positions and funding from H&SS to Corrections, including: (a) 1.0 payroll and benefits specialist 3 (\$45,500 GPR); (b) 1.0 budget and policy analyst senior (\$54,200 GPR); (c) 0.5 dietician (\$28,400 GPR); and (d) 1.0 architect (\$50,500 GPR and \$33,600 PR).

### *Other Modifications*

*Purchase Facility.* Purchase and renovate an existing facility for the new secure facility for boys, to be operational by July, 1996 under Corrections.

*Restore Staffing at EAS and LHS.* Restore \$8,066,800 PR and 221.9 PR positions in 1996-97. Transfer the funding and positions to Corrections, effective July 1, 1996.

*Staffing for New Secure Institution for Boys.* Provide \$10,093,400 PR in 1996-97 and 180.0 PR positions, beginning in 1996-97, in unallotted reserve in the juvenile correctional institution appropriation under Corrections subject to release by the Joint Committee on Finance to Corrections for the new institution for boys.

In addition, require H&SS to transfer \$200,000 PR from the juvenile correctional institution appropriation to the Division of Juvenile Corrections in Corrections in 1995-96 for the start-up costs of the new institution for boys.

*Convert Funding and Positions in Corrections from GPR to PR.* Convert \$32,179,300 in 1996-97 and 583.35 positions, beginning in 1996-97, from GPR to PR and transfer the funding from the serious juvenile offender appropriation to the juvenile correctional institutions appropriation. Consolidate the PR funding and positions within the PR appropriations transferred from H&SS.

*Restore and Provide Funding for the Serious Juvenile Offender Program.* Restore \$11,194,000 GPR and provide \$13,334,900 GPR in 1996-97 in the serious juvenile appropriation under Corrections for the costs of providing correctional, alternate and aftercare services for serious juvenile offenders, including any other existing or new services the Department may determine to be a component phase of the SJOP. Specify that if a serious juvenile offender is transferred to a state prison, parole or adult intensive sanctions at age 17 or over, funding would be provided from the appropriations for adult corrections. Delete \$30,791,900 GPR in 1996-97 and eliminate the existing appropriation in adult corrections for serious/youthful offenders. Consolidate the funding for serious juvenile offenders and extended jurisdiction/waived youth into a single, GPR appropriation.

*Restore and Provide Funding for Extended Jurisdiction/Waived Youth.* Restore \$621,900 GPR and provide \$36,200 GPR in 1996-97 in the extended/waived appropriation under Corrections for the costs of providing care for extended youth over the age of 18 on existing dispositions and waived youth under age 16 in juvenile correctional facilities and delete the existing appropriation and \$117,900 PR annually for extended jurisdictional/waived youth in adult corrections.

*Appropriation Structure.* Repeal existing appropriations for juvenile services in H&SS and in Corrections under adult services and, instead, create appropriations for juvenile services under the Division of Juvenile Corrections in Corrections.

*Principal Repayment and Interest.* Restore \$1,902,800 GPR in 1996-97 and transfer to Corrections and retain the sum sufficient GPR appropriation for principal repayment and interest for juvenile facilities.

*Create a Division Administrator Position in Corrections.* Provide \$87,100 GPR and 1.0 GPR classified division administrator position in Corrections for the Division of Juvenile Corrections.

*Funding for Secure Mental Health Treatment Beds.* Convert \$2,500,000 and 91.22 positions from GPR to PR to fund costs of Corrections for secure mental health treatment beds in 1996-97. Delete \$3,352,200 GPR in 1996-97, relating to the conversion of funding for secure mental health treatment beds at Mendota Mental Health Institute. In addition, designate that up to 43 beds provided under the secure adolescent treatment unit at Mendota Mental Health Institute be juvenile correctional institution beds.

*Capacity Building Program.* Provide an additional \$1,250,000 GPR in 1995-96 and \$1,250,000 GPR in 1996-97, for a total of \$3,750,000 GPR in each year for capacity building to be distributed to counties and rename the program to be the "community intervention program."

*Reimbursement of County Costs Related to the Prosecution of Juveniles Residing at State Juvenile Correctional Institutions.* Provide \$200,000 GPR in 1996-97 and transfer the GPR appropriation for county reimbursement to Corrections. Authorize Corrections to reimburse county costs relating to actions or proceedings involving violations committed by juveniles residing at state juvenile correctional institutions. Specify that the following county costs would be reimbursable: (a) investigation costs; (b) court and prosecution costs; and (c) jail costs.

*Youth Division AODA Grant.* Provide \$300,000 FED in each year from the federal substance abuse block grant to restore the youth division alcohol and other drug abuses education and treatment program.

### **Prohibit the Transfer of Funding Between Adult and Juvenile Appropriations**

Prohibit the transfer of funding and positions between adult and juvenile appropriations, without the approval of the Joint Committee on Finance under s. 13.10 of the statutes.

### **Clarify Fiscal Responsibility for Serious Juvenile Offenders**

Specify that, effective July 1, 1996, Corrections would directly fund the juvenile correctional institution, alternate care and aftercare costs of all juveniles age 14 and over placed in the juvenile correctional institutions under the SJOP (under s. 48.34(4g)) for committing one of the specified Class A or B serious juvenile offenses, as provided in AB 150, on or after July 1, 1996.

In addition, effective July 1, 1996, Corrections would fund the juvenile correctional institution, alternate care and aftercare costs of:

- Juveniles age 14 and over on an existing extended juvenile court disposition for one of the specified Class A or B serious juvenile offenses committed prior to July 1, 1996; and
- Violent juvenile offenders age 14 and over on a disposition for an offense committed before July 1, 1996.

Modify the bill to clarify that Corrections could no longer bill counties from their youth aids for the correctional, alternate care and aftercare costs of serious juvenile offenders over age 14. In addition, specify that Corrections could no longer bill counties from their youth aids for the alternate care and aftercare costs of violent juvenile offenders over age 14 on current dispositions. Specify that Corrections would reimburse the institutions and aftercare from the serious juvenile offender appropriation at the same per person statutory daily rate counties are charged.

### **Reestimates of Youth Aids and Juvenile Delinquency-Related Costs**

Modify the Governor's recommendations to reestimate youth aids and the costs and daily rates for state services, as follows:

*Youth Aids Reestimate.* Reduce the youth aids funding provided in the bill by \$2,506,600 GPR in 1995-96 and \$4,175,700 GPR in 1996-97 to reflect decreases in the statutory daily rates for juvenile correctional services and a technical correction to accurately reflect the costs of continuing program increases approved in the 1993-95 biennium.

*Violent Juvenile Offender Program.* Reduce funding for the violent juvenile offender program by \$972,400 GPR in 1995-96 due to the decreases in the daily rates for the institutions.

*Extended/Waived Juveniles.* Reduce funding for extended jurisdiction and waived youth by \$51,900 GPR in 1995-96 due to the decreases in the daily rates for the institutions under the reestimate.

*Alternate Care.* Provide an additional \$422,900 PR in 1995-96 in increased expenditure authority for alternate care services to reflect increases in the daily rates for alternate care facilities and increased alternate care populations.

### **Youth Aids Modifications in 1996-97**

Modify the Governor's recommendations to:

*Restore Funding for Youth Aids.* Restore \$15,916,800 GPR in 1996-97 in the consolidated youth aids base allocation.

*Requirement for a Proposed Formula.* Require: (1) Corrections to evaluate the formula used to allocate youth aids to counties, in light of any change in the number of juveniles placed under the supervision of Corrections as a result of the serious juvenile offender program; (2) Corrections to submit to the Secretary of DOA and the Joint Committee on Finance, no later than July 1, 1996, a proposed formula for the allocation of youth aids that reflects that change; and (3) the Secretary of DOA to evaluate the proposed formula and, if the Secretary approves of that proposed formula, to include the proposed formula as part of the Governor's proposed 1997-99 biennial budget.

*Data Collection.* Specify additional criteria in reviewing the formula and additional data on juvenile offenders which should be collected for that purpose, including:

- The numbers of serious juvenile offenders currently placed in H&SS programs and non-secure residential facilities, such as child-caring institutions;
- Factors that target the need for delinquency-related services, including early intervention and chronic offender services;
- The number of children living in poverty based on U.S. Census data as updated annually;
- Juvenile arrests for Part 1 offenses, including Part 1 violent offenses; and
- Models for cost-sharing between counties and the state.

#### **Retain a Separate Allocation for Corrective Sanctions**

Modify the Governor's recommendations to:

- Retain a separate youth aids allocation for corrective sanctions; and
- Specify that Corrections should determine each county's youth aids allocation for corrective sanctions based on the minimum statewide budgeted number of program slots and the number of program slots in each participating county, as specified in an agreement between Corrections and each participating county. Authorize Corrections to transfer youth aids funding for corrective sanctions among counties as necessary based on the number of program slots in each participating county.
- Retain the requirement that Corrections serve an average daily population of 105 youth in the program; and
- Retain the statutory authority of the Joint Committee on Finance to supplement funding and positions for the corrective sanctions program and to increase the ADP which the program must serve under s. 16.505/16.515 or s. 13.10 of the statutes.

### **Responsibility for Aftercare Services**

Modify the Governor's recommendations to: (a) reduce the aftercare rate in 1996-97 from \$12.20 to \$11.48 per day; (b) include Corrections as an aftercare provider which the court may designate; and (c) specify that a court's designation of an aftercare provider is subject to any arrangement between Corrections and a county department, including any arrangement made on or after July 1, 1996.

### **Development of Community-Based Alternatives to Institutional Placement**

Require Corrections to collaborate with counties in the development of effective community-based programming, including in-home programs and intensive supervision.

### **Secure Child Caring Institution Programs and Units**

Modify the Governor's recommendations to:

- Authorize Corrections, as of the effective date of the bill, to approve and/or license secure care units in CCIs.
- Authorize Corrections to transfer youth under their legal custody or supervision to a secure CCI and specify that youth transferred from Corrections to a secure CCI would remain on institutional status.
- In addition, permit CCIs to place delinquents committed to a CCI in a secure institution operated by the state or a county-operated secure juvenile detention facility without a change of placement order for not more than 30 days, based on a youth's uncontrollable or runaway behavior. Specify that the CCI would pay the state or county for the secure placement from the rate charged for their residential services.
- Authorize a CCI to place children in less restrictive settings, including group homes, foster homes, day treatment and independent living programs without a change of placement order. Authorize the transfer of a child between the less restrictive and more restrictive setting at the discretion of the administrator of the CCI. Specify that the daily rates for each type of placement would be published and charged according to the current statutory rate setting procedures for CCIs.

### **Contract Authorization**

Authorize Corrections to contract for programming and institutional care or care in a secure CCI for juveniles committed to the legal custody or supervision of Corrections.

## Technical Corrections

Modify the Governor's recommendations as follows:

- Include Corrections on list of organizations that may provide electronic monitoring to juveniles;
- Rename appropriations in Corrections from youthful offender to serious juvenile offender.
- Provide \$83,700 PR in 1996-97 in the juvenile correctional institution appropriation to eliminate a negative balance in the appropriation due to the transfer.
- To reconcile the funding and positions provided in Corrections with the nonstatutory transfer language, transfer \$418,500 GPR in 1996-97 and 11.0 GPR positions from the general program operations appropriation to the serious juvenile offender appropriation. In addition, transfer \$134,000 GPR in 1996-97 and 3.0 GPR positions within the serious juvenile offender appropriation from the central office to EAS and LHS.
- Modify the nonstatutory language to reflect the transfer of 4.5 positions to the general program operations appropriation.
- Delete obsolete statutory provisions and references for the implementation of the youthful offender program on December 1, 1995.

## Clarify the Transfer of Juveniles from H&SS to Corrections

Specify that effective July 1, 1996, all persons under the supervision or legal custody of H&SS in any facility or program operated, provided or purchased by the Division of Youth Services would be transferred to the supervision of Corrections. Specify that Corrections shall have identical rights and duties with respect to children under the supervision of Corrections as H&SS has under current law.

Additional information on statutory changes to Children's Code and the transfer of programs for juvenile offenders to Corrections is provided under "H&SS -- Youth Services."

**Veto by Governor [D-6 and D-8]:** Delete the provision that would have required DOC to submit a plan to the Joint Committee on Finance specifying how funding authorized in 1996-97 to operate a new, secured correctional facility for delinquent boys (\$10,093,400 PR) would be expended.

In addition, delete the provisions which would have permitted child caring institutions (CCIs) to: (a) transfer youths in their care to less restrictive placements without a court hearing; (b) place youths in county-operated detention centers for up to 30 days without a hearing and without the consent of the

county; and (c) transfer any youths adjudicated delinquent to a secure correctional facility under the supervision of the Department of Corrections, if the Department approves.

[Act 27 Sections: 137, 142, 294o, 294p, 368m, 782m, 783r, 791m, 823g, 823m, 823r, 825m, 825p, 826m, 828m, 828p, 828r, 828t, 832, 832m, 833g, 833m, 833p, 833r, 834m, 840m, 840p, 840r, 840t, 961r, 1087x, 1187, 1405r, 2021t, 2026, 2026g, 2026m, 2026p, 2026r, 2027m, 2027p, 2028m, 2031m, 2031p, 2035m, 2051m, 2052p, 2053m, 2055, 2055m, 2058, 2060m, 2065, 2070, 2071m, 2072, 2074, 2075m, 2076, 2086m, 2100m, 2105, 2106m, 2108, 2110, 2111, 2113, 2114, 2117, 2118m, 2119, 2120, 2121m, 2122, 2123m, 2124, 2125, 2126, 2160m thru 2164p, 2168m, 2168p, 2169m, 2171g thru 2173p, 2175m thru 2189m, 2190 thru 2190r, 2195m, 2209w, 2424m, 2426g thru 2426r, 2428m, 2428p, 2429m, 2430, 2461m, 2461r, 2466d thru 2468, 2473m, 2474, 2476, 2480, 2480m, 2526, 2526m thru 2528r, 2531m, 2533m thru 2542m, 2568 thru 2574, 2575m, 2579m, 2582, 2594, 2595, 2598m, 2610 thru 2616, 2632m, 2634m thru 2635g, 2852, 2863, 3258m, 3259m, 3266m, 3287b, 3287bm, 3902, 4460em, 6226m, 6283, 6283m, 6352 thru 6354, 6358m thru 6358r, 6360 thru 6361, 6363j thru 6364, 6364m thru 6365, 6366m, 6587, 7237, 7253, 9112(1u)&(1v) and 9126(23)]

[Act 27 Vetoes Sections: 2195, 2466r, 2466t, 9112(1t) and 9426(19t) (as it relates to ss. 48.357(4)(b) and 48.357(4d))]



## COST CONTAINMENT COMMISSION

<b>Budget Summary</b>						
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled Amount      Percent
PR	\$999,200	\$0	\$0	\$0	\$0	- \$999,200   - 100.0%

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
PR	7.00	0.00	0.00	0.00	0.00	- 7.00

**1. REPEAL OF THE COST CONTAINMENT COMMISSION  
AND CAPITAL EXPENDITURE REVIEW [LFB Paper 265]**

<b>Chg. to Base Funding Positions</b>		
PR	- \$999,200	- 7.00

**Governor/Legislature:** Delete \$499,600 in each year to reflect elimination of the Cost Containment Commission and the repeal of capital expenditure review, for hospitals, ambulatory surgery centers and home health agencies, as of the effective date of the biennial budget bill.

In addition, beginning July 1, 1995, eliminate as a source of funding for the Commission health care facility licensing fees, and limit funding for the Commission to application fees charged for review of capital projects. Provisions of 1993 Wisconsin Act 16 require the Commission, beginning in the 1995-97 biennium, to establish application fees that are sufficient to fund all of the Commission's expenses.

[Act 27 Sections: 139, 140, 816, 1044 thru 1047, 1050, 1196, 1203, 3244, 4382 thru 4388, 4392, 4393, 6272, 9313(1) and 9413(1)]

# COURT OF APPEALS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	<u>Act 27 Change Over Base Year Doubled</u>	
						Amount	Percent
GPR	\$11,265,000	\$11,718,400	\$11,718,400	\$11,718,400	\$11,718,400	\$453,400	4.0%

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	73.00	73.00	73.00	73.00	73.00	0.00

## 1. STANDARD BUDGET ADJUSTMENTS

<b>Chg. to Base</b>	
GPR	\$453,400

**Governor/Legislature:** Provide increased funding of \$226,700 each year. Annual adjustments include full funding of salary costs (\$213,400), removing one-time financing (-\$16,600), cash payment in lieu of a fifth week of vacation for certain long-term employes (\$2,200), State Bureau of Financial Operations charges (\$500) and delayed pay plan adjustments (\$27,200).

## CREDIT UNIONS

Budget Summary							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
PR	\$2,725,400	\$1,402,900	\$1,402,900	\$1,402,900	\$1,402,900	-\$1,322,500	- 48.5%

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
PR	23.00	0.00	0.00	0.00	0.00	- 23.00

### 1. STANDARD BUDGET ADJUSTMENTS

Chg. to Base	
PR	\$1,500

**Governor/Legislature:** Adjust the base budget by -\$2,900 in 1995-96 and \$4,400 in 1996-97 for: (a) full funding of salaries and fringe benefits (-\$23,600 annually); (b) full funding of financial services charges (\$200 annually); (c) reclassifications (\$9,200 in 1995-96 and \$16,500 in 1996-97); (d) full funding of lease and directed move costs (\$2,200 annually); and (e) delayed pay adjustments (\$9,100 annually).

### 2. TRAVEL EXPENSE INCREASE

Chg. to Base	
PR	\$29,600

**Governor/Legislature:** Provide \$14,800 in each year for increased travel and examiner education costs.

### 3. SALARY CORRECTION

Chg. to Base	
PR	\$51,400

**Governor/Legislature:** Provide financial examiner position salary and fringe benefit cost adjustments of \$25,700 annually to correct the agency base budget.

4. **COMPUTER EQUIPMENT**

	Chg. to Base
PR	\$5,200

**Governor/Legislature:** Provide \$2,600 annually for ongoing computer replacement needs.

5. **TRANSFER OF FUNCTIONS TO DEPARTMENT OF FINANCIAL INSTITUTIONS**

	Chg. to Base	Funding Positions
PR	-\$1,410,200	- 23.00

**Governor:** Delete \$1,410,200 in 1996-97 and transfer the functions of the Office of the Commissioner of Credit Unions to the Department of Financial Institutions, effective July 1, 1996. Transfer 20.0 of these positions and the incumbent employes holding the position to the Office of Credit Unions in the new Department, and deauthorize 2.0 positions.

Currently, the Office of the Commissioner of Credit Unions supervises and examines state-chartered credit unions for safety and soundness. The Commissioner is appointed by the Governor, with the advice and consent of the Senate. The Office of the Commissioner of Credit Unions is funded by examination and assessment fees from the institutions regulated. State law requires annual examinations of state-chartered credit unions. In addition to examinations, the Office supervises the chartering and liquidation of credit unions, as well as coordinating any mergers or consolidations.

The Credit Union Review Board, whose five members are appointed by the Governor with the advice and consent of the Senate, advises the Commissioner in improving the condition and service of credit unions, reviews actions of the Commissioner, acts as an appeals board for the review of administrative decisions, and authorizes and approves rules and regulations issued by the Commissioner. The members are appointed for staggered five-year terms.

**Joint Finance/Legislature:** Modify the Governor's recommendation to also establish a requirement that 12% of all fees collected would lapse to the general fund. This additional lapse requirement would maintain GPR-Earned amounts at the estimated AB 150 levels. Clarify that 21.0 positions would be transferred to DFI rather than 20.0 as in AB 150.

[Act 27 Sections: Shown under "Financial Institutions"]

## DEVELOPMENT

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$63,446,000	\$52,987,100	\$50,945,800	\$46,103,500	\$46,103,500	-\$17,342,500	- 27.3%
FED	52,552,600	74,892,600	71,123,100	71,123,100	71,123,100	18,570,500	35.3
PR	2,921,800	27,265,300	27,900,000	27,692,900	27,150,600	24,228,800	829.2
SEG	<u>16,805,200</u>	<u>111,122,700</u>	<u>93,599,800</u>	<u>93,611,000</u>	<u>93,599,800</u>	<u>76,794,600</u>	<u>457.0</u>
<b>TOTAL</b>	<b>\$135,725,600</b>	<b>\$266,267,700</b>	<b>\$243,568,700</b>	<b>\$238,530,500</b>	<b>\$237,977,000</b>	<b>\$102,251,400</b>	<b>75.3</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	137.05	117.50	96.95	97.95	97.95	- 39.10
FED	10.90	62.90	27.20	27.20	27.20	16.30
PR	3.00	225.60	224.54	224.54	224.54	221.54
SEG	<u>4.00</u>	<u>92.90</u>	<u>93.16</u>	<u>93.16</u>	<u>93.16</u>	<u>89.16</u>
<b>TOTAL</b>	<b>154.95</b>	<b>498.90</b>	<b>441.85</b>	<b>442.85</b>	<b>442.85</b>	<b>287.90</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Provide adjustments of **-\$586,800 GPR** in 1995-96 and **-\$622,700 GPR** in 1996-97 and **-\$163,300 FED**, **-\$39,700 PR** and **-\$8,248,800 SEG** annually for standard budget adjustments. Annual adjustments are for: (a) turnover reductions (**-\$70,600 GPR**); (b) removal of noncontinuing funding and positions (**-1.0 GPR** position with **-\$557,200 GPR** in 1995-96 and **-\$593,100 GPR** in 1996-97, **-\$31,000 PR**, **-\$8,246,300 SEG** and **-2.0 SEG** positions) of which the significant reduction in SEG funding and positions reflects the shift of recycling market development program funding and positions from the Department to the Recycling Market Development Board under the provisions of 1993 Wisconsin Act 75; (c) full funding of continuing position salaries and fringe benefits (**-\$36,800 GPR**, **-\$173,100 FED**, **-\$9,400 PR** and **-\$2,600 SEG**); (d) state financial services charges (**\$2,800 GPR**, **\$500 FED**, **\$200 PR** and **\$100 SEG**); (e) reclassifications (**\$12,600 GPR**); (f) risk management costs (**-\$600 GPR**, **\$3,600 FED** and **\$500 PR**);

<b>Chg. to Base Funding Positions</b>		
GPR	-\$1,209,500	- 1.00
FED	- 326,600	0.00
PR	- 79,400	0.00
SEG	<u>- 16,497,600</u>	<u>- 2.00</u>
<b>Total</b>	<b>-\$18,113,100</b>	<b>- 3.00</b>

(g) overtime (\$600 GPR); (h) night and weekend salary differentials (\$7,100 GPR); (i) fifth week vacation as cash (\$14,400 GPR and \$2,700 FED); and (j) full funding of delayed pay adjustments (\$40,900 GPR and \$3,000 FED). In total, changes due to standard budget adjustments would reduce funding by \$9,038,600 in 1995-96 and by \$9,074,500 in 1996-97.

**2. DAIRY 2020 FUNDING [LFB Paper 275]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$328,500	1.00	-\$63,700	0.00	\$264,800	1.00

**Governor:** Provide \$146,800 in 1995-96 and \$181,700 in 1996-97 and 1.0 position annually for activities related to the Department's participation in the Dairy 2020 initiative. The funding and positions would be allocated as follows: (a) \$106,800 in 1995-96 and \$103,300 in 1996-97 and 1.0 position annually as a Dairy 2020 coordinator; (b) \$25,000 in 1995-96 to develop promotional materials to encourage investment in the dairy industry; (c) \$15,000 in 1995-96 and \$23,700 in 1996-97 to support funding for a Dairy Business Liaison and Resource Center; and (d) \$54,700 in 1996-97 to support funding for a Farm Business Assessment program.

Dairy 2020 was created in 1993 to foster increased competitiveness in the state's dairy industry. Dairy 2020 involves producers, processors, state agencies and the University of Wisconsin System. Representatives from these groups make up the Dairy 2020 Council which sets direction for the industry initiative. Late in the summer of 1994, DOD joined the UW and Department of Agriculture, Trade and Consumer Protection as the lead state agencies in the initiative.

**Joint Finance/Legislature:** Modify provision to delete \$40,000 in 1995-96 and \$23,700 in 1996-97. In addition, funding for the Agricultural Technology and Family Farm Institute of the University of Wisconsin would be reduced by \$106,800 in 1995-96 and \$158,000 in 1996-97 to offset the funding provided to DOD for the Dairy 2020 Initiative.

**3. CAPITAL ACCESS PROGRAM [LFB Paper 276]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
	PR	\$250,000	-\$250,000

**Governor:** Provide \$250,000 in 1995-96 through a transfer from the Wisconsin Development Fund (WDF) loan repayments appropriation to create a capital access loan incentive program administered by

the Department. The program would provide a means for insuring private lenders against losses on loans to small businesses.

To be eligible for participation in the program, the loan would be required to be made by an approved lender to an eligible small business and be related to the start-up or expansion of the business. The start-up or expansion would have to likely result in the creation or retention of jobs in the state. Lenders would be approved by DOD for participation in the program and would include public depository institutions such as banks, savings and loans associations, credit unions, savings and trust companies or savings banks. An eligible small business would be a business entity, including a parent corporation or any subsidiary or affiliated corporation, that employed less than 51 full-time employees or that had gross annual sales of less than \$5,000,000. Loans could not be used for: (a) refinancing of existing debt; (b) a housing project; (c) a passive real estate project; and (d) other activities or projects as determined by the Department.

The borrower of an eligible loan made by a participating lender would be required to pay a fee to the lender for enrolling the loan in the capital access program. The lender would be required to make a payment of an amount equal to the fee for each loan that was enrolled in the program. All payments made by a lender for enrolled loans and all fees paid by the borrowers of all loans enrolled in the program by that lender would be required to be deposited in an interest-bearing account that would be owned and controlled by DOD but maintained by the lender.

DOD would be required to make a financial incentive payment for each enrolled loan that was equal to the sum of the fee paid by the borrower of the loan and the contribution made by the lender. All financial incentive payments made by the Department, for loans enrolled in the program by a lender, would be deposited in a separate interest-bearing account that would be owned and controlled by DOD but maintained by the lender. A separate PR appropriation would be created to provide funding for financial incentive payments and the costs of administering the program. The source of funds for the appropriation would be the \$250,000 PR transferred from the WDF loan repayment appropriation and any moneys received from close-outs of reserve accounts. A second GPR appropriation would be created for the interest earned on reserve accounts.

All money in reserve accounts, including accrued interest, could only be used by DOD to compensate a lender for losses it incurred if a borrower of a loan that was enrolled in the program defaulted on that loan.

If a participating lender withdrew from the program the Department would close out the reserve accounts maintained by the lender and deposit the account balances, including accrued interest, in the PR financial incentive and administrative appropriation. The Department would be required to promulgate rules to establish criteria for the following:

- a. determining the maximum amount that may be loaned to a single borrower under the program;
- b. determining the amount of the fee that a borrower of an enrolled loan must pay;

c. any other criteria that the Department determined was necessary for operation of the capital access program.

A technical correction would be needed for the new appropriations to implement this program.

**Joint Finance/Legislature:** Delete provision and, instead, increase the Wisconsin Development Fund (WDF) program revenue repayments appropriation by \$250,000 in 1995-96 and reduce GPR funding for the WDF by \$250,000 in 1995-96 which is shown in Item #9.

**4. INTERACTIVE VOICE RESPONSE SYSTEM [LFB Paper 595]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$90,000	-\$90,000	\$0

**Governor:** Provide \$90,000 in 1995-96 from the DOA information technology fund to purchase and install an Interactive Voice Response System (IVRS). The computerized system would assist the Department in responding to requests for information through a variety of mediums.

**Joint Finance/Legislature:** Delete agency funding for receipt of grants from the information technology investment fund for purchase of an interactive voice response unit. Under a modified information technology development grant process, provide for funding to be allocated through an annual request submitted by DOA under s. 16.515 for all agencies. [See "Information Technology Investment Fund".]

**5. HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAM [LFB Paper 282]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$96,000	-\$48,000	\$48,000

**Governor:** Modify the health care provider loan assistance program (HCPLAP) as follows:

a. Provide \$30,000 in 1995-96 and \$66,000 in 1996-97 to the health care provider loan assistance program, which would be transferred from the physician loan assistance program (PLAP). The transfer would provide DOD with funding for HCPLAP loan repayments for an estimated eight health care providers that are expected to enter the program in 1994-95 and for four new providers in each year of the 1995-97 biennium. The effects of the transfer on PLAP are shown in Item #6. Total funding appropriated for the HCPLAP would be \$50,000 in 1995-96 and \$86,000 in 1996-97.



b. Expand the eligible practice areas in which a health care provider could agree to practice under HCPLAP. Specifically, the practice areas would be expanded from the current primary care shortage area to also include an obstetric shortage area, a state or federal prison, an area health education center program established under federal law, an American Indian reservation or trust lands of an American Indian tribe. The expanded HCPLAP definitions used to determine eligible practice areas conform to those used for the PLAP.

c. Provide that a health care professional could practice primarily, rather than exclusively, in an eligible practice area.

d. Specify that loan repayments cannot be made for any penalty on an eligible loan.

e. Change the HCPLAP, GPR appropriation for loan repayments from a biennial to a continuing appropriation. The PLAP loan repayment appropriation is a continuing appropriation.

The HCPLAP was established to repay loans of primary care health providers (physician assistants, nurse-midwives and nurse practitioners) who agree to practice exclusively in areas of the state that are underserved by primary care providers as defined under federal law. DOD may repay, on behalf of health care providers, up to \$25,000 in educational loans obtained from a public or private lending institution for education related to the health care provider's field of practice. The loan may be repaid at DOD at a statutorily established variable rate over a five-year period.

PLAP is a program through which loans are repaid for physicians who agree to practice primary care (including family medicine, general internal medicine and pediatrics) in a primary care shortage area, a state or federal prison, an area health education center program or an Indian reservation in Wisconsin. The Department may also enter into agreements with physicians who will practice psychiatry or obstetrics in shortage areas. DOD may repay, on behalf of a physician, up to \$50,000 in educational loans obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for post-graduate medical training. The loan may be repaid by DOD at a variable rate specified in the statutes over a five-year period.

**Joint Finance/Legislature:** Delete \$15,000 in 1995-96 and \$33,000 in 1996-97 from HCPLAP, and provide that funding to PLAP, which is shown in Item #6. This modification would restore funding for both programs to intended levels. Total funding for HCPLAP would be \$35,000 in 1995-96 and \$53,000 in 1996-97.

[Act 27 Sections: 511 and 6901 thru 6906]

6. PHYSICIANS LOAN ASSISTANCE PROGRAM FUNDING REDUCTIONS [LFB Paper 282]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$167,500	\$48,000	- \$119,500

**Governor:** Delete \$51,500 in 1995-96 and \$116,000 in 1996-97 in funding for the physicians loan assistance program (PLAP). Reductions in funding would be as follows:

a. Reduce funding for the PLAP by \$40,000 in 1995-96 and \$96,000 in 1996-97 (including amounts transferred to the HCPLAP);

b. Reduce funding for PLAP and the Health Care Provider Loan Assistance Program (HCPLAP) administrative services contracts with the UW Office of Rural Health by \$11,500 in 1995-96 and \$20,000 in 1996-97.

**Joint Finance/Legislature:** Include provision, but provide \$15,000 in 1995-96 and \$33,000 in 1996-97 to limit the amount of funding transferred to the health care provider loan assistance program to \$15,000 in 1995-96 and \$33,000 in 1996-97. Total funding for PLAP would be \$355,200 in 1995-96 and \$317,200 in 1996-97.

Also, provide that a physician is not eligible to participate in PLAP if that physician is currently participating in the federal National Health Service Corps (NHSC) scholarship program or has refused to carry out his or her obligations under that program. Current law prohibits a physician from participating in the PLAP if that person is in the NHSC loan repayment program through an unintended statutory reference to a section of federal law. Instead, it was intended that NHSC scholarship participants or physicians who violated their scholarship contract be ineligible from participating in PLAP. This provision would correct the statutory reference.

[Act 27 Sections: 6899q and 9316(1g)]

7. ADMINISTRATIVE ASSISTANT POSITION [LFB Paper 890]

	Chg. to Base
GPR	1.00

**Governor/Legislature:** Transfer \$34,900 from the tourism marketing appropriation to the Division of Tourism's general operation's appropriation and provide 1.0 position in 1996-97 to convert an administrative assistant project position to a permanent position. The position serves as the Division's liaison to the Governor's Office, the Legislature and other governmental agencies.

**8. DEVELOPMENT ZONES JOBS SPECIALIST [LFB Paper 282]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$17,200	0.50	-\$17,200	- 0.50	\$0	0.00

**Governor:** Provide 0.5 position annually to continue the Department's job creation in enterprise zones initiative. The position would be funded by reallocating \$8,600 annually in supplies and services funds from the American Indian economic development liaison appropriation. The position would be used to connect development zone employers with disadvantaged workers and coordinate local agency activities.

**Joint Finance/Legislature:** Delete provision and restore \$8,600 annually to the American Indian economic development liaison appropriation.

**9. WISCONSIN DEVELOPMENT FUND [LFB Papers 276, 277 and 278]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	-\$1,800,000	-\$890,000	-\$3,000,000	\$3,000,000	-\$2,690,000
PR	<u>1,800,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,800,000</u>
Total	\$0	-\$890,000	-\$3,000,000	\$3,000,000	-\$890,000

**Governor:** Delete \$1,500,000 GPR in 1995-96 and \$300,000 GPR in 1996-97 to reduce GPR funding for the Wisconsin Development Fund (WDF). Transfer \$1,500,000 PR in 1995-96 and \$300,000 PR in 1996-97 from the WDF repayments appropriation to replace the reduced GPR funding. Total GPR funding for the WDF would be \$7,602,300 in 1995-96 and \$8,802,300 in 1996-97. Total funding from the GPR and program revenue repayments appropriations would be \$9,717,800 annually.

**Joint Finance:** Include provision. In addition, adjust funding for the WDF and the WDF program revenue repayments appropriation as follows:

(a) Increase expenditure authority for the WDF repayments appropriation by \$250,000 PR in 1995-96 and decrease GPR funding for the WDF by \$250,000 in 1995-96 to reflect deletion of the capital access program;

(b) Decrease expenditure authority for the WDF repayments appropriation by \$250,000 in 1996-97 and transfer the amount to provide funding for Forward Wisconsin in 1996-97;

(c) Decrease the appropriation for the WDF by \$120,000 GPR annually to provide funding for economic development promotion; and

(d) Decrease the appropriation for the WDF by \$400,000 GPR in 1995-96 to provide funding for technology and pollution control abatement grants.

**Assembly:** Include provisions with the following modifications:

(a) Delete the transfer of \$250,000 PR from the WDF program revenue repayments appropriation to a separate PR appropriation to provide funding for Forward Wisconsin in 1996-97. The separate PR appropriation would be deleted. Instead, in 1996-97, \$250,000 PR would be lapsed from the WDF program revenue repayments appropriation to the general fund and \$250,000 GPR would be provided for Forward Wisconsin.

(b) Delete \$1,500,000 GPR annually from the WDF and transfer the amounts to the Wisconsin Development Reserve Fund (WDRF) in the Wisconsin Housing and Economic Development Authority (WHEDA) to fund guarantees under a new job training loan guarantee program that would be administered by WHEDA. (See "WHEDA" for a full description of the loan guarantee program.)

**Senate/Legislature:** Restore funding of \$1,500,000 GPR annually for the WDF and delete provision which would create a job training loan guarantee program backed by the Wisconsin Development Reserve Fund (WDRF) in WHEDA. The guarantees under the program would have been funded through a transfer of \$1,500,000 GPR annually from the WDF to the WDRF.

Under these provisions, total GPR funding for WDF programs would be \$6,832,300 in 1995-96 and \$8,682,300 in 1996-97. Expenditure authority for the program revenue repayments appropriation would be \$2,365,500 in 1995-96 and \$665,500 in 1996-97. As a result, total funding available for WDF programs would be \$9,197,800 in 1995-96 and \$9,347,800 in 1996-97.

## **10. AUTHORIZE BRIGGS AND STRATTON EMPLOYEES TRAINING GRANT**

**Joint Finance/Legislature:** Authorize DOD to make a grant of up to \$480,000 from the Wisconsin Development Fund to the private industry council serving Milwaukee County to fund a labor training and employment services program to provide employees of Briggs and Stratton Corporation who are being laid off from the facility in Wauwatosa with job training and related employment services, if all of the following apply:

(1) The labor training and employment services are not eligible for funding under the federal job training partnership act or any other federal or state job training program.

(2) The private industry council submits a plan to DOD detailing the proposed use of the grant and the Secretary of DOD approves the plan.

(3) The private industry council enters into a written agreement with DOD that specifies the conditions for use of the grant proceeds, including reporting and auditing requirements.

(4) The private industry council agrees in writing to submit to DOD, within 6 months after the grant proceeds are spent, a report detailing how the grant proceeds were used.

No grant payments could be made by DOD after July 1, 1996.

[Act 27 Sections: 508 and 9116(7gg)]

**11. FUNDING FOR FORWARD WISCONSIN [LFB Paper 277]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR-REV	\$0	\$0	\$250,000	\$250,000
GPR	-\$750,000	\$0	\$250,000	-\$500,000
PR	0	250,000	- 250,000	0
Total	-\$750,000	\$250,000	\$0	-\$500,000

**Governor:** Delete \$250,000 in 1995-96 and \$500,000 in 1996-97 in funding for Forward Wisconsin. Effective July 1, 1996, state funding for Forward Wisconsin and the GPR appropriation used to provide the funds would be eliminated. In addition, after July 1, 1997, DOD would no longer be required to produce an annual report stating the net gains in jobs due to the funds provided.

Under current law, DOD provides funding to Forward Wisconsin to establish and implement a nationwide business development campaign. State funds may be used for advertising, marketing and promotional activities within the U.S. and for salary, travel, and other expenses directly incurred by the organization in its economic development activities. Under this provision, DOD would still be authorized to refer requests for economic development assistance to Forward Wisconsin and avoid duplication of efforts.

**Joint Finance:** Modify provision to retain the GPR appropriation for support for Forward Wisconsin and provide \$250,000 PR from Wisconsin development fund repayments for Forward Wisconsin in 1996-97. Also, the statutory provisions for the WDF repayments appropriation would be modified to allow this funding transfer and a separate PR appropriation would be created for the transferred funds.

**Assembly/Legislature:** Delete the separate PR appropriation and the transfer of \$250,000 PR from the WDF repayments appropriation to provide funding to Forward Wisconsin in 1996-97. Instead, in 1996-97, lapse \$250,000 to the general fund and provide \$250,000 GPR in funding for Forward Wisconsin.

[Act 27 Sections: 512 and 9216(2b)]

**12. FOREIGN TRADE OFFICES FUNDING REDUCTION**

	Chg. to Base
GPR	- \$348,700

**Governor/Legislature:** Delete \$154,500 in 1995-96 and \$194,200 in 1996-97 to reduce funding for the Department's foreign trade offices. Travel and overhead expenses would be reduced.

**13. ELIMINATE ECONOMIC DEVELOPMENT PROMOTION APPROPRIATION [LFB Paper 278]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$334,400	\$240,000	- \$94,400

**Governor:** Delete \$167,200 annually and eliminate the separate appropriation for economic development promotion.

**Joint Finance/Legislature:** Retain the appropriation and provide \$120,000 annually.

**14. REDUCE COMMUNITY-BASED ECONOMIC DEVELOPMENT FUNDING**

	Chg. to Base
GPR	- \$177,000

**Governor/Legislature:** Delete \$88,500 annually to reduce the community-based economic development appropriation by 10%.

**15. GRANT PROGRAM FOR REGIONAL ECONOMIC DEVELOPMENT**

**Joint Finance/Legislature:** Create a grant program for regional economic development activities. Under the grant program, DOD could make a grant of \$100,000 or 10% of the total amount appropriated for the community-based economic development program to a community-based organization for regional development activity if all of the following applied:

1. The community-based organization applies jointly with a political subdivision in that region;
2. The economic development activity is unique to or within the region;
3. The economic development activity is consistent with any economic development policy or plan of the political subdivision;
4. The economic development activity will likely stimulate investment or create or retain jobs in the region's economy;

5. The community-based organization will receive contributions for the economic development activity from private and community sources. The contributions may be in cash or in-kind. Applicants would have to document contributions.

6. The applicants submit a plan that describes the economic development activity, how it satisfies these criteria, how the grant will be administered and how the grant proceeds will be used. The Secretary of DOD would have to approve this plan.

Specify that the Department could award up to the greater of \$100,000 or 10% each fiscal year from the community-based economic development program appropriation.

Specify that the Department would be required to promulgate rules to administer the grants.

[Act 27 Sections: 6895dm, 6895dp and 6895dr]

**16. REDUCE TOURISM MARKETING FUNDING**

	Chg. to Base
GPR	- \$83,600

**Governor:** Delete \$83,600 in 1995-96 to reduce funding for the tourism marketing appropriation. The total amount of GPR appropriated would be \$7,750,000 in 1995-96 and \$7,741,000 in 1996-97.

**Joint Finance/Legislature:** Include provision. In addition, require that at least \$125,000 of the amount appropriated annually be used to conduct sports marketing activities.

[Act 27 Sections: 515d and 515e]

**17. AMERICAN INDIAN ECONOMIC DEVELOPMENT LIAISON FUNDING REDUCTIONS**  
[LFB Paper 282]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$91,400	\$17,200	- \$74,200

**Governor:** Delete \$40,300 in 1995-96 and \$51,100 in 1996-97 to reduce funding for the American Indian economic development liaison and related grant programs. The specific funding reductions would be as follows:

a. Reduce supplies and services funding for the liaison by \$16,800 in 1995-96 and \$17,600 in 1996-97. Transfer \$8,600 GPR annually to the economic and community development appropriation to fund 0.5 GPR development zones jobs specialist position (see Item #8). Total GPR funding for the liaison appropriation would be \$41,500 in 1995-96 and \$40,700 in 1996-97.

b. Reduce funding for American Indian liaison grant to the Great Lakes Inter-Tribal Council (Council) by \$3,500 in 1995-96 and \$8,500 in 1996-97. Total GPR funding from the grants appropriation would be \$30,000 in 1995-96 and \$25,000 in 1996-97.

c. Reduce funding for the American Indian economic development technical assistance grant to the Council by \$20,000 in 1995-96 and by \$25,000 in 1996-97. Total GPR funding from the technical assistance grant appropriation would be \$30,000 in 1995-96 and \$25,000 in 1996-97.

In addition, a current requirement relating to the distribution of technical assistance grants to the Council would be modified to require the Department to provide a grant that partially, rather than fully, funds the technical assistance for the economic development program operated by the Council.

Under current law, a community services specialist in the Bureau of Community Development provides technical and economic development assistance to Native American entrepreneurs and tribal and tribal communities. The Department also administers two grant programs which provide funds to the Council--an economic development liaison grant and an economic development technical assistance grant.

The economic development liaison grant program provides funds to the Council to partially fund a Council liaison between American Indians, Indian businesses and Indian tribes interested in targeted economic assistance programs and the state agencies that administer them. The technical assistance grant program funds a Council business technical assistance program that provides management assistance to existing businesses and technical assistance to businesses that seek access to other business assistance programs. Tribal businesses, Indian businesses located on reservations and Indian businesses located off-reservation that directly benefit reservation economies are eligible for assistance.

**Joint Finance/Legislature:** Modify provisions to restore \$8,600 GPR annually in supplies and services funding for the American Indian economic development liaison appropriation to reflect deletion of 0.5 development zones specialist position. Total funding for the appropriation would be \$50,100 in 1995-96 and \$49,300 in 1996-97.

[Act 27 Section: 6940]

## 18. MAIN STREET PROGRAM MODIFICATIONS

	Chg. to Base
GPR	- \$67,000

**Governor/Legislature:** Delete \$20,000 in 1995-96 and \$47,000 in 1996-97 to reduce supplies and services funding for the state Main Street program. Total funding from this GPR appropriation would be \$449,400 in 1995-96 and \$422,400 in 1996-97. In addition, modify the program and the related Council on Main Street Programs, as follows:

a. The number of members on the Council would be increased from 11 to 15. The new members would be required to have an expertise or an interest in downtown revitalization. The new members'



terms on the Council would be staggered with one term expiring on July 1, 1996, two terms expiring on July 1, 1997, and one term expiring on July 1, 1998.

b. The period during which a municipality could participate in the Main Street program would be increased from three years to five years. Specify that DOD could select a municipality for participation more than one time, but could give priority to municipalities that had not previously participated.

Under current law, the Council on Main Street Programs consists of 11 members selected for three year terms. In general, members represent municipalities, local business councils, historic trust organizations, the business and financial communities, the planning and architecture professions and the Secretary of Development and Director of the State Historical Society. Members are appointed by the Secretary of DOD. The Council assists DOD in developing plans for operation of the program, reviews its effectiveness, and recommends municipalities for participation.

The program provides technical assistance to municipalities to help plan, manage, and implement programs to revitalize their downtown business areas through comprehensive economic redevelopment and historic preservation. Up to five municipalities are selected annually. DOD staff coordinate and provide training, workshops and on-site consulting.

[Act 27 Sections: 130 thru 132, 6891, 6892 and 9116(2)]

**19. ELIMINATE TECHNOLOGY DEVELOPMENT POSITION**  
[LFB Paper 282]

Chg. to Base Funding Positions		
GPR	- \$59,400	- 1.00

**Governor:** Delete \$29,700 and 1.0 position annually in the technology development program. The workload associated with the position would be reassigned to existing personnel.

**Joint Finance/Legislature:** Restore \$29,700 and 1.0 position annually for the technology development program and, instead, delete \$29,700 and 1.0 position annually from the economic and community development general program operations appropriation.

**20. DIVISION OF ADMINISTRATIVE SERVICES FUNDING REDUCTION**

Chg. to Base	
GPR	- \$47,700

**Governor/Legislature:** Delete \$18,600 in 1995-96 and \$29,100 in 1996-97 to reduce funding for permanent property and LTE salaries and fringe benefits in the Division of Administrative Services.

**21. REDUCE ECONOMIC DEVELOPMENT SUPPLIES AND SERVICES FUNDING**

Chg. to Base	
GPR	- \$42,500

**Governor/Legislature:** Delete \$4,100 in 1995-96 and \$38,400 in 1996-97 to reduce supplies and services and LTE funding in the bureaus of Business Development, Business and Industry Services and International Development and in the Office of Development Finance in the Division of Economic Development.

**22. DIVISION OF POLICY AND INFORMATION POSITION REDUCTION**

Chg. to Base Funding Positions		
GPR	- \$41,500	- 0.50

**Governor/Legislature:** Delete 0.5 position with \$17,000 in 1995-96 and \$24,500 in 1996-97 in the Division of Policy and Information. The reduction reflects increased automation in the Bureau of Information Services.

**23. POSITION CONVERSION**

Chg. to Base Funding Positions		
GPR	- \$36,800	- 1.00
FED	10,000	0.00
Total	- \$26,800	- 1.00

**Governor/Legislature:** Reduce funding by \$36,800 GPR and \$26,800 FED and eliminate 1.0 GPR personnel assistant and 1.0 FED clerical position and provide \$36,800 FED and 1.0 FED personnel assistant position in 1996-97 to convert the funding source for the personnel assistant position from GPR to indirect federal funding.

**24. DIVISION OF COMMUNITY DEVELOPMENT FUNDING AND POSITION REDUCTION**

Chg. to Base Funding Positions		
GPR	- \$27,900	- 0.05

**Governor/Legislature:** Delete \$7,000 in 1995-96 and \$20,900 in 1996-97 and 0.05 position annually to eliminate a partial clerical position and reduce associated funding in the Division of Community Development.

**25. FUNDING REDUCTION FOR ECONOMIC DEVELOPMENT DIVISION ADMINISTER**

Chg. to Base	
GPR	- \$9,600

**Governor/Legislature:** Delete \$9,600 in 1996-97 in funding for supplies and services and LTE's in the Office of the Administrator of the Division of Economic Development.

26. MINORITY BUSINESS DEVELOPMENT FUND (MBDF) [LFB  
Paper 279]

	Chg. to Base
PR	\$200,000

**Governor:** Transfer \$100,000 annually from the Wisconsin Development Fund loan repayments appropriation to the minority business development fund (MBDF). Total PR funding from the minority business projects repayment appropriation would be \$290,000 in 1995-96 and \$302,300 in 1996-97. Modify the program as follows:

- a. Eligibility would be expanded to include planning the expansion of a minority business, rather than only start-ups. Under current law, eligible projects must involve minority business start-ups.
- b. The maximum amount of an early planning project grant would be increased from \$5,000 to \$15,000 for each eligible project.
- c. The total amount of MBDF funds that could be awarded as early planning grants would be increased from 5% to 10% of the amount appropriated for the biennium.

Under current law, the MBDF provides funding for two programs: minority business early planning grants; and minority business grants and loans. The planning grant program funds projects that consist of the preliminary stages of considering and planning the start-up of a minority business, and grants may be used to perform feasibility studies and prepare marketing and business plans.

The minority business grants and loans program provides funding for development projects undertaken by minority businesses and to local development corporations that agree to use the proceeds to make grants or loans to resident minority group members. Grant recipients may use grants for working capital machinery, equipment, land and buildings, to acquire existing businesses and for related expenses. The maximum award is \$100,000 for any one person or project in a biennium.

**Joint Finance/Legislature:** Include provision and modify statutory appropriation language for the Wisconsin Development Fund program revenue repayments appropriation to allow the transfer between appropriations. Total PR expenditure authority for the program revenue repayments would be unchanged. A separate appropriation would be created for the transferred funding; this appropriation would be eliminated on July 1, 1997.

Total GPR funding for the MBDF would be \$479,200 annually. The total amount of funding appropriated for MBDF grants and loans through the GPR and program revenue repayments appropriations would be \$769,200 in 1995-96 and \$781,500 in 1996-97.

[Act 27 Sections: 512 thru 512mr, 6937 thru 6939 and 9416(4j)]

**27. WISCONSIN TRAVEL INFORMATION CENTER FUNDING [LFB Paper 595]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$96,000	- \$96,000	\$0

**Governor:** Provide funding for the department's Wisconsin Travel Information Centers (WTIC) as follows:

a. Provide \$96,000 PR in 1995-96 from the DOA information technology fund to automate the Department's 12 WTIC's. The automated system would provide each center with an on line travel information data base designed to furnish customers with customized travel information. The system would also provide each center with access to the central information data base developed in Madison.

b. Transfer \$20,300 GPR annually from the tourism marketing appropriation to the Division of Tourism's tourism general operations appropriation to cover the costs of additional hours of work by part-time and seasonal staff at the travel information centers. The additional workload reflects expanded hours of service and months of operation at the centers.

c. Transfer \$57,700 GPR in 1996-97 from the tourism marketing appropriation to the tourism general operations appropriation to cover the costs related to construction of a new Beloit travel information center. One-time funding of \$6,500 is included to purchase new furniture, equipment and moving expenses.

d. Transfer \$6,400 GPR annually from the tourism marketing appropriation to the tourism general operations appropriation to fund an increase in the hourly starting hourly wage, from \$5.00 to \$5.25, for LTE's who staff the travel information centers.

**Joint Finance/Legislature:** Delete \$96,000 PR of agency funding for receipt of grants from the information technology investment fund for automating the Department's WTIC's. Under a modified information technology development grant process, provide for funding to be allocated through an annual request submitted by DOA under s. 16.515 for all agencies. [See "Information Technology Investment Fund"]

**28. MISCELLANEOUS PROGRAM REVENUE REESTIMATES**

	Chg. to Base Funding Positions	
PR	-\$10,000	- 0.75

**Governor/Legislature:** Delete \$7,500 in 1995-96 and \$2,500 in 1996-97 and 0.75 position annually to reflect the following: (a) reduction in workload associated with the agreement with WHEDA (-\$27,800 and -0.75 position annually); (b) adjustments required for utilization of minority business project and rural economic development loan repayments (\$11,100 in 1995-96 and \$33,400 in 1996-97); (c) business development initiative loan repayments (\$30,000 in 1995-

96 and \$12,700 in 1996-97); (d) decrease gifts and grants (-\$30,600 annually); (e) increase sales of materials and services appropriations (\$9,800 annually).

## 29. FEDERAL REVENUE REESTIMATES

	Chg. to Base
FED	\$17,921,200

**Governor/Legislature:** Provide \$208,800 in 1995-96 and \$212,800 in 1996-97 to reflect increased funds for administration and to pay for contractual services from the Division of Housing in DOA. Increase funding by \$8,662,300 in 1995-96 and \$8,837,300 in 1996-97 to reflect federal monies for community development block grants.

## 30. WISCONSIN TRADE PROJECT PROGRAM

**Governor/Legislature:** Repeal the export development program funded through the Wisconsin Development Fund (WDF). The Wisconsin trade project program, which would be funded through the WDF, would be created to replace the export development program.

Through the Wisconsin trade project program, DOD would be authorized to reimburse eligible businesses for any of the following expenses:

- a. Fees for participation in a trade show or matchmaker trade delegation event.
- b. Costs associated with shipping displays, sample products, catalogs or advertising material to a trade show or matchmaker trade delegation event;
- c. Costs incurred at a trade show or matchmaker trade delegation event for utilities, booth construction or necessary modifications or repairs.
- d. Costs associated with foreign language translation of brochures or product information, or translation services at a trade show or matchmaker trade delegation event.

To be eligible for reimbursement, a business would be required to be operating in the state and manufacturing a product and/or performing a service with a potential to be exported. The business, along with its affiliates, subsidiaries and parent company could generate no more than \$25,000,000 of gross annual sales in the preceding year.

A trade show would be defined as a trade event held in a country other than the U.S. that brings prospective foreign buyers to a central location and that is certified or coordinated by the U.S. Department of Commerce or DOD. A matchmaker trade delegation event would be a trade event that was planned by the U.S. Department of Commerce and that has prearranged meetings between new-to-market or new-to-export eligible businesses and prospective foreign representatives and distributors.

An eligible business would be required to submit an application to DOD that included:

- a. An export development plan and a description of how the activities that were reimbursed would benefit the applicant's ability to export its product or service.
- b. An itemized budget of expenses for which reimbursement is sought.
- c. A description of the proposed use of the reimbursement.
- d. Assurance that at least 50% of the manufactured value of the product or of the performance value of the service that is exported is produced in Wisconsin.

DOD approval for reimbursement of expenses would be based on consideration of:

- a. The extent to which the business' export development plan demonstrates the potential of the product or service to be exported in a particular foreign market.
- b. The extent to which the business' proposed reimbursable activities relate to the potential success of the product or service to be exported.

The Department would have to give priority to eligible businesses participating in its export mentoring program. A business that was approved for reimbursement would be required to provide DOD with documentation detailing the costs for which reimbursement was sought within 90 days after the related trade show or matchmaker trade delegation event.

The maximum reimbursement amount for an eligible business would be \$5,000 for a twelve-month period and a business could not receive more than \$5,000 for participation in a single trade show or matchmaker trade delegation event. An eligible business could not be reimbursed more than once for the same trade show or matchmaker trade delegation event that was held at different times or different locations. The maximum total reimbursement a business could receive through the trade project program would be \$15,000. Finally, the maximum total amount of WDF funds that could be used for reimbursement payments would be \$100,000 for a fiscal year.

The export development loan program provides loans of up to \$30,000, with a maximum term of three years, to Wisconsin businesses with gross annual sales of \$25 million or less that manufacture a product or perform a service with export potential. To receive loans, a small business must demonstrate; (a) that the product or service to be exported has potential for high sales in specific foreign markets; and (b) the business will maintain its Wisconsin operations for at least five years after completing all activities funded by the loan. Loan recipients are also required to expend from their own funds at least 50% of the loan amount on export development activities.

Loans may be used for the following activities: (a) engaging in foreign market research; (b) producing foreign language literature and foreign advertising; (c) obtaining technical information about exporting;

(d) paying most legal costs incurred in exporting a product or service; (e) locating and establishing sales agents in foreign countries; (f) hiring consultants to help prepare detailed export development plans and; (g) paying costs associated with developing new product lines or making product modifications to meet the demands of a foreign market.

The following activities may not be financed from loan monies: (a) product manufacturing or distribution costs; (b) preapplication costs; (c) entertainment costs; (d) employe compensation; (e) capital expenses; and (f) costs associated with establishing a foreign business office or attending foreign trade shows or trade missions.

[Act 27 Sections: 508, 512, 6890, 6896 and 6897]

**31. RURAL ECONOMIC DEVELOPMENT PROGRAM [LFB Paper 281]**

	Chg. to Base
GPR	- \$111,300
PR	<u>111,300</u>
Total	\$0

**Joint Finance/Legislature:** Increase the rural economic development program revenue repayments appropriation by \$86,800 PR in 1995-96 and \$24,500 PR in 1996-97 and reduce the rural economic development loans and grants GPR appropriation by \$86,800 GPR in 1995-96 and \$24,500 GPR in 1996-97. In addition, the eligible purposes for which a rural economic development working capital and fixed asset loan could be used would be expanded to include employe relocation costs incurred by an eligible business. DOD would be required to ensure that an employe of a business had the option of accepting or declining relocation assistance.

Under these provisions, total GPR funding for the rural economic development program would be \$209,200 in 1995-96 and \$271,500 in 1996-97. Total expenditure authority for the program revenue repayments appropriation would be \$131,800 in 1995-96 and \$79,500 in 1996-97. Consequently, total funding available for rural economic development grants and loans would be \$341,000 in 1995-96 and \$351,000 in 1996-97.

[Act 27 Sections: 6898r, 6898s and 6898t]

**32. HAZARDOUS POLLUTION PREVENTION PROGRAM [LFB Paper 280]**

	Jt. Finance/Leg. (Chg. to Base)	
	Funding	Positions
GPR	- \$83,400	- 1.00

**Governor:** Eliminate the Hazardous Pollution Prevention Board and hazardous pollution prevention grants, create the Hazardous Pollution Prevention Council and authorize funding to contract for business hazardous pollution assessments:

*Eliminate Hazardous Pollution Prevention Board.* Eliminate the Board as well as requirements that the DNR make certain notifications and reports to the Board concerning the state's capacity assurance plan for the management of hazardous waste generated in the state would be eliminated.

In place of the Board, a Hazardous Pollution Prevention Council would be created under DOD. The Council would consist of seven members appointed by the Governor for three-year terms. The Council would be required to: (1) monitor and make recommendations to DOD and other state agencies concerning pollution prevention activities in the state; (2) advise DOD and other state agencies on the promotion of hazardous pollution prevention; (3) recommend educational priorities to the UW-Extension for its hazardous pollution prevention program; and (4) with the assistance of DOD, DNR and the UW-Extension prepare and submit to the Governor and Legislature, by February 15, of each odd-numbered year, a report on the Extension's hazardous pollution program, state hazardous pollution prevention activities and the hazardous pollution prevention activities of DOD and other state agencies. Initially the terms set for members of Council would be: two members with terms expiring on July 1, 1996; three members with terms expiring on July 1, 1997; and two members with terms expiring on July 1, 1998.

Under the statutes, councils are advisory bodies while boards are policy-making bodies with rule-making authority.

Under current law, the Board consists of 13 members appointed for three-year terms. The Board members include: (a) the DNR hazardous pollution prevention coordinator; (b) representatives of DILHR, DOD and H&SS appointed by their respective secretaries; (c) a representative of the UW system appointed by the president or a designee; (d) a member representing small business appointed by the Speaker of the Assembly; (e) two members representing large business one appointed by the Governor and one appointed by the minority leader of the Senate; (f) three members representing environmental groups, one appointed by the Governor, one appointed by the minority leader of the Assembly and one appointed by the President of the Senate; (g) a representative of organized labor; and (h) a representative of a municipality with a publicly owned wastewater treatment work.

The Board is required to:

- a. coordinate and monitor hazardous waste pollution prevention activities in the state;
- b. advise the Department and other state agencies about the promotion of hazardous pollution prevention;
- c. award hazardous pollution prevention assessment grants;
- d. recommend educational priorities to the UW-Extension program, considering volume and toxicity of hazardous substances, toxic pollutants and hazardous waste produced, lack of compliance with environmental standards, potential for hazardous pollution prevention and projected shortfalls in hazardous waste treatment or disposal facilities under the capacity assurance plan;



e. with the assistance of DOD monitor and review the UW-Extension hazardous pollution prevention program, the hazardous pollution prevention activities of DOD, and the states implementation of the hazardous pollution prevention goals in the capacity assurance plan;

f. with the assistance of DOD prepare and submit to the Governor and Legislature, by March 31 of the year following a year in which the capacity assurance plan is not revised, a report on the UW-Extension hazardous pollution prevention plan, the implementation of the hazardous pollution prevention goals in the capacity assurance plan, the hazardous pollution prevention activates of the department, the hazardous pollution prevention assessment grant program and other hazardous pollution prevention activities in the state; and

g. seek private funding to promote hazardous pollution prevention.

*Hazardous Pollution Prevention Assessment Grants.* Hazardous pollution prevention assessment grants would be eliminated. Instead, current funding for the grant program could be used to contract with the UW-Extension Solid and Hazardous Waste Center for assessment services. The DOD contract, if entered into, would have to require the Solid and Hazardous Waste Center to:

a. Expand its education program to include performing specified businesses assessments that would: (1) determine the full costs of using and producing hazardous substances, toxic pollutants and hazardous waste; (2) identify processes that use or produce hazardous substances, toxic pollutants or hazardous waste and the composition of the hazardous substances, toxic pollutants or hazardous waste; and (3) identify hazardous pollution prevention options.

b. Consider the following in conducting the business assessment activities under the contract: (1) the need for a hazardous pollution prevention assessment and a program participant's willingness to participate in an assessment; (2) the technical and financial ability of a program participant to implement hazardous pollution prevention; and (3) the potential for others to use the information gained from a hazardous pollution prevention assessment.

DOD, DNR and the Council would be required to conduct and coordinate an educational, environmental management and technical assistance program to promote hazardous pollution prevention among businesses in the state.

Under current law, the Board may award hazardous pollution prevention assessment grants to businesses, local units of government, military installations or other organizations in the state that use hazardous substances, toxic pollutants or hazardous waste. The grants must be used to pay for assistance in conducting hazardous pollution prevention assessments for the following purposes:

a. Determining the full costs of using, producing and disposing of hazardous substances, toxic pollutants and hazardous waste.

- b. Identifying processes that use or produce hazardous substances, toxic pollutants or hazardous waste and the composition of hazardous substances, toxic pollutants or hazardous waste.
- c. Identifying the source of hazardous waste and the amount of hazardous waste produced within each process that uses or produces hazardous substances or waste.
- d. To identify hazardous pollution prevention options and the costs and benefits of implementation.

Under current law, an eligible applicant may receive a grant equal to the lesser of 75% of the cost of a hazardous pollution prevention assessment or \$7,500. DOD administers the program and makes recommendations concerning applications. DOD bases its recommendations on the following criteria: (a) the likelihood that an applicant will be technically and financially able and willing to implement hazardous pollution prevention; (b) the volume and toxicity of hazardous substances, toxic pollutants and hazardous waste produced by an applicant; (c) the potential for others to use the information gained from an applicant's hazardous pollution assessment ; and (d) providing grants to a range of types of applicants.

**Joint Finance/Legislature:** Modify provisions to delete \$41,700 and 1.0 position annually.

[Act 27 Sections: 127, 129, 510, 1773 thru 1775, 4321 thru 4325, 4337, 4339, 4343, 4345, 4347 thru 4349, 6908 thru 6915 and 9116(1)]

### 33. MINOR REORGANIZATION ADJUSTMENTS [LFB Paper 282]

**Governor:** Transfer funding and position authority between appropriations to facilitate minor reorganizations as follows:

- a. Transfer \$100,900 GPR and 2.0 GPR positions annually from community development general program operations to the Main Street program.
- b. Transfer \$29,700 GPR and 1.0 GPR position annually from the technology-based economic development program to development finance general program operations.

The transfers are intended to allocate personnel to better represent Department staffing needs.

**Joint Finance/Legislature:** Modify provision to eliminate the transfer of \$29,700 GPR and 1.0 GPR position annually from the technology-based economic development program to development finance general program operations appropriation. (See Item #19)

**34. TRANSFER DIVISION OF TOURISM TO DEPARTMENT OF TOURISM [LFB Paper 890]**

	<b>Governor</b>		<b>Jt. Finance</b>		<b>Senate/Leg.</b>		<b>Net Change</b>	
	<b>(Chg. to Base)</b>		<b>(Chg. to Gov.)</b>		<b>(Chg. to JFC)</b>			
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	-\$10,212,400	- 34.50	-\$206,000	- 3.00	-\$5,166,300	0.00	-\$15,584,700	- 37.50
PR	- 4,200	0.00	0	0.00	- 2,100	0.00	- 6,300	0.00
Total	-\$10,216,600	- 34.50	-\$206,000	- 3.00	-\$5,168,400	0.00	-\$15,591,000	- 37.50

**Governor:** Delete \$10,212,400 GPR, \$4,200 PR and 34.5 GPR positions in 1996-97 to transfer the Division of Tourism to the new Department of Tourism and Parks. (Incumbent employees would be transferred and would have the same rights and status and would not serve a probationary period.) As part of the reorganization, the Council on Tourism and related activities and responsibilities would be transferred as well. The transfer would be effective July 1, 1996.

Under current law, the Division of Tourism is responsible for promoting the state's tourism industry to both residents and nonresidents. It manages the state's seasonal marketing campaigns which utilize television, radio, print and other forms of advertising to encourage vacationing in Wisconsin. Other related marketing activities include: providing informational publications; arranging customized tours for travel writers; maintaining a slide, print and videotape library; operating a phone information system; providing additional information through press releases, newsletters, interviews and public service announcements.

The Division administers the joint marketing grant program funded through the tourism marketing appropriation. Public agencies and private non-profit organizations may submit applications for grants to fund up to 50% of the cost of a project related to developing publicity or producing or placing advertising to promote tourism activities.

The Division is responsible for operating tourist information centers, promoting Wisconsin as a location for film and television activities and administering the heritage tourism program. The heritage tourism program promotes tourism that has as its primary objective the enjoyment of historic and prehistoric resources. The Division also utilizes tourism development consultants to provide advice and assistance to business executives and managers, DOD's management staff and local economic, community and tourism development leaders.

Under current law, the Council on Tourism has 21 members and advises DOD on matters related to tourism. The 21 members include 14 gubernatorial appointees, the Secretary of DOD, a Senator and a Representative of each party, the Executive Secretary of the Arts Board and the Director of the State Historical Society. Nominations for appointments to the council are sought from various organizations, associations and businesses related to tourism and are made to achieve geographical balance and to reflect the diversity of the tourism industry. All members, except ex-officio members, are required to have experience in marketing and promotion strategy. Five members are selected by the Council from among its appointed members as a marketing committee to assist in annually formulating a statewide tourism

marketing strategy. The strategy is a plan for marketing and promoting facilities and attractions in the state during the ensuing year and DTP would be required to implement it in the ensuing year.

Currently, the Secretary of DOD or a designee is required to be a member of various commissions, boards and councils that are related to its tourism function. These entities include the Mississippi River Parkway Commission, Inland Lakes Protection and Rehabilitation Council, the Milwaukee River Revitalization Committee, the Historical Markers Council and the Submerged Cultural Resources Council.

**Joint Finance:** Modify provision to transfer an additional \$206,000 GPR and 3.0 GPR positions in 1996-97 to the Department of Tourism.

**Senate/Legislature:** Delete \$5,166,300 GPR, \$2,100 PR and 37.5 GPR positions in 1995-96 to reflect creation of the new Department of Tourism, effective January 1, 1996, rather than July 1, 1996.

[Act 27 Sections: Shown under "Tourism"]

### 35. TRANSFER SAFETY AND BUILDINGS DIVISION FUNCTION [LFB Paper 585]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$3,674,100	2.00	-\$119,300	-1.00	\$0	0.00	\$0	0.00	\$3,554,800	1.00
FED	980,100	16.50	6,000	0.05	0	0.00	0	0.00	986,100	16.55
PR	21,685,100	217.85	742,200	-0.31	45,000	0.00	-542,300	0.00	21,930,000	209.24
SEG	92,092,700	80.90	21,400	0.26	11,200	0.00	-11,200	0.00	92,114,100	80.96
Total	\$118,432,000	317.25	\$650,300	-1.00	\$56,200	0.00	-\$535,500	0.00	\$118,585,000	307.75

**Governor:** Provide \$3,674,100 GPR, \$980,100 FED, \$21,685,100 PR, \$92,092,700 SEG, 2.0 GPR positions, 16.5 FED positions, 217.85 PR positions and 80.9 SEG positions in 1996-97 to transfer the Safety and Buildings Division from DILHR to DOD, effective July 1, 1996.

Transfer the following councils from DILHR to DOD: Dwelling Code Council; Contractor Financial Responsibility Council; Fire Prevention Council; Plumbers Council; Automatic Fire Sprinkler System Contractors and Journeymen Council; Petroleum Storage Environmental Cleanup Council; and Multifamily Dwelling Code Council.

Transfer current DILHR employees (incumbent employees would be transferred and would have the same rights and status and would not serve a probationary period), program assets and liabilities, tangible personal property and pending matters relating to the Safety and Building Divisions and Councils to DOD. Direct that existing contracts, rules and orders relating to the transferred programs remain in effect after the transfer. Direct the Secretary of DILHR and the Secretary of DOD to submit a request to the Joint

Committee on Finance, for consideration at its fourth quarterly meeting for 1995 under section 13.10, for any adjustments of the transfer of costs associated with the transfer of personnel.

Extend the current class D felony (punishable by up to five years imprisonment) of battery or threat of battery to a DILHR employe (or family member) when acting in an official capacity to also apply to any DOD employes or family members, effective July 1, 1996.

**Joint Finance:** Transfer the following councils from DILHR to DOD on September 1, 1995, instead of on July 1, 1996: Dwelling Code Council; Contractor Financial Responsibility Council; Fire Prevention Council; and Multifamily Dwelling Code Council.

Transfer the Safety and Buildings Division Code Development Section from DILHR to DOD under the Secretary of DOD on September 1, 1995, instead of on July 1, 1996. Delete \$497,300 PR and 7.5 PR positions in 1995-96 in DILHR and provide a corresponding amount of funding and positions in DOD in 1995-96. Transfer the incumbent employes on September 1, 1995, instead of on July 1, 1996. Specify that the DILHR Secretary would retain all programmatic direction of the 7.5 transferred positions for purposes of rule-making authority for Safety and Buildings Division rules until the Division is transferred to DOD on July 1, 1996. Specify that employes transferred from DILHR to DOD would have all the rights and the same status under state employment relations provisions that they had in DILHR immediately before the transfer. No transferred employe who has attained permanent status in class would be required to serve a probationary period.

Make adjustments in the transfer to reflect the following Committee decisions, including: (a) provide \$200,000 PR in 1996-97 to transfer funds provided to fire departments under fire dues distribution; (b) convert funding for the Safety and Buildings Division Administrator from GPR to PR, SEG and FED (delete \$119,300 GPR in 1996-97 and 1.0 GPR position and provide \$82,300 PR, \$31,000 SEG and \$6,000 FED in 1996-97 and 0.69 PR, 0.26 SEG and 0.05 FED position); and (c) delete \$37,400 PR and 1.0 PR position relating to general position and funding reductions; and (d) delete \$9,600 SEG relating to the petroleum inspection fee collection transfer from DILHR to DOR.

**Assembly/Legislature:** Transfer \$45,000 PR in 1995-96 with a 0.8 PR and 0.2 SEG senior civil engineer position from DILHR to DOD on September 1, 1995. In addition, provide DOD with \$11,200 SEG in 1995-96. Specify that the Secretary of DOD would supervise and have all programmatic direction of the 8.5 transferred positions related to code development. Specify that the Secretary of DOD would have authority to promulgate all rules related to Safety and Buildings Division functions effective September 1, 1995.

**Veto by Governor [A-4 and B-5]:** Delete the transfer of the 8.5 positions from DILHR to DOD on September 1, 1995, and delete the provision that the Secretary of DOD would have programmatic direction over the employes and would have authority to promulgate all rules related to Safety and Buildings Division functions before July 1, 1996. Delete \$542,300 PR and \$11,200 SEG with 8.3 PR and 0.2 SEG positions provided to DOD in 1995-96. Correct a technical drafting error by changing a reference for

amending s. 626.12(13) to s. 626.12(3) related to the effective date of the transfer of the Safety and Buildings Division from DILHR to DOD.

[Act 27 Sections: 3, 4, 44, 46, 128m, 152, 153, 155, 159 thru 162, 172, 224, 301, 384, 398, 402, 516, 517p, 517r, 616, 617, 962 thru 966, 969, 973, 975 thru 977, 978m, 979 thru 983, 985, 987 thru 992, 1658, 1670, 1691, 2334, 2338, 2599, 3222, 3223, 3235, 3236, 3245, 3289, 3302, 3303, 3317 thru 3319, 3325 thru 3330, 3347, 3476, 3479, 3525, 3610 thru 3629, 3631 thru 3645, 3650, 3651, 3651m, 3656 thru 3659, 3662, 3666 thru 3673, 3674 thru 3676, 3678 thru 3680, 3683, 3686 thru 3694, 3713, 3714, 3716, 3717, 3719, 3720, 3726 thru 3741, 3743, 3746 thru 3753, 3754 thru 3756, 3757, 3759 thru 3762, 3765p, 3766 thru 3770, 3776, 3778, 3780 thru 3782, 3784, 3790 thru 3792, 3867 thru 3870, 3938, 4144, 4204, 4210, 4214, 4303cm, 4332, 4355 thru 4359, 4361, 4402, 4405, 4406, 4441, 4455, 4464 thru 4473, 4481, 5236, 5973, 6220, 6224, 6225, 6227, 6238, 6298, 6309 thru 6311, 6323, 6327, 6330 thru 6343, 6344, 6345, 6415, 6416, 6605, 6606, 6615, 6616, 6884 thru 6887, 6894, 7019, 7037, 7041, 7061, 7067, 7098, 7103, 7214, 7215, 7227 thru 7229, 7292, 9116(7m), 9130(1g),(2),(3),(4)&(7) and 9430(1g)&(4)]

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.143(7)(jz)&(rz)), 517p, 517r, 978m, 979, 3727g, 3727h, 3729d thru 3729m, 3733c, 3733g, 3733L, 3733p, 3733t, 3733x, 9116(7m), 9130(1g) and 9430(1g),(2)&(4)]

**36. TRANSFER LEAKING UNDERGROUND STORAGE TANK (LUST) PROGRAM FUNCTIONS [LFB Papers 732 and 736]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$3,755,300	35.50	-\$3,755,300	- 35.50	\$0	0.00
SEG	475,000	8.00	210,700	4.00	685,700	12.00
Total	\$4,230,300	43.50	-\$3,544,600	- 31.50	\$685,700	12.00

**Governor:** Provide \$3,755,300 FED, \$475,000 SEG, 35.5 FED positions and 8.0 SEG positions in 1996-97 to transfer employees and functions related to the leaking underground storage tank (LUST) program from DNR on July 1, 1996. This would transfer responsibility for administering cleanup requirements at petroleum product storage tanks and federally-regulated LUST tanks from DNR to DOD.

Under the current hazardous substances spills law and federal law, DNR requires responsible parties to clean up spills or discharges of hazardous substances, including at storage tanks, to restore the environment to the extent practicable. DNR currently receives federal funding from the Environmental Protection Agency (EPA) to manage cleanups at high priority LUST sites. DNR receives SEG funding from the petroleum inspection fund to determine when remediation activities at petroleum environmental cleanup fund program (PECFA) sites meet the requirements of the hazardous substance spills law.

Create a regulated storage tank program in DOD, effective July 1, 1996, under which owners or operators of petroleum product storage tanks and underground storage tanks regulated under the federal

LUST program or persons responsible for a discharge from regulated tanks must take remedial actions in response to discharges to restore the environment to the extent practicable. Authorize DOD to issue an order requiring a responsible person to take remedial action in response to a discharge from a regulated storage tank. Any person who violates a rule promulgated or an order issued under the program shall pay a fine of between \$10 and \$5,000 for each day of violation.

Require DNR to notify DOD when it receives notices of discharges of hazardous substances from regulated storage tanks. Under current law, any person who causes the discharge of a hazardous substance is required to notify DNR of the discharge.

Restrict DNR's authority to take actions or issue orders under the hazardous substances spills law in response to discharges from regulated storage tanks (including identifying, locating, monitoring, containing, removing, or disposing of hazardous substances or other appropriate emergency actions). DNR could take actions or issue orders if one or more of the following apply: (a) an emergency action or order is necessary to prevent or mitigate an imminent hazard to public health, safety, welfare or the environment; (b) DOD requests DNR to take an action or issue an order; (c) the Secretary of DNR approves the action or order in advance after notice to the Secretary of DOD; (d) DNR takes action after the responsible person fails to comply with an order issued by DNR; and (e) DNR takes action because the identity of the responsible person is unknown.

Transfer DNR employes (incumbent employes would be transferred and would have the same rights and status and would not serve a probationary period), assets, liabilities, personal property, rules and orders related to regulated storage tanks to DOD on July 1, 1996. Direct that any pending matters and contracts shall remain in effect after the transfer. Direct the Secretaries of DNR, DILHR and DOD to work together to ensure that the changes in the state's program for underground storage tank regulation that result from the transfer of responsibility for the program from DNR to DOD are approved by EPA by January 1, 1997.

**Joint Finance/Legislature:** Retain authority in DNR for: (a) administration of high-priority and multiple contaminant cleanups; (b) acting as the agency that would contract with EPA for federal LUST grants and associated high-priority cleanups; and (c) administration of all federally-regulated chemical (non-petroleum) underground storage tank site cleanups. Change jurisdiction for low- and medium-priority non-PECFA eligible petroleum storage tank sites from DNR to DOD (which means that all low- and medium-priority petroleum storage tank site cleanups would be administered by DOD). Specify that DOD shall follow rules promulgated by DNR for the cleanup of discharges of hazardous substances.

Retain the 35.5 FED positions in DNR instead of transferring them to DOD. Transfer 4.0 additional SEG positions with \$210,700 SEG in 1996-97 to DOD.

Direct DOD and DNR to prepare a memorandum of understanding and submit it to the Secretary of DOA no later than October 15, 1995, for approval. Specify that, at a minimum, the memorandum of understanding establish the following: (a) the division of responsibilities under the law; (b) the respective functions of the two agencies; (c) procedures that will be implemented to ensure that actions are consistent

with the hazardous substances spills law; and (d) procedures, standards and timelines for determining which sites qualify as low-, medium- and high-priority sites under Wisconsin Administrative Code Chapter NR 710.

[Act 27 Sections: 993, 3665, 3677b, 3682, 3685, 4326, 4328, 4329, 9142(6) and 9442(7)]

**37. TRANSFER RECYCLING MARKET DEVELOPMENT BOARD [LFB Paper 735]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
SEG	\$18,247,400	2.00	-\$18,555,000	- 4.00	-\$307,600	- 2.00

**Governor:** Transfer the Recycling Market Development Board from DOA to DOD on the effective date of the biennial budget act. Eliminate the Council on Recycling and transfer its responsibilities to the Board. Provide DOD with \$9,123,700 and 2.0 positions annually, including: (a) transfer \$9,000,000 annually in a biennial appropriation from the current Board financial assistance appropriation in DOA to DOD; and (b) provide \$123,700 and 2.0 positions annually in DOD to staff the Board, increasing existing DOD administrative funding for recycling market development from \$153,800 and 2.0 positions to \$277,500 and 4.0 positions annually to staff the Board. Direct that DOD provide staff for the Board. Eliminate the current requirement that DNR and DOD each provide two positions to staff the Board.

**Joint Finance/Legislature:** Transfer the Board from DOA to the University of Wisconsin - Extension instead of to DOD. Delete \$9,277,500 and 4.0 positions annually in DOD to reflect the transfer. Direct that on the later of July 1, 1997, or the effective date of the 1997-99 biennial budget act, the Board shall be attached to DOD instead of to UW-Extension. Retain the Council on Recycling.

Modify the current requirement relating to DOD's authority to promulgate rules for the provision of recycling market development financial assistance to specify that DOD may promulgate the rules if specified in a memorandum of understanding, agreement or contract between DOD and the Board.

For additional information on the changes related to the Board, see "University of Wisconsin System."

[Act 27 Sections: 220g, 608s, 609g, 609j, 1775f, 4436d, 6887k, 9157(2p) and 9457(1p)]



**38. TRANSFER CENTER FOR INTERNATIONAL AGRIBUSINESS MARKETING FROM DATCP [LFB Paper 163]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$834,900	12.00	-\$834,900	- 12.00	\$0	0.00

**Governor:** Provide \$834,900 and transfer 12.0 positions in 1996-97 related to the Department of Agriculture, Trade and Consumer Protection's (DATCP) international agribusiness marketing functions to the DOD Division of Economic Development.

DATCP is currently required to operate a center for international agribusiness marketing. The bill would transfer the responsibility to operate the center to DOD effective July 1, 1996. DATCP rules and orders relating to its international agribusiness marketing functions that are in effect on July 1, 1996, would remain in effect until their specified expiration dates or until amended, repealed or rescinded by the DOD.

Transfer to DOD the current DATCP employees (incumbent employees would be transferred and would have the same rights and status and would not serve a probationary period), program assets and liabilities, contracts, tangible personal property and pending matters primarily relating to the operation of the international agribusiness center, as determined by the Secretary of the Department of Administration.

**Joint Finance/Legislature:** Delete the provision to transfer international agribusiness marketing functions to DOD. Further, require that the no later than the seventh month after the effective date of the bill, DATCP enter into a memorandum of understanding with DOD that includes a strategic plan for international agribusiness marketing and development and that specifies how the agencies will coordinate their promotional efforts relating to agricultural or agribusiness products.

[Act 27 Section: 3566e]

**39. TRANSFER PLAT REVIEW FUNCTIONS FROM DATCP**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$316,000	5.50	-\$12,600	- 0.50	\$303,400	5.00

**Governor:** Provide \$316,000 and 5.5 positions associated with the transfer of the plat review functions from the Department of Agriculture, Trade and Consumer Protection (DATCP) to the DOD Division of Economic Development, effective July 1, 1996. Under the bill, program revenues would continue to be provided from plat review fees.

Current law requires that anyone subdividing a parcel of land into five or more lots of one and one-half acres or less must have the land surveyed and the plat of land approved and recorded by the required local and state agencies. DATCP currently receives subdivision plats and reviews the plats to determine whether they comply with state requirements, including those concerning surveying, lot size, street width and format. DATCP also distributes copies of proposed plats to other state and local agencies for their review. No plat may be given approval by a local governing body until DATCP certifies on the original plat that it complies with state requirements.

Under the current program, DATCP, by administrative rule, charges fees to recover the cost of reviewing subdivision and assessor plats for state certification. DATCP currently charges a flat \$100 submittal fee for each plat development, \$15 for each lot within the plat and a \$20 to \$30 reproduction and postage fee for costs incurred in processing plats.

DATCP rules and orders relating to its plat review functions that are in effect on July 1, 1996, would remain in effect until their specified expiration dates or until amended, repealed or rescinded by the Department.

The bill would transfer to DOD the current DATCP employees (incumbent employees would be transferred and would have the same rights and status and would not serve a probationary period), program assets and liabilities, contracts, tangible personal property and pending matters primarily relating to plat review, as determined by the Secretary of the Department of Administration.

**Joint Finance/Legislature:** Modify provision to reduce the transfer from DATCP by \$12,600 and 0.5 position to reflect deletion of 0.5 plat review position as part of general position and funding reductions. As a result, a total of \$303,400 and 5.0 positions would be transferred from DATCP to DOD in 1996-97.

[Act 27 Sections: 483, 489, 3361, 3362, 3556, 3569, 6308, 9104(3), 9404(5) and 9430(7)]

#### 40. TRANSFER MUNICIPAL BOUNDARY REVIEW

**Governor:** Transfer the responsibility for the review of town incorporations, consolidations and annexation from DOA to the Department of Development on July 1, 1996. Transfer \$97,300 and 2.0 positions in 1996-97 from DOA to the Department of Development. [The State Budget Office indicates that language transferring the positions and the incumbents, all assets and liabilities, tangible personal property, records, rules and orders, and pending matters should have been included in the bill.]

	Chg. to Base Funding Positions	
GPR	\$97,300	2.00

Under current law, most towns may incorporate as a city or village only after following certain procedures and receiving approval for the incorporation from a circuit court and from the Department of Administration (DOA). Further, if a town wishes to consolidate with another contiguous city, village or town, the consolidation may not take effect unless a circuit court and DOA find that the proposed consolidation is in the public interest. Town territory that is contiguous to any city or village may be annexed to that city or village under several methods, including direct annexation and annexation by

referendum. Under both of these methods, in a county with a population of at least 50,000, DOA is authorized to advise whether the proposed annexation is against the public interest. Upon receiving notice, the annexing municipality is required to review DOA's advice before final action is taken.

**Joint Finance/Legislature:** Include provision and specify that incumbent employes, assets and liabilities, property, records and pending matters would transfer with the boundary review function.

[Act 27 Sections: 3306 thru 3312, 9159(7x) and 9459(3)]

**41. TRANSFER RELOCATION ASSISTANCE PROGRAM**  
[LFB Paper 578]

	Chg. to Base Funding Positions	
GPR	\$58,900	1.00

**Governor:** Transfer administration of the relocation assistance program from DILHR to DOD, effective July 1, 1996. The program ensures that individuals who are displaced because of an eminent domain (condemnation) proceeding are compensated for their relocation costs by those acquiring the property. Direct the Secretary of DILHR and the Secretary of DOD to submit a request to the Joint Committee on Finance, for consideration at its fourth quarterly meeting for 1995 under section 13.10, for any adjustments of the transfer of costs associated with the transfer of personnel. (DILHR's Equal Rights Division administers the program with \$58,900 GPR and 1.0 GPR position annually; however, the bill does not delete the funding or position in DILHR or provide funding or a position in DOD).

**Joint Finance/Legislature:** Delete \$58,900 and 1.0 position in DILHR in 1996-97 and provide a corresponding amount to DOD to transfer the incumbent employe, with all associated employment rights, from DILHR to DOD. Delete the requirement that DILHR and DOD submit a request under s. 13.10 to make adjustments associated with the transfer of personnel.

[Act 27 Sections: 1713 thru 1735, 9130(2q) and 9430(4)]

**42. DEPARTMENT OF COMMERCE**

**Governor:** Effective, July 1, 1996, DOD would be reorganized and renamed the Department of Commerce. The powers and duties granted to the DOD and to the Secretary of DOD would be transferred to the Department of Commerce. The number of unclassified division administrators would be increased from five to six after the reorganization.

**Joint Finance/Legislature:** Modify provision to increase the number of unclassified division administrators from five to seven. Specify that the new divisions would be the Division of Environmental and Regulatory Services and the Division of International and Export Development. The Secretary of DOD would appoint the administrators of these new divisions.

[Act 27 Sections: 105, 126m, 126mg, 133, 188, 505, 1209, 6246m, 9115(5) and 9416(3)&(4g)]

#### 43. ENTERPRISE DEVELOPMENT ZONES

**Joint Finance:** Create an enterprise development zones program administered by the Department of Development (DOD). Under this provision, DOD would be authorized to designate enterprise development zones. Only one business would be eligible to claim credits in each zone. The maximum amount of credits that could be claimed by the eligible business in an enterprise development zone would be set by DOD, but could not exceed \$3,000,000. DOD could not designate more than 50 enterprise development zones unless it receive approval from the Joint Committee on Finance (see "General Fund Taxes").

**Assembly/Legislature:** Modify provisions to: (a) adopt carryover provisions for the development zones jobs and sales tax credits for claimants in enterprise development zones; and (b) clarify that only corporations are eligible for credits in development opportunity zones.

[Act 27 Sections: 2879mn thru 2879ms, 3378m thru 3381mm, 3394mp, 3400g, 3402mm, 3402r, 3403mm, 3404cgp, 3408g, 3410mm, 3410r, 3411mm, 3412rr, 3438m, 6895d, 6928c, 6933p, 6936p, 6936s, 6939g and 9316(1x)]

#### 44. DEVELOPMENT ZONES -- DAY CARE CREDIT

**Joint Finance:** Create a nonrefundable credit against taxes due under the individual, corporate and insurance company income and franchise taxes, for employment-related expenses paid or incurred by the claimant to provide day care center benefits to a qualified dependent. The maximum amount of employment-related expenses for which a credit could be claimed would be \$1,200 for each qualifying dependent (see "General Fund Taxes").

**Assembly/Legislature:** Modify provisions to: (a) clarify the definition of qualifying individual; (b) reference carryover provisions for changes in business ownership to federal Internal Revenue Code (IRC) provisions; (c) eliminate the \$2,500 maximum limit on day care benefits that can be included in qualifying wages used to determine the jobs credit; (d) require claimants of the day care credit to include a statement from DOD verifying the amount of daycare related expenses with their tax returns; and (e) specify the order in which development zones credits can be claimed in determining tax liability.

**Veto by Governor [B-4]:** Delete a statutory cross reference to development opportunity zones for the credit under the individual and insurance company income and franchise taxes. Only corporations which conduct economic activities in development opportunity zones are eligible to claim development zones credits.

[Act 27 Sections: 3373t, 3377m, 3393r, 3394mm, 3395m, 3399r, 3404cgm, 3404cm, 3406r, 3407m, 3412rg, 3438m, 3493m and 9348(6x)]

[Act 27 Vetoed Sections: 3377m and 3407m]

**45. DEVELOPMENT ZONES -- ENVIRONMENTAL REMEDIATION CREDIT**

**Joint Finance:** Create a nonrefundable credit against taxes due under the individual, corporate and insurance company income and franchise taxes, for 7.5% of the amount expended by the claimant to remove or contain environmental pollution as defined in s. 144.01(3) of the statutes, or to restore soil or groundwater affected by environmental pollution (see "General Fund Taxes").

**Assembly/Legislature:** Modify provisions to: (a) reference carryover provisions for changes in business ownership to federal Internal Revenue Code (IRC) provisions; (b) clarify that a business may claim an environmental remediation credit based on remediation expenses that are incurred after the business is certified; and (c) specify the order in which development zones credits can be claimed in determining tax liability.

**Veto by Governor [B-4]:** Delete statutory cross references to development opportunity zones for the credit under the individual and insurance company income and franchise taxes. Only corporations which conduct economic activity in development opportunity zones are eligible to claim development zones credits.

[Act 27 Sections: 3373t, 3377r, 3393r, 3394mm, 3395m, 3399t, 3404cgm, 3404cm, 3406r, 3407r, 3412rg, 3438m, 3493m and 9348(6x)]

[Act 27 Vetoed Sections: 3377r and 3407r]

**46. TECHNOLOGY AND POLLUTION CONTROL AND ABATEMENT**

	Chg. to Base
GPR	\$400,000
SEG	800,000
Total	\$1,200,000

**Joint Finance/Legislature:** Modify the current recycling grant and loan program to create a technology and pollution control and abatement program as follows:

1. Grants or loans up to a maximum of \$750,000 could be made to a business, municipality or other public entity, nonprofit organization or any entity organized by a group of those entities for: (a) production of a product made from one or more materials recovered from industrial waste or postconsumer waste; (b) technical research intended to result in development of a new, or improvement of an existing, process for processing industrial waste or postconsumer waste; (c) development, construction, purchase or operation of a facility or equipment for any of the following:

(1) To process industrial waste or postconsumer waste;

(2) To control or treat industrial wastes or air pollution, but not other wastes;

(3) To abate or eliminate air or water pollution from property is not used to grow agricultural products for sale;

(4) To reduce emissions of volatile organic compounds from any stationary source that the claimant owns or operates in a nonattainment area or a volatile organic compound accommodation area;

(5) To comply with the air pollution control requirements of the federal clean air act, state statutes or a local air pollution control program established under the statutes.

The grant or loan proceeds could be used for technical research, capital expenses or working capital expenses. Authority to grant loans to establish or expand a cloth diaper service would be deleted.

2. Loans or grants up to a maximum of \$100,000 could be made to new or expanding businesses, municipalities or other public entities, nonprofit organizations or entities organized by a group of those entities for the activities under 1(a) through 1(c) above, as well as for specialized technical research, technical assistance, process assessment, process development, product testing and product development.

3. Loans or grants of up to \$25,000 could be made to new or expanding businesses, municipalities or other public entities, nonprofit organizations or entities organized by a group of any of those entities for investigating the feasibility of activities under 1(a) through 1(c) above as well as for preparing feasibility studies for processing industrial waste or postconsumer waste, detailed marketing plans and detailed business plans.

4. The Development Finance Board would be required to consider the following criteria before making an award:

(a) If the project is for the production of a product made from post-consumer waste, whether the production is consistent with priorities established by the Recycling Market Development Board for developing markets for materials derived from postconsumer waste;

(b) The likelihood that the project will be completed;

(c) If the grant or loan is for a project relating to the processing of postconsumer waste, whether there is or is likely to be a market for the processed materials;

(d) Whether the project is in the best interest of the state in order to: (1) protect public health; (2) protect, maintain and improve the quality and management of the waters of the state, ground and surface, public and private; (3) protect, maintain and improve the quality of the air and natural environment; and (d) conserve resources and energy.

5. In 1995-96, \$1,200,000 would be provided for grants and loans as follows: \$400,000 GPR would be provided with an offsetting reduction that is shown under the Wisconsin development fund; \$400,000 SEG would be transferred from the Recycling Market Development Board's financial assistance appropriation; and \$400,000 would be transferred from the balance of the environmental repair account of the environmental fund. Separate GPR and SEG appropriations would be created to distribute the technology and pollution abatement and control grants. No funds could be encumbered from these

appropriations after July 1, 1997. Loan repayments would be deposited in the recycling fund repayments appropriation.

[Act 27 Sections: 508d, 514e, 514g, 6925t, 6930 and 6933jb thru 6933jz]

**47. PERMIT INFORMATION CENTER**

**Joint Finance/Legislature:** Convert the permit information center to a bureau and name it the "Permit Information and Regulatory Assistance Bureau." The Bureau's responsibilities would be modified to include: (a) advocating legislative changes to improve and expedite the issuance of permits and licenses; (b) providing mediation and dispute resolution services to facilitate the resolution of disputes between regulatory agencies and persons who apply for permits and licenses; and (c) maintaining and publicizing the availability of DOD's toll-free telephone line to out-of-state callers. The due date for the Bureau's annual report would be changed from January 1 to April 1. Interagency cooperation provisions would be modified, to require regulatory agencies to review and revise applications and administrative rules to simplify and expedite the processing of permit and license applications. Specify that the Bureau's mediation activities would not affect a person's right to a contested hearing and clarify that the Bureau would not be liable from the failure of a person to seek a required permit.

[Act 27 Sections: 126mn, 126mp, 6226g, 6226j, 6887g and 6923maf thru 6925cn]

**48. EXPENDITURE REDUCTION**

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

**Joint Finance/Legislature:** Require the Department of Development (DOD) to reduce GPR expenditures to generate \$500,000 of savings annually in the 1995-97 biennium. Specify that the Secretary of Administration would lapse this \$1,000,000 to the general fund by the end of the 1995-97 biennium. Reduce DOD's base funding level in 1996-97 by \$500,000 to reflect these savings amounts. Provide that the Department would have flexibility to make the expenditure reductions. Require DOD to submit a plan identifying how the expenditure reductions will be made for review by the Joint Committee on Finance under a 14-day passive review process by January 1, 1996.

[Act 27 Section: 9116(6g)]

**49. ELIMINATE EXECUTIVE ASSISTANT**

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$179,200	- 1.00	\$0	1.00	-\$179,200	0.00

**Joint Finance:** Delete \$89,600 GPR and 1.0 GPR position annually to reflect elimination of state agency executive assistant positions.

**Senate/Legislature:** Restore the position authority but not the associated funding.

**50. GENERAL POSITION AND FUNDING REDUCTIONS**

**Joint Finance/Legislature:** Delete \$145,400 GPR and 4.05 GPR positions in 1995-96 and \$107,000 GPR and 3.05 GPR positions in 1996-97. Also, delete \$10,100 PR and 0.25 PR position and \$10,100 FED and 0.25 FED position annually.

	Chg. to Base Funding Positions	
GPR	- \$252,400	- 3.05
FED	- 20,200	- 0.25
PR	- 20,200	- 0.25
Total	- \$292,800	- 3.55

**51. MEXICO TRADE OFFICE**

**Assembly:** Provide \$37,000 annually to fund costs associated with operation of the Department's Mexico trade office. A separate appropriation would be created to provide the funding. The appropriation would be eliminated on July 1, 1997.

	Chg. to Base
GPR	\$74,000

**Senate/Legislature:** Delete the separate appropriation with \$37,000 of annual funding for the Department's Mexico trade office. Instead, provide \$37,000 annually to the economic and community development general operations appropriation to fund expenses of the Mexico trade office. This appropriation is the primary source of funding for contract and operating costs for the Department's foreign trade offices.



## DISTRICT ATTORNEYS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$48,329,000	\$56,817,700	\$56,344,800	\$56,344,800	\$56,344,800	\$8,015,800	16.6%
PR	<u>1,769,000</u>	<u>1,842,400</u>	<u>1,842,400</u>	<u>2,144,400</u>	<u>2,144,400</u>	<u>375,400</u>	<u>21.2</u>
<b>TOTAL</b>	<b>\$50,098,000</b>	<b>\$58,660,100</b>	<b>\$58,187,200</b>	<b>\$58,489,200</b>	<b>\$58,489,200</b>	<b>\$8,391,200</b>	<b>16.7%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	348.00	350.00	348.00	348.00	348.00	0.00
PR	<u>13.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>- 1.00</u>
<b>TOTAL</b>	<b>361.00</b>	<b>362.00</b>	<b>360.00</b>	<b>360.00</b>	<b>360.00</b>	<b>- 1.00</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Request an annual adjustment to the base budget for: (a) nonrecurring costs (-\$48,800 PR and -1.0 PR position); (b) full funding of continuing position salaries and fringe benefits (\$3,562,000 GPR and \$149,100 PR); (c) risk management costs (\$40,400 GPR); and (d) full funding for 1994-95 pay increases (\$485,300 GPR). The GPR funding for continuing position salaries and fringe benefits reflects increases under a collective bargaining agreement with assistant district attorneys and pay increases for district attorneys.

	Chg. to Base Funding Positions	
GPR	\$8,175,400	0.00
PR	<u>200,600</u>	<u>- 1.00</u>
<b>Total</b>	<b>\$8,376,000</b>	<b>- 1.00</b>

### 2. ADDITIONAL PROSECUTION POSITIONS [LFB Paper 295]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$170,900	2.00	-\$170,900	- 2.00	\$0	0.00

**Governor:** Provide \$73,200 in 1995-96 and \$97,700 in 1996-97 for 2.0 assistant district attorneys (one position each for Eau Claire and Monroe Counties).

Joint Finance/Legislature: Delete provision.

3. MILWAUKEE ANTI-DRUG PROSECUTION CLERKS [LFB Paper 296]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	\$133,900	- \$133,900	\$0	\$0
PR	- 127,200	0	133,900	6,700
Total	\$6,700	- \$133,900	\$133,900	\$6,700

**Governor:** Provide \$65,800 GPR in 1995-96 and \$68,100 GPR in 1996-97 and delete \$63,600 PR annually to convert funding of reimbursements to Milwaukee County for 2.0 clerical positions for the prosecution of anti-drug cases from program revenue to GPR. The reimbursements are funded through 1994-95 from federal anti-drug abuse funds. A four-year limitation on the use of federal funds for the reimbursements requires that federal funding be discontinued beginning in 1995-96. (A technical correction to the bill would be required to implement the Governor's intent.)

**Joint Finance:** Delete funds to reimburse Milwaukee County for two clerical positions in the District Attorney's Office for anti-drug prosecutions.

**Assembly/Legislature:** Provide \$65,800 PR in 1995-96 and \$68,100 PR in 1996-97 to reimburse Milwaukee County for the costs of 2.0 speedy trial clerical positions for the prosecution of anti-drug cases. Create a \$2 special prosecution clerks fee to be assessed in Milwaukee County on most civil court filings and forfeiture judgments. Revenue from the \$2 fee, estimated at \$126,100 in 1995-96 and \$189,200 in 1996-97, would provide funding to reimburse Milwaukee County for both anti-drug prosecution clerks and violent crime prosecution clerks.

[Act 27 Sections: 1035t, 1053m, 1053n, 7176 thru 7177m and 7293g]

4. MILWAUKEE VIOLENT CRIME PROSECUTION CLERKS [LFB Paper 296]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	\$8,500	- \$168,100	\$0	- \$159,600
PR	0	0	168,100	168,100
Total	\$8,500	- \$168,100	168,100	\$8,500

**Governor:** Provide \$2,800 in 1995-96 and \$5,700 in 1996-97 to increase the reimbursement of Milwaukee County for the costs of 2.5 clerical positions for the prosecution of violent crime cases, primarily involving murder, sexual assault and certain other felony violations committed while armed. (A technical correction to the bill would be required to implement the Governor's intent.)

**Joint Finance:** Delete \$82,600 in 1995-96 and \$85,500 in 1996-97 to eliminate funds to reimburse Milwaukee County for 2.5 clerical positions in the District Attorney's Office for the prosecution of violent crimes.

**Assembly/Legislature:** Provide \$82,600 PR in 1995-96 and \$85,500 PR in 1996-97 to reimburse Milwaukee County for the costs of 2.5 speedy trial clerical positions for the prosecution of violent crime cases. Create a \$2 special prosecution clerks fee to be assessed in Milwaukee County on most civil court filings and forfeiture judgments. Revenue from the \$2 fee, estimated at \$126,100 in 1995-96 and \$189,200 in 1996-97, would provide funding to reimburse Milwaukee County for both violent crime prosecution clerks and anti-drug prosecution clerks.

[Act 27 Sections: 1035r, 1035t, 1053m, 1053n, 7176 thru 7177m and 7293i]

## 5. CONTINUED FUNDING FOR ANTI-DRUG PROSECUTORS

**Governor/Legislature:** Provide continued funding for 4.0 assistant district attorney positions for anti-drug abuse prosecutions as follows: (a) 3.0 positions in Milwaukee County (\$204,300 PR in 1995-96 and \$220,600 PR in 1996-97); and (b) 1.0 position in Dane County (\$70,900 PR in 1995-96 and \$77,100 PR in 1996-97). Program revenue expenditure authority is adjusted under standard budget adjustments. Funding is provided from federal anti-drug abuse funds and state matching funds administered by the Office of Justice Assistance.

[Act 27 Sections: 9101(5)&(6)]

## EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act ?? Change Over Base Year Doubled	
						Amount	Percent
GPR	\$14,964,200	\$10,649,100	\$14,424,900	\$14,424,900	\$14,424,900	-\$539,300	- 3.6%
FED	944,800	472,400	944,800	944,800	944,800	0	0.0
PR	<u>11,226,400</u>	<u>10,807,900</u>	<u>11,162,300</u>	<u>11,162,300</u>	<u>11,162,300</u>	<u>- 64,100</u>	<u>- 0.6</u>
<b>TOTAL</b>	<b>\$27,135,400</b>	<b>\$21,929,400</b>	<b>\$26,532,000</b>	<b>\$26,532,000</b>	<b>\$26,532,000</b>	<b>-\$603,400</b>	<b>- 2.2%</b>

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	78.25	35.25	65.75	65.75	65.75	- 12.50
PR	<u>24.25</u>	<u>19.25</u>	<u>21.25</u>	<u>21.25</u>	<u>21.25</u>	<u>- 3.00</u>
<b>TOTAL</b>	<b>102.50</b>	<b>54.50</b>	<b>87.00</b>	<b>87.00</b>	<b>87.00</b>	<b>- 15.50</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the base budget for: (a) turnover reduction (-\$20,900 GPR annually); (b) full funding of salaries and fringe benefits (\$76,700 GPR, \$76,000 FED and \$16,200 PR annually); (c) overtime (\$69,400 GPR and \$10,000 PR annually); (d) night and weekend salary differentials (\$7,800 GPR annually); (e) fifth week vacation as cash (\$7,700 GPR in 1995-96, \$10,000 GPR and \$1,200 PR in 1996-97); (f) full funding of financial services charges (\$2,800 GPR and \$1,600 PR annually); (g) risk management charges (\$400 GPR annually); (h) reclassifications (\$6,100 GPR annually); (i) full funding of lease payments (\$18,800 GPR and \$6,300 PR in 1995-96, \$28,600 GPR and \$9,600 PR in 1996-97); (j) delayed pay adjustments (\$22,800 GPR and \$5,700 PR annually); (k) removal of noncontinuing elements from the base (-\$59,600 PR and -2.5 PR positions, -\$76,000 FED and -2.0 FED positions annually); (l) a technical correction (2.0 FED positions annually; and (m) minor transfers within the same appropriations and between appropriations. In total, these changes would increase funding by \$171,800 in 1995-96 and \$188,400 in 1996-97.

	Chg. to Base Funding Positions	
GPR	\$395,300	0.00
FED	0	0.00
PR	<u>- 35,100</u>	<u>- 2.50</u>
<b>Total</b>	<b>\$360,200</b>	<b>- 2.50</b>

**2. BUDGET REDUCTIONS: ENGINEERING/DELIVERY**

**Governor/Legislature:** Reduce the agency's budget for engineering/delivery by \$260,100 in 1995-96 and \$465,400 in 1996-97 by deleting the following positions: (a) 1.0 administrative planning position (-\$58,800 annually); (b) 3.0 instructional television fixed service (ITFS) maintenance positions by transferring equipment ownership to users (-\$126,600 annually); (c) 3.0 engineering support positions beginning in 1996-97 (-\$128,900); (d) 1.0 telecommunications engineer manager position (-\$69,200 annually); and (d) 1.0 engineer position beginning in 1996-97, by consolidating the Radio Operations Center, located on the UW-Madison campus, with the Telecommunications Operations Center (-\$40,700). In addition, reduce supplies and expenses funding by \$5,500 in 1995-96 and \$41,200 in 1996-97.

Chg. to Base Funding Positions		
GPR	- \$725,500	- 9.00

**3. BUDGET REDUCTIONS: PROGRAMMING**

**Governor/Legislature:** Reduce the agency's budget for programming as follows: (a) delete 0.5 GPR distance education regional consultant (-\$19,500 GPR annually) and an additional 0.5 GPR consultant beginning in 1996-97 (-\$19,600 GPR); (b) delete 1.0 GPR public information officer and 1.0 GPR graphic designer position for public television promotion beginning in 1996-97 (-\$74,700 GPR); (c) reduce supplies and expenses funding in 1996-97 (-\$2,400 GPR); and (d) delete 0.5 PR program assistant position (-\$14,500 PR annually).

Chg. to Base Funding Positions		
GPR	- \$135,700	- 3.00
PR	- 29,000	- 0.50
Total	- \$164,700	- 3.50

**4. BUDGET REDUCTIONS: ADMINISTRATION**

**Governor/Legislature:** Delete 0.5 program assistant position responsible for processing teacher manuals (-\$14,500 annually) and replace the agency's receptionist (currently LTE-funded) with voice mail (-\$7,800 annually).

Chg. to Base Funding Positions		
GPR	- \$44,600	- 0.50

**5. UTILITIES REESTIMATE**

**Governor/Legislature:** Reestimate the cost of fuel and utilities by -\$35,800 GPR in 1995-96 and -\$30,700 GPR in 1996-97 over the base level of \$474,200.

Chg. to Base	
GPR	- \$66,500

**6. DEBT SERVICE REESTIMATE**

**Governor/Legislature:** Reestimate debt service costs by -\$5,600 in 1995-96 and \$43,300 in 1996-97 over the base level of \$639,200.

Chg. to Base	
GPR	\$37,700

## 7. CONTRACTING FOR ENGINEERING SERVICES

**Governor/Legislature:** Permit ECB to enter into contracts with state agencies and local governmental units to furnish engineering and other services related to constructing or operating telecommunications facilities. In addition, create a continuing PR-S appropriation to enable ECB to receive money from other state agencies and modify ECB's gifts and grants appropriations to include moneys received from contracts.

[Act 27 Sections: 555, 556 and 1845]

## 8. TRANSFER OF ENGINEERING/DELIVERY DIVISION TO DEPARTMENT OF ADMINISTRATION [LFB Paper 300]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$3,775,800	- 30.50	\$3,775,800	30.50	\$0	0.00
FED	- 472,400	0.00	472,400	0.00	0	0.00
PR	- 354,400	- 2.00	354,400	2.00	0	0.00
Total	-\$4,602,600	- 32.50	\$4,602,600	32.50	\$0	0.00

**Governor:** Delete \$3,775,800 GPR and 30.5 GPR positions, \$472,400 FED and \$354,400 PR and 2.0 PR positions in 1996-97 to reflect the transfer of all engineering and delivery functions to the Department of Administration, effective July 1, 1996. Direct DOA to submit a plan to the Co-chairs of the Joint Committee on Finance, no later than June 1, 1997, to implement the transfer to DOA of any incumbent employees performing duties that are primarily related to the transmission and engineering functions (as reflected above) or to administrative and support services for such functions, as determined by the DOA Secretary. Provide that DOA could implement the plan upon its submittal to Joint Finance and that the plan would become effective no later than July 1, 1997.

Delete appropriations within ECB for utilities, debt service, transmitter construction and transmitter operation. Decrease the number of unclassified professional staff employed by ECB from 12 to 11 and the number of division administrators from four to three.

Provide that the transfer include all transmission/engineering related assets, liabilities, personal property, records and contracts, as determined by the DOA Secretary. According to ECB, the assets could include broadcast transmitter locations throughout the state comprised of land, towers and equipment; an office building and tower in Eau Claire; the Telecommunications Operations Center and Radio Operations Center in Madison; and instructional telecommunications fixed service (ITFS) transmitters, land and towers.

Repeal ECB's authority to (a) lease, purchase or construct radio and television facilities for joint use such as network interconnection or relay equipment, mobile units or other equipment available for statewide use; (b) apply for, construct and operate radio and television transmission equipment for broadcast service statewide; and (c) establish and operate an interconnection between the broadcast facilities and higher education campuses. These powers would instead be provided to DOA.

Require that ECB's affiliation agreement negotiated with the UW System with respect to broadcast stations WHA and WHA-TV be made jointly with DOA. In addition, permit DOA to become a co-licensee with the ECB on all ECB broadcast and narrowcast licenses.

**Joint Finance/Legislature:** Delete provisions. In addition, direct the Educational Communications Board and the UW Board of Regents, in consultation with the Department of Administration, to jointly identify to the Governor and the Joint Committee on Finance, no later than January 15, 1996, cost savings and efficiencies that may result from a consolidation of services, finances, personnel and functions of the current ECB and UW Extension's Division of Extension Communications.

[Act 27 Section: 9117(2g)]

## ELECTIONS BOARD

Budget Summary							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$1,458,400	\$1,355,400	\$1,477,400	\$1,477,400	\$1,477,400	\$19,000	1.3%
PR	37,600	172,600	50,600	50,600	50,600	13,000	34.6
SEG	<u>2,200,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>- 1,400,000</u>	<u>- 63.6</u>
<b>TOTAL</b>	<b>\$3,696,000</b>	<b>\$2,328,000</b>	<b>\$2,328,000</b>	<b>\$2,328,000</b>	<b>\$2,328,000</b>	<b>- \$1,368,000</b>	<b>- 37.0%</b>

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	14.00	11.00	13.00	13.00	13.00	- 1.00
PR	<u>0.00</u>	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>14.00</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>- 1.00</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Provide annual base budget adjustments for: (a) full funding of continuing salaries and fringe benefits (\$17,700 GPR); (b) full funding of State Bureau of Financial Services charges (\$200 GPR and \$100 PR); (c) reclassifications (\$15,500 GPR); (d) risk management costs (\$400 PR); (e) cash payments in lieu of a fifth week of vacation for certain long-term employees (\$2,900 GPR); (f) full funding of lease costs (\$200 GPR); and (g) full funding of delayed pay adjustments (\$2,600 GPR).

Chg. to Base	
GPR	\$78,200
PR	<u>1,000</u>
<b>Total</b>	<b>\$79,200</b>

### 2. ELIMINATE PUBLIC INFORMATION OFFICER POSITION [LFB Paper 306]

**Governor/Legislature:** Delete \$29,600 annually and 1.0 GPR public information officer 2 position. This position was originally provided in 1993 Wisconsin Act 16.

Chg. to Base Funding Positions		
GPR	- \$59,200	- 1.00



3. POLITICAL EXPENDITURE ADMINISTRATIVE FEE [LFB Paper 305]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR-REV	\$122,000	0.00	-\$122,000	0.00	\$0	0.00
GPR	-\$122,000	- 2.00	\$122,000	2.00	\$0	0.00
PR	<u>122,000</u>	<u>2.00</u>	<u>- 122,000</u>	<u>- 2.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

**Governor:** Delete \$61,000 GPR and substitute \$61,000 PR annually and, beginning in 1995-96, delete 2.0 GPR positions and provide 2.0 PR positions to convert the funding of these positions from GPR to program revenue received from a new administrative fee. Effective January 1, 1996, require individuals, committees or groups which, under current law, are required to file campaign finance registration statements with the Board to pay a \$100 annual filing fee if more than \$1,000 is disbursed during the calendar year by the individual, group or committee. Require the fee to be paid with the registrant's annual, continuing report filed each January or with a new registrant's initial campaign finance registration statement. Effective January 1, 1996, create a new, biennial program revenue appropriation for general program operation costs of the Board. Provide that all moneys received from the registration fee be credited to this appropriation. Revenue of \$61,000 annually is estimated from this new fee, most of which will be collected in January of each year.

**Joint Finance/Legislature:** Delete provision.

4. ELECTION CAMPAIGN FUND REESTIMATE

	Chg. to Base
SEG	-\$1,400,000

**Governor/Legislature:** Delete \$1,000,000 in 1995-96 and \$400,000 in 1996-97 to reflect a reestimate of funds available for campaign finance grants in 1995-97. Total grant levels are budgeted at \$100,000 in 1995-96 and \$700,000 in 1996-97.

5. PROGRAM REVENUE EXPENDITURE AUTHORITY

	Chg. to Base
PR	\$12,000

**Governor/Legislature:** Provide \$6,000 annually for increases in the cost of supplies, postage and shipping of election and campaign finance information and materials. Revenue to support these costs is derived from the sale of publications, charges for copies and materials provided to the public and fees assessed for certain services.

## 6. ELECTION CAMPAIGN FUND TAX FORM CHECKOFF

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR-REV	\$144,000	-\$144,000	\$0
SEG	-\$140,100	\$140,100	\$0

**Assembly:** Delete \$140,100 SEG and provide \$144,000 GPR-REV in 1996-97 to reflect the deletion of the current statutory provision which permits a tax filer to designate on his or her return that \$1 be transferred from the general fund to the Wisconsin Election Campaign Fund (WECF). Instead, effective with taxable years beginning on January 1, 1995, substitute a voluntary payment mechanism under which a tax filer may designate on his or her tax return an additional tax payment (or use of any portion of a refund due) on any amount to be paid to the WECF. If the individual owes any tax, require the amount designated for the WECF to be remitted in full when the individual files his or her tax return. If the individual is owed a refund, require DOR to deduct the designated amount from the amount of the refund.

If an individual who owes taxes fails to remit an amount totalling the actual tax due plus the amount designated for the WECF: (a) require DOR to reduce the designation for the WECF to the amount of the difference between the actual tax due and the amount remitted, if the individual remitted in excess of the actual tax due; or (b) provide that the designation for the WECF is void if the individual remitted an amount equal to or less than the actual tax due. If an individual is owed a refund that does not equal or exceed the amount designated for the WECF, require DOR to reduce the amount of the designation to the amount of the refund.

Require the Secretary of DOR to provide a place for the WECF designation on the individual income tax return and highlight the place by a symbol chosen by DOR that relates to elections. As under current law, direct the Secretary of DOR to certify to the Elections Board and the Secretary of DOA annually, on or before August 15, the total amount received from all taxpayer designations to the WECF. Provide that an amount designated for the WECF is not subject to refund unless the taxpayer submits to DOR within 18 months of the date taxes are due or the return is filed, whichever is later, that the designation amount is clearly in error. Require that any refunds be deducted from the funds designated for the WECF in the fiscal year that the refund is certified. Finally, require strict confidentiality of the names of persons making designations to the WECF as under current law.

**Senate/Legislature:** Delete provision.

## EMPLOYE TRUST FUNDS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$876,000	\$769,100	\$703,800	\$703,800	\$703,800	-\$172,200	- 19.7%
SEG	<u>23,902,600</u>	<u>28,373,400</u>	<u>26,575,200</u>	<u>26,575,200</u>	<u>26,575,200</u>	<u>2,672,600</u>	<u>11.2</u>
<b>TOTAL</b>	<b>\$24,778,600</b>	<b>\$29,142,500</b>	<b>\$27,279,000</b>	<b>\$27,279,000</b>	<b>\$27,279,000</b>	<b>\$2,500,400</b>	<b>10.1%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
SEG	172.60	174.60	171.85	172.85	172.85	0.25

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Papers 310 and 311]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$234,400	- 2.00	-\$996,800	0.00	-\$1,231,200	- 2.00

**Governor:** Annually, adjust the agency's base budget as follows: (a) turnover reductions (-\$166,800); (b) removal of noncontinuing elements from the base (-\$371,500 and -2.0 positions); (c) full funding of salary costs (\$241,100); (d) full funding of financial services charges (\$2,500); (e) overtime pay (\$45,700); (f) night and weekend differential pay (\$52,500); (g) fifth week of vacation as cash (\$20,700); and (h) full funding of delayed pay increases (\$58,600).

Also included as standard budget adjustment items are the following transfers of funding within the same appropriation: (a) \$348,400 from one-time financing for Wisconsin Employee Benefits System (WEBS) implementation to on-going WEBS supplies and services funding; and (b) \$100,000 from general administrative supplies and services funding available from information technology (IT) savings to LTE salary funding.

**Joint Finance/Legislature:** Deny the transfer of \$348,400 annually of base level WEBS funding from one-time financing purposes to on-going supplies and services purposes in the agency's appropriation for the design and implementation of automated data systems. Instead, delete \$348,400 annually with the understanding that the agency may return to the Joint Committee on Finance with a supplementation request under s. 13.10 based on a specific WEBS development budget for 1995-96 and 1996-97.

Further, approve the transfer of \$100,000 annually associated with IT-related savings from general administrative supplies and services funding purposes to LTE salary funding purposes but also: (a) delete \$150,000 annually of additional IT-related savings proposed to be used for unbudgeted overtime and extra hours salary and fringe benefits costs; and (b) transfer \$420,000 annually of on-going base level supplies and services funding associated with IT savings to one-time financing purposes.

**2. RETIRED EMPLOYEES' BENEFIT SUPPLEMENTS REESTIMATE [LFB Paper 312]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$106,900	- \$65,300	- \$172,200

**Governor:** Reduce base level funding by \$42,400 in 1995-96 and \$64,500 in 1996-97 to reflect the reduced amounts necessary to fund benefits supplements for retirees who first began receiving annuities prior to 1974. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. These supplements were authorized primarily by Chapter 337, Laws of 1973, and 1983 Wisconsin Act 394 and then modified by 1987 Wisconsin Act 27. Current base level funding for the appropriation is \$438,000.

**Joint Finance/Legislature:** Modify provision to further reduce base level funding by \$22,600 in 1995-96 and \$42,700 in 1996-97 to reflect updated projections of the supplements to be paid.

**3. ELECTRONIC DOCUMENT IMAGING SYSTEM**

	Chg. to Base Funding Positions	
SEG	\$3,876,700	3.00

**Governor:** Provide the following to begin the implementation of an electronic records management system using record imaging technologies: (a) \$933,200 in 1995-96 and \$1,166,500 in 1996-97 for consultant services to oversee the conversion to electronic document imaging; (b) \$933,400 in 1995-96 and \$125,000 in 1996-97 for initial hardware, software and network development costs; (c) \$135,500 in 1995-96 and \$146,200 in 1996-97 for 3.0 management information specialist positions (1 permanent and 2 project); (d) \$96,100 in 1995-96 and \$164,700 in 1996-97 for increased DOA Division of Information Technology Services charges; and (e) \$71,800 in 1995-96 and \$104,300 in 1996-97 for workflow management programming for the installed system.

**Joint Finance:** Modify provision to place the total amounts provided for the agency's electronic document imaging system (\$2,170,000 in 1995-96 and \$1,706,700 in 1996-97) in unallotted reserve. Provide that these funds are subject to release by DOA only after DOA has submitted a report to the Joint Committee on Information Policy and the Joint Committee on Finance providing at least all of the following: (a) the results of a review of the project by DOA's Division of Technology Management; (b) the specific objectives of the optical imaging project; (b) the schedule for the implementation of the project, including a projection of the effect, during the period of the actual records conversion to the optical imaging system, on ETF's ability to process affected records received prior to and during the conversion, and any expected backlogs in processing; (c) an evaluation of the effectiveness of the project activities, if any, to date; (d) the additional funding requirements, if any, for the project in the 1995-97 biennium, including any additional costs such as overtime or other personnel costs likely to be incurred as a result of any projected processing backlog; and (e) the funding requirements for the completion of the imaging project and/or operation of the imaging system in future biennia.

Specify that DOA may not release the funds until 14 working days after the date on which DOA provided the Joint Committee on Information Policy and the Joint Committee on Finance with copies of the required report on ETF's project. Further, require that DOA shall respond in writing to any concerns raised by either Committee regarding the proposed project before releasing the funds.

**Senate/Legislature:** Make a technical correction to appropriation references for amounts placed in unallotted reserve for the agency's document imaging system.

[Act 27 Section: 9119(1t)]

**4. INFORMATION SERVICES FOR WRS PARTICIPANTS AND ANNUITANTS [LFB Paper 313]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$354,000	- \$77,000	\$277,000

**Governor:** Provide funding for increased services to WRS participants and annuitants as follows: (a) \$108,000 in 1995-96 and \$144,000 in 1996-97 for a toll-free number to allow continuous access to the agency's existing automated voice message system; (b) \$38,500 annually to allow publication of an additional issue of the Department's newsletter each year, and (c) \$25,000 in 1995-96 for a one-time consultant survey of WRS participants' pre-retirement service needs.

**Joint Finance/Legislature:** Delete \$38,500 annually for the publication of an additional issue of the Department's newsletter.

**5. AGENCY SPACE REMODELING**

	<b>Chg. to Base</b>
SEG	\$228,800

**Governor/Legislature:** Provide \$153,300 in 1995-96 and \$75,500 in 1996-97 to complete the final stage of the agency's workspace remodeling project. Of this funding, \$113,000 in 1995-96 and \$42,900 in 1996-97 is one-time funding for furniture and related permanent property.

**6. POSTAL RATE AND MAILING VOLUME INCREASES**

	<b>Chg. to Base</b>
SEG	\$131,500

**Governor/Legislature:** Provide \$63,100 in 1995-96 and \$68,400 in 1996-97 to meet a projected 5% increase in participant and annuitant mail volume and for postal rate increases which were effective January 1, 1995.

**7. HEALTH DATA ANALYST PROJECT POSITION CONVERSION**

	<b>Chg. to Base Funding Positions</b>	
SEG	\$89,200	1.00

**Governor/Legislature:** Provide \$44,600 annually and authorize 1.0 position to convert from project to permanent status a research analyst position assigned to data analysis, report generation and the development of the health care data information system for the Group Insurance Board.

**8. CONTRACTUAL LEGAL SERVICES [LFB Paper 314]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
SEG	\$25,000	-\$25,000	\$0

**Governor:** Provide \$10,000 in 1995-96 and \$15,000 in 1996-97, as one-time funding, to permit the agency to retain contractual legal services relating to federal tax laws applicable to government pensions plans. Place the funding in unallotted reserve for release by DOA.

**Joint Finance/Legislature:** Delete \$10,000 in 1995-96 and \$15,000 in 1996-97 provided as new, one-time funding for contractual legal services on federal tax matters. Instead, reallocate equivalent annual funding amounts for contractual legal services from agency base budget supplies and services IT-related savings and place these amounts in unallotted reserve for release by DOA.

**9. REQUIRED ACTUARIAL AUDIT FUNDING [LFB Paper 315]**

	<b>Chg. to Base</b>
SEG	\$60,000

**Joint Finance/Legislature:** Provide one-time funding of \$60,000 in 1995-96 to fund the costs of an actuarial audit of the WRS by the Legislative Audit Bureau. Current law requires the LAB to contract for an actuarial audit of the WRS at least once every five years. The last such audit was completed during the 1990-91 fiscal year.

**10. HEALTH INSURANCE DATA COLLECTION AND ANALYSIS FUNDING [LFB Paper 316]**

	<b>Chg. to Base</b>
SEG	- \$343,000

**Joint Finance/Legislature:** Delete \$43,000 in 1995-96 and \$300,000 in 1996-97 of base level funding in the agency's appropriation used to fund health insurance data collection and analysis contracts with the understanding that the agency may return to the Joint Committee on Finance with a supplementation request under s. 13.10 once a specific health insurance data collection and analysis activities budget for 1996-97 has been prepared.

**11. BENEFIT ADMINISTRATION APPROPRIATION FUNDING [LFB Paper 317]**

	<b>Chg. to Base</b>
SEG	- \$20,000

**Joint Finance/Legislature:** Delete \$10,000 annually of base level funding for the benefit administration appropriation to reflect the actual expenditure experience of the appropriation. The appropriation funds outside medical or vocational examinations which may be required for eligibility determinations for income continuation, disability retirement or duty disability benefits.

**12. ELIMINATION OF EXECUTIVE ASSISTANT**

	<b>Jt. Finance (Chg. to Base)</b>		<b>Senate/Leg. (Chg. to JFC)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
SEG	-\$200,400	- 1.00	\$0	1.00	-\$200,400	0.00

**Joint Finance:** Delete \$100,200 annually and 1.0 position to reflect the elimination of the agency's executive assistant position.

**Senate/Legislature:** Restore the position authority but not the associated funding for the agency's executive assistant position.

**13. GENERAL POSITION AND FUNDING REDUCTIONS**

**Joint Finance/Legislature:** Delete \$98,000 annually and 1.75 positions.

Chg. to Base Funding Positions		
SEG	- \$196,000	- 1.75



## EMPLOYMENT COMMISSION

Budget Summary								
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled		
						Amount	Percent	
GPR	\$0	\$3,331,600	\$0	\$0	\$0	\$0	N.A	
FED	0	1,653,600	0	0	0	0	N.A	
PR	<u>0</u>	<u>557,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	N.A	
<b>TOTAL</b>	<b>\$0</b>	<b>\$5,542,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	N.A	

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	0.00	41.50	0.00	0.00	0.00	0.00
FED	0.00	23.50	0.00	0.00	0.00	0.00
PR	<u>0.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>0.00</b>	<b>70.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 1. EMPLOYMENT COMMISSION CREATED [LFB Paper 320]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$20,000		-\$20,000		\$0	
GPR	\$3,331,600	41.50	-\$3,331,600	- 41.50	\$0	0.00
FED	1,653,600	23.50	- 1,653,600	- 23.50	0	0.00
PR	<u>557,200</u>	<u>5.00</u>	<u>- 557,200</u>	<u>- 5.00</u>	<u>0</u>	<u>0.00</u>
<b>Total</b>	<b>\$5,542,400</b>	<b>70.00</b>	<b>-\$5,542,400</b>	<b>- 70.00</b>	<b>0</b>	<b>0.00</b>

**Governor:** Effective July 1, 1996, create a new independent state agency to be known as the Employment Commission. Provide \$3,331,600 GPR, \$1,653,600 FED and \$557,200 PR in 1996-97 and authorize 41.5 GPR, 23.5 FED and 5.0 PR positions for the new agency. Estimate GPR-Earned filing fee and transcript revenues of \$20,000 in 1996-97. The Employment Commission would be created through the consolidation of existing funding and staffing for the Wisconsin Employment Relations Commission, the Labor and Industry Review Commission and the Personnel Commission and the transfer of all of the

statutory functions of these three Commissions existing on the date of the creation of the new agency.  
Under current law:

- The Wisconsin Employment Relations Commission (WERC) processes various types of labor relations cases initiated by employees, employee organizations and employers involving private, municipal and state employment. These matters include those related to labor elections, referenda, mediation, grievance arbitration and prohibited labor practices. In the case of municipal employees, the Commission may appoint arbitrators under the state's binding arbitration law when disputes have reached an impasse. (A separate provision in the bill repeals WERC's mediation responsibilities effective January 1, 1996.)
- The Labor and Industry Review Commission (LIRC) reviews decisions made by DILHR relating to unemployment compensation, worker's compensation and fair housing and employment discrimination. LIRC also hears appeals about discrimination in postsecondary education based on an individual's physical condition or disability.
- The Personnel Commission hears state employee appeals relating primarily to classification, examination and appointment transactions and complaints from state employees arising under the state's fair employment laws, family and medical leave law, health and safety violations and the whistleblower law.

*Consolidation of Existing Commissions and Their Statutory Functions.* Effective July 1, 1996, eliminate the three existing Commissions and establish the new Employment Commission. Implement this change by: (a) terminating the existing commissioner positions for all three bodies; (b) repealing the statutory language creating, respectively, a three-member Wisconsin Employment Relations Commission and a three-member Labor and Industry Review Commission; and (c) stipulating that whenever the terms "Employment Relations Commission," "Labor and Industry Review Commission" or "Personnel Commission" occur in the statutes, the term "Employment Commission" be substituted. Because the statutory language relating to the establishment of a three-member Personnel Commission is not repealed, the current reference to "Personnel Commission" would be converted to "Employment Commission" on July 1, 1996, and would provide the statutory base for the creation of the new agency.

Associated with these changes, delete: (a) a separate statutory reference to the biennial selection of the chairperson of the LIRC; (b) the assignment of the LIRC commissioners to executive salary group (ESG) 5; and (c) the assignment of the Personnel Commission members to ESG 4. Since the statutory language assigning the commissioners of the current Wisconsin Employment Relations Commission to ESG 5 would not be repealed, this ESG assignment would newly apply, commencing July 1, 1996, to the members of the new Employment Commission.

Transfer to the new agency the Council on Municipal Collective Bargaining, currently attached administratively to the WERC, and the following councils currently attached administratively to DILHR but appointed by LIRC: Council on Worker's Compensation; Construction Wage Rate Council; Self-Insurers Council; Wisconsin Apprenticeship Council; and Labor Standards Council.

*Appointment of the New Commissioners.* The current statutory provisions relating to the manner of appointment of the members of the Personnel Commission would be amended to apply, commencing July 1, 1996, to the new agency's commissioners, subject to the modifications described below.

The following provisions, currently applicable to the Personnel Commission, would newly apply to the Employment Commission without further modification:

- The members of the new Employment Commission would be nominated by the Governor, and with the advice and consent of the Senate, appointed to five-year terms. [Currently, WERC and LIRC commissioners are appointed to staggered six-year terms.]
- At least one commissioner would have to be an attorney licensed to practice in the state.
- All commissioners would have to possess some professional experience in the field of personnel or labor relations.
- No commissioner could hold any other position in state service.
- Each commissioner would have to be a U. S. citizen and a resident of the state for at least three years.

Conditions of appointment currently applicable to the Personnel Commission which would be specifically repealed and, therefore, would not apply to members of the new Employment Commission are the following:

- No member, when appointed or for three years immediately prior to the date of appointment, may have been an officer of a committee in any political party, partisan political club or partisan political organization or have held or been a candidate for any partisan elective office. No commissioner may become a candidate for or hold any such office.
- No more than two commissioners may be adherents to the same political party.

*Appropriations and Funding.* Establish a new appropriations structure for the Employment Commission, effective July 1, 1996, and in 1996-97 provide funding in the following amounts for the following purposes: \$3,331,600 GPR for general program operations, \$32,300 PR for publications; \$524,900 PR for worker's compensation matters; \$113,400 FED for equal rights enforcement; and \$1,540,200 FED for unemployment matters. Transfer federal funds from LIRC's equal rights enforcement function to the new Commission on the effective date of the creation of the new agency. All of the funds appropriated to the new Commission would be derived by transfers from appropriations for the three agencies being consolidated.

*Staffing and Position Transfers.* Transfer the employes of the three Commissions, other than the commissioners, to the new Employment Commission on July 1, 1996. Specify that: (a) all persons

transferred retain the same rights and employe status they held prior to the transfer; and (b) no employe who has attained permanent status in his or her classified position could be required to serve a new probationary period. The Governor's budget book indicates that all permanent positions in the three Commissions (net of any other budget modifications) would be transferred to the new agency. There would be 61.0 FTE classified permanent positions which would be subject to such transfers.

Direct that any incumbent commissioner serving on the Wisconsin Employment Relations Commission, the Labor and Industry Review Commission and the Personnel Commission, whose term extends beyond July 1, 1996, could not continue as a commissioner of the Employment Commission unless he or she is appointed to that new body as a commissioner. The Governor's budget book states that project positions would be created in the new agency for commissioners whose terms will not have expired prior to July 1, 1996, thereby allowing them to continue employment as attorneys or mediators through the end of their original terms. [However, there is no language in the bill which would actually require the appointment of any former commissioner to one of the project positions. Further, the Governor has recommended, as a separate decision item, the elimination of a state-provided mediation function.] A total of 4.0 FTE project positions would be authorized in 1996-97. The budget book also indicates 2.0 FTE additional project positions would be authorized by DOA on the transfer date and would terminate on March 1, 1997, a date which corresponds to the expiration of terms of two of the former commissioners. No project salary amounts are provided for any of those positions. Presumably the salary amounts for the project positions would be reallocated from the continuing base level funding budgeted for all nine of the original commissioners.

Authorize 3.0 unclassified commissioner positions in 1996-97. In addition, provide for 1.0 new unclassified division administrator position in 1996-97 and assign the administrator position to ESG 3. Additionally, authorize 1.0 FTE new classified position in 1996-97. [It may be noted that unclassified administrators are usually not assigned by statute to an ESG range. Under more typical procedures, the Secretary of DER reviews the position and recommends its assignment to an appropriate ESG range, with the approval of the Joint Committee on Employment Relations. The Governor's budget book indicates that the new administrator position and the new classified position would both be authorized by DOA effective March 1, 1997.] Funding for the 3.0 commissioners and the 2.0 newly-created positions would presumably come from reallocated salary and fringe benefits amounts from the continuing base level funding budgeted for all nine of the original commissioners. The net effect of these changes in 1996-97 is that the total level of budgeted positions remains the same after consolidation as before.

Finally, provide that the statutory authority for the chairperson of the Wisconsin Employment Relations Commission to appoint an executive assistant would transfer to the chairperson of the new Employment Commission. [Although the statutes permit the chairperson of the Wisconsin Employment Relations Commission to appoint an executive assistant, such a position has never actually been authorized or funded.]

*Efficiency Study.* Direct the Employment Commission to: (a) study its existing procedures in all areas of its new merged responsibilities; (b) identify areas where the Commission could become more efficient;

(c) develop recommendations to streamline its procedures and improve its operations; and (d) submit its findings and recommendations to the Secretary of DOA by October 31, 1996.

*Transition Provisions.* On July 1, 1996, transfer all assets and liabilities, tangible personal property, records and contracts from each of the three commissions to the new agency. On that same date, transfer all rules, orders and pending matters from the WERC and LIRC to the new agency. [There is no similar transfer language included relating to the transfer of rules, orders and pending matters from the Personnel Commission to the new agency.] Include similar transfer provisions with respect to each of the attached councils, however, specify that the Secretary of DOA would make the determination of which of these items or matters related to each council and which of these items or materials related to the parent agency.

*Summary of Funding and Position Transfers.* The net effect of the funding and position increases and decreases associated with this transfer on July 1, 1996, is shown below:

	1996-97		1996-97	
<u>Agencies Eliminated</u>	<u>Funding Change</u>		<u>Position Change</u>	
WERC	-\$2,445,000	GPR	-30.00	GPR
	-29,300	PR	-0-	
LIRC	-168,600	GPR	-1.50	GPR
	-1,653,600	FED	-23.50	FED
	-524,900	PR	-5.00	PR
Personnel Commission	-718,000	GPR	-10.00	GPR
	-3,000	PR	-0-	
Total Reductions	-\$3,331,600	GPR	-41.50	GPR
	-1,653,600	FED	-23.50	FED
	-557,200	PR	-5.00	PR
<u>Agency Created</u>				
Employment Commission	\$3,331,600	GPR	41.50	GPR
	1,653,600	FED	23.50	FED
	557,200	PR	5.00	PR

**Joint Finance/Legislature:** Delete provision, thereby retaining the Wisconsin Employment Relations Commission, the Labor and Industry Review Commission and the Personnel Commission as separate agencies.

## EMPLOYMENT RELATIONS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$12,417,000	\$10,840,200	\$10,580,800	\$10,580,800	\$10,580,800	-\$1,836,200	- 14.8%
PR	<u>1,783,000</u>	<u>1,826,100</u>	<u>1,593,900</u>	<u>1,593,900</u>	<u>1,593,900</u>	<u>- 189,100</u>	<u>- 10.6</u>
<b>TOTAL</b>	<b>\$14,200,000</b>	<b>\$12,666,300</b>	<b>\$12,174,700</b>	<b>\$12,174,700</b>	<b>\$12,174,700</b>	<b>-\$2,025,300</b>	<b>- 14.3%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	90.80	83.55	81.05	82.05	82.05	- 8.75
PR	<u>8.70</u>	<u>7.95</u>	<u>7.70</u>	<u>7.70</u>	<u>7.70</u>	<u>- 1.00</u>
<b>TOTAL</b>	<b>99.50</b>	<b>91.50</b>	<b>88.75</b>	<b>89.75</b>	<b>89.75</b>	<b>- 9.75</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the agency's base budget as follows: (a) turnover reductions (-\$106,700 GPR annually); (b) removal of noncontinuing elements from the base (-\$123,900 GPR in 1995-96 and -\$123,900 GPR and -\$29,200 PR and -1.0 PR position in 1996-97); (c) full funding of salary costs (-\$104,100 GPR and -\$43,000 PR annually); (d) full funding of financial services charges (\$1,000 GPR and \$400 PR annually); (e) risk management costs (\$300 GPR and -\$200 PR annually); (f) full funding of lease costs (\$2,400 GPR annually); and (g) full funding of delayed pay adjustments (\$29,400 GPR and \$2,400 PR annually).

	Chg. to Base Funding Positions	
GPR	-\$603,200	0.00
PR	<u>- 110,000</u>	<u>- 1.00</u>
<b>Total</b>	<b>-\$713,200</b>	<b>- 1.00</b>

### 2. BASE LEVEL POSITION REDUCTIONS

**Governor/Legislature:** Reduce positions and base level salaries and fringe benefits as follows: (a) delete \$181,900 GPR annually to reflect elimination of three vacant positions (1.0 executive personnel officer, 1.0 personnel specialist and 1.0 classified division administrator); (b) delete \$154,600 GPR in 1996-97 to reflect elimination of

	Chg. to Base Funding Positions	
GPR	-\$521,400	- 6.00

additional positions (1.5 personnel specialists, 1.0 equal opportunity supervisor and 0.5 payroll assistant); and (c) delete \$1,500 annually to reduce budgeted level for LTEs.

### 3. BASE LEVEL FUNDING CONVERSIONS [LFB Paper 326]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR-REV	\$229,200					
GPR	- \$229,200	- 1.25	\$0	0.00	- \$229,200	- 1.25
PR	<u>229,200</u>	<u>1.25</u>	<u>- 215,000</u>	<u>0.00</u>	<u>14,200</u>	<u>1.25</u>
Total	\$0	0.00	- \$215,000	0.00	- \$215,000	0.00

**Governor:** Change from GPR to PR the source of funding for the following agency activities or functions:

*Employe Development and Training.* Annually, delete \$21,000 GPR and 0.5 GPR position and provide \$21,000 PR and 0.5 PR position to reflect the conversion of 0.5 GPR training officer position to PR funding. This position is currently funded 50% from GPR and 50% from PR. Upon conversion, the position would be funded entirely from training fees charged by the agency.

*Career Opportunities Bulletin Vacancy Announcements.* Annually, delete \$33,600 GPR and 0.75 GPR position and provide \$33,600 PR and 0.75 PR position to: (a) convert 0.75 GPR of a 1.0 FTE word processing operator position to PR funding (\$22,200 in salaries and fringe benefits); and (b) shift a portion of supplies and services costs from GPR to PR funding to recover the costs of job vacancy announcements which are currently distributed free to state agencies, libraries, Job Service offices and others (\$11,400 in supplies and services costs). Authorize the Administrator of the Division of Merit Recruitment and Selection to charge a fee to state agencies for placing a job vacancy announcement in the Career Opportunities Bulletin. It is expected that the new fee would be \$25 for each vacancy notice inserted. Provide that the new fees collected would be deposited to the agency's publications account.

*Grievance Arbitrations.* Annually, delete \$60,000 GPR and provide \$60,000 PR to reflect a shift in base funding for grievance arbitration costs. Require DER to charge a state agency for the employer's share of the costs of grievance arbitrations involving one or more of the agency's represented employes. Direct any agency assessed a charge for the employer's share of grievance arbitration costs to pay the amount from the appropriation(s) used to pay the salary of the grievant. Provide that the funds received by DER be credited to a new appropriation created for this purpose.

**Joint Finance/Legislature:** Modify employe development and training provision by deleting \$107,500 PR annually from the appropriation supporting these activities to reflect a reduction of excess

supplies and services expenditure authority (\$90,000 PR annually) and the deletion of funding for a long-time vacant position (\$17,500 PR annually).

[Act 27 Sections: 1094, 1096, 3832 and 6280]

#### 4. BASE LEVEL SUPPLIES AND SERVICES REDUCTIONS

Chg. to Base	
GPR	- \$78,800

**Governor/Legislature:** Delete \$39,400 annually in base level supplies and services funding. Of the total annual reduction, \$28,400 is expected to be realized through reduced printing volume, decreased book, subscription and minor equipment purchases and eliminated dues payments and \$11,000 is expected to result from a change to provide state agencies with only one free copy of employment bulletins rather than multiple free copies as at present.

#### 5. ELIMINATION OF DAY CARE GRANT PROGRAM

Chg. to Base	
GPR	- \$90,000

**Governor:** Delete \$45,000 annually to reflect elimination of base funding for the day care grant program. Repeal the separate appropriation and statutory authorization for the program. Under the program, the agency may make grants to a day care provider to support the start-up costs of day care facilities providing services to the children of state employees. Providers receiving grants through the program must charge a fee for the day care services. Further, the fees must be set or subsidized in a manner which is based on the employee's ability to pay.

Repeal the requirement that the Secretary of DER report to the Building Commission no later than the first day of the seventh month following the general effective date of each biennial budget act on the desirability of including plans for day care facility space in the construction or major remodeling of any state office building project enumerated by the act in the authorized state building program. The current requirement also provides that, based on this report, the Building Commission may direct that a day care facility be included in the project.

**Joint Finance/Legislature:** Retain the requirement that the Secretary of DER prepare a biennial report to the Building Commission on the desirability of including day care facility space in proposed state office building construction or remodeling projects and authorizing the Building Commission to direct that a day care project be included in the project

[Act 27 Sections: 1092 and 6244]

#### 6. REDUCE TEST CENTER OPERATIONS

Chg. to Base	
GPR	- \$54,200

**Governor/Legislature:** Annually, delete \$13,700 of classified service testing center supplies and services base funding and \$13,400 of exam



proctor LTE base salary and fringe benefits amounts to reflect the following test center changes: (a) obtain rent-free space for the Fond du Lac center or shift the center's operations to Oshkosh; (b) close all exam centers an hour earlier on Saturdays; (c) reduce the annual number of scheduled test dates from 17 to 16; (d) eliminate the Madison make-up exam test center held each Monday following a Saturday test date; and (e) consolidate applicant identification and test answer forms.

**7. BASE LEVEL REALLOCATION TO FUND DATA PROCESSING EQUIPMENT [LFB Paper 325]**

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR	- 1.00	1.00	0.00

**Governor:** Reallocate \$69,500 GPR annually of base level salary and fringe benefits funds attributable to a vacant unclassified administrator position for the Division of Collective Bargaining to unallotted reserve for the purchase of a local area network (LAN) system for the agency's personal computers. The funds would be released by DOA when DER arranges for the purchase of the equipment through the state's master lease program. Although no funding would be provided for the unclassified division administration position associated with these reallocated salary amounts, authorization for the position would continue.

**Joint Finance/Legislature:** Delete statutory authorization for the 1.0 unfunded unclassified division administrator position remaining after the reallocation of the associated base level salary and fringe benefits amounts to fund data processing equipment for the agency.

**Veto by Governor [C-16].** Delete the elimination of the statutory authorization for the 1.0 unfunded unclassified administrator position.

[Act 27 Vetoed Section: 6248m]

**8. ELIMINATE EAP COORDINATOR POSITION**

	Chg. to Base Funding Positions	
PR	- \$76,100	- 1.00

**Governor/Legislature:** Delete \$25,300 in 1995-96 and \$50,800 in 1996-97 and 1.0 training officer position to reflect the elimination of the state agency coordinator of the employee assistance program (EAP), effective January 1, 1996. Pursuant to Executive Order #94, DER is the state agency responsible for the administration of the program which provides assistance to state agencies for alcohol and drug abuse counseling and intervention for affected employees. The coordinator's position is currently funded from amounts provided through an interagency agreement with H&SS. The Governor has recommended deleting those source funds in H&SS.

**9. ELIMINATION OF EXECUTIVE ASSISTANT**

	<u>Jt. Finance</u> <u>(Chg. to Base)</u>		<u>Senate/Leg.</u> <u>(Chg. to JFC)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$193,200	- 1.00	\$0	1.00	-\$193,200	0.00

**Joint Finance:** Delete \$96,600 annually and 1.0 position to reflect the elimination of the agency's executive assistant position.

**Senate/Legislature:** Restore position authority but not the associated funding for the agency's executive assistant position.

**10. GENERAL POSITION AND FUNDING REDUCTIONS**

**Joint Finance/Legislature:** Delete \$33,100 GPR and \$8,600 PR annually and 0.5 GPR position and 0.25 PR position.

	<u>Chg. to Base</u> <u>Funding Positions</u>	
GPR	-\$66,200	- 0.50
PR	- 17,200	- 0.25
Total	-\$83,400	- 0.75

**11. COMPENSATION AND PAY RANGE MAXIMUMS FOR CERTAIN STATE EMPLOYEES**

**Assembly:** Require DER to conduct an annual pay survey among nonpublic employers to determine the prevailing market wage for jobs in the private sector that are comparable to positions in state employment, other than for: (a) positions occupied by state employees included in a collective bargaining unit; and (b) employees of the judicial branch. Specify that if there are no comparable jobs in the private sector for positions in state employment, DER may survey public employers in other states to determine the prevailing market wage for comparable jobs in public employment in those states. Require the Secretary of DER to submit the survey results to the Co-Chairs of the Joint Committee on Employment Relations (JCOER) before the beginning of the first day of the pay period closest to July 1 of each year.

Specify that beginning on the first day of the pay period closest to July 1 of each year, no state employe (other than state employees included in a collective bargaining unit and judicial branch employees) may receive an increase in his or her basic pay rate, other than an across-the-board pay adjustment, if the employe's pay rate is equal to or greater than 150% of the prevailing market wage, as determined by the DER survey of the appropriate private or public sector position that is comparable to the employe's state position. Further, specify that if the pay range maximum for a position occupied by an employe subject to the freeze is equal to or greater than 150% of the prevailing market wage, as determined by the DER survey of the appropriate private or public sector position, the pay range maximum cannot be increased above 150% of the prevailing market wage. Where the pay range maximum is less than 150% of the prevailing market wage, stipulate that the pay range maximum for a position may not be increased to an amount that is equal to or greater than 150%.

Further, specify that these limitations apply with respect to: (a) the state's policy to correct pay inequities based on gender or race in the state civil service system; (b) actions by the Secretary of DER to classify or reclassify positions; (c) the development of pay schedules by the Secretary of DER; and (d) proposals contained in the biennial compensation plan for classified and certain unclassified positions (nonrepresented pay plan) and the biennial compensation plan for faculty and academic staff of the University of Wisconsin System. Further, prohibit JCOER from approving or modifying and approving any changes in the compensation plans that would exceed any of the above pay range and compensation maximum limitations.

**Senate/Legislature:** Delete provision.

## EMPLOYMENT RELATIONS COMMISSION

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$5,160,000	\$2,639,000	\$5,046,600	\$5,046,600	\$5,046,600	- \$113,400	- 2.2%
PR	<u>58,400</u>	<u>29,300</u>	<u>485,800</u>	<u>485,800</u>	<u>485,800</u>	<u>427,400</u>	<u>731.9</u>
<b>TOTAL</b>	<b>\$5,218,400</b>	<b>\$2,668,300</b>	<b>\$5,532,400</b>	<b>\$5,532,400</b>	<b>\$5,532,400</b>	<b>\$314,000</b>	<b>6.0%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	36.00	0.00	28.50	28.50	28.50	- 7.50
PR	<u>0.00</u>	<u>0.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
<b>TOTAL</b>	<b>36.00</b>	<b>0.00</b>	<b>33.50</b>	<b>33.50</b>	<b>33.50</b>	<b>- 2.50</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the agency's base budget annually as follows: (a) removal of noncontinuing functions from the base (-\$6,800 GPR); (b) full funding of salary costs (\$239,900 GPR); (c) full funding of financial services charges (\$300 GPR and \$100 PR); (d) reclassifications (\$4,500 GPR); (e) fifth week of vacation as cash (\$6,500 GPR); (f) full funding of lease costs (\$4,000 GPR); and (g) full funding of delayed pay increases (\$4,600 GPR).

<b>Chg. to Base</b>	
GPR	\$506,000
PR	<u>200</u>
<b>Total</b>	<b>\$506,200</b>

2. ELIMINATION OF MEDIATION FUNCTION [LFB Paper 330]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		-\$30,000		-\$30,000	
PR-REV	0		470,400		470,400	
GPR	-\$582,000	- 6.00	\$0	- 1.00	-\$582,000	- 7.00
PR	0	0.00	427,200	5.00	427,200	5.00
Total	-\$582,000	- 6.00	\$427,200	4.00	-\$154,800	- 2.00

**Governor:** Effective January 1, 1996, repeal the authority of the Commission to provide or engage in mediation services, whether at the request of the parties or on its own initiative, with respect to resolving disputes involving unfair labor practices or impasses. Delete \$194,000 in 1995-96 and \$388,000 in 1996-97 and eliminate 6.0 FTE positions to reflect the estimated staff effort currently involved in providing mediation services (1.0 mediator and 5.0 attorney 13 positions) in the agency.

Delete the requirement under interest arbitration for municipal employees that any appropriate mediation efforts by the Commission shall have been undertaken before interest arbitration may be invoked.

Provide that no officer or employee of the Commission may engage in mediation of any labor dispute or facilitating the mediation of a labor dispute by any other person. Authorize the parties to a labor dispute to retain any person other than an officer or employee of the Commission to provide mediation services and specify that any costs associated with this activity be divided equally between the parties. Currently, when the Commission provides mediation services to parties involved in labor disputes, these services are provided at state expense. Specify that whenever mediators are retained for disputes under either the Municipal Employment Relations Act or the State Employment Labor Relation Act, each party (or the parties jointly) must notify the Commission as promptly as possible of the name and address of the person retained as mediator.

It may be noted that a cross-reference change relating to the exchange of evidence in mediation proceedings appears to delete inadvertently a reference to procedures involving the appointment of conciliators in labor disputes involving public utilities.

**Joint Finance/Legislature:** Delete Governor's provision. Instead: (a) delete 1.0 GPR administrative assistant 4 position and 1.0 GPR legal secretary position and associated funding of \$77,400 GPR annually; (b) direct the Commission to establish by rule a schedule of mediation service fees not to exceed \$225 per case, effective January 1, 1996, for mediation, interest arbitrations and grievance arbitration proceedings, with each party paying one-half of the required fee, and establish a new PR appropriation account into which the fees would be deposited; (c) convert \$116,600 in 1995-96 and \$310,600 in 1996-97 and 5.0 FTE positions from GPR funding to PR funding; (d) include statutory language deleting the requirement that agency filing and transcript fees be treated as GPR-Earned, effective January 1, 1996, and provide instead that agency filing and transcript fees be established by rule and treated as program

revenue and increase program revenue estimates by \$1,100 in 1995-96 and \$2,200 in 1996-97 to reflect this change; and (e) include nonstatutory language directing the WERC to conduct a summary of the time spent by the Commission on mediation activities over a one-year period and report this information as part of its 1997-99 biennial budget request.

**Veto by Governor [E-1]:** Delete the \$225 cap on the mediation service fee.

[Act 27 Sections: 796m, 3786e, 3786s, 3787g, 3803d, 3803t, 3843e, 3843s, 9120(3g)&(3h) and 9420(2g)]

[Act 27 Vetoed Sections: 3786s, 3803t and 3843s]

### **3. COLLECTIVE BARGAINING PROCEDURES INVOLVING SCHOOL DISTRICTS [LFB Papers 768, 776 and 777]**

**Governor:** Make the following statutory changes applicable to collective bargaining procedures involving school district employers and professional school district employees:

*Separate Bargaining Units for Charter School Employes.* Provide that, upon the request of at least 30% of the professional employes of a school district assigned to perform services at a charter school, the Commission must hold an election to determine whether those employes wish to be represented in a separate collective bargaining unit rather than being included in a unit that includes the other professional school district employes. Further, establish this procedure as an exception to the current requirement that the Commission determine the appropriate bargaining units for the purpose of collective bargaining and, whenever possible, avoid fragmentation by maintaining as few bargaining units as practicable.

*Prohibited Subjects of Bargaining.* Provide that no school district employer is required to meet and confer for the purpose of collective bargaining concerning any decision to create a performance recognition plan or concerning the amount of any award made under such a plan.

For all school district employers, establish as prohibited subjects of bargaining matters relating to:  
(a) the reassignment of employes, with or without regard to seniority, as a result of a decision by the employer to contract with anyone to operate a charter school or to convert a school to a charter school;  
or (b) the impact of any such reassignments on the employes who perform the services.

For Milwaukee Public Schools only, establish the following as additional prohibited subjects of bargaining applicable to Board of School Directors of that district: (a) the reassignment of employes, with or without regard to seniority, as a result of a decision by the Board to close or reopen a school or the impact of any such reassignments on the wages, hours and conditions of employment of employes who perform the services; (b) any decision by the Board to contract for the management or operation of a charter school or the impact of any such reassignments on the wages, hours and conditions of employment of employes who perform the services; and (c) any decision by the Board to contract with a private, not-

for-profit school or agency to provide educational programs or the impact of any such reassignments of the wages, hour and conditions of employment of employees who perform the services. Under the Municipal Employment Relations Act, municipal employers and employees are generally required to bargain collectively on mandatory subjects of bargaining (wages, hours and conditions of employment).

Provide that these new prohibited subjects of bargaining provisions would first apply to employees who are affected by a collective bargaining agreement that contains inconsistent provisions on the day on which the agreement expires or is extended, modified or renewed.

**Joint Finance/Legislature:** Delete provisions establishing the following new prohibited subjects of bargaining: (a) no school district employer may be required to meet and confer for the purpose of collective bargaining concerning any decision to create a performance recognition plan or concerning the amount of any award made under such a plan; and (b) the Milwaukee Board of School Directors may not be required to bargain concerning any decision to contract for the management or operation of a school or the impact of any such reassignments on the wages, hours and conditions of employment of employees who perform the services.

Stipulate that the following new prohibited subjects of bargaining would apply only to the Milwaukee Board of School Directors rather than to all school district employers, as originally proposed: (a) the reassignment of employees, with or without regard to seniority, as a result of a decision by the employer to contract with anyone to operate a charter school or to convert a school to a charter school; or (b) the impact of any such reassignments on the employees who perform the services.

[Act 27 Sections: 3801 and 9320(1)]

**4. TRANSFER OF EMPLOYMENT RELATIONS COMMISSION FUNCTIONS TO A NEWLY CREATED EMPLOYMENT COMMISSION [LFB Paper 320]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$2,445,000	- 30.00	\$2,445,000	30.00	\$0	0.00
PR	- 29,300	0.00	29,300	0.00	0	0.00
Total	-\$2,474,300	- 30.00	\$2,474,300	30.00	\$0	0.00

**Governor:** Delete \$2,445,000 GPR and \$29,300 PR and 30.0 GPR positions in 1996-97 to reflect the elimination of the Wisconsin Employment Relations Commission (WERC), effective July 1, 1996, and the transfer of the current statutory functions of the agency to a new Employment Commission, which would be created on that date. Also, transfer the Council on Municipal Collective Bargaining, currently attached to WERC, to the new agency on that date.

Direct that any incumbent commissioner serving on the WERC, whose term extends beyond July 1, 1996, not continue as a commissioner of the Employment Commission unless he or she is appointed to that new body as a commissioner.

Transfer the employees of the WERC, other than the commissioners, to the new Employment Commission on July 1, 1996, and specify that: (a) all persons transferred would retain the same rights and employe status they held prior to the transfer; and (b) no employe who had attained permanent status in his or her classified position would be required to serve a new probationary period. Finally, include transitional provisions transferring all assets and liabilities, tangible personal property, records, contracts, rules and orders, and pending matters (and the property, records and contracts of the WERC that relate to the Council on Municipal Collective Bargaining, as determined by the Secretary of DOA) from the WERC to the Employment Commission. [See "Employment Commission" for a more detailed description of the consolidation of the functions of the Personnel Commission, Employment Relations Commission and Labor and Industry Review Commission into a single agency.]

**Joint Finance/Legislature:** Delete provisions eliminating the Employment Relations Commission on July 1, 1996, and transferring its current statutory functions and 1996-97 funding and position authorizations to a new Employment Commission. Restore funding of \$2,445,000 GPR and \$29,300 PR and authorize 30.0 GPR positions in 1996-97 to reflect the retention of the Commission as a separate agency.

Include nonstatutory language directing the Commission to: (a) study its current procedures in all areas of its responsibility; (b) identify areas that could become more efficient; (c) develop recommendations to streamline its procedures and improve its operations; and (d) identify any positions that could be eliminated as a result of the efficiencies and improved procedures identified in the study. Direct that the Commission submit its findings and recommendations to the Secretary of DOA and to the Joint Committee on Finance by October 31, 1996.

[Act 27 Section: 9120(1m)]

## 5. GENERAL POSITION AND FUNDING REDUCTIONS

**Joint Finance/Legislature:** Delete \$18,700 annually and 0.5 position.

	Chg. to Base Funding Positions	
GPR	- \$37,400	- 0.50

## 6. DISPUTE RESOLUTION PROCEDURES FOR NONPROTECTIVE MUNICIPAL EMPLOYEES

**Assembly:** Provide that the following dispute resolution procedures would apply for the respective categories of nonprotective municipal employes, commencing on the general effective date of the act:



A. **County Employees.** Effective July 1, 1996, remove nonprotective county employees from coverage under the dispute resolution procedures of Subchapter IV of Chapter 111 of the statutes. After the effective date of this change, there would be no dispute resolution procedures available to such employees.

B. **All Nonprotective Municipal Employees.** Modify the current provisions of s. 111.70(4)(cm) of the statutes as they apply to nonprotective municipal employees (including school district professional employees), as follows:

*Repeal Sunset of Interest Arbitration Law for Nonprotective Municipal Employees Including School District Professional Employees.* Repeal the July 1, 1996, scheduled sunset of the interest arbitration procedures established under s. 111.70(4)(cm) of the statutes applicable to nonprotective municipal employees including school district professional employees. Nonprotective county employees would not be subject to these continuing procedures commencing July 1, 1996.

*Modifications to Factors Used by Arbitrators.* For any dispute involving nonprotective municipal (including school district) employers and employees going to final and binding arbitration (and for any arbitration involving nonprotective county employees through June 30, 1996), include the following new factor in the factors used by an arbitrator in reaching the arbitration decision: state legislative and administrative directives which place limits on local government or school district spending or revenues.

C. **School District Professional Employees Only.** Modify the current provisions of s. 111.70(4)(cm) of the statutes as they apply to school district professional employees, as follows:

*Qualified Economic Offer to School District Professional Employees Made Permanent.* Repeal the July 1, 1996, scheduled sunset of current law qualified economic offer provisions applicable to school district professional employees.

*Collective Bargaining Units Consisting of School District Professional Employees.* Specify that school district professional employees may not be included in a collective bargaining unit which contains municipal employees who are not school district professional employees.

*Definition of School District Professional Employees.* Provide that a school district professional employe must meet the criteria defining the term "professional employe" as currently established under s. 111.70(1)(L) of the statutes. This statute requires that such work: (1) be predominantly intellectual and varied in character as opposed to routine, manual, mechanical or physical; (2) involve the consistent exercise of discretion and judgment; (3) be of a character that the output produced cannot be standardized in relation to a given period of time; and (4) requires knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of study. Under this revised definition certain instructional aides (who are currently licensed by DPI) would no longer be considered school district professional employees.

*Modifications to Salary Schedule and Matrix.* Provide that a school district employer and its school district professional employees may voluntarily agree to alter the existing salary range structure, number

of steps and/or the requirements for attaining a step or assignment of a position to a salary range under a qualified economic offer.

*Implementation of a Qualified Economic Offer.* Specify that if a WERC investigator determines that a school district employer and its school district professional employees are deadlocked in their negotiations, the parties will be deemed to have agreed and stipulated to the inclusion in the new collective bargaining agreement of all economic provisions of the predecessor agreement, except as modified by the terms of the salary and fringe benefits qualified economic offer and as otherwise agreed to by the parties. Provide that a school district employer who acts to implement a qualified economic offer upon determination of deadlock may not be found to have committed a prohibited practice by taking such action. Provide that any unilateral implementation of a qualified economic offer made by a school district employer after August 11, 1993, shall operate as a full, final and complete settlement of any and all economic issues for the period covered by the qualified economic offer. Stipulate further that the failure of a labor organization to recognize the validity of a lawful qualified economic offer by a school district employer shall not be deemed to require the employer to submit any economic issues to interest arbitration.

*Benefit Provider of Health Insurance Benefits.* Stipulate that bargaining with respect to the specific identity of a health insurance benefits provider shall not be deemed a mandatory subject of bargaining between the school district employer and school district professional employees.

**Senate/Legislature:** Make the following changes to the Assembly provisions affecting dispute resolution procedures for nonprotective municipal employees:

A. **County Employees.** Delete Assembly provision which would have removed nonprotective county employees, effective July 1, 1996, from coverage under the dispute resolution procedures of Subchapter IV of Chapter 111 of the statutes. [Because the biennial budget act also repeals the July 1, 1996, scheduled sunset of the interest arbitration procedures established under s. 111.70(4)(cm) of the statutes, this change would result in nonprotective county employees continuing to be subject to that law on and after July 1, 1996, as would be the case for all other nonprotective municipal employees.]

B. **All Nonprotective Municipal Employees.** *Modification to Factors Used by Arbitrators.* Modify Assembly provision establishing a new factor to be used by an arbitrator in reaching an arbitration decision [that is, state legislative and administrative directives which place limits on local government or school district spending or revenues] to provide instead that the arbitrator would have to give "greatest weight" to this factor in reaching an arbitration decision. Direct the arbitrator to render in his or her written arbitration decision an accounting of the consideration given to this new greatest weight factor. Require that the arbitrator also give "greater weight" in his or her decision to an additional new factor: local economic conditions.

C. **School District Professional Employees Only.** *Implementation of a Qualified Economic Offer.* Modify Assembly provision to specify that when a WERC investigator determines that a school district employer and its school district employees are deadlocked in their negotiations and the employer has

submitted a qualified economic offer, the employer may implement the qualified economic offer. Provide further that the parties will be deemed to have agreed and stipulated to the inclusion in the new collective bargaining agreement of all economic provisions of the predecessor agreement, except as otherwise modified by the qualified economic offer or agreed to by the parties, but only at a point 90 days prior to the expiration of the period covered by the qualified economic offer. Provide further that the parties continue to have the obligation to bargain collectively even after an employer has acted to implement a qualified economic offer. Specify that if at the point 90 days prior to the expiration of the period covered by the qualified economic offer the parties are still deadlocked, the employer's unilaterally implemented qualified economic offer would then be deemed to operate as a full, final and complete settlement of any economic issues and the employer could not be deemed to have committed a prohibited practice by taking such action.

*Benefit Provider of Health Insurance Benefits.* Delete Assembly provision stipulating that bargaining with respect to the specific identity of a health insurance benefits provider shall not be deemed a mandatory subject of bargaining. Instead, for contracts for school district professional employees health insurance entered into on or after the effective date of the biennial budget act, provide that school district employers be required to solicit sealed bids, prior to the selection of any provider, for the provision of any health care benefits for such employees. Specify that the requirement that school districts solicit such bids would be a prohibited subject of bargaining.

*Pending Arbitrations Containing Provisions Relating to a Prohibited Subject of Bargaining.* Provide transition language specifying that if there are any pending arbitrations on the effective date of the 1995-97 biennial budget act which contain provisions which are made prohibited subjects of bargaining by this act, the pending arbitration would be voided by the WERC and a new arbitration would be commenced for all matters in dispute other than the matters newly made prohibited subjects of bargaining.

**D. Council on Municipal Collective Bargaining.** Repeal the Council on Municipal Collective Bargaining, attached to the WERC, on the effective date of the biennial budget act.

[Act 27 Sections: 200g, 796am, 3793am, 3793c, 3793e, 3794am, 3794c, 3794e, 3794g, 3794h, 3794i, 3794k, 3794m, 3800am, 3800m, 3801, 3801b, 3801d, 3801f, 3801h, 3803p, 3803um, 3803w, 3803x, 3805m, 3961ai, 3962, 3997, 4023m, 7298d, 7298e, 7298f, 7298g, 7298h, 7298i, 7298j, 7298k, 7298L, 7298q, 7298r, 7300g, 7300k, 9120(3jt), 9320(1)&(2i) and 9345(12z)]

## ETHICS BOARD

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$394,400	\$390,400	\$313,400	\$313,400	\$313,400	- \$81,000	- 20.5%
PR	<u>443,400</u>	<u>485,600</u>	<u>562,600</u>	<u>562,600</u>	<u>562,600</u>	<u>119,200</u>	<u>26.9</u>
<b>TOTAL</b>	<b>\$837,800</b>	<b>\$876,000</b>	<b>\$876,000</b>	<b>\$876,000</b>	<b>\$876,000</b>	<b>\$38,200</b>	<b>4.6%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	3.25	2.75	1.75	1.75	1.75	- 1.50
PR	<u>3.25</u>	<u>3.75</u>	<u>4.75</u>	<u>4.75</u>	<u>4.75</u>	<u>1.50</u>
<b>TOTAL</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>0.00</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the Board's base budget for: (a) full funding of continuing salaries and fringe benefits (\$7,200 GPR and \$7,200 PR annually); (b) full funding of State Bureau of Financial Services charges (\$100 GPR and \$200 PR annually); (c) reclassifications (\$1,000 GPR and \$1,000 PR annually); (d) full funding of lease costs (\$100 GPR and \$100 PR annually); and (e) full funding of delayed pay adjustments (\$1,100 GPR and \$1,100 PR annually).

<b>Chg. to Base</b>	
GPR	\$19,000
PR	<u>19,200</u>
<b>Total</b>	<b>\$38,200</b>

2. LOBBYING FEE INCREASES [LFB Paper 335]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$4,300		\$6,800		\$11,100	
PR-REV	38,700		61,300		100,000	
GPR	- \$23,000	- 0.50	- \$77,000	- 1.00	- \$100,000	- 1.50
PR	<u>23,000</u>	<u>0.50</u>	<u>77,000</u>	<u>1.00</u>	<u>100,000</u>	<u>1.50</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

**Governor:** Delete \$23,000 GPR and 0.50 GPR position and substitute \$23,000 PR and 0.50 PR position in 1996-97. Effective January 1, 1997, establish a new licensing fee of \$400 per biennium for each lobbyist who acts on behalf of two or more principals and modify existing fees as follows: (a) provide that the \$200 lobbyist license fee be increased to \$250 and be available only for a lobbyist who represents a single principal; (b) increase, from \$300 to \$375, the fee paid by a principal for filing a registration statement with the Board regarding the principal's involvement in lobbying activities; and (c) increase, from \$100 to \$125, the fee paid by a principal for filing a statement of authorization for each lobbyist retained by the principal to lobby on the principal's behalf. Increased fee revenue of \$43,000 in the 1995-97 biennium is estimated from these fee changes. Of this amount, 90% would be credited to the agency program revenue balance (\$38,700) and 10% would be transferred to the general fund (\$4,300). The \$23,000 PR budgeted in 1996-97 for the conversion of an 0.50 administrative assistant-confidential position from GPR to PR funding would come from this increased license fee revenue.

**Joint Finance/Legislature:** Modify the Governor's recommendation by, in 1996-97: (a) substituting an additional \$77,000 PR funding for GPR funding; (b) transferring an additional 1.0 GPR position to PR funding; and (c) increasing estimated PR-REV by \$61,300 and GPR-Earned by \$6,800.

[Act 27 Sections: 37 thru 41 and 9422]

## FINANCIAL INSTITUTIONS

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	<u>Act 27 Change Over Base Year Doubled</u>	
						Amount	Percent
PR	\$0	\$10,304,500	\$9,066,800	\$11,366,900	\$11,366,900	\$11,366,900	N.A.

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	<u>Act 27 Change Over 1994-95 Base</u>
						Positions
PR	0.00	153.00	136.50	168.50	168.50	168.50

### 1. CREATE DEPARTMENT OF FINANCIAL INSTITUTIONS [LFB Paper 340]

Fund	<u>Governor (Chg. to Base)</u>		<u>Jt. Finance (Chg. to Gov.)</u>		<u>Assembly (Chg. to JFC)</u>		<u>Senate/Leg. (Chg. to Assem.)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
	PR	\$10,304,500	153.00	-\$1,177,000	- 15.00	\$2,300,100	31.00	\$0	1.00	\$11,427,600

**Governor:** Provide \$10,304,500 and 153.0 positions in 1996-97 to create a new Department of Financial Institutions (DFI), effective July 1, 1996. DFI would assume the regulatory powers and responsibilities of the Commissioners of Credit Unions, Savings and Loan, Securities, and Banking, as well as the Uniform Commercial Code (UCC) responsibilities of the Secretary of State and the regulation of mortgage banking currently performed by the Department of Regulation and Licensing. DFI would assume the following regulatory responsibilities, which are performed under current law by the agencies shown.

*Banking--Total Transfer.* Current responsibilities include: (a) regulate and examine state-chartered banks to ensure their safety and soundness; (b) examine trust department of banks when appropriate; (c) license and examine certain consumer credit companies; and (d) administer and enforce the Wisconsin Consumer Act.

*Savings and Loan--Total Transfer.* Currently regulates and examines state-chartered savings and loan institutions and savings banks for safety and soundness.

*Securities--Total Transfer.* Current responsibilities include: (a) regulate the offer and sale of securities, franchise investment offerings and corporate takeovers; and (b) license and monitor broker-dealers, securities agents and investment advisors.

*Secretary of State--Partial Transfer.* Responsibilities to be transferred include: (a) file and maintain documents relating to required uniform commercial code liens and federal liens; and (b) operate the statewide UCC lien information system.

*Regulation and Licensing--Partial Transfer.* Responsibilities to be transferred include the regulation and licensing of mortgage bankers, loan solicitors and loan originators.

*Credit Unions--Total Transfer to New Office of Credit Unions.* Currently supervises and examines state-chartered credit unions for safety and soundness.

*Structure of the Department of Financial Institutions.* The Executive Budget Book indicates that DFI would be organized into five divisions: (a) Banking and Mortgage Banking; (b) Securities; (c) Savings and Loan; (d) Uniform Commercial Code and Consumer Act; and (e) Business Management. The divisions in DFI would not be statutorily defined. The Office of Credit Unions would be a program attached to the Department for administrative purposes.

Provide that \$9,011,000 and 132.0 positions (9.0 unclassified, 122.0 classified, and 1.0 project position) would be for supervision of financial institutions (except credit unions), securities regulation and consumer credit functions. A total of \$1,293,500 and 21.0 positions (1.0 unclassified, and 20.0 classified) would be for supervision of credit unions. Specify that all personnel and budget requests of the Office of Credit Unions would be processed and forwarded by the Department without change, except as requested or agreed to by the Office.

*Abolish Current Agencies.* Delete the separate agencies of the Offices of the Commissioners of Banking, Savings and Loan, and Credit Unions, as well as provisions setting the terms and manner of the Commissioners' appointments and assigning them to executive salary groups. Modify all statutory references to the Offices of the Commissioners of Banking, Savings and Loan, Securities, Regulation and Licensing as it relates to mortgage banking, and the Secretary of State as it relates to the regulation of the UCC to refer, instead, to DFI. Modify all statutory references to the Office of the Commissioner of Credit Unions to refer, instead, to the Office of Credit Unions.

*Transfer of Assets and Liabilities.* Provide that on July 1, 1996, matters relating to the Offices of the Commissioners of Banking, Savings and Loan, Credit Unions, Securities, Regulation and Licensing for mortgage banking, and the Secretary of State for UCC, would be transferred to the DFI. The specific items to be transferred would include:

a. All assets and liabilities, tangible personal property, records, contracts, pending matters, rules and orders of the prior agencies.

b. Contractual obligations entered into by the prior agencies would be carried out by DFI until modified or rescinded as allowed under the contracts.

c. Promulgated rules and orders issued by the prior agencies would remain in effect until their specified expiration dates or until modified.

d. Actions taken by or materials submitted to the prior agencies would be considered as having been taken by or submitted to DFI.

*Appropriations.* Establish an annual PR appropriation for general program operations of DFI. The annual PR general program operations appropriations of the Commissioners' of Securities, Savings and Loan and Banking would be deleted and the unencumbered balances transferred to the general program operations appropriation in DFI immediately before July 1, 1996.

Other current appropriations under Banking would be transferred to DFI, including the new appropriations for information technology development funds and for gifts, grants settlements and publications that would be established under the budget act, as well as the current annual PR appropriation in Securities for investor education funds. Specify that the unencumbered balances of the information technology development fund appropriations that would be established under the budget act for Banking and Savings and Loan be transferred to the Department's appropriation immediately before July 1, 1996, and that these appropriations would be eliminated.

Specify that all moneys received by the Department would be credited to its general program operations appropriation, except funding for losses on public bank deposits, the information technology appropriation, state deposit fund, gifts, grants and settlements, and the investor education fund, which would be credited to those appropriations. Any balance in the general program operations appropriation at the end of the fiscal year exceeding 10% of the previous year's expenditures would lapse to the general fund. This lapse requirement would be similar to that which currently applies to Securities; the current requirements that 10% of all monies received by Banking, Credit Unions and Savings and Loan, be deposited in the general fund, would be deleted.

*Office of Credit Unions.* Transfer both current Credit Union appropriations to the newly created the Office of Credit Unions as well as the new information technology development funds appropriation that would be established under the budget act. Specify that any balance in the general program operations appropriation at the close of the fiscal year exceeding 10% of the previous fiscal year's expenditures would lapse to the general fund.

*Positions.* Transfer the following positions to the Department: 74.0 from Banking, 2.0 from Credit Unions, 10.0 from Savings and Loan, 22.0 from Securities, 1.0 from the Department of Regulation and Licensing, and 14.0 from the Secretary of State. The incumbent employees holding those positions would



be transferred to the Department with the same rights and the status as they held at the time of transfer. Employees who had attained permanent status would not be required to serve a probationary period.

Ten of the positions in the Department would be unclassified: the Secretary, Deputy Secretary, Executive Assistant, Chief Legal Counsel, five Division Administrators and the Director of the Office of Credit Unions. The Governor would appoint the Secretary of the Department, subject to confirmation by the Senate. The Director of the Office of Credit Unions would be appointed by and serve at the pleasure of the Governor. The Deputy Secretary, Executive Assistant, Legal Counsel and five Administrators would be appointed by and serve at the pleasure of the Secretary. Currently, the four agencies primarily involved in this transfer have a total of eight unclassified positions: the agency head and deputy at Banking, Credit Unions, Savings and Loan and Securities.

The positions for the Director of the Office of Credit Unions and the Chief Legal Counsel would be assigned to Executive Salary Group 3 (ESG), which has a current salary range of \$49,900 to \$75,700. The Secretary position would be assigned to ESG 6, which has a current salary range of \$62,300 to \$96,600. Under current law governing these types of positions, the Deputy and Executive Assistant positions would be assigned to ESG 5 and ESG 4, respectively, while the Secretary of the Department of Employment Relations would recommend the assignment of the division administrator positions to an ESG range, subject to the approval of the Joint Committee on Employment Relations.

Deauthorize 14.5 positions from Banking, 2.0 from Credit Unions, 6.0 from Savings and Loan and 8.0 from Securities. Reestimate GPR-Earned by approximately \$1.0 million in 1996-97 under DFI, compared to the estimated total under the separate agencies involved.

*Other Provisions.* Specify that existing provisions relieving the Commissioners of Savings and Loan, Credit Unions and Banking from civil liability, penalty or criminal prosecution for actions taken or omitted in the Commissioners' official capacity as a result of good faith errors in judgement made upon reasonable grounds now would apply to all employees of the Department.

Delete the temporary exemption from the license requirement of a seller of checks that applied while the office was acting upon the person's application. The exemption only applied if the person was doing business on March 18, 1968, and had applied for license within 30 days of that date.

**Joint Finance:** Delete 14.0 positions with \$1,097,000 in 1996-97 and restore responsibility relating to uniform commercial code liens and the statewide UCC lien information system to the Office of the Secretary of State.

Modify the Governor's recommendation to attach the Divisions of Banking, Savings and Loan, and Securities to the Department of Financial Institutions for administrative and budgetary matters only, until July 1, 2000. These Divisions would exercise powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning within the area of program responsibility of the Division. Budgeting and program coordination and related management functions would be performed under the direction and supervision of the Secretary of the Department.

Specify that 12% of fees collected relating to Banking, Savings and Loans and Credits Unions would lapse to the general fund. This additional lapse requirement would maintain GPR-Earned amounts at the estimated AB 150 levels. Clarify that 21.0 positions in Credit Unions would be transferred to DFI rather than 20.0 as in AB 150. Modify the Governor's recommendation relating to mortgage banking to specify that the proposed \$39 initial fee would continue to apply after reorganization, and to establish a \$486 fee for mortgage bankers, \$105 for loan solicitors and \$94 for loan originators. Modify the Governor's provision to provide a classified, rather than unclassified, legal counsel position and delete 1.0 unclassified position with \$80,000 in 1996-97 to eliminate the executive assistant in DFI. Finally, reduce the number of unclassified division administrator positions specified in the bill from five to four, to reflect the shift of the UCC function back to the Secretary of State.

**Assembly:** Provide DFI with \$2,300,100 and 31.0 positions in 1996-97 to transfer responsibility for filing business organization records, filing federal and UCC lien documents and the statewide UCC lien information system from the Office of the Secretary of State (OSS) to DFI. Transfer the current OSS employees (incumbent employees would be transferred and would have the same rights and status and would not serve a probationary period), program assets and liabilities, tangible personal property, contracts, administrative rules, orders and pending matters primarily related to the functions of business organization filings, UCC and federal lien document filings and the UCC lien information system, effective July 1, 1996.

**Senate/Legislature:** Restore 1.0 unclassified position for the executive assistant in DFI and provide that, annually, \$200,000 of amounts received be transferred from the general program operations program revenue appropriation of DFI to the program fees appropriation of OSS. This is similar to a provision in the Governor's recommendations that would have annually transferred \$200,000 from DOR's business organization filing fees to OSS. The funding transfer is necessary to cover OSS' annual operating expenses.

[Act 27 Sections: 49b, 50b, 51c, 52b, 52c, 53ad, 74, 76, 84, 123, 134 thru 136, 194 thru 197, 201 thru 203, 214 thru 218, 383b, 491 thru 493, 495, 498 thru 504, 518 thru 520b, 533, 535, 1120b, 1121b, 1184, 1197, 1201, 1202, 1205, 1210, 1407, 1736 thru 1747, 1755, 1988b, 1989b, 3242b, 3261b, 3293b, 3298b, 3300, 3322, 3323, 3399, 3424b, 3517g, 3529b, 3597b, 3601b, 3603b thru 3607b, 3742b, 3783b, 3844, 4145b, 4147b, 4149 thru 4156, 4158 thru 4177, 4179, 4180, 4182, 4184 thru 4189, 4193b, 4396b thru 4401b, 4403b, 4404b, 4497, 4498b thru 4582b, 4584b, 4586b thru 4633b, 4635b, 4637b thru 4747b, 4749b thru 4765b, 4768b thru 4777b, 4779b thru 4783b, 4785b, 4787b thru 4791b, 4798b thru 4820b, 4822b, 4824b thru 4827b, 4829b, 4831b, 4833b thru 4872b, 4874 thru 5028, 5029b thru 5062b, 5066 thru 5134b, 5257g thru 5801, 5803, 5805 thru 5841, 5843 thru 5860, 5862 thru 5896, 5898 thru 5912, 5914, 5916 thru 5948, 5950 thru 5956, 5958 thru 5972, 5974b, 5975b, 5978 thru 6210, 6211b thru 6217b, 6233 thru 6237, 6249, 6263, 6264, 6267, 6268, 6297b, 6302 thru 6304, 6441b thru 6445b, 6448b thru 6455b, 6457b thru 6460b, 6462b, 6464b thru 6466, 6467b, 6468 thru 6470, 6470y, 6527m, 6528m, 6535m, 6586b, 6589 thru 6604, 6607b, 6611, 6621 thru 6883, 7006, 7010b, 7012b thru 7016b, 7018b, 7023b thru 7026b, 7027, 7028b, 7031b, 7033b, 7034, 7050 thru 7060, 7066, 7062b thru 7064b, 7096, 7128b, 7129b, 7130b thru 7134b, 7136b thru 7138b, 7140b, 7147, 7212b, 7213b, 7230, 7296b, 7297b, 9106(1)(a) thru

(h), 9115(1)(a) thru (h), 9147(3)(a) thru (g), 9149(1)(a) thru (h), 9150(1bt)&(2bt), 9151(1)(a) thru (h), 9206(1), 9249(1)&(2), 9250(3t), 9251(1)&(2), 9406(1), 9447(7), 9450(1),(4bt)&(4bu) and 9459(7)]

**2. GENERAL POSITION AND FUNDING REDUCTIONS**

**Joint Finance/Legislature:** Delete \$60,700 in 1996-97 and 1.5 positions.

	Chg. to Gov. Funding Positions	
PR	- \$60,700	- 1.50

## GAMING COMMISSION

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
PR	\$12,108,400	\$7,313,600	\$7,570,500	\$7,570,500	\$7,570,500	-\$4,537,900	- 37.5%
SEG	<u>133,066,400</u>	<u>128,163,800</u>	<u>62,390,600</u>	<u>62,390,600</u>	<u>62,390,600</u>	<u>-70,675,800</u>	<u>- 53.1</u>
<b>TOTAL</b>	<b>\$145,174,800</b>	<b>\$135,477,400</b>	<b>\$69,961,100</b>	<b>\$69,961,100</b>	<b>\$69,961,100</b>	<b>-\$75,213,700</b>	<b>- 51.8%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
PR	66.65	42.42	52.45	52.45	52.45	- 14.20
SEG	<u>147.00</u>	<u>28.63</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	<u>- 146.00</u>
<b>TOTAL</b>	<b>213.65</b>	<b>71.05</b>	<b>52.45</b>	<b>53.45</b>	<b>53.45</b>	<b>- 160.20</b>

### Agencywide

#### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Request an adjustment to the agency's base budget for: (a) turnover reduction (-\$62,600 PR and -\$138,600 SEG annually); (b) nonrecurring costs (-\$20,000 PR and -\$712,800 SEG in 1995-96 and -\$20,000 PR and -\$723,100 SEG in 1996-97 and -1.0 SEG position annually); (c) full funding of continuing position salaries and fringe benefits (\$19,400 PR and \$113,400 SEG annually); (d) full funding of financial services charges (\$3,000 PR and \$7,300 SEG annually); (e) overtime (\$26,500 PR and \$11,800 SEG annually); (f) fifth vacation week as cash (\$5,500 PR and \$4,400 SEG annually); (g) full funding of lease costs and directed moves (\$5,100 PR and \$15,400 SEG in 1995-96 and \$5,200 PR and \$16,000 SEG in 1996-97); and (h) full funding of 1994-95 delayed pay plan adjustments (\$14,300 PR and \$32,900 SEG annually).

	Chg. to Base Funding Positions	
PR	-\$17,500	0.00
SEG	<u>- 1,342,100</u>	<u>- 1.00</u>
<b>Total</b>	<b>-\$1,359,600</b>	<b>- 1.00</b>

2. PRIVATIZATION AND REORGANIZATION [LFB Papers 345, 346, 347 and 350]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$1,251,300	- 18.63	\$832,500	16.63	\$0	0.00	-\$418,800	- 2.00
SEG	- 6,550,900	- 92.37	5,915,400	87.37	0	1.00	- 635,500	- 4.00
Total	-\$7,802,200	- 111.00	\$6,747,900	104.00	\$0	1.00	-\$1,054,300	- 6.00

**Governor:** Delete \$449,300 PR and \$2,413,900 SEG and 18.63 PR and 97.37 SEG positions in 1995-96 and \$802,000 PR and \$4,137,000 SEG and 18.63 PR and 92.37 SEG positions in 1996-97 to reflect the restructuring and privatization of Commission functions. The following table shows the funding and position adjustments, by year, for each division and office of the Commission.

Division or Office	1995-96		1996-97	
	Funds	Positions	Funds	Positions
Commissioners' Office	-\$459,900	-7.00	-\$544,600	-7.00
Security Division	-96,600	-16.00	-245,500	-16.00
Administrative Services Division	-774,100	-24.00	-1,297,600	-25.00
Lottery Division	-1,466,100	-64.00	-2,647,500	-58.00
Racing Division	37,700	-5.00	-46,700	-5.00
Office of Indian Gaming	-39,900	0.00	-36,600	0.00
Office of Charitable Gaming	-24,700	0.00	-24,700	0.00
Unallocated	-39,600	0.00	-95,800	0.00
Totals	-\$2,863,200	-116.00	-\$4,939,000	-111.00

Specific recommendations relating to this item include the following:

**Gaming Commission Membership.** Change the composition of the Commission from three full-time commissioners, appointed to four-year terms, to one full-time chairperson, appointed to a four-year term, and two part-time commissioners, appointed to two-year terms, effective January 1, 1996. Specify that the terms of any incumbent commissioners on December 31, 1995, would expire on that date. Provide that the Governor must designate that a person would be the chairperson upon submitting his or her nomination for an appointment to the Commission. This person would serve as the chairperson for the duration of his or her term. Currently, the Governor designates a nominee or member to serve as chairperson for two years. Specify that the term of the initial chairperson appointed under these provisions would expire on July 1, 2000.

Provide that the two part-time commissioners must be appointed from the ranks of state employment. Specify that they would not be compensated for their service on the Commission, but that

the state agency that employs them must allow them to serve without loss of pay, benefits or seniority privileges, if any, earned for scheduled hours during which they conduct Commission business. Provide that if they are in the classified service prior to appointment or reappointment, that they would continue to serve in the classified service for the duration of their appointment. Specify that the initial terms of the two part-time commissioners would expire on July 1, 1997, and July 1, 1998.

***Privatization of Security Functions.*** Eliminate the Commission's Division of Security, effective January 1, 1996, and instead require the Commission to contract with DOA or another person to perform security functions relating to the regulation of legal gambling. The contract for security services must specify that the contractor has to report suspected criminal activity to the Department of Justice (DOJ). If DOA is the contractor and DOJ chooses not to investigate a report, DOA would have to coordinate an investigation of the suspected criminal activity with local law enforcement officials and district attorneys. Require DOA to contract with the Commission for security functions at the Commission's request. Under a contract with DOA, these functions would be performed by the Capitol Police. Delete the unclassified position of Division of Security administrator and create an unclassified gaming security liaison position to advise the Commission regarding gaming security functions.

***Unclassified Position Adjustments.*** Authorize the following three unclassified positions, appointed by the chairperson of the Commission: (a) a deputy; (b) a program assistant; and (c) a director of the Office of Charitable Gaming. Delete the classified administrative assistant position that currently heads the Office of Charitable Gaming. Eliminate the following five unclassified positions: (a) an executive assistant; (b) a deputy administrator for racing; (c) an assistant administrator for racing; (d) a deputy administrator for the lottery; and (e) an assistant administrator for the lottery. This provision and others in the bill would reduce the number of authorized unclassified positions for the Commission from 12 to nine.

***Conflict of Interest Provision.*** Provide that an employe of the Commission whose position is eliminated between the effective date of the budget act and June 30, 1997, may be employed by a lottery vendor immediately following the employe's termination of service. Under current law, no member or employe of the Commission may have a direct or indirect interest in or be employed by any vendor while serving as a member or employe for two years following the member's or employe's termination of service.

***Disposition of Commission Property.*** Provide that the Secretary of DOA and the Commission must jointly develop and implement a plan for the disposition of all tangible personal property of the Commission, including records, relating to the performance of functions that would be eliminated after the effective date of the budget act as a result of contracting outside of state government for their performance. Provide that, if there is a disagreement between the Secretary and the Commission, the Secretary would decide the question. Specify that this provision would not apply after June 30, 1998.

In addition to the provisions in the bill, the Executive Budget Book indicates that the following lottery functions will be privatized: (a) sales administration; (b) telephone sales operations; (c) marketing; and (d) warehousing staff.

The Executive Budget Book indicates that the elimination of positions would occur as follows:

<u>Date of Elimination</u>	<u>PR Positions</u>	<u>SEG Positions</u>
June 30, 1995	4.00	24.00
January 1, 1996	13.63	58.87
June 30, 1996	<u>1.00</u>	<u>9.50</u>
Totals	18.63	92.37

**Joint Finance:** Delete the Governor's recommendations relating to Commission membership and the privatization of security and lottery functions. Instead, transfer the operation and administration of, and statutory provisions related to, the state lottery from the Gaming Commission to the Department of Revenue (DOR), effective July 1, 1996. To reflect the deletion of the Governor's recommendations and the actions described below, provide the following: (a) \$255,500 PR and 16.63 PR positions and \$2,204,000 SEG and 94.37 SEG positions in 1995-96; and (b) \$577,000 PR and 16.63 PR positions and \$3,711,400 SEG and 87.37 SEG positions in 1996-97. The total funding and position transfer to DOR in 1996-97 is identified in a separate lottery entry (Item #14). Deleting the privatization provisions under the bill restores the Security Division under the Commission and the current law requirements that data processing auditing would be conducted by the state and on-line data processing and instant ticket data processing contracts would be separate contracts.

**Commission Structure.** Eliminate the Gaming Commission, effective July 1, 1996, and create a five-member Gaming Board, the members of which would be nominated by the Governor, and with the advice and consent of the Senate appointed, to serve four-year terms. Provide that the initial term of two of the Board members would first expire on July 1, 1998, and the initial term of two other members would expire on July 1, 1999. Provide that the Board would be authorized to coordinate, regulate and promulgate rules relating to: (a) racing and pari-mutuel wagering; (b) bingo, raffles and crane games; (c) the state lottery; and (d) Indian gaming as provided for under the state-tribal gaming compacts. Allow the Secretary of Revenue to submit proposed rules or rule revisions relating to the state lottery to the Gaming Board for approval, prior to their submission to the Legislature.

**Employment Provisions.** Provide a program revenue funded, unclassified Executive Director position in 1996-97, under the Gaming Board, for the regulation of racing and pari-mutuel wagering, bingo, raffles and crane games and Indian gaming. The position would be appointed by the Governor, subject to confirmation by the Senate.

Provide that the attorney position acting as legal counsel for the Gaming Board also be designated as the legislative liaison for the Board.

Modify the Governor's recommendations relating to the following provisions:

**Conflict of Interest Provision.** Prohibit Commission or Board members, the Secretary of Revenue and his or her deputy and executive assistant and the Administrator of the Lottery Division (under the Commission prior to July 1, 1996, or under DOR, after July 1, 1996), from having a direct or indirect interest in, or being employed by, any vendor while serving as a member or employe or for two years following the member's or employe's termination of service.

**Unclassified Position Adjustments.** Delete the unclassified deputy and gaming security liaison positions. Restore an unclassified Security Division Administrator position. Retain the Directors of the Office of Charitable Gaming and the Office of Indian Gaming as classified positions. Convert the unclassified program assistant position to classified.

**Senate/Legislature:** Restore the executive assistant unclassified position, but not the associated funding.

**Veto by Governor [E-9]:** Delete the provision that would have provided that the attorney position acting as legal counsel for the Gaming Board also be designated as the legislative liaison for the Board.

[Act 27 Sections: 43g, 44r, 86m, 95m, 203c thru 203x, 543m, 544m, 545m, 1205m, 6258m, 6277m, 6940k, 6940L, 6953, 6978, 6978k, 6978L, 7231m, 9123(6pp),(6pq),(6ps) thru (6pu) and 9423(2p)]

[Act 27 Vetoed Sections: 6940k and 9423(2p) (as it relates to s. 561.02(2m)]

**3. INTERACTIVE VOICE RESPONSE SYSTEM**

**Governor/Legislature:** Provide \$11,200 PR and \$22,700 SEG in 1995-96 and \$12,400 SEG in 1996-97 for expanding the Commission's interactive voice response system. The increase would affect: (a) the lottery retailer hotline; (b) a full-service retailer ticket ordering system; (c) a lottery accounting information system; (d) a media information hotline; and (e) a charitable gaming information system.

	Chg. to Base
PR	\$11,200
SEG	35,100
Total	\$46,300

**4. MADISON OFFICE SPACE**

**Governor/Legislature:** Provide \$38,300 PR and delete \$60,900 SEG in 1996-97 for the consolidation of Madison staff in the Commission's beltline highway facility. Currently, part of the Commission staff is located in office space downtown. The consolidation would be effective September 1, 1996. The reduction in SEG funding reflects plans to rent space at the beltline location to other state agencies on a temporary basis.

	Chg. to Base
PR	\$38,300
SEG	- 60,900
Total	- \$22,600



5. GENERAL POSITION AND FUNDING REDUCTIONS

	Chg. to Base Funding Positions	
PR	- \$552,000	- 6.35
SEG	- 791,600	- 11.00
Total	- \$1,343,600	- 17.35

Joint Finance/Legislature: Delete \$276,000 PR and \$395,800 SEG annually and 6.35 PR and 11.0 SEG positions beginning in 1995-96. In addition, a 0.25 PR attorney position is deleted in the Office of Indian Gaming. This is reflected in Item #1 under "Indian and Charitable Gaming."

Lottery

1. LOTTERY FUND CONDITION [LFB Paper 354]

Governor: Estimate lottery ticket sales at \$499.5 million annually, based on the following annual game estimates: (a) \$305 million in scratch ticket sales; (b) \$9.5 million in pull-tab ticket sales; and (c) \$185 million in on-line ticket sales.

Estimate appropriations for the lottery tax credit at \$138,575,500 in 1995-96 and \$140,609,300 in 1996-97. These amounts would provide an average credit of \$113 in 1995-96 and \$115 in 1996-97. However, the estimated amounts for the lottery tax credit, in conjunction with the sum certain appropriation amounts and sum sufficient appropriation estimates included in the bill, would result in a gross closing balance in both years that is too low to provide the statutory reserve of 2% of gross revenue.

Meeting the 2% statutory reserve requirement, without making other changes in lottery expenses, would result in adjusted lottery credit appropriations of \$137,630,900 in 1995-96 and \$139,193,200 in 1996-97. This would provide an average credit of \$112 in 1995-96 and \$114 in 1996-97. The 1994-95 average lottery credit is \$112.

Joint Finance/Legislature: Reestimate lottery sales to total \$509.5 million in 1995-96 and \$514.5 million in 1996-97, as follows:

(Millions)

<u>Game Type</u>	<u>1995-96</u>	<u>1996-97</u>
Scratch	\$296.4	\$299.4
Pull-Tab	9.0	9.0
On-Line	<u>204.1</u>	<u>206.1</u>
Total	\$509.5	\$514.5

The table which follows shows the lottery fund condition under the Legislature. Based on reestimated sales, prizes and administrative expenses, the lottery property tax credit is reestimated at \$150.7 million

in 1995-96 and \$141.8 million in 1996-97. These amounts would provide average lottery credits of \$123 in 1995-96 and \$116 in 1996-97.

[Act 27 Section: 471]

**1995-97 Lottery Fund Condition Statement  
Joint Finance Committee/Legislature**

	<u>1995-96</u>	<u>1996-97</u>
Fiscal Year Opening Balance	\$20,291,300*	\$10,191,500
OPERATING REVENUES		
Ticket Sales	\$509,500,000	\$514,500,000
Retailer Fees and Miscellaneous	<u>72,500</u>	<u>64,400</u>
GROSS REVENUES	\$509,572,500	\$514,564,400
EXPENDITURES		
Prizes	\$293,031,900	\$295,908,900
Basic Retailer Compensation	28,198,300	29,106,100
On-Line Vendor Payments	9,078,700	11,328,000
General Program Operations	25,113,600	24,527,400
Appropriation to DOJ	218,600	220,600
Appropriation to DOR	<u>191,100</u>	<u>191,300</u>
TOTAL EXPENDITURES	\$355,832,200	\$361,282,300
NET PROCEEDS	\$153,740,300	\$153,282,100
INTEREST EARNINGS	\$3,300,000	\$3,400,000
TOTAL AVAILABLE FOR TAX RELIEF (Opening Balance + Proceeds + Interest)	\$177,331,600	\$166,873,600
APPROPRIATIONS FOR TAX RELIEF		
Lottery Property Tax Credit	\$150,731,600	\$141,772,300
Lottery Credit Local Administrative Costs	608,500	610,000
Farmland Tax Relief Credit	<u>15,800,000</u>	<u>14,200,000</u>
Total Appropriations for Tax Relief	\$167,140,100	\$156,582,300
Gross Closing Balance	\$10,191,500	\$10,291,300
Reserve (2% of Gross Revenues)	\$10,191,500	\$10,291,300
Net Closing Balance	\$0	\$0

\*The \$20.3 million opening balance reflects the estimate at the time of legislative budget deliberations. The Annual Fiscal Report for 1994-95, dated October 13, 1995, shows an opening balance of \$26.2 million.

2. **BASIC RETAILER COMPENSATION INCREASE** [LFB Paper 351]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$7,497,400	-\$4,633,600	\$2,863,800

**Governor:** Provide \$3,748,700 annually for basic retailer compensation and increase the basic compensation rate from 5% to 6%. The rate change would first apply to ticket sales on the first day of the second month beginning after publication of the budget act. Delete the provision requiring the Commission to promulgate rules relating to incentive bonuses, if any, to be paid to retailers. Currently, there are no rules relating to incentive bonuses. Base funding for retailer compensation is \$27,220,300.

**Joint Finance/Legislature:** Modify the Governor's recommendation by deleting \$2,770,700 in 1995-96 and \$1,862,900 in 1996-97 and setting retailer compensation at 5.5%.

[Act 27 Sections: 6978gm, 6979, 6980 and 9323(1)]

3. **REESTIMATE ON-LINE VENDOR FEES** [LFB Paper 354]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	-\$4,719,500	-\$862,800	-\$5,582,300

**Governor:** Reduce funding by \$4,719,500 in 1995-96 to reflect a reestimate of the sum sufficient appropriation for on-line vendor fees. The reduction is based on estimated on-line sales of \$185 million in 1995-96. Base funding for on-line vendor fees is \$12,994,500.

**Joint Finance/Legislature:** Provide \$803,700 in 1995-96 and delete \$1,666,500 in 1996-97 to reflect reestimated vendor fees. The adjustments are based on reestimated on-line lottery sales of \$204.1 million in 1995-96 and \$206.1 million in 1996-97.

4. **LOTTERY DATA PROCESSING CONTRACT** [LFB Paper 350]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$2,683,200	- 10.00	\$2,683,200	10.00	\$0	0.00

**Governor:** Provide \$18,800 and delete 1.0 position in 1995-96 and delete \$2,702,000 and 10.0 positions in 1996-97 relating to contracting for instant lottery ticket data processing. Allow DOA to contract for data processing auditing services. Under current law, DOA may not contract for lottery financial auditing services. Provide that instant ticket data processing supplies and services contracts would not require a separate bid or competitive sealed proposal. Under current law, separate bids or competitive sealed proposals are required for on-line supplies and services and instant lottery ticket supplies and services. This change would allow one contract for on-line and instant game data processing supplies and services, but would still require a separate bid for any other instant game supplies and services. Provide that vendors for on-line supplies and services, instant ticket data processing supplies and services and data processing auditing services would be paid from a single, sum sufficient appropriation (this appropriation currently funds only payments to on-line vendors).

Provide that no person may be employed by the Commission whose primary responsibility is to provide management consultation services regarding the administration of any contract for processing instant ticket and on-line lottery services unless the appointment is first approved by the Secretary of DOA. If the appointment is in the classified service, the Commission may ask the Department of Employment Relations to submit the name of an additional applicant to replace any applicant disapproved by DOA. These provisions would not apply after June 30, 1997.

**Joint Finance/Legislature:** Delete provision.

**5. LOTTERY ADVERTISING [LFB Paper 352]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
SEG	\$2,516,800	-\$2,516,800	\$0

**Governor:** Provide \$1,258,400 annually for lottery advertising. The annual base budget for advertising is \$4,608,000. The recommended funding would increase the base budget by 27.3% to a total of \$5,866,400. The bill estimates lottery sales at \$499.5 million annually in the 1995-97 biennium. This would be a 1.5% increase over anticipated 1994-95 sales of \$492.1 million.

**Joint Finance/Legislature:** Delete the Governor's recommendation. Require that state contracts for lottery advertising relating to marketing, production and talent be entered into only with Wisconsin companies and require that all marketing, production and talent services be provided by Wisconsin residents.

Veto by Governor [E-4]: Delete the provision relating to state contracts for lottery advertising.

[Act 27 Section: 6981fm]

[Act 27 Vetoed Section: 6981fm]

6. INSTANT TICKET VENDING MACHINES [LFB Paper 353]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$1,161,000	-\$1,161,000	\$0

**Governor:** Provide \$580,500 annually for the installation and leasing costs of 225 instant lottery ticket vending machines. These machines would allow lottery customers to purchase instant tickets without the assistance of a retail clerk.

**Joint Finance/Legislature:** Delete provision.

7. LOTTERY TICKET PRINTING

	Chg. to Base
SEG	-\$699,000

**Governor/Legislature:** Delete \$204,700 in 1995-96 and \$494,300 in 1996-97 to reflect anticipated lottery ticket printing savings.

8. LOTTERY TICKET DELIVERY [LFB Paper 350]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$595,500	- 15.00	\$595,500	15.00	\$0	0.00

**Governor:** Delete \$248,200 and 9.0 positions in 1995-96 and \$347,300 and 15.0 positions in 1996-97 to reflect contracting for all instant lottery ticket delivery services by July 1, 1996. Currently, 2,041 retailers (out of 4,442 total retailers) have tickets delivered by a private firm. Commission staff deliver tickets to the other retailers.

**Joint Finance/Legislature:** Delete provision.

**9. ON-LINE NETWORK EXPANSION**

	<b>Chg. to Base</b>
SEG	\$334,600

**Governor/Legislature:** Provide \$167,300 annually to increase the number of on-line lottery terminals by 100. The terminals would be added to the network by January, 1996, providing a total of 3,160 terminals.

**10. ON-LINE NETWORK MAINTENANCE**

	<b>Chg. to Base</b>
SEG	\$140,600

**Governor/Legislature:** Provide \$70,300 annually for on-line network maintenance, including modem maintenance (\$281,000) and relocation of terminals due to retailers going out of business (\$46,300). These amounts total \$327,300 annually and are reduced by \$257,000 annually due to an anticipated decrease in base level funding for terminal telecommunication costs. Currently, the Commission maintains 3,286 modems, including 3,060 terminal modems, 171 master modems/circuits and 55 replacement modems.

**11. PORTABLE LOTTERY SALES BOOTH [LFB Paper 353]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
SEG	\$40,000	- \$40,000	\$0

**Governor:** Provide \$20,000 annually for the purchase of a portable booth from which lottery tickets would be sold. The booth would be used for lottery sales at seasonal events throughout the state.

**Joint Finance/Legislature:** Delete provision.

**12. HEALTH AND SAFETY PLAN CONSULTANT**

	<b>Chg. to Base</b>
SEG	\$16,000

**Governor/Legislature:** Provide \$8,000 annually for a consultant to develop health and safety guidelines and checklists to enable the Commission to annually inspect lottery warehouse facilities and implement health and safety recommendations.

**13. LOTTERY VIDEO CONFERENCE TRAINING**

	<b>Chg. to Base</b>
SEG	\$7,000

**Governor/Legislature:** Provide \$3,500 annually for supplies and services relating to video conference training for retailers and Commission staff. The training would utilize existing video conferencing facilities at DOA and the University of Wisconsin.

#### 14. TRANSFER STATE LOTTERY TO THE DEPARTMENT OF REVENUE

Chg. to Base Funding Positions	
SEG	- \$64,961,500 - 130.00

**Joint Finance/Legislature:** Delete \$64,961,500 SEG and 130.0

SEG positions in 1996-97 to reflect the transfer of the operation and administration of, and statutory provisions related to, the state lottery from the Gaming Commission to the Department of Revenue (DOR), effective July 1, 1996. The transferred amount includes \$24,527,400 for program operations, \$29,106,100 for retailer compensation and \$11,328,000 for vendor fees. Create a Division of Lottery under DOR and eliminate the Lottery Division under the Gaming Commission. Transfer, from the Gaming Commission to DOR: (a) the assets and liabilities of the state lottery; (b) the tangible personal property, including records, of the state lottery; (c) the authorized positions funded from the lottery fund; (d) any lottery-related contracts entered into by the Commission; (e) any orders issued by the Commission related to the state lottery, which are in effect on the effective date of the transfer; and (f) any matter pending with the Commission, on the effective date of the transfer, relating to the state lottery. Provide that any orders would remain in effect until their specified expiration dates or until modified or rescinded by the Gaming Board and all material submitted to, or actions taken by, the Commission with respect to pending matters related to the state lottery are considered to have been submitted to, or taken by, DOR. Provide that the Board would be authorized to coordinate, regulate and promulgate rules relating to the state lottery. Allow the Secretary of Revenue to submit proposed rules or rule revisions relating to the state lottery to the Gaming Board for approval, prior to their submission to the Legislature.

**Implementation Plan.** Require the Gaming Commission and the Secretaries of DOR and DOA to jointly and cooperatively develop an implementation plan concerning the transfer of lottery operations to DOR and provide a written report of the proposed plan to the Joint Committee on Finance no later than February 1, 1996, to be approved by the Committee under a 14-day passive review, similar to s. 16.515. Provide that the Committee's action on the proposed plan would not be subject to veto by the Governor.

**Lottery Privatization.** Require the Gaming Commission and the Secretaries of DOR and DOA to jointly and cooperatively develop an implementation plan for privatization initiatives, including a plan for the implementation of contracts and contract oversight mechanisms, relating to sales administration, marketing, ticket warehousing, instant ticket data processing, telephone sales and ticket delivery. Require the plan to identify state position reductions associated with each privatization initiative. Require that a written report of the proposed plan be provided to the Joint Committee on Finance no later than April 1, 1996, to be approved by the Committee under a 14-day passive review, similar to s. 16.515. Provide that the Committee's action on the proposed plan would not be subject to veto by the Governor.

**Coordination of Security Functions.** Require the Gaming Commission, the Secretaries of DOR and DOA and a designee of the Attorney General from the Division of Criminal Investigation in the Department of Justice, to jointly develop a plan concerning the coordination of gaming security functions. Provide that the plan may allow, but not require, contracting all or some warehouse and building protection functions to DOA. Require DOA to contract for the performance of building and warehouse protection if requested by either the Commission or DOR. Provide that DOJ would be responsible for the conduct of background investigations relating to major lottery procurement contracts. Require that a

written report of the proposed plan be submitted to the Joint Committee on Finance no later than June 1, 1996, to be approved by the Committee under a 14-day passive review, similar to s. 16.515. Provide that the Committee's action on the proposed plan would not be subject to veto by the Governor.

**Employment Provisions.** Provide that any incumbent employees holding positions funded from the lottery fund on the effective date of the transfer would be transferred to DOR. The transferred employees would retain all the rights and status in DOR that they enjoyed under the Commission.

Prohibit Gaming Commission or Board members, the Secretary of Revenue and his or her executive assistant and deputy and the Administrator of the Lottery Division (under the Commission prior to July 1, 1996, or under DOR, after July 1, 1996), from having a direct or indirect interest in, or being employed by, any vendor while serving as a member or employee or for two years following the member's or employee's termination of service.

**Veto by Governor [E-3, E-6, E-7 and E-8]:** Delete the July 1, 1996, effective date for the state lottery general operations appropriation under DOR. The Governor indicates in the veto message that this would allow DOR to assume responsibility for lottery operations prior to July 1, 1996. Delete the requirement to provide the Joint Committee on Finance with an implementation plan concerning the transfer of the state lottery, a plan to implement lottery privatization initiatives and a plan for the coordination of gaming security functions. Delete the requirement that the Gaming Board coordinate and regulate the state lottery and allow DOR to promulgate rules relating to the state lottery. The Governor indicates in the veto message that, while the statutes still provide rule-making authority to the Gaming Board, it is his intent that DOR have primary rule-making authority for the state lottery. Delete the term "building and warehouse" and the references to the Gaming Commission and DOR in the provision requiring DOA to contract with either the Gaming Commission or the Department of Revenue for the performance of building and warehouse protection relating to the state lottery, if requested to do so by either agency. Under the partial veto, DOA is required to contract for protection relating to the state lottery, if so requested.

[Act 27 Sections: 43r, 44q, 187m, 361m, 363m, 391g, 391r, 546b thru 546t, 1087, 1119g, 1119r, 1149p, 1420u thru 1420w, 3373n, 3373r, 3417m, 3420x, 3485o, 4454c, 6250, 6253m, 6940g thru 6940j, 6940m, 6940r, 6977b thru 6977t, 6978b thru 6978g, 6978h thru 6981f, 6981g thru 6981v, 9123(6pq) thru (6ps) and 9423(2p)]

[Act 27 Vetoed Sections: 391g, 391r, 6940j, 6977m, 9123(6pr) and 9423(2p) (as it relates to s. 16.84(3) (by Section 391r), s. 20.566(8) (title) and (q) and s. 565.017)]



## Racing

### 1. RACETRACK DRUG TESTING REQUIREMENTS

	<b>Chg. to Base</b>
PR	- \$2,334,600

**Governor/Legislature:** Delete \$1,167,300 annually to reflect reestimated racetrack animal drug testing fees. Require that at least one animal, as identified by administrative rules, be tested following each race. Require the Commission to submit proposed rules to the Legislative Council by the first day of the third month after the effective date of the budget act. Provide that the Commission administer the new testing requirement on a case-by-case basis prior to the effective date of the rules. Under current law, the animal that won the race and at least one other animal selected at random must be tested. Based on the projected number of performances and the cost per test, \$891,500 of the annual reduction would occur under current law and \$275,800 would result from testing only one animal.

[Act 27 Sections: 6975 and 9123(4)&(5)]

### 2. STATE PARI-MUTUEL TAX MODIFICATIONS [LFB Paper 357]

Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR-REV - \$3,300,000	\$3,300,000	\$0

**Governor:** Reduce pari-mutuel tax rates paid by dog racetrack licensees as shown below. Pari-mutuel taxes, which are deposited in the general fund, are paid on each race day at a rate determined by the total amount wagered on all previous race days in the year.

<u>Total Amount Wagered During Calendar Year</u>	<u>Tax Rate</u>	
	<u>Current</u>	<u>AB 150</u>
\$25 million or less	2.00%	1.00%
\$25 million to \$100 million	2.67	2.00
\$100 million to \$150 million	4.67	4.00
\$150 million to \$200 million	6.67	6.00
\$200 million to \$250 million	7.67	6.00
More than \$250 million	8.67	8.00

The proposed tax decrease would take effect on the effective date of the budget act. Pari-mutuel taxes totalled \$5.9 million in 1993-94 and are estimated to total \$5.0 million in 1994-95. Under current

law, pari-mutuel tax revenue is estimated to continue at \$5.0 million annually in the 1995-97 biennium. Under the bill, estimated tax revenue would total \$3.3 million in 1995-96 and \$3.4 million in 1996-97.

**Assembly/Legislature:** Delete provision.

**3. PARI-MUTUEL BREAKAGE REVENUE [LFB Paper 358]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
PR-REV	- \$806,200	\$806,200	- \$806,200	- \$806,200

**Governor:** Allow dog and horse racetrack licensees to retain 100% of breakage revenue. Under current law, winning bets are calculated by rounding down to the nearest \$0.10. The remainder above the \$0.10 is termed the "breakage." Licensees are permitted to retain 50% of the breakage. For dog races, the remaining breakage must be deposited with the Commission for the regulation of racing. For horse races, the remaining breakage is allocated for purse supplements for horses foaled in Wisconsin and for three-year-old horses. State breakage revenue totalled \$430,600 in 1993-94 and is estimated to total \$403,100 in 1994-95.

**Joint Finance:** Delete provision.

**Assembly/Legislature:** Restore provision.

[Act 27 Sections: 543, 546x, 1018c and 6965 thru 6972]

**4. ELIMINATE FOX VALLEY RACETRACK POSITIONS**

**Governor/Legislature:** Delete \$265,100 and 5.6 positions annually to reflect the closing of the Fox Valley Greyhound Park. A Commission field office was maintained at the racetrack while it was in operation. The track closed on August 12, 1993.

	Chg. to Base Funding Positions	
PR	- \$530,200	- 5.60

**5. DIVISION OF RACING LIMITED-TERM EMPLOYEES**

**Governor/Legislature:** Delete \$152,000 annually for limited-term employee salary costs. The base funding for this purpose is \$342,400.

	Chg. to Base
PR	- \$304,000

**6. DIVISION OF RACING SUPPLIES AND SERVICES**

**Governor/Legislature:** Delete \$150,000 annually for supplies and services. The base funding level for this purpose is \$718,700.

	Chg. to Base
PR	- \$300,000

**7. TREATMENT OF RACING ANIMALS**

**Governor/Legislature:** Delete \$45,500 annually to reflect the proposed elimination of a contract with the Department of Agriculture, Trade and Consumer Protection (DATCP) for the inspection and investigation of facilities that are used for breeding or training greyhounds for racing. Under current law, DATCP must do this for the purpose of obtaining compliance with laws relating to the humane treatment of animals, animal health, animal importation, rabies control and dog licensure. Delete this requirement and instead require the Commission to conduct these inspections and investigations. Extend this provision to all racing animals, but limit the purpose to laws relating to the humane treatment of animals.

	Chg. to Base
PR	- \$91,000

[Act 27 Sections: 3554, 3555 and 6952]

**8. DIVISION OF RACING LEGAL SERVICE COSTS**

**Governor/Legislature:** Delete \$15,700 annually for court reporting and legal services for racing-related contested case hearings. Contested case hearings may be used by individuals adversely affected by decisions of the Commission. Base level funding for this purpose is \$25,700.

	Chg. to Base
PR	- \$31,400

**9. RACING FIELD OFFICE EQUIPMENT**

**Governor/Legislature:** Provide \$4,500 in 1995-96 and \$500 in 1996-97 for the replacement of camera and fingerprint equipment at racing program field offices.

	Chg. to Base
PR	\$5,000

**10. SIMULCASTING OF PARI-MUTUEL RACES [LFB Paper 359]**

**Governor:** Provide that a racetrack licensee: (a) may, on the effective date of the bill, receive any number of simulcast races from out-of-state racetracks (the current maximum is nine races per year); and (b) may commingle the licensee's wagering pools on simulcast races with those of the out-of-state racetrack. Specify that the Commission must: (a) promulgate rules administering these provisions; and (b) administer these provisions on a case-by-case

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

basis prior to the effective date of the rules. Pari-mutuel tax revenue relating to increased simulcast wagering is estimated at \$500,000 annually.

**Joint Finance/Legislature:** Specify that a racetrack that conducts wagering on simulcast (out-of-state) races must meet the following requirements: (a) at least 250 race performances (live racing) must be conducted at that racetrack during the calendar year immediately preceding the year in which the applicant proposes to conduct wagering on simulcast races (for a racetrack with a live race handle of less than \$25 million, this requirement would be lowered to 200 race performances); (b) simulcast wagering could be conducted at the racetrack only as an adjunct to, and not in a manner that would supplant, wagering on live on-track racing at that racetrack, and simulcast wagering could not be the primary source of wagering revenue at that racetrack; and (c) the conduct of simulcast wagering could not adversely affect the public health, welfare or safety. Provide that 4.5% of the amount wagered on simulcast races be provided for purses.

**Veto by Governor [E-10]:** Delete the provision that would have provided that 4.5% of the amount wagered on simulcast races be provided for purses. The Governor indicates in the veto message that it is his intent that the Gaming Commission or Board promulgate rules relating to the percentage of wagers provided for purses.

[Act 27 Sections: 6958, 6958m, 6959, 6961 and 9123(3)]

[Act 27 Vetoed Section: 6958]

## 11. PARI-MUTUEL RACETRACK LICENSEE DEDUCTIONS [LFB Paper 359]

**Governor:** Provide that a licensee may deduct: (a) from the total amount wagered in straight pool races, in addition to the 17% required under current law, up to an additional 3% (for a maximum of 20%), with the approval of the Commission; and (b) from the total amount wagered in multiple pool races, in addition to the 23% required under current law, up to an additional 2% (for a maximum of 25%), with the approval of the Commission. Amounts deducted above the minimum take-out would decrease the amount of winnings currently provided to bettors.

**Joint Finance/Legislature:** Specify that a racetrack that increases its deduction above the minimum amount would be required to provide 4.5% of the revenue generated by the increase for purses at that racetrack.

[Act 27 Sections: 6951, 6960 and 6961m]

## 12. INTERTRACK (IN-STATE) PARI-MUTUEL WAGERING [LFB Paper 359]

**Governor:** Provide that licensees conducting intertrack wagering (wagering on races telecast from other Wisconsin racetracks) may accept wagers on more than one intertrack race performance when two or more such race performances are run at the same time. Currently, a licensee can only accept intertrack wagers on one race performance in these cases.

Repeal the following requirements for intertrack wagering: (a) if the licensee did not conduct racing on the day of the intertrack race, the licensee must distribute 3.5% of the total amount wagered to the host track for purses at that track and at least 1% of the total amount wagered for purses for races held at the licensee's racetrack; (b) if racing was conducted on that race day at the licensee's racetrack, the licensee must distribute 2.25% to the host track for purses and retain at least 2.25% for purses at the licensee's racetrack; and (c) that the licensee must distribute 50% of the amount remaining after all payouts and allocations to the host track. Provide instead, that 1.5% of the total amount of intertrack wagers be used for purses.

**Joint Finance/Legislature:** Provide that 4.5% of the total amount of intertrack wagers be used for purses.

**Veto by Governor [E-10]:** Delete the provision that would have provided that 4.5% of the amount wagered on intertrack races be provided for purses. The Governor indicates in the veto message that it is his intent that the Gaming Commission or Board promulgate rules relating to the percentage of wagers provided for purses.

[Act 27 Sections: 6954 thru 6958 and 6961]

[Act 27 Vetoed Section: 6958]

## 13. RACETRACK ADMISSIONS TAX [LFB Paper 359]

**Governor:** Provide that: (a) no admissions tax would be required for racetrack events that include simulcasting only (no live racing); (b) the first 500 persons entering a racetrack on a race day would each pay a 25 cent admissions tax and each subsequent person would pay a 50 cent admissions tax; (c) 100% of the tax receipts from the first 500 persons would be provided to the city, village or town where the amount was collected; and (d) 50% of the tax receipts from each subsequent person would be provided to the city, village or town and 50% to the county where the amount was collected. Under current law, 50 cents is collected for each admission and the receipts are divided equally between the city, village or town and the county.

**Joint Finance/Legislature:** Delete provision.

**14. RACING APPROPRIATION MODIFICATION [LFB Paper 360]**

**Governor:** Provide that on June 30 of each fiscal year, 10% of that fiscal year's encumbrances under the Division of Racing general operations appropriation would be retained and carried forward in the appropriation. Under current law, 10% of the year's expenditures are carried forward.

**Joint Finance/Legislature:** Delete provision.

**Indian and Charitable Gaming**

**1. UNCLASSIFIED INDIAN GAMING DIRECTOR POSITION [LFB Paper 346]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
PR	\$22,200	0.00	-\$23,600	- 0.25	-\$1,400	- 0.25

**Governor:** Provide \$9,500 in 1995-96 and \$12,700 in 1996-97 and convert the director position of the Office of Indian Gaming from a classified attorney position to an unclassified position appointed by the Chairperson of the Gaming Commission. The classified attorney position is vacant. The Commission's deputy administrator for racing (an unclassified position) is currently designated the acting director for the Office of Indian Gaming. The funding increase adjusts expenditure authority for the salary and fringe benefit costs of the position.

**Joint Finance/Legislature:** Retain the position as a classified position. Delete \$11,800 annually and 0.25 of the attorney position beginning in 1995-96 to reflect general position and funding reductions. (Other reductions are identified under "Gaming -- Agencywide," Item #5.)

**2. COMPUTER PROGRAMMING COSTS -- RACING AND INDIAN GAMING**

	<b>Chg. to Base</b>
PR	-\$20,100

**Governor/Legislature:** Delete \$5,800 in 1995-96 and \$14,300 in 1996-97 from supplies and services to reflect savings in programming costs for racing and Indian gaming computer systems as a result of contracting with a private vendor for computer services. Currently, these services are provided by the Department of Health and Social Services.

### 3. CHARITABLE GAMING APPROPRIATION

	Chg. to Base
PR	\$8,600

**Governor/Legislature:** Provide \$4,300 annually for charitable gaming and crane game regulation. The funding restores funds deleted under the agency's standard budget adjustments for turnover reduction (turnover is not taken from appropriations funding less than 40 positions). Create a separate appropriation for the receipt of revenue relating to charitable gaming (bingo and raffles) and crane games and for general operations relating to their regulation. Under current law, the general operations appropriation for pari-mutuel racing provides expenditure authority for this regulation and receives associated revenue. Provide that the Secretary of DOA transfer to the new appropriation, on the effective date of the budget act, revenue from the pari-mutuel racing appropriation that is attributable to charitable and crane game receipts.

[Act 27 Sections: 543, 545, 6976, 6977 and 9223(1)]

### 4. INDIAN GAMING SERVICES REVENUE

**Governor/Legislature:** Provide that payments received from Indian tribes to reimburse the state for gaming-related services and assistance provided by the state at a tribe's request would be credited to the Commission's Indian gaming general operations appropriation. Under current law, the appropriation is credited with funds received from the tribes under the state-tribal gaming compacts and fees received from Indian gaming vendors for the costs of required background investigations.

[Act 27 Section: 6984]

### 5. INDIAN GAMING REVENUE FOR DEPARTMENT OF JUSTICE ENFORCEMENT

**Governor/Legislature:** Authorize the use of Indian gaming revenue by the Department of Justice (DOJ) for gaming law enforcement. Under current law, Indian gaming revenue expenditure authority is provided only to the Commission's Office of Indian Gaming. Under the bill, \$98,000 in 1995-96 and \$98,900 in 1996-97 in Indian gaming revenue is appropriated for DOJ gaming enforcement.

[Act 27 Sections: 544 and 6985]

### 6. CONDUCT OF RAFFLES UNDER A CLASS B LICENSE

**Assembly/Legislature:** Create a Class A raffle license for the conduct of raffles in which at least some tickets are sold on days other than the day of the drawing and a Class B raffle license for the conduct of raffles in which all tickets are sold on the same day as the drawing. Require, for Class B raffles: (a) each ticket must be identical in shape, form and color; (b) ticket numbers need not be consecutive; (c) the ticket price may not exceed \$10 each; (d) that no person may sell a ticket unless

authorized by an organization with a Class B license; (e) all drawings must be held in public; (f) the ticket purchaser must be present to win, unless the purchaser gives the ticket to another person who may claim the prize on behalf of the purchaser, if the other person is present at the drawing; (g) all prizes must be awarded; (h) the time of the drawing and the prizes to be awarded, the prize amount or the methodology used to determine the prize amount must be posted or announced prior to the drawing; and (i) that the organization must issue refunds if the drawing is cancelled. Provide that, if the purchaser is not going to be present for the drawing, he or she may request a refund of the ticket price prior to the time of the drawing. If this occurs, the ticket number must be immediately voided by the seller.

Under current law, for a raffle in which one or more drawings are held and prizes awarded on the same day on which the tickets are sold, the following information must be recorded on the ticket: (a) a place for the purchaser to enter his or her name and address; (b) the date, time and place of the drawing or drawings; (c) a list of each prize to be awarded which has a retail value of \$500 or more; and (d) a separate identification number, printed on both the purchaser's and the organization's portion of the ticket, numbered consecutively in relation to the other tickets for the same drawing. The amendment would delete these requirements for a Class B raffle. The amendment modifies, for a Class B raffle, current law provisions that: (a) no raffle ticket may exceed \$50 in cost; and (b) the purchaser of a ticket need not be present at the drawing to win a prize. Finally, a current law requirement that the organization that holds a raffle drawing must furnish a list of prize winners to each ticket holder who requests such a list would not be required for an organization conducting a Class B raffle.

**Veto by Governor [E-5]:** Delete the Class B raffle requirements that: (a) each ticket must be identical in shape and color; (b) the ticket purchaser must be present to win, unless the purchaser gives the ticket to another person who may claim the prize on behalf of the purchaser, if the other person is present at the drawing; (c) if the purchaser is not going to be present for the drawing, he or she may request a refund of the ticket price prior to the time of the drawing; and (d) if a refund is issued, the ticket number must be immediately voided by the seller. As a result of the veto, Class B raffle tickets must be identical in form and a ticket purchaser need not be present at the drawing in order to claim a raffle prize.

[Act 27 Sections: 6976c thru 6976v]

[Act 27 Vetoed Section: 6976v]



## GENERAL PROVISIONS

### 1. REMOVAL OF STATE OFFICERS

**Governor/Legislature:** Modify the statutes regarding removal of state officers. Current law specifies that state officers appointed by the Governor or by another state officer or body may be removed from office, respectively, by the Governor or by the other state officer or body. The bill would change these provisions to refer instead to state officers serving in an office filled by appointment. This would allow their removal in cases where the method of appointment to the office was changed.

[Act 27 Section: 437]

### 2. FILING FEES FOR CHILD SUPPORT

**Governor/Legislature:** Effective January 1, 1996, provide that the \$10 surcharge for filing petitions requesting child support, maintenance or family support be used for county court services. Currently, the Clerk of Court collects a \$10 fee, in addition to other filing fees, from anyone who files a petition requesting child support, maintenance or family support (except persons on public assistance, the state or a delegate of the state). The fees are used for the counties' cost of administering child and spousal support and paternity programs. The bill would provide that the fees instead be used for court services.

[Act 27 Sections: 7163, 9310(1) and 9410(1)]

### 3. JURIES IN CASES INVOLVING TRAFFIC REGULATIONS

**Governor/Legislature:** Eliminate provisions allowing parties to request a jury consisting of more than six persons in cases involving traffic regulations. Under current law, if a jury is requested in civil cases, traffic cases, municipal court forfeiture actions and small claims actions it consists of six persons. However, in most cases, a party to the action may request a jury of up to 12 persons. The bill would eliminate the option of a twelve-person jury in most non-criminal traffic cases.

[Act 27 Sections: 7075, 7076 and 9310(8)]

### 4. DISTRIBUTION OF OFFICIAL DOCUMENTS

**Governor/Legislature:** Increase the number of copies of official documents to be distributed free to state agencies as indicated below by agency and document:

<u>Agency</u>	<u>Statutes</u>	<u>Annotations</u>	<u>Session Laws</u>	<u>Opinions of the Attorney General</u>	<u>Supreme Court Reports</u>
Public Defender	38	3	3	3	3

[Act 27 Sections: 1750 thru 1754]

## 5. CHAPTER 20 LISTINGS

**Governor/Legislature:** Repeal the statutory requirement that the order of listing agencies in the appropriations section of the statutes (Chapter 20) be in alphabetical order within broad functional areas. Provide that this provision take effect on July 1, 1996.

[Act 27 Sections: 468 and 9459(4)]

## 6. FINES FOR CERTAIN ALCOHOL REALES

**Joint Finance:** Provide that any person holding a "Class A" license that sells intoxicating liquor or wine to a "Class B" licensee for resale may be fined not more than \$100 and that the "Class B" licensee may also be fined not more than \$100. Specify that any campus, retail licensee or permittee that purchases or possesses liquor or wine from any person other than an authorized manufacturer, rectifier or wholesaler would be fined not more than \$10 if the amount in violation is 12 liters or less in a month. If the amount in violation is in excess of 12 liters then the fine would be not less than \$1,000, nor more than \$10,000. These provisions first apply to offenses committed on the bill's effective date.

Under current law, a person selling liquor or wine for resale without the proper permit is subject to a fine of not more than \$10,000 or imprisonment for not more than nine months or both. A person selling liquor or wine that was obtained from an unauthorized seller may be fined not more than \$10,000 or imprisoned for not more than nine months or both.

**Assembly/Legislature:** Specify that any campus, retail licensee or permittee that purchases or possesses liquor or wine from any person other than an authorized manufacturer, rectifier or wholesaler would be required to forfeit not more than \$100, rather than be fined not more than \$10, if the amount in violation is 12 liters or less in a month.

[Act 27 Sections: 4143b thru 4143m and 9348(10j)]

## 7. "CLASS B" LIQUOR QUOTA EXCEPTIONS

**Joint Finance/Legislature:** Allow a municipality that has reached its quota to issue a "Class B" liquor and wine license for on premise consumption to retailers that have held all of the following licenses since January 1, 1992: (a) Class "B" beer license for on or off premise consumption; (b) "Class C" license for the sale of wine by restaurants for on premise consumption; and (c) "Class A" liquor and wine license for off premise consumption. Specify that this provision would sunset on September 1, 1995, or 30 days after enactment of the bill, whichever is later.

Eliminate an exemption that allows a municipality to issue a license to a restaurant that was established in 1949 and is located on STH 42 across from a town park. Specify that licenses issued under these provisions could be renewed.

[Act 27 Sections: 4123g thru 4123m]

## 8. ELIMINATION OF THE POSITION OF EXECUTIVE ASSISTANT

**Joint Finance:** Delete all statutory provisions authorizing the appointment of executive assistants. Delete statutory language: (a) assigning such individuals to an executive salary group; (b) specifying that they are included as executive participating employees under the Wisconsin Retirement System; (c) designating them as part of the unclassified service; (d) establishing annual leave eligibility; and (e) authorizing in certain cases the restoration of any unused sick leave credits upon restoration from a leave of absence or upon reemployment. Delete funding and position authority for all executive branch employees who are treated as executive assistants.

This provision would affect individuals who are or are treated as executive assistants in the following agencies: Administration; Agriculture, Trade and Consumer Protection; Corrections; Development; Employee Trust Funds; Employment Relations; Gaming Commission; Health and Social Services; Industry, Labor and Human Relations; Investment Board; Justice; Lieutenant Governor; Military Affairs; Natural Resources; Public Instruction; Public Service Commission; Regulation and Licensing; Revenue; Technical College System; Transportation and Veterans Affairs. The fiscal effects associated with salary and fringe benefits reductions and position deletions associated with the elimination of these executive assistant positions are shown under each of the above agencies.

**Senate/Legislature:** Retain statutory provisions authorizing the appointment of executive assistant positions in state agencies. Restore the position authorization but not the funding for the executive assistant positions deleted by the Joint Finance provision in all affected agencies other than the Lieutenant Governor, where a new unclassified administrative assistant position and associated funding were provided in a separate action (see description under Lieutenant Governor). The net position change associated with the restoration of the authorizations for each of the other executive assistants is shown under each affected agency.

## 9. LOCAL GOVERNMENT ENERGY SAVINGS PERFORMANCE CONTRACTING

**Joint Finance:** Create the following provisions related to energy savings performance contracting for local governmental units:

- Allow a local governmental unit to enter into a performance contract with a qualified provider to reduce energy or operating costs, or ensure code compliance.
- Define "performance contract" as a contract for the evaluation and recommendation of energy conservation and facility improvement measures, and for the implementation of one or more such measures. Require that the contract provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time and that energy savings are available, and will be guaranteed by the qualified provider for the entire term, as provided for under the performance contract.
- Define "local governmental unit" as all local political subdivisions including counties, municipalities, public school districts, and special purpose districts.
- Define "qualified provider" as a person or business that is experienced in the design, implementation, and installation of energy conservation and facility improvement measures and that has the ability to provide payment and performance bonds equal to the amount of the performance contract.
- Define "energy conservation measure" as a facility alteration or training, service, or operations program designed to reduce energy consumption or operating costs or insure building and facility code compliance.
- Provide that energy conservation measures may include, but are not limited to, the following: (a) insulation of the building structure or systems within the building; (b) storm windows or doors, caulking or weather-stripping, multi-glazed windows or doors, heat absorbing or heat reflective glazed and coated window or door systems, additional glazing, reductions in glass area, or other window and door system modifications that reduce energy consumption; (c) automated or computerized energy control and facility management systems; and computerized maintenance management systems; (d) heating, ventilating or air conditioning system modifications or replacements; (e) replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made; (f) energy recovery systems; (g) utility management systems and services; (h) co-generation systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings; (i) any other facility improvement measures that are designed to provide long-term energy or operating cost reductions or compliance with building or facility codes; or (j) lifesafety systems.
- Require that before installation of equipment, or modification or remodeling of a building, a qualified provider shall issue a written report to the governmental unit, summarizing estimates of all costs of installations, modifications, or remodeling including the costs of design, engineering, installation,

maintenance, repairs, or debt service. In addition, the report is required to identify the amount of the guarantee by which energy or operating costs will be reduced, if the identified measure are installed as recommended.

- Specify that a governmental unit may enter into a performance contract with a qualified provider if, after review of the report, the governmental unit finds that the amount it would spend on the energy conservation and facility improvement measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over the remaining useful life of the facility.

- Require that before entering into a performance contract under this subdivision, the governmental unit provide a published notice of its intent to award the performance contract, the names of the parties to the proposed performance contract, and the outline the energy conservation and facility improvement measures included in the performance contracts.

- Specify that: (a) a governmental unit may enter into an installment payment contract or lease purchase agreement for the purchase and installation of energy conservation and facility improvement measures; (b) performance contracts may extend beyond the fiscal year in which they become effective; (c) the governmental unit is required to include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed savings contracts during the year; (d) a governmental unit may use funds designated for operating or capital expenditures for any performance contract, including purchases using installment payment contracts or lease purchase agreements; and (e) as long as any indebtedness incurred by a governmental unit for energy savings performance contracting remains unpaid, the qualified provider is required to monitor the reductions in energy consumption and cost savings attributable to the energy conservation and facility improvement measures installed, and shall periodically prepare and provide a report to the governmental unit documenting the energy reductions and savings to the governmental unit.

**Senate:** Modify the local government energy savings performance contracting provision to specify that prior to entering into a performance contract, a local government must solicit bids or competitive sealed proposals from qualified providers. Specify that the local government shall select the qualified provider that best meets the needs of the local government which need not be the lowest cost provider. Further, require that public notice be given of the meeting at which it proposes to award the contracts. Require that public notice be made at least ten days prior to the meeting. Require that at the meeting, the local government review and evaluate proposals submitted by all qualified providers and after that meeting it may award an energy savings performance contract.

**Legislature:** Delete the provision specifying that the only manner in which state agencies or local governments may enter into energy savings performance contracts is in accordance with the energy savings performance contracting statutes created in the bill. As a result, state agencies or local governments would be allowed to use this section of the statutes, but could also enter into performance contracts under any current law provisions for contracting. Further, clarify that the extension of a contract into future years

and the allocation of sufficient monies for performance contracts is subject to the appropriation of monies for such costs, if required by law.

[Act 27 Section: 3338m]

## 10. COLLECTION OF COURT FINES

**Joint Finance/Legislature:** Allow County Boards to authorize County Clerks of Court to contract with collection agencies to recover uncollected court fines. Direct the clerk to reimburse the collection agency from the proceeds recovered by the collection agency and prorate the remaining revenue between the state and county, where applicable, based on the division specified in the statutes.

[Act 27 Sections: 3279g and 3291g]

## 11. CIVIL ACTIONS FOR CERTAIN PROPERTY CRIMES

**Assembly:** Allow a person who prevails in a civil action relating to damages incurred as a result of certain property crimes to recover treble damages (triple the amount of that actually incurred) and costs including reasonable attorney fees and costs of the investigation and litigation. Affected crimes would include the following: (a) theft; (b) retail theft; (c) theft of library materials; (d) receiving or concealing stolen property; (e) fraudulent use of financial transaction cards; (f) issuing worthless checks; (g) fraud on hotel or restaurant keepers; (h) fraudulent insurance or employe benefit claims; (i) removing or damaging encumbered real property; and (j) intentional damage to the physical property of another. Further, specify that a person may bring a civil action relating to the above crimes regardless of whether there has been a criminal action related to the alleged damages and regardless of the outcome of any such criminal action. Provisions would be effective for persons who suffer damage or loss after November 1, 1995.

Under existing law, a person may generally bring a civil action relating to any of the specified crimes regardless of the outcome of any criminal action, and may be entitled to damages equal to the costs actually incurred. In addition, for damage related to fraud on hotel or restaurant keepers, worthless checks and retail theft, a person may receive exemplary damages of triple the actual loss up to a maximum award ranging from \$300 to \$500. The act would allow awards to equal up to three times the amount incurred subject to no monetary limitations. A person would be required to choose which provision to file under.

**Senate/Legislature:** Modify the provision to recover treble damages and costs to provide that it would only apply to intentional acts. Criminal actions for which the treble damages apply are typically considered intentional acts. In general, insurance contracts exclude coverage for "intentional acts." By

specifically stating that the provision would apply only to intentional acts, the liability imposed would not be an insurable risk.

[Act 27 Sections: 7147x, 7148c and 7223m]

## **12. CONFISCATION OF ABANDONED PROPERTY TO PAY MUNICIPAL FORFEITURES**

**Assembly/Legislature:** Allow municipal courts to retain any deposit or other moneys held by a court for a defendant, that are not claimed by the owner within one year, to pay any forfeitures that the defendant owes the municipality. Unclaimed property is currently deposited to the common school fund. Revenue from forfeitures for municipal ordinance violations are retained by the municipality.

[Act 27 Sections: 4496t, 7141d and 9310(7f)]

## **13. PAYMENT OF GUARDIAN AD LITEM FEES BY COUNTIES**

**Assembly/Legislature:** Restore language that was in affect prior to 1977, which provides that a court may only direct the county of venue to pay guardian ad litem compensation and fees in cases in which both parties are indigent. Under current law, the court may order a county to pay if either or both parties are indigent. In addition, delete the current provision which allows the court to order a separate judgement for reimbursement of guardian ad litem costs from the responsible parties to the county.

**Veto by Governor [C-27]:** Retain existing language which allows a court to order judgement against a party to repay county guardian ad litem costs.

[Act 27 Section: 7096t]

[Act 27 Vetoed Section: 7096t]

## **14. SERVICE OF COURT DOCUMENTS IN MUNICIPAL COURT ACTIONS**

**Assembly/Legislature:** Expand the manner in which court documents (such as, summons, complaints or citations) may be served in municipal actions to allow the same manner of service as provided in certain Circuit Court civil actions. Among other things, the provision would expand who may serve the documents (to include private process servers and under certain circumstances, by publication) and allowing service by those persons to be made outside the state. Under current law, service of municipal documents must be performed by a law enforcement officer or municipal employe. If the service is outside the state it may only be performed by a municipal employe.

[Act 27 Sections: 7140x and 9310(8e)]

**15. INTERIM ADJUSTMENT OF PR APPROPRIATIONS AND POSITIONS**

**Governor/Legislature:** Make technical change to current law provisions relating to interim adjustment of program revenue (PR) position and funding levels to clarify timelines for action under this statutory provision.

[Act 27 Section: 295]



# GOVERNOR

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled Amount	Percent
GPR	\$4,844,400	\$4,796,200	\$4,676,800	\$4,883,700	\$4,883,700	\$39,300	0.8%

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	45.05	45.05	45.05	46.05	46.05	1.00

## 1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	\$190,600

**Governor/Legislature:** Annually, adjust the Office's base budget as follows: (a) full funding of salary costs (\$74,500); (b) full funding of financial services charges (\$400); (c) risk management costs (\$6,800); (d) night and weekend differential pay (\$1,200); and (e) full funding of delayed pay adjustments (\$12,400).

## 2. 5% BASE LEVEL REDUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	-\$238,800	-\$119,400	\$119,400	-\$238,800

**Governor:** Reestimate the sum sufficient appropriation for the Executive Office for: (a) salaries by -\$84,700 annually; and (b) fringe benefits by -\$27,000 annually. Reestimate the sum sufficient appropriation for the Executive Residence for: (a) salaries by -\$5,900 annually; and (b) fringe benefits by -\$1,800 annually. These reductions are 5% of the base level appropriations for the Executive Office and Residence, respectively.

**Joint Finance:** Reestimate the sum sufficient appropriation for the Executive Office by an additional -\$111,700 in 1996-97 for salaries (-\$84,700) and fringe benefits (-\$27,000). Reestimate the sum sufficient appropriation for the Executive Residence by an additional -\$7,700 in 1996-97 for salaries (-\$5,900) and fringe benefits (-\$1,800). The additional reductions would reflect a total base level reduction in 1996-97 of 10%.

**Senate/Legislature:** Delete Joint Finance provision, thereby increasing the sum sufficient appropriation for the Executive Office by \$111,700 in 1996-97 for salaries (\$84,700) and fringe benefits (\$27,000) and the sum sufficient appropriation for the Executive Residence by \$7,700 for salaries (\$5,900) and fringe benefits (\$1,800) to provide total base level reductions in 1996-97 of 5% rather than 10%.

### **3. TRANSFER OF THE WISCONSIN SESQUICENTENNIAL COMMISSION TO THE STATE HISTORICAL SOCIETY**

**Joint Finance:** Transfer the administrative attachment of the Wisconsin Sesquicentennial Commission from the Office of the Governor to the State Historical Society. The Commission is a 21-member body created by 1991 Wisconsin Act 269 to plan activities associated with the 150th anniversary of Wisconsin's admission as a state in 1848.

**Assembly/Legislature:** Modify Joint Finance provision by making the following additional changes to the composition, powers and duties of the Wisconsin Sesquicentennial Commission:

*Commission Membership.* Expand the number of Commission members from 21 to 29. Provide that the following new members would be appointed: (a) a representative of the sports community in the state; (b) a representative of the Wisconsin Council for Local History; (c) a representative of American Indian tribes and bands in the state; and (d) five members at large. Specify further that the Governor would serve as an ex-officio member of the Commission and any committee appointed by the Commission.

*Commission Staff.* Authorize the Commission to employ staff, subject to authorization under s. 16.505 of the statutes, outside the classified service and to retain consultants. Specify that the Commission may fix the compensation of any such employees.

*License Fees.* Authorize the Commission to license products relating to the Wisconsin statehood sesquicentennial observance and create a program revenue, continuing appropriation into which such license fees would be deposited. Authorize the use of such fees to support the general program operations of the Commission, upon approval of the Director of the State Historical Society.

*Other Powers and Duties of the Commission.* Newly authorize the Commission to: (a) enter into contracts, leases or other agreements; (b) accept donations of personal services (in addition to gifts, grants and bequests as authorized under the Joint Finance provision); (c) assume such other functions authorized by law as may be necessary to carry out the purposes of the Commission; and (d) appoint such committees as may be required to carry out its functions.

*Commission Reports.* Specify that the Commission shall submit an annual report to the Governor and the Legislature on each March 1 until March 1, 1998. Require the Commission to submit its final report to the Governor and the Legislature no later than June 1, 1999. Under current law, Commission reports are submitted only to the Governor upon the Governor's request, and the Commission is required to make a final report to the Governor upon the completion of its activities at which time the Commission is to cease to exist.

**Veto By Governor [C-17]:** Delete the language transferring the administrative attachment of the Commission from the Office of the Governor to the State Historical Society. In addition, make the following modifications to the structure, operations and duties of the Commission as a result of partial vetoes:

*Commission Membership.* Delete specific statutory references providing for a Commission consisting of 29 members (an increase from the current law provision for 21 members) and exempting Commission members from the current law requirement that a commissioner may not hold any other office or pursue any other business or vocation and shall devote his or her entire time to the duties of the office. Although the Governor's partial veto deletes the statutory reference to a 29-member Commission, a statutory fragment is retained under boards attached to the State Historical Society [s. 15.705(3)(a)5.g. and 6. to 8., as created by this act] which references "sports," "a representative of the Wisconsin Council for Local History," "a representative of American Indian tribes and bands in the state" and "five members at large." A further statutory fragment [s. 15.705(3)(b), as created by this act] is retained authorizing the Governor to serve as an ex-officio member of the Commission and any committee appointed by the Commission. The reference to the Commission is to a Commission which appears in another statutory fragment [s. 44.25(5r), as created by this act] under the State Historical Society. The Governor's veto message states that these remaining provisions will not be operative as a result of the partial veto and that he will support follow-up legislation to accomplish their intent.

*Commission Staff.* Delete a specific statutory reference specifying that the Commission is under the State Historical Society as the appointing authority for setting the salaries of unclassified Commission staff. Although the Governor's partial veto deletes this specific statutory reference, a statutory fragment is retained under the State Historical Society authorizing the Commission to employ staff, subject to authorization under s. 16.505 of the statutes, outside the classified service, retain consultants and fix the compensation of any employes [s.44.25(5g)(a), as created by this act]. The Governor's veto message states that these remaining provisions will not be operative as a result of the partial veto and that he will support follow-up legislation to accomplish their intent.

*Other Powers and Duties of the Commission.* Although the Governor's partial veto has the effect of maintaining the current law attachment of the Commission to the Office of the Governor, the new powers and duties of the Commission are retained as a statutory fragment under the State Historical Society [s. 44.25(5g)(b) to (e), as created by this act]. The Governor's veto message states that these remaining positions will not be operative as a result of the partial veto and that he will support follow-up legislation to accomplish their intent.

*Commission Reports.* Modify these new Commission reporting procedures to retain such changes in the Commission under the Office of the Governor rather than under the State Historical Society.

[Act 27 Sections: 48n, 48q, 72, 82, 209s, 564g, 564r, 564s, 1217m, 1993b and 6275m]

[Act 27 Vetoed Sections: 47p, 47pg, 48m, 48n, 48ng, 48p, 48q, 72, 82, 88m, 91L, 209m and 1217m]

#### 4. FAMILY LITERACY ADVOCATE

**Senate/Legislature:** Provide \$37,500 in 1995-96 and \$50,000 in 1996-97 and authorize 1.0 unclassified position in the Office of the Governor to serve as an advocate to establish a statewide program to improve family literacy. Direct the Governor to appoint an employe in the Office as the family literacy advocate to establish a statewide program to improve family literacy.

	Chg. to Base Funding Positions	
GPR	\$87,500	1.00

[Act 27 Sections: 48g and 9124(1q)]

## HEALTH AND SOCIAL SERVICES

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$3,793,196,400	\$3,465,167,600	\$3,407,701,000	\$3,412,993,700	\$3,412,993,700	- \$380,202,700	- 10.0%
FED	4,900,883,600	4,300,501,700	4,298,644,200	4,343,819,600	4,343,819,600	- 557,064,000	- 11.4
PR	705,139,800	706,550,800	603,007,400	677,820,800	677,492,400	- 27,647,400	- 3.9
SEG	<u>5,662,400</u>	<u>5,573,400</u>	<u>5,573,400</u>	<u>5,573,400</u>	<u>5,573,400</u>	<u>- 89,000</u>	<u>- 1.6</u>
<b>TOTAL</b>	<b>\$9,404,882,200</b>	<b>\$8,477,793,500</b>	<b>\$8,314,926,000</b>	<b>\$8,440,207,500</b>	<b>\$8,439,879,100</b>	<b>-\$965,003,100</b>	<b>- 10.3%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	1,634.77	1,516.76	1,431.43	1,468.09	1,468.09	- 166.68
FED	1,489.56	928.23	860.84	907.56	908.56	- 581.00
PR	4,646.54	4,207.90	3,776.67	3,797.29	3,797.29	- 849.25
SEG	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>	<u>0.00</u>
<b>TOTAL</b>	<b>7,778.62</b>	<b>6,660.64</b>	<b>6,076.69</b>	<b>6,180.69</b>	<b>6,181.69</b>	<b>- 1,596.93</b>

### Departmentwide and Management Services

#### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the agency's base budget by \$1,837,500 GPR, -\$7,787,000 FED, -\$5,769,200 PR and -\$44,500 SEG and delete 5.6 GPR, 27.9 FED and 24.85 PR positions in 1995-96 and by \$1,737,000 GPR, -\$8,260,900 FED, -\$5,951,400 PR and -\$44,500 SEG and delete 7.8 GPR, 32.45 FED and 28.35 PR positions in 1996-97 for: (a) turnover reduction (-\$1,357,100 GPR -\$1,312,100 FED and -\$2,582,000 PR in each year); (b) removal of non-continuing funding and positions (-\$1,409,000 GPR, -\$9,770,000 FED, -\$13,372,300 PR and -\$24,500 SEG and -5.6 GPR, -27.9 FED and -24.85 PR positions in 1995-96 and -\$1,516,100 GPR, -\$10,244,400 FED, -\$13,571,500 PR and -\$24,500 SEG and -7.8 GPR, -32.45 FED and

	Chg. to Base Funding Positions	
GPR	\$3,574,500	- 7.80
FED	- 16,047,900	- 32.45
PR	- 11,720,600	- 28.35
SEG	<u>- 89,000</u>	<u>0.00</u>
<b>Total</b>	<b>-\$24,283,000</b>	<b>- 68.60</b>

-28.35 PR positions in 1996-97); (c) full funding of continuing position salaries and fringe benefits (\$1,665,200 GPR, \$1,828,600 FED, \$3,006,300 PR and -\$24,000 SEG in each year); (d) full funding of financial service charges (\$124,600 GPR, \$5,100 FED and \$3,200 PR annually); (e) risk management costs (\$83,100 GPR, \$7,800 FED and \$96,800 PR annually); (f) overtime (\$607,800 GPR and \$1,638,800 PR in 1995-96 and \$613,700 GPR and \$1,655,300 PR in 1996-97); (g) night and weekend salary differentials (\$673,000 GPR, \$4,200 FED and \$2,430,700 PR in each year); (h) fifth week vacation as cash (\$58,400 GPR, \$47,600 FED and \$51,500 PR in 1995-96 and \$59,100 GPR, \$48,100 FED and \$52,000 PR in 1996-97); (i) minor transfers within appropriations (-\$2,800 GPR and \$2,800 PR in each year); (j) full funding of delayed pay adjustments (\$473,700 GPR, \$484,300 FED \$979,700 PR and \$4,000 SEG annually in each year); and (k) full funding of late pay adjustments (\$920,600 GPR, \$917,500 FED and \$1,975,300 PR in each year).

2. MISCELLANEOUS ADJUSTMENTS [LFB Paper 387]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,905,900	7.60	-\$166,800	- 2.00	\$2,739,100	5.60
FED	5,550,900	11.40	0	0.00	5,550,900	11.40
PR	<u>14,526,200</u>	<u>27.85</u>	<u>0</u>	<u>0.00</u>	<u>14,526,200</u>	<u>27.85</u>
Total	\$22,983,000	46.85	-\$166,800	- 2.00	\$22,816,200	44.85

**Governor:** Increase the agency's base budget by \$1,073,600 GPR, \$2,155,000 FED, \$5,360,600 PR and 5.6 GPR, 13.9 FED and 25.35 PR positions in 1995-96 and \$1,832,300 GPR, \$3,395,900 FED, \$9,165,600 PR and 7.6 GPR, 11.4 FED and 27.85 PR positions in 1996-97 for: (a) institutional food costs (\$2,200 GPR and \$401,400 PR in 1995-96 and \$57,200 GPR and \$733,500 PR in 1996-97); (b) rent and rent debt service (\$512,300 GPR, \$557,200 FED and \$290,900 PR in 1995-96 and \$516,400 GPR, \$729,800 FED and \$351,600 PR in 1996-97); (c) property insurance (\$200 GPR, \$1,300 FED and \$3,000 PR in each year); (d) liability insurance (\$14,300 GPR, \$4,700 FED and \$47,300 PR in 1995-96 and \$14,300 GPR, \$4,700 FED and \$47,500 PR in 1996-97); (e) worker's compensation insurance (\$100 GPR, \$55,900 FED and \$285,700 PR in 1995-96 and \$100 GPR, \$64,300 FED and \$428,000 PR in 1996-97); (f) payment for municipal services (-\$22,300 PR in 1995-96 and -\$800 PR in 1996-97); (g) variable non-food services (\$243,300 PR in 1995-96 and \$441,400 PR in 1996-97); (h) length of service payments (\$154,800 FED, \$475,000 PR and \$700 SEG in 1995-96 and \$156,100 FED \$479,800 PR and \$700 SEG in 1996-97); (i) full funding of pay plan increases (\$581,800 FED and \$1,572,900 PR in 1995-96 and \$1,163,500 FED and \$3,146,100 PR in 1996-97); (j) full funding of health insurance premiums (\$252,200 FED and \$858,500 PR in 1995-96 and \$630,200 FED and \$2,146,400 PR in 1996-97); (k) minor transfers between appropriations (\$44,100 PR and -1.0 FED and 1.0 PR position in each year); (L) postage increases (\$108,500 GPR in 1995-96); (m) extension and conversion of project positions (\$216,400 GPR, \$522,700 FED and \$1,142,100 PR and 5.6 GPR, 14.9 FED and 24.35 PR positions in 1995-96 and \$314,200 GPR, \$595,800 FED and \$1,309,600 PR and 7.6 GPR, 12.4 FED and 26.85 PR positions in 1996-97); (n) State Bureau of Financial Operations charges (\$24,400 FED \$18,700 PR and -\$700 SEG in 1995-96 and \$50,200 FED, \$35,400 PR and -\$700 SEG in 1996-97); (o) debt service reestimates

(\$324,400 GPR in 1995-96 and \$998,300 GPR in 1996-97); and (p) fuel and utilities (-\$104,800 GPR in 1995-96 and -\$68,400 GPR in 1996-97).

**Joint Finance/Legislature:** Reduce funding by \$83,400 GPR in each year and delete the Governor's recommendation to extend for two years to June 30, 1997, 2.0 GPR project positions that are scheduled to terminate on June 30, 1995.

### 3. UNSPECIFIED BUDGET REDUCTION [LFB Paper 388]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$493,800	- \$1,615,500	- \$2,109,300

**Governor:** Decrease funding for Division of Community Services general program operations by \$164,600 in 1995-96 and \$329,200 in 1996-97 and require H&SS to submit a report by October 1, 1995, to the Governor and the Joint Committee on Finance that recommends how H&SS will reduce GPR costs throughout the Department to generate program savings totaling these amounts. The bill does not indicate that approval of the report would be required.

**Joint Finance/Legislature:** Modify the Governor's recommendations to delete an additional \$538,500 in 1995-96 and \$1,077,000 in 1996-97 to reflect the projected cost savings to reduce funding by an amount that represents 2% in 1996-97 and 4% in 1996-97 of base salary and fringe benefit funding for the general program operations budgets of the Divisions of Health, Economic Support, Community Services and Management Services.

Of the total funding that would be deleted through the unspecified budget reduction, general program operations in the bill would be reduced by: (a) Health, \$263,100 in 1995-96 and \$526,300 in 1996-97; (b) Economic Support, \$111,400 in 1995-96 and \$222,700 in 1996-97; (c) Community Services, \$109,300 in 1995-96 and \$218,600 in 1996-97; and (d) Management Services, \$219,300 in 1995-96 and \$438,600 in 1996-97. As under the Governor's recommendation, the Department would be authorized to allocate the reduction throughout the Department to generate the required savings of \$703,100 in 1995-96 and \$1,406,200 in 1996-97.

In addition, require H&SS to report to the Joint Committee on Finance under a 14-day passive review process prior September 1, 1995, to indicate where the reductions for 1995-96 and 1996-97 would be made and what positions would be eliminated.

**Veto by Governor [C-24]:** Delete references to funding reductions provided for the 1996-97 fiscal year so that the report that will be submitted by September 1, 1995, will contain recommendations for funding reallocations only for the 1995-96 fiscal year.

[Act 27 Section: 9126(24x)]

[Act 27 Vetoed Section: 9126(24x)]

#### 4. DELETE POSITIONS

**Governor/Legislature:** Reduce funding by \$204,700 GPR and \$50,800 PR annually and delete 1.13 PR positions and 5.0 GPR positions, beginning in 1995-96. The PR positions that would be deleted have been vacant for more than 18 months. The GPR positions that would be deleted include 2.0 positions in the Division of Management Services and 3.0 positions in the Division of Health.

	Chg. to Base Funding Positions	
GPR	- \$409,400	- 5.00
PR	- 101,600	- 1.13
Total	- \$511,000	- 6.13

#### 5. FEDERAL INDIRECT COST REIMBURSEMENT FUNDS [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	- \$621,000	\$621,000	\$0
FED	\$621,000	- \$621,000	\$0

**Governor:** Provide \$281,400 in 1995-96 and \$339,600 in 1996-97 to support systems development staff in the Office of Technology Services to perform work for the Division of Care and Treatment Facilities and the Division of Youth Services. These two divisions have minimal access to federal funds to support such projects. As part of this recommendation, 2.0 PR positions in 1995-96 and 3.0 PR positions in 1996-97 would be reallocated from their current activities to work on projects for these divisions.

Federal funding would be provided from the unexpended, indirect cost reimbursement which has, in prior years, lapsed to the general fund at the close of the biennium. Federal funds for indirect costs are those which are incurred by information systems activity and are not readily identifiable or assignable to any one federally-funded program. By increasing federal indirect funding to support systems development work, the amount of revenues deposited to the general fund would be reduced by corresponding amounts (\$281,400 in 1995-96 and \$339,600 in 1996-97).

**Joint Finance/Legislature:** Delete provision. In addition, limit the Department's authority to expend federal indirect reimbursement, without legislative review though either enactment of legislation or



approval under s. 13.10 of the statutes, to increase funding or create positions with the exception of expenditures for federal aid disallowances.

**Veto by Governor [D-22]:** Delete the Joint Finance Committee provision that would have limited the Department's authority to increase expenditures or positions supported by federal indirect reimbursements.

[Act 27 Sections: 307g, 307h and 961m]

[Act 27 Vetoed Sections: 307g, 307h and 961m]

**6. CHIEF INFORMATION OFFICER [LFB Paper 386]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov.)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$176,200	1.00	-\$176,200	- 1.00	\$0	0.00
PR	<u>0</u>	<u>- 1.00</u>	<u>- 85,400</u>	<u>0.00</u>	<u>- 85,400</u>	<u>- 1.00</u>
Total	\$176,200	0.00	-\$261,600	- 1.00	-\$85,400	- 1.00

**Governor:** Provide \$90,100 GPR in 1995-96 and \$86,100 GPR in 1996-97 to convert 1.0 PR position in the Bureau of Information Systems to 1.0 GPR position, beginning in 1995-96. The position would serve as the chief information officer in the Office of Technology Services in the Secretary's Office.

**Joint Finance/Legislature:** Delete the additional position and funding for the chief information officer position. In addition, reduce funding by \$42,700 PR annually to reflect the estimated cost savings to delete 1.0 PR management information specialist position as recommended by the Governor, beginning in 1995-96.

**7. PROGRAM EVALUATION SECTION**

	<b>Chg. to Base Funding Positions</b>	
GPR	-\$113,000	- 2.00

**Governor/Legislature:** Reduce funding by \$37,700 in 1995-96 and \$75,300 in 1996-97 and delete 2.0 positions, beginning in 1995-96, from the Department's Office of Program Review and Audit. The Governor recommends that a centralized review and evaluation unit be created within DOA to assess the performance of state programs and agencies.

**8. SUPPLIES AND SERVICES REDUCTION**

Chg. to Base	
GPR	- \$14,400

**Governor/Legislature:** Reduce funding by \$7,200 annually for supplies and services for the Division of Management Services. In 1993 Wisconsin Act 16, H&SS was authorized a position which was later reclassified at a higher salary level. This funding reduction is intended to support the difference between the cost of position, as authorized in Act 16, and the current cost of the position.

**9. WELFARE REFORM STAFFING [LFB Paper 385]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0	0.00	\$208,200	0.00	\$208,200	0.00
FED	\$208,200	1.00	-\$208,200	- 1.00	\$0	0.00

**Governor:** Provide \$104,100 annually to convert 1.0 project administrative officer position that is scheduled to terminate on March 1, 1995, to permanent status. This position, which was created as a four-year project position in April, 1991, to assist with welfare reform issues, would direct the Department's welfare reform efforts on an ongoing basis. The position would continue to be supported by federal indirect cost reimbursements.

**Joint Finance/Legislature:** Delete provision and reestimate GPR-Earned by \$104,100 annually.

**10. GENERAL ADMINISTRATION PROGRAM REVENUE REESTIMATES**

Chg. to Base		
	Funding	Positions
PR	-\$31,588,700	0.00
FED	0	- 1.00
Total	-\$31,588,700	- 1.00

**Governor/Legislature:** Reduce funding by \$15,957,700 PR in 1995-96 and \$15,631,000 PR in 1996-97 and delete 1.0 FED position, beginning in 1995-96, to reflect reestimates of program revenue funds that will be expended by the Division of Management Services in the 1995-97 biennium, as follows.

*Billing for Information Management Services.* Delete \$16,925,000 PR in 1995-96 and \$16,598,300 PR in 1996-97 to reflect the current method used by DOA to bill information management services to H&SS. In 1993 Wisconsin Act 16, funding was provided to the Division's Bureau of Information Systems (BIS) so that BIS could purchase information management services from DOA for all H&SS divisions and bill each division for their use of services. However, DOA's current practice has been to bill each division directly for services. This item deletes funding budgeted in BIS to purchase services from DOA on behalf of H&SS divisions and eliminates a "double counting" of information management services funding by H&SS.

*Computer Purchases.* Provide \$967,300 PR annually to reflect reestimates of computer hardware purchases and applications development time purchased by BIS and charged back to H&SS divisions.

*Position Correction.* Delete 1.0 FED position, beginning in 1995-96, that was inadvertently created in 1993 Wisconsin Act 16.

**11. DIVISION OF MANAGEMENT SERVICES CHARGES**

**Governor/Legislature:** Provide \$25,800 FED and \$230,300 PR in 1995-96 and \$30,300 FED and \$244,300 PR in 1996-97 to reflect projected increases in costs of various personnel, fiscal and payroll functions provided by the Division of Management Services and charged to other divisions.

	Chg. to Base
FED	\$56,100
PR	<u>474,600</u>
Total	<u>\$530,700</u>

**12. INFORMATION TECHNOLOGY SERVICES [LFB Paper 595]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$190,000	- \$190,000	\$0

**Governor:** Provide \$190,000 in 1995-96, supported by the proposed information technology investment fund, and create an appropriation in H&SS to budget monies from the fund for information technology initiatives, as follows.

*Office of Technology Services.* Provide \$150,000 in 1995-96 to support an information technology initiative in H&SS. This funding could be used for IT staff and program management training and hiring of private consultants. Funding for this purpose would be placed in unallotted reserve for release by DOA after H&SS submits a plan for the use of this funding.

*Document Conversion Feasibility Study.* Provide \$40,000 in 1995-96 to contract with DOA for a feasibility study that would include a cost benefit analysis and cost estimates for converting H&SS paper documents to other mediums. Funding for this purpose would be placed in unallotted reserve for release by DOA.

*Information Technology Development Appropriation.* Create a program revenue appropriation in the Department's general administration program that would authorize H&SS to support information technology development projects funded from the proposed information technology investment fund. In total, \$190,000 in 1995-96 is budgeted under the Governor's recommendation in this appropriation. For a complete summary of the Governor's recommendations relating to the information technology fund, see "Information Technology Investment Fund."

**Joint Finance/Legislature:** Delete funding for the receipt of grants from the information technology investment fund. Under a modified information technology development grant procedure, specify that funding be allocated annually through a passive review process by the Joint Committee on Finance under s. 16.515 of the statutes based on a recommendation submitted by DOA. [See "Information Technology Investment Fund"]

**13. TRANSFER ADMINISTRATIVE OFFICER POSITION TO DOA**

Chg. to Base	
PR	- 1.00

**Governor/Legislature:** Transfer 1.0 administrative officer position from the H&SS Bureau of Information Systems (BIS) to DOA, beginning in 1995-96. This position was one of two positions H&SS loaned to DOA to oversee the KIDS and CARES projects. The position would continue to be supported by charges assessed by DOA to H&SS.

**14. TRANSFER ADMINISTRATIVE SUPPORT FUNCTIONS FROM H&SS TO DILHR [LFB Paper 466]**

Chg. to Base Funding Positions		
GPR	- \$1,348,200	- 24.35
FED	- 530,900	- 8.45
PR	- 483,900	- 9.50
Total	- \$2,363,000	- 42.30

**Governor/Legislature:** Delete \$1,348,200 GPR and 24.35 GPR positions, \$530,900 FED and 8.45 FED positions and \$483,900 PR and 9.50 PR positions in 1996-97 to reflect transferring administrative support positions (including the incumbent employees) from H&SS to DILHR. These positions would provide accounting, payroll, legal, budget, data processing and other administrative support services relating to the economic support and vocational rehabilitation programs that would be transferred to DILHR under the bill.

Employees transferred from H&SS to DILHR would have all the rights and the same status under state employment relations provisions that they had in H&SS immediately before the transfer. No transferred employee who has attained permanent status in class would be required to serve a probationary period.

**15. RENAME DEPARTMENT**

**Governor/Legislature:** Effective July 1, 1996, change the name of the Department of Health and Social Services to the Department of Health and Family Services and specify that the duties of the Secretary and the responsibilities of the Department, as modified by the transfer provisions recommended by the Governor, would be granted or assigned on that date.

[Act 27 Sections: 133, 2210, 9126(19) and 9426(16)]

## 16. EXECUTIVE ASSISTANT POSITION

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$219,600	- 1.00	\$0	1.00	-\$219,600	0.00

**Joint Finance:** Reduce funding by \$109,800 GPR annually and delete 1.0 GPR position, beginning in 1995-96, to reflect the elimination of the Department's executive assistant position. Further, repeal current statutory provisions authorizing the appointment of the H&SS executive assistant position.

**Senate/Legislature:** Restore authorization, but not funding, for the executive assistant position.

## 17. GENERAL POSITION AND FUNDING REDUCTIONS

**Joint Finance/Legislature** Delete \$170,500 GPR, \$73,400 FED and \$549,400 PR in each year to reflect the elimination of 21.93 positions (4.25 GPR, 2.0 FED and 15.68 PR positions), beginning in 1995-96.

	Chg. to Base Funding Positions	
GPR	-\$341,000	- 4.25
FED	- 146,800	- 2.00
PR	<u>- 1,098,800</u>	<u>- 15.68</u>
Total	-\$1,586,600	- 21.93

## Medical Assistance

### 1. OVERVIEW OF MEDICAL ASSISTANCE BENEFITS

**Governor:** Decrease total MA benefits funding by \$64,746,900 GPR and \$129,771,300 FED in 1995-96 and \$35,924,600 GPR and \$74,621,200 FED in 1996-97 to reflect: (a) a reestimate of the 1995-96 base funding level, primarily due to lower than projected spending during the current biennium and increased use of federal revenues available from the intergovernmental transfer program for nursing homes to support the current program; (b) reestimates of MA caseload and intensity of services during the 1995-97 biennium; (c) program changes affecting the types of services covered and how services are delivered, eligibility for services and the implementation of administrative initiatives designed to reduce program costs; (d) changes in the methods used by H&SS to reimburse MA providers; and (e) rate changes for selected providers.

In total, AB 150 would provide \$876,875,400 GPR and \$1,462,409,900 FED in 1995-96 and \$905,697,700 GPR and \$1,517,558,000 FED in 1996-97 to support MA benefits in the 1995-97 biennium.

**Joint Finance:** Increase funding by \$29,077,300 GPR and \$31,740,600 FED in 1995-96 and \$36,748,500 GPR and \$40,102,200 FED in 1996-97 so that a total of \$905,952,700 GPR and \$1,494,150,500 FED in 1995-96 and \$942,446,200 GPR and \$1,557,660,200 FED in 1996-97 would be budgeted for MA program benefits. In addition, \$6,883,600 PR in 1995-96 and \$10,146,900 PR in 1996-97 would be appropriated for MA benefits from estate recovery collections, which would be used to offset state and federal MA expenditures.

**Senate/Legislature:** Increase funding by \$70,200 GPR and \$103,900 FED and decrease funding by \$43,200 GPR and \$856,400 FED in 1996-97 to provide total MA funding of \$906,022,900 GPR and \$1,494,254,400 FED in 1995-96 and \$942,403,000 GPR and \$1,556,803,800 FED in 1996-97 to reflect changes in school services coverage, CIP IA rates and State Center reduction rates.

The following table summarizes the base level funding and all modifications to MA benefits under the 1995-97 biennial budget act.

**Modifications to Medical Assistance Benefits  
1995 Wisconsin Act 27**

	1995-96		1996-97	
	GPR	FED	GPR	FED
<b>Base Level Funding</b>	<b>\$941,622,300</b>	<b>\$1,592,181,200</b>	<b>\$941,622,300</b>	<b>\$1,592,181,200</b>
<b>Standard Budget Adjustment</b>				
Remove Act 16 Vetoed Funding for SMV Rate Increase	-\$657,700	\$0	-\$657,700	\$0
<b>1995-97 Base Adjustments</b>	<b>-\$58,191,200</b>	<b>-\$144,594,200</b>	<b>-\$48,106,400</b>	<b>-\$126,383,300</b>
<b>1995-97 Utilization -- Caseload and Intensity Reestimate</b>	<b>\$22,476,200</b>	<b>\$35,054,400</b>	<b>\$44,050,800</b>	<b>\$69,227,000</b>
<b>MA Program Modifications</b>				
<b>a. Expand Types of Services Covered Under MA</b>				
Add Coverage of School Services*	\$0	\$0	\$0	\$1,188,600
Add Coverage of Tuberculosis Services	113,600	640,700	128,100	706,500
Add Coverage of Case Management for Families with Children	0	1,134,600	0	3,403,800
Add Coverage of Crisis Intervention Services	0	3,500,000	0	3,500,000
Add Coverage of Case Management for Children with Asthma	0	162,700	0	162,800
Federal Financial Participation for County Services	0	4,459,000	0	4,457,300
Subtotal	<u>\$113,600</u>	<u>\$9,897,000</u>	<u>\$128,100</u>	<u>\$13,419,000</u>
<b>b. Reduce or Eliminate Coverage of Current Services</b>				
Modify Coverage of Personal Care Services	-\$309,200	-\$458,200	-\$669,000	-\$989,600
Eliminate Coverage of Adult Prosthodontic Dental Services	-1,365,600	-2,043,600	-1,366,000	-2,043,500
Limit Home Care Services at Average Payment Level for Nursing Home Care	<u>-2,291,400</u>	<u>-3,395,100</u>	<u>-2,293,400</u>	<u>-3,393,100</u>
Subtotal	<u>-\$3,966,200</u>	<u>-\$5,896,900</u>	<u>-\$4,328,400</u>	<u>-\$6,426,200</u>
<b>c. Modify Eligibility Requirements for Services</b>				
Reduce Spousal Impoverishment Income and Asset Limits	-\$534,600	-\$792,100	-\$2,737,000	-\$4,049,500
Increase MA Access for Migrant Workers	<u>39,100</u>	<u>58,700</u>	<u>52,100</u>	<u>78,200</u>
Subtotal	<u>-\$495,500</u>	<u>-\$733,400</u>	<u>-\$2,684,900</u>	<u>-\$3,971,300</u>
<b>d. Reduce Costs through Changes in Service Delivery or Collections</b>				
Increase Use of Managed Care	-\$1,635,100	-\$2,422,800	-\$7,385,000	-\$10,926,400
Increase Estate Recovery Collections	-269,500	-462,000	-1,411,700	-2,420,000
Increase Collections Under Coordination of Benefits Program	-844,000	-1,256,000	-1,808,600	-2,691,400
Change in Billing for Rehabilitation Services	-401,900	-598,100	-401,900	-598,100
Automation of Pharmacy Claims	<u>0</u>	<u>0</u>	<u>-2,676,500</u>	<u>-3,998,000</u>
Subtotal	<u>-\$3,150,500</u>	<u>-\$4,738,900</u>	<u>-\$13,683,700</u>	<u>-\$20,633,900</u>
<b>e. Provider Reimbursement Reductions</b>				
Nursing Home Adjustments	-\$1,523,900	-\$2,258,000	-\$1,675,800	-\$2,479,400
Reduce Rates for Oxygen Services	-415,000	-615,000	-415,400	-614,600
Reduce Pharmacy Rates by \$0.50 per Prescription	-1,229,000	-1,821,000	-1,230,100	-1,819,900
Reduce Rates for Home Health Services	-1,208,900	-1,791,100	-797,000	-1,179,200
Reduce Rates for Medical Equipment and Supplies	-591,200	-875,900	-389,700	-576,700
Reduce Rates for Clozapine Management	-80,600	-119,400	-53,100	-78,600
Reduce Medication Set-Up Fee	-849,500	-1,258,700	-850,300	-1,258,000
Apply 91% Occupancy Standard to All Nursing Home Cost Centers	<u>-6,044,200</u>	<u>-8,955,700</u>	<u>-6,049,500</u>	<u>-8,950,500</u>
Subtotal	<u>-\$11,942,300</u>	<u>-\$17,694,800</u>	<u>-\$11,460,900</u>	<u>-\$16,956,900</u>

	1995-96		1996-97	
	GPR	FED	GPR	FED
<b>f. MA Adjustments for State Centers, Waiver Programs, Hospitals</b>				
Community Integration Program IA and IB Funding				
Adjustments	\$870,200	\$1,290,900	\$6,258,500	\$9,265,600
State Centers for the Developmentally Disabled Adjustment	-1,442,700	-2,137,800	-5,259,600	-7,779,100
Full Funding of Community Options Program Slots	0	867,700	0	867,700
Payment of General Relief Medical Costs to Selected Hospitals	1,339,600	1,922,500	723,400	972,500
AFDC Program Modifications – Parental				
Responsibility, Work Not Welfare	-241,500	-357,900	-732,900	-1,084,500
Subtotal	\$525,600	\$1,585,300	\$989,400	\$2,242,200
<b>g. Rate Increases to Providers</b>				
Nursing Homes	\$13,808,200	\$20,459,600	\$25,420,100	\$37,610,200
Inpatient Hospitals -- General	3,976,500	5,891,900	8,194,400	12,141,600
Inpatient Hospitals -- Transplants	391,800	580,500	784,300	1,160,400
Rehabilitation Agencies	219,100	324,600	219,100	324,200
Dental Services Provided to Children	1,217,400	1,826,100	1,292,300	1,946,000
State Mental Health Institutes	84,300	124,900	175,600	259,900
Veterans Home at King	-8,700	-12,900	448,600	663,700
Subtotal	\$19,688,600	\$29,194,700	\$36,534,400	\$54,106,000
<b>GRAND TOTAL -- MA Benefits Appropriation</b>	<b>\$906,022,900</b>	<b>\$1,494,254,400</b>	<b>\$942,403,000</b>	<b>\$1,556,803,800</b>
Total Change to 1994-95 Base	-\$35,599,400	-\$97,926,800	\$780,700	-\$35,377,400

\*Estimated GPR revenues deposited to the general fund are projected to increase by \$792,400 in 1996-97 to reflect 40% of the additional federal revenues for school medical services under the act.

## 2. BASE REESTIMATE [LFB Paper 399]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$130,074,800	\$23,777,200	-\$106,297,600
FED	-282,938,100	11,960,600	-270,977,500
Total	-\$413,012,900	\$35,737,800	-\$377,275,100

**Governor:** Reduce funding for MA benefits by \$66,470,600 GPR and \$146,139,200 FED in 1995-96 and \$63,604,200 GPR and \$136,798,900 FED in 1996-97 to reflect the projected costs to continue the MA program through the 1995-97 biennium. The funding reduction is largely due to lower MA spending in the 1993-95 biennium than the amounts budgeted for the program. This reestimate also adjusts base MA funding to: (a) support projected costs of implementing the expansion of MA eligibility for pregnant women and children (Healthy Start) beginning July 1, 1995, as required under 1993 Wisconsin Act 277; (b) support costs of continuing community-based waiver slots created in the 1993-95 biennium; (c) reflect a decrease in the federal financial participation rate from 59.975% in 1994-95 to 59.705% in 1995-96 and 59.67% in 1996-97; and (d) adjust for the ongoing impact of the use of federal funds available through the intergovernmental transfer program to support MA nursing home costs.

**Joint Finance/Legislature:** Increase funding by \$8,279,400 GPR and \$1,545,000 FED in 1995-96 and \$15,497,800 GPR and \$10,415,600 FED in 1996-97 to reflect reestimates of base funding for the program.



### 3. CASELOAD AND INTENSITY REESTIMATE [LFB Paper 399]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$86,063,000	- \$19,536,000	\$66,527,000
FED	<u>136,515,700</u>	<u>- 32,234,300</u>	<u>104,281,400</u>
Total	\$222,578,700	-\$51,770,300	\$170,808,400

**Governor:** Provide \$28,312,800 GPR and \$44,827,000 FED in 1995-96 and \$57,750,200 GPR and \$91,688,700 FED in 1996-97 to support projected increases in the utilization of MA services during the 1995-97 biennium.

**Joint Finance/Legislature:** Reduce funding by \$5,836,600 GPR and \$9,772,600 FED in 1995-96 and \$13,699,400 GPR and \$22,461,700 FED in 1996-97 to reflect reestimates of MA benefits costs due to changes in caseload and service intensity during the 1995-97 biennium.

Utilization of MA services is determined by two factors -- MA caseload and service intensity (a measure of the average value of services used by each recipient during the year). The Governor's recommendation is based upon: (a) projected increases in the eligible caseload for the aged, disabled and healthy start/other groups of MA recipients and a decrease in the number of AFDC-related, MA recipients; and (b) numerous changes in projected changes in service intensity, based on historical costs of providing services. A comparison of the Governor's caseload and service intensity assumptions and those of the Joint Committee on Finance follows.

#### Fiscal Impact of Caseload and Intensity Reestimate

	<u>1995-96</u>		<u>1996-97</u>	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
<b>I. Governor</b>				
Caseload	\$14,507,500	\$21,767,000	\$24,051,800	\$36,177,000
Intensity	<u>13,805,300</u>	<u>23,060,000</u>	<u>33,698,400</u>	<u>55,511,700</u>
Total	\$28,312,800	\$44,827,000	\$57,750,200	\$91,688,700
<b>II. Joint Finance</b>				
Caseload	\$9,695,100	\$14,298,100	\$16,744,200	\$24,838,700
Intensity	<u>12,781,100</u>	<u>20,756,300</u>	<u>27,306,600</u>	<u>44,388,300</u>
Total	\$22,476,200	\$35,054,400	\$44,050,800	\$69,227,000

### MA Caseload By Eligibility Category

	Actual			Projected			Percent Change		
							From Previous Year		
	1993-94	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97		
<b>I. Governor</b>									
Aged	53,115	53,204	53,602	53,990	0.17%	0.75%	0.72%		
Disabled	96,237	102,267	108,255	114,277	6.27	5.86	5.56		
AFDC	286,589	280,634	274,870	269,292	-2.08	-2.05	-2.03		
Healthy Start	41,986	42,525	45,930	49,346	1.28	8.01	7.44		
Other	<u>10,317</u>	<u>10,522</u>	<u>10,730</u>	<u>10,942</u>	<u>1.99</u>	<u>1.98</u>	<u>1.98</u>		
Total	488,244	489,152	493,387	497,847	0.19	0.87	0.90		
<b>II. Joint Finance</b>									
Aged	53,115	53,385	53,677	53,970	0.5%	0.5%	0.5%		
Disabled	96,237	99,817	104,408	109,524	3.7	4.6	4.9		
AFDC	286,589	277,247	271,702	266,268	-3.3	-2.0	-2.0		
Healthy Start	41,986	43,473	46,405	49,337	3.5	6.7	6.3		
Other	<u>10,317</u>	<u>14,743</u>	<u>15,027</u>	<u>15,328</u>	<u>42.8</u>	<u>2.0</u>	<u>2.0</u>		
Total	488,244	488,654	491,929	496,031	0.1%	0.7%	0.8%		

### MA Intensity By Service Category

Service	Governor		Joint Finance 1995-96 and 1996-97
	1995-96	1996-97	
Dental	2.00%	2.00%	1.50%
Durable Medical Equipment/Supplies	2.00	2.00	0.00
Drugs	8.40	8.40	8.40
Family Planning	5.00	5.00	0.00
Home Health Services	3.80	5.00	1.00
Inpatient Hospital Services	0.50	0.50	0.00
Laboratory and X-Rays	1.00	1.00	1.00
Mental Health	9.80	9.80	3.00
Outpatient Hospital Services	0.00	0.00	4.00
Outpatient Hospital Services--Psychiatric	2.00	2.00	-1.00
Personal Care	11.98	11.98	10.00
Physicians	1.61	1.61	2.00
Therapies	-2.00	-2.00	-4.00
Transportation--Emergency	2.00	2.00	2.00
Transportation--Nonemergency	4.00	4.00	5.00
Other	13.45	13.45	13.45

4. ELIMINATE PERSONAL CARE AS AN MA BENEFIT [LFB Paper 395]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$39,264,400	\$38,286,200	- \$978,200
FED	- 58,137,200	56,689,300	- 1,447,900
Total	- \$97,401,600	\$94,975,500	- \$2,426,100

**Governor:** Reduce MA benefits funding by \$18,131,700 GPR and \$26,865,700 FED in 1995-96 and \$21,132,700 GPR and \$31,271,500 FED in 1996-97 to reflect projected cost savings of eliminating personal care services as an MA benefit. In addition, the Governor's budget book indicates that the base funding for MA personal care benefits of \$15,435,300 annually would, instead, be provided under community aids; this funding is budgeted under "H&SS--Community Services."

Personal care services are activities relating to assisting an individual with activities of daily living necessary to maintain the recipient in his or her place of residence in the community. These services may only be provided by written order of a physician. Covered personal care services include activities of daily living (such as assistance with bathing, toileting and dressing), meal preparation, and accompanying an individual to obtain medical diagnosis and treatment. Prior authorization is required for personal care services in excess of 250 hours in a calendar year.

**Joint Finance/Legislature:** Provide \$17,822,500 GPR and \$26,407,500 FED in 1995-96 and \$20,463,700 GPR and \$30,281,800 FED to restore personal care services as a MA benefit, with modifications.

**MA Benefits.** Delete the Governor's recommendation to eliminate personal care services as an MA benefit and increase MA benefits funding by \$18,131,700 GPR and \$26,865,700 FED in 1995-96 and \$21,132,700 GPR and \$31,271,500 FED in 1996-97 to reflect the projected costs to restore personal care services as an MA benefit in the 1995-97 biennium. In addition, delete the Governor's recommended funding increase for community aids of \$15,435,300 GPR annually. The fiscal effect of the reduction in funding for community aids is summarized under "H&SS -- Community Services."

**Modifications to Benefit.** Reduce funding by \$309,200 GPR and \$458,200 FED in 1995-96 and \$669,000 GPR and \$989,700 FED in 1996-97 to reflect the projected cost savings to: (a) require prior authorization for all personal care services in excess of 50 hours in a calendar year, rather than after 250 hours in a calendar year, as under current law (-\$209,500 GPR and -\$310,400 FED in 1995-96 and -\$535,900 GPR and -\$792,800 FED in 1996-97); and (b) eliminate personal care services for MA recipients who are also eligible for medicare home health aide services (-\$99,700 GPR and -\$147,800 FED in 1995-96 and -\$133,100 GPR and -\$196,900 FED in 1996-97).

Finally, require H&SS to submit a study to the Governor and the Joint Committee on Finance by January 1, 1996, that addresses the following:

a. The effect of modifying the MA personal care benefit to create incentives for agencies and/or county social services staff to limit the provision of personal care services, such as requiring that program monitoring and supervision be provided by staff outside the agency that employs the personal care worker;

b. The effect and administrative feasibility of providing some personal care services through individuals not employed by home health agencies or personal care-only agencies, including family members and neighbors;

c. The potential cost savings of limiting eligibility for services, the amount and scope of personal care services, and the effect such proposals would have on persons currently receiving personal care services; and

d. The adequacy of current MA rates for personal care services, and the estimated fiscal effects of restructuring payments for personal care services.

[Act 27 Sections: 3002m, 3020m and 9126(28q)]

## 5. SPOUSAL IMPOVERISHMENT [LFB Paper 398]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$16,000,600	\$12,729,000	- \$3,271,600
FED	- <u>23,684,100</u>	<u>18,842,500</u>	- <u>4,841,600</u>
Total	- <u>\$39,684,700</u>	\$31,571,500	- \$8,113,200

**Governor:** Delete \$4,866,800 GPR and \$7,211,100 FED in 1995-96 and \$11,133,800 GPR and \$16,473,000 FED in 1996-97 to reflect the reduction, in calendar years 1996 and 1997 only, of the maximum amount of income and assets that may be retained by a spouse who resides in the community when the other spouse becomes eligible for medical assistance in a nursing home or under home- and community-based waiver programs.

Beginning in calendar year 1988, restore existing income and asset provisions to determine MA eligibility under spousal impoverishment criteria when one spouse is in the community and the other is in a nursing home or under home- and community-based waiver programs.

### Provisions for Calendar Years 1996 and 1997

**Income Limit.** Modify the current monthly income allowance, for calendar years 1996 and 1997, to:

- Reduce the monthly income allowance for community spouses from the federal maximum of approximately 222% of the federal poverty level (\$1,924 in 1996 and \$1,981 in 1997) to 200% of the federal poverty level (\$1,740 in 1996 and \$1,793 in 1997); and

- Establish an excess shelter allowance for community spouses whose housing expenses (rent, mortgage, taxes, condominium fees, insurance and certain utility fees) exceed 30% of the state's monthly income allowance.

Under federal law, the minimum monthly income allowance states can establish under spousal impoverishment provisions is 150% of the federal poverty level; the maximum allowance is approximately 222% of the federal poverty level. These amounts are adjusted annually for inflation. Federal rules require an excess shelter allowance if the monthly income allowance is set below the federally-allowed maximum income level. The excess shelter allowance may be used to raise a community spouse's income limit up to the federal maximum income limit, when housing expenses exceed 30% of the state's monthly income allowance.

Under current state law, Wisconsin uses the maximum monthly income allowance allowed under federal law. At 222% of the federal poverty level for a family of two persons, this amount is \$1,868 in 1995.

**Asset Limit.** Reduce the current allowable resource limit for community spouses, for calendar years 1996 and 1997, from the federal maximum for allowable resources to the federal minimum, which is equal to the greater of:

- The federal minimum (\$15,413 in 1996 and \$15,875 in 1997);
- One-half of the couple's resources up to the federal maximum limit (\$77,065 in 1996 and \$79,377 in 1997);
- A higher amount provided under a fair hearing or a court order necessary to generate enough income to raise the community spouse's monthly income up to the state's monthly income allowance.

Under federal law, the minimum resource amount community spouses may retain is the greater of: (a) \$14,964 in 1995; (b) 50% of the couple's resources up to the federal maximum of \$74,820 in 1995; or (c) a higher amount provided under a fair hearing or court order that is necessary to generate enough income to raise the community spouse's monthly income up to the state's monthly income allowance. The maximum federal resource amount in 1995 is \$74,820.

Under current state law, Wisconsin uses the maximum federal resource allowance allowed under federal law, which is \$74,820 in 1995.

### **Provisions for Calendar Years 1998 and Thereafter**

Restore current state provisions, which are equal to the maximum income and resource allowances allowed under federal law, beginning in calendar year 1998. In addition, eliminate the excess shelter

allowance, which would conform to federal provisions for states which use the maximum monthly income allowance.

The community spouse income and resource allowances apply for spouses of institutionalized MA recipients and spouses of MA-recipients participating in a home- and community-based waiver program such as COP, CIP IA, CIP IB OR CIP II. The maximum monthly income allowance and the minimum and maximum allowable resource limits are adjusted annually for inflation by the federal government.

Under current law, the community spouse may retain a monthly income allowance equal to the federally allowable maximum of \$1,868, or approximately 222% of poverty in 1995, and the federally allowable maximum for assets of \$74,820 in 1995.

**Joint Finance/Legislature:** Provide \$4,332,200 GPR and \$6,419,000 FED in 1995-96 and \$8,396,800 GPR and \$12,423,500 FED in 1996-97 to: (a) increase the minimum asset limit to \$50,000, rather than the Governor's recommendation of the federal minimum resource allowance of \$15,413 in 1996 and \$15,875 in 1997, which would increase MA expenditures by an estimated \$247,700 GPR and \$366,900 FED in 1995-96 and \$1,761,700 GPR and \$2,606,500 FED in 1996-97; and (b) reestimate the anticipated savings from the reduction of the spousal impoverishment income and asset limits, which would increase MA expenditures by \$4,084,500 GPR and \$6,052,000 FED in 1995-96 and \$6,635,200 GPR and \$9,817,100 FED in 1996-97. Specify that the changes made in the income and asset limits would be permanent, beginning January 1, 1996, rather than effective for only 1996 and 1997.

The Governor's recommendation to establish the income limit at 200% of the poverty level, with an excess shelter allowance, would be retained, resulting in an estimated income allowance of \$1,740 in 1996 and \$1,793 in 1997. Also, as required by federal law, the community spouse could retain one-half of the couple's assets up to the federal maximum resource limit of \$77,065 in 1996 and \$79,377 in 1997 or an amount established under a fair hearing or court order, if either of these amounts exceed the \$50,000 asset limit established in the bill.

[Act 27 Sections: 3003 thru 3006 and 9426(20)]

**6. ELIMINATE MA NURSING HOME AND COMMUNITY-BASED WAIVER COVERAGE FOR MEDICALLY NEEDY RECIPIENTS [LFB Paper 397]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$4,818,300	\$4,818,300	\$0
FED	- 7,130,600	7,130,600	0
Total	- \$11,948,900	\$11,948,900	\$0

**Governor:** Delete \$778,400 GPR and \$1,153,400 FED in 1995-96 and \$4,039,900 GPR and \$5,977,200 FED in 1996-97 to reflect reduced MA benefits from the elimination of nursing home care

and home- and community-based waiver services that substitute for nursing home care, beginning January 1, 1996, for individuals who qualify for MA as medically needy. Require the Department to request a waiver from the federal Department of Health and Human Services to receive federal matching payments to provide care to medically needy recipients in nursing homes or on home- and community-based waiver services who are eligible on January 1, 1996, and require the Department to continue MA coverage for these recipients to the extent the waiver is granted and remains in effect.

Specify that the types of nursing home care that would be eliminated include: (a) skilled nursing home (SNF) services; and (b) intermediate care facility (ICF) services, including services from a facility for the developmentally disabled (ICF-MR). As under current law, MA coverage for medically needy recipients would continue to be provided for other, covered MA benefits, including services for patients in an institution for mental disease (IMD) who are under age 21 or over age 65. [A technical correction to the bill is necessary to substitute references to skilled nursing facility care, rather than inpatient hospital services, in a number of bill sections.]

Specify that the medically needy would be prohibited from participating in any of the state's MA waiver programs, including the community options program (COP-W) and the community integration programs (CIP IA, CIP IB and CIP II), and from the state-funded COP program, if funding would be provided as a substitute for skilled nursing home or intermediate care facility services.

Under current law in Wisconsin for nursing home and community-based waiver coverage, the medically needy are individuals with income in excess of 300% of the SSI payment (\$1,374 per month in 1995), but less than the cost of nursing home care or community-based long-term care.

As in Wisconsin, if a state provides nursing home coverage using the optional special institutional income rule and does not extend coverage to the medically needy, then federal law requires the state to allow medically needy individuals the option to establish a "Miller or Qualifying Income Trust" to obtain eligibility for nursing home care. In order to form a Miller trust, federal law requires the following conditions: (1) the trust is funded only by social security, pension and other income, along with interest income accumulated by the trust; and (2) upon the death of the person, the state has first priority on any remaining funds in the trust up to the amount that was provided in MA nursing home care.

[A technical change may be needed to prevent the exclusion of nursing home and MA waiver coverage for the aged, blind and disabled categorically needy who qualify for MA coverage under the special institutional income rule that expands the income limit to 225% of the federal SSI payment, as proposed under the Governor's recommendation.]

**Joint Finance/Legislature:** Delete provision.

7. CATEGORICALLY NEEDY NURSING HOME COVERAGE [LFB Paper 397]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$8,105,200	\$8,105,200	\$0
FED	- 11,995,700	11,995,700	0
Total	- \$20,100,900	\$20,100,900	\$0

**Governor:** Delete \$1,743,500 GPR and \$2,583,300 FED in 1995-96 and \$6,361,700 GPR and \$9,412,400 FED in 1996-97 to reflect reduced MA benefits from lowering the maximum income level from 300% to 225% of the federal SSI payment for categorically needy aged, blind and disabled to qualify for nursing home coverage under MA. In 1995, the maximum income as a percentage of the SSI payment for a household of one person living alone is \$1,374 per month at 300% and \$1,031 per month at 225%. This change would also reduce eligibility for the MA-waiver programs (COP-W, CIP II, CIP IA, and CIP IB) which serve the aged, blind and disabled.

Require the Department to request a waiver from the federal Department of Health and Human Services to receive federal matching payments to provide care to categorically needy, SSI-related recipients in nursing homes on January 1, 1996, who are eligible under an income standard of 300% of the SSI payment and require the Department to continue MA coverage for these recipients to the extent the waiver is granted and remains in effect. This grandfather provision does not include current COP-W and CIP participants who would become ineligible under the new standards.

Specify that the types of nursing home care that would be affected by the lower limits would include: (a) skilled nursing home (SNF) services; (b) intermediate care facility (ICF) services, including services from a facility for the developmentally disabled (ICF-MR); (c) services for patients under the age of 21 years or over the age of 65 years, in an institution for mental disease (IMD); and (d) services from a community-based residential facility (CBRF).

Federal law requires that the income standard for categorically needy aged, blind and disabled be set at or above a minimum of 100% of the federal SSI payment, but no higher than a maximum of 300% of the basic, federal SSI payment for an individual living alone in a household. MA recipients who receive institutional care must contribute their income to the costs of care, except for allowed deductions such as the monthly personal needs allowance of \$40 for clothing and other incidental expenses.

Because of the interaction of this provision with a separate recommendation by the Governor to eliminate nursing home coverage for the medically needy, an individual with income in excess of 225% of the basic SSI payment will not be able to spend down to qualify for MA coverage of nursing home care, even if nursing home expenses reduce the individual's net income below the medically needy standard for income of \$531 per month for an individual. Under the medically needy standard, if a person is ineligible for MA because of excess income, that person can become eligible for MA if medical expenses during a six-month period reduce income below the medically needy income limits established



by the state. The recommendation to exclude medically needy nursing home coverage would apply to all types of nursing home care specified in this provision, except services in an IMD.

If nursing home coverage for the medically needy was not eliminated, the savings from reducing the income limit to 225% of the SSI payment would not generate significant savings since most individuals above the 225% limit would likely spend down and qualify under the medically needy income standards. However, if coverage for the medically needy is eliminated, federal law would require that the state allow individuals the option to establish a "Miller or Qualifying Income Trust" to obtain eligibility for nursing home care. In order to form a Miller trust, federal law requires the following conditions: (1) the trust is funded only by social security, pension and other income (and interest income accumulated by the trust); and (2) upon the death of the person, the state has first priority on any remaining funds in the trust up to the amount that was provided in MA nursing home care.

[Technical changes may be needed to achieve the intent of the Governor's recommendation for categorically needy nursing home and MA-waiver coverage, especially in combination with provisions relating to medically needy nursing homes and MA-waiver care.]

**Joint Finance/Legislature:** Delete provision.

**8. MINIMUM OCCUPANCY STANDARD FOR NURSING HOME REIMBURSEMENT [LFB Paper 404]**

	Chg. to Base
GPR	- \$12,093,700
FED	- 17,906,200
Total	- \$29,999,900

**Governor/Legislature:** Reduce funding by \$6,044,200 GPR and \$8,955,700 FED in 1995-96 and \$6,049,500 GPR and \$8,950,500 FED in 1996-97 to reflect reduced payments to nursing homes from expanding the use of the minimum occupancy standard of 91% in the nursing home formula to apply to direct care and support services, as well as to the other four cost centers as under current law. Currently, the nursing home formula per patient day payment applies the 91% minimum occupancy standard to only the cost centers for administration, fuel and utilities, property taxes and capital costs. Expansion of the minimum occupancy standard to the cost centers of direct care and support services would reduce nursing home formula payments to homes with occupancy rates that are lower than 91%.

**9. NURSING HOME FORMULA ADJUSTMENTS [LFB Paper 404]**

	Chg. to Base
GPR	- \$3,199,700
FED	- 4,737,400
Total	- \$7,937,100

**Governor/Legislature:** Reduce base funding for medical assistance benefits by \$1,523,900 GPR and \$2,258,000 FED in 1995-96 and \$1,675,800 GPR and \$2,479,400 FED in 1996-97 to reflect several changes in the MA reimbursement formula for nursing home providers. The changes include:

*Interest and Investment Income.* Reduce funding by \$200,000 GPR and \$297,600 FED in each fiscal year and require nursing homes, to the extent required under the state's MA plan, to identify interest

and investment income from all affiliated entities, including foundations, and to reduce allowable interest costs for determining MA reimbursement by the amount of that income. In addition, require that, as a condition of receiving reimbursement, nursing homes provide information as requested by the Department to determine allowable interest expenses of the nursing home and its affiliates.

*Fixed Hold-Harmless Date.* Reduce funding by \$400,000 GPR and \$595,300 FED in each fiscal year and modify the hold harmless provision of the current nursing home formula which allows homes that would otherwise receive a rate decrease to receive the previous year's payment rate to, instead, guarantee rates that were in effect on June 30, 1994.

*Emotionally Disturbed Supplement.* Reduce funding by \$100,000 GPR and \$148,800 FED in 1995-96 and \$248,100 GPR and \$372,200 FED in 1996-97 to reflect the phase out of the supplement for the emotionally disturbed (ED) in the nursing home formula. Under the Governor's recommendation, the nursing home supplement for the emotionally disturbed would be eliminated effective July 1, 1997. Under the ED supplement, a facility may receive a payment over its daily rate to cover the costs of caring for ED residents.

*Classification of Medicare Days.* Reduce funding by \$543,900 GPR and \$799,600 FED in 1995-96 and \$547,700 GPR and \$797,600 FED in 1996-97 and classify appropriate medicare-funded nursing home days as intensive skilled nursing (ISN) days, rather than classifying all medicare-funded days as skilled nursing facility (SNF) days, to more accurately reflect the impact of medicare reimbursement on nursing home costs. This change to the classification of medicare-funded days would reduce costs that are allocated to MA patients at a nursing home which, in turn, would reduce the home's MA reimbursement.

*Nursing Home Property Costs.* Delete \$280,000 GPR and \$416,700 FED in each fiscal year and reduce the cost-sharing percentage for nursing homes with property costs in excess of the target to 40% from the current level of 50%. Nursing homes with property costs (mortgage, lease and depreciation costs) in excess of the target would have less of their property costs counted in determining the nursing home's MA payment, resulting in a lower payment.

*Administrative Costs.* Modify current contracting provisions to require nursing homes to pay for the costs of a commercial estimator contracted for by the Department to determine the replacement value of the nursing home and allow such costs to be included as an administrative expense.

*Statutory References for Nursing Home Cost Reports.* Update references for nursing home cost reports to the appropriate calendar and fiscal years in the 1995-97 biennium.

[Act 27 Sections: 2960, 2962 thru 2968, 2970 and 9426(9)]

**10. SUPPLEMENTAL PAYMENTS TO COUNTY NURSING HOMES [LFB Paper 404]**

**Governor:** Delete statutory references to specific fiscal years in the 1993-95 biennium and, instead, specify that supplemental MA payments to county nursing homes of up to \$20,000,000, both in 1995-96 and 1996-97, be made from federal medical assistance funds.

Under current law, an annual payment of up to \$20,000,000 to county nursing homes was provided as a supplement in each fiscal year of the 1993-95 biennium. These supplemental payments to county nursing homes were created under one-time, nonstatutory provisions in 1993 Wisconsin Act 16 as part of the intergovernmental transfer program created in that budget. Under the intergovernmental transfer program, the state certifies counties' MA allowable expenditures as the required, 40% state match to claim federal matching funds of 60% for those expenditures; reimbursement received from the federal government is then used to fund the supplemental payment to county nursing homes.

With this change, the Department would be required to distribute up to \$20,000,000 in supplemental payments to county nursing homes in each year of the 1995-97 biennium. Funding of \$18.5 million annually for these payments in the 1995-97 biennium was recommended by the Governor in the MA base reestimate; this is the same amount as allocated for 1994-95.

**Joint Finance/Legislature:** Require that, if unreimbursed expenses of county nursing homes in excess of amounts specified through the budget are certified to claim federal MA reimbursement, the additional federal matching funds must be provided to offset the unreimbursed county nursing home expenses up to 100% of such expenses.

Currently, the state certifies counties' medical assistance allowable expenditures and claims federal matching funds for those expenditures at the regular federal matching rate. It is anticipated that approximately \$77.3 million in 1995-96 and \$81.1 million in 1996-97 in federal funds will be received based on county nursing home expenditures. From these federal matching funds, \$37.1 million annually will be directly paid to county nursing homes, while the remainder will be used for MA rate increases for nursing homes. If more than \$77.3 million in 1995-96 or \$81.1 million in 1996-97 of federal matching funds is received based on county expenditures, the excess would be distributed to county nursing homes.

[Act 27 Section: 7299]

**11. ESTATE RECOVERY**

**Governor/Legislature:** Modify base funding to delete \$204,900 GPR and \$378,100 FED and provide \$770,000 PR in 1995-96 and delete \$1,341,800 GPR and \$2,249,300 FED and provide \$4,033,300 PR in 1996-97 and provide an additional 2.0 GPR and 2.0 FED positions, beginning in 1995-96, to reflect budgetary and statutory changes in the estate recovery program, as follows.

	Chg. to Base Funding Positions	
GPR	-\$1,546,700	2.00
FED	- 2,627,400	2.00
PR	<u>4,803,300</u>	<u>0.00</u>
Total	\$629,200	4.00

*Budgetary Changes.* Components of funding and staff changes would include provisions to: (a) increase funding by \$64,600 GPR and \$64,600 FED in 1995-96 and \$69,900 GPR and \$69,900 FED in 1996-97 to support four positions and related expenses (2.0 GPR and 2.0 FED), beginning in 1995-96, to process additional estate recoveries for past benefits provided to MA recipients; (b) delete \$269,500 GPR and \$462,000 FED and provide \$770,000 PR in 1995-96 and delete \$1,411,700 GPR and \$2,420,000 FED and provide \$4,033,800 PR in 1996-97 to reflect the anticipated growth in MA recoveries due to additional staff and to expanded MA estate recovery requirements enacted in the federal Omnibus Budget Reconciliation Act of 1993; and (c) provide \$19,300 FED in 1995-96 and \$100,800 FED in 1996-97 for payments to counties for their services in the estate recovery process.

*Statutory Changes.* Modify statutory provisions for the estate recovery program to:

- a. Allow the Department to recover amounts held in a payable on death (POD) account and in a joint account;
- b. Allow the Department to make recoveries for community-based services provided under the community-supported living arrangement (CSLA) program;
- c. Exempt estate recovery claims from the filing time limit for probate claims;
- d. Modify the type of estates for which claims can be recovered by use of affidavit to: (1) eliminate the requirement that all assets must be cash assets, but exempt real property, wearing apparel, jewelry, household furniture, furnishings, appliances, motor vehicles and recreational vehicles from claims by affidavit; (2) apply the \$10,000 limit for state affidavit claims to solely owned property in Wisconsin, rather than to all property left by the decedent; and (3) clarify that the Department has the authority to allow a person who holds some of the decedent's property to pay higher priority claims prior to paying MA estate recovery claims;
- e. Eliminate current requirements that the Department: (1) provide the Department of Revenue (DOR) a copy of the affidavit when a claim is collected by affidavit from a person holding the decedent's property; and (2) notify DOR when the Department pays a higher priority claim from past estate recovery claims; and
- f. Clarify that a court, when making a summary assignment of property, may decide all claims.

Under current law, to comply with federal requirements enacted in the federal Omnibus Budget Reconciliation Act of 1993 (OBRA 93), 1993 Wisconsin Act 437 expanded the estate recovery program to include recipients age 55 or older who live in the community and who receive MA for home- and community-based services, related hospital services and prescription drugs.

[Act 27 Sections: 3074, 7065, 7190, 7196, 7200 and 7201 thru 7205]

12. MA WAIVERS -- CIP IA, CIP IB AND CIP II [LFB Paper 441]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR-REV	\$4,069,200	-\$782,100	\$29,500	\$3,316,600
GPR	-\$2,347,300	\$1,489,200	27,000	-\$831,100
FED	<u>-3,478,100</u>	<u>2,214,500</u>	<u>39,900</u>	<u>-1,223,700</u>
Total	-\$5,825,400	\$3,703,700	\$66,900	-\$2,054,800

**Governor:** Reduce medical assistance funding by \$442,500 GPR and \$655,700 FED in 1995-96 and \$1,904,800 GPR and \$2,822,400 FED in 1996-97 to reflect changes in the community integration programs (CIP IA, CIP IB and CIP II) and the related impact on MA funding for the State Centers for the Developmentally Disabled. The specific changes would:

***CIP IA/State Centers***

*CIP IA.* Provide \$1,593,900 GPR and \$2,360,200 FED in 1995-96 and \$4,192,100 GPR and \$6,206,400 FED in 1996-97 to:

- Increase the number of CIP IA placements by 150 in 1995-96 and by an additional 150 in 1996-97 (for a total of 300 in 1996-97);
- Fund a higher per diem rate (\$147.29 in 1995-96 and \$151.71 in 1996-97) for placements made after July 1, 1995; and
- Fund a new blended rate of \$126.70 in 1995-96 and \$130.50 in 1996-97 for existing placements, rather than the current rates of \$100.90 or \$112.45 per day for persons placed before July 1, 1995.

In each year, the additional placements would be phased-in during the fiscal year. In addition to this funding, the MA base reestimate would provide an additional \$2,563,100 annually (\$1,032,800 GPR and \$1,530,300 FED) to fund CIP IA rates and placements under provisions established in the 1993-95 biennium. In total, with these changes, the CIP IA program would expend \$37.3 million in 1995-96 and \$46.7 million in 1996-97, compared to adjusted 1994-95 base year funding of \$31.4 million. Actual expenditures of \$23.8 million were incurred in 1994-95.

The CIP IA program provides community placements for residents who are relocated from the three State Centers for the Developmentally Disabled.

*State Centers.* Reduce funding for the State Centers by \$2,302,300 GPR and \$3,411,500 FED in 1995-96 and \$6,894,500 GPR and \$10,215,700 FED in 1996-97 to reflect the impact on the medical

assistance program of projected additional community placements from the Centers during the 1995-97 biennium.

*Require County Support for Certain State Center Residents.* Increase revenues deposited to the general fund by \$2,034,600 in each year of the 1995-97 biennium to reflect anticipated collections from a requirement that counties contribute 10% of the cost of care at the State Centers for county residents who can be relocated to the community.

### **CIP IB**

*Enhanced Rate.* Provide \$265,900 GPR and \$395,600 FED in 1995-96 and \$797,600 GPR and \$1,186,900 FED in 1996-97, to increase the number of CIP IB placements by 75 in 1995-96 and by another 75 in 1996-97 (for a total of 150 in 1996-97) and to fund an enhanced CIP IB rate for persons relocated from an intermediate care facility for the mentally retarded (ICF-MR) which closes. In each year, the additional placements would be phased-in during the fiscal year.

Specify that the enhanced reimbursement rate would be determined under a formula that is developed by H&SS and submitted for approval to DOA by January 1, 1996.

The CIP IB program relocates and diverts persons with developmental disabilities from ICF-MRs other than the State Centers to community placements.

### **CIP II**

*Program Definition.* Modify the definition of the CIP II program to provide that CIP II be for individuals, and not for facilities certified as MA providers, which is comparable to other MA waiver programs.

*Use of CIP II for Certain Patients in IMDs.* Specify that the maximum limit for the number of persons that can be served under the CIP II program would not be increased for beds that are delicensed at an institution for mental diseases (IMD) for an individual who: (a) is aged 21 to 64; (b) has a primary diagnosis of mental illness; and (c) is eligible for funding under the state supplement for IMD nursing homes. Under federal law, these persons are not eligible for federal matching funds for care in an IMD.

CIP II participants are aged or physically disabled persons who are either relocated or diverted from nursing homes. Under state statutes, a CIP II placement requires the closing of a nursing facility bed. Once a nursing home bed has been delicensed and a community placement has been established, the number of medical assistance recipients who receive CIP II services at any time may not exceed the number of MA beds that are closed.

**Joint Finance:** Decrease medical assistance funding by \$746,000 GPR and \$1,103,800 FED in 1995-96 and increase medical assistance funding by \$2,235,200 GPR and \$3,318,300 FED in 1996-97 to reflect modifications to the Governor's recommendations for the CIP IA program and State Center

reductions tied to CIP IA placements. In addition, reduce GPR-earned collections by \$266,100 in 1995-96 and \$516,000 in 1996-97 to reflect a reestimate of collections from the proposed requirement that counties contribute 10% of the cost of care at the State Centers for county residents who can be relocated to the community. The specific modifications to the CIP IA program and the State Centers would:

*CIP IA Placement Rates.* Delete \$945,200 GPR and \$1,399,000 FED in 1995-95 and provide \$2,048,800 GPR and \$3,026,200 FED in 1996-97 to:

- Increase the number of CIP IA placements by 160 in 1995-96 and 160 in 1996-97, rather than the 150 recommended by the Governor for each year;
- Increase the per diem rate for placements made after July 1, 1995, to \$160 per day in 1995-96 and \$170 per day in 1996-97, rather than \$147.29 and \$151.71, respectively, as recommended by the Governor;
- Reduce the new blended rate for placements made prior to July 1, 1995, to \$115 per day in 1995-96 and \$125 per day in 1996-97, rather than \$126.70 and \$130.50, respectively, as recommended by the Governor.

*State Centers.* Provide \$3,000 GPR and \$4,600 FED in 1995-96 and delete \$9,900 GPR and provide \$1,600 FED in 1996-97 to decrease the required statutory reductions from State Center budgets when CIP IA placements are made to the following amounts: (a) Central Center, to \$220 per day, from \$232; (b) Northern Center, to \$214 per day, from \$225; and (c) Southern Center, to \$164 per day, from \$173.

In addition, to reflect the on-going impact in the 1995-97 biennium of a reestimate of CIP IA placements in 1994-95, increase funding for medical assistance benefits by \$196,200 GPR and \$290,600 FED in 1995-96 and \$196,300 GPR and \$290,500 FED in 1996-97 to reflect this reestimate of CIP IA placements in 1994-95.

**Senate/Legislature:** Increase medical assistance funding by \$70,200 GPR and \$103,900 FED in 1995-96 and decrease funding by \$43,200 GPR and \$64,000 FED in 1996-97 to reflect: (a) lower CIP IA placement rates; and (b) a decrease in the required statutory reductions from the State Centers budgets when CIP IA placements are made. In addition, increase revenues deposited to the general fund by \$7,400 in 1995-96 and 22,100 in 1996-97 to reflect the effect of lower CIP IA rates on the number of State Center residents subject to the county assessment. The specific modifications to the CIP IA program and the State Centers would:

*CIP IA Placement Rates.* Delete \$240,600 GPR and \$356,500 FED in 1995-96 and \$976,300 GPR and \$1,444,400 FED in 1996-97 to decrease the per diem rate for placements made after July 1, 1995, to \$150 per day in 1995-96 and \$153 per day in 1996-97, rather than \$160 and \$170, respectively, as in Engrossed AB 150. With this change, the estimated number of CIP IA placements are projected to be 150 in 1995-96 and 150 in 1996-97, rather than 160 placements in each year.

*State Centers.* Provide \$310,800 GPR and \$460,400 FED in 1995-96 and \$933,100 GPR and \$1,380,400 FED in 1996-97 to decrease the required statutory reductions from the State Center budgets when CIP IA placements are made to the following amounts: (a) Central Center, to \$205 from \$220; (b) Northern Center, to \$199 from \$214; and (c) Southern Center, to \$149 from \$164.

[Act 27 Sections: 2245, 2248, 2249, 2251, 2253, 2257 thru 2259, 2266 and 9126(3)]

**13. ELIMINATE TRANSFER FROM MA TO COP FOR DECREASED NURSING HOME USE**  
[LFB Paper 530]

**Governor/Legislature:** Delete current statutory provisions, enacted in 1993 Wisconsin Act 469, which establish a potential transfer of funding from the medical assistance (MA) appropriation to the community option program (COP) appropriation if there is a decline in the utilization of nursing home beds by MA recipients between the prior two years. For a detailed description of this change and references to statutory sections, see "H&SS -- Community Services."

**14. MA WAIVER -- COP COST-TO-CONTINUE** [LFB Paper 529]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
FED	\$935,400	\$800,000	\$1,735,400

**Governor:** Provide \$467,700 in each year to reflect anticipated federal funding under medical assistance of the cost-to-continue for existing placements under the community options program MA waiver during the 1995-97 biennium. For a detailed description of the community options program, see "H&SS -- Community Services."

**Joint Finance/Legislature:** Provide an additional \$400,000 FED in each year to reflect a reestimate of the amount of federal matching funding for COP-W placements

**15. MA FUNDING OF STATE CENTER INITIATIVES**

**Governor/Legislature:** Provide \$545,800 GPR and \$808,700 FED in 1995-96 and \$759,700 GPR and \$1,125,600 FED in 1996-97 to reflect increased MA costs to fund psychiatric positions and technology to monitor residents, supplies and services inflation increases, overtime, centrex costs, shared service contract increases and restoring base position funding at the three State Centers for the Developmentally Disabled. The specific changes are described in detail in "H&SS -- Care and Treatment Facilities."

	Chg. to Base
GPR	\$1,305,500
FED	<u>1,934,300</u>
Total	\$3,239,800



16. MA PROVIDER RATE INCREASES [LFB Papers 400 and 404]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$65,153,000	-\$12,139,500	\$53,013,500
FED	<u>96,474,500</u>	<u>- 17,981,500</u>	<u>78,493,000</u>
Total	\$161,627,500	-\$30,121,000	\$131,506,500

**Governor:** Provide \$20,223,700 GPR and \$29,965,300 FED in 1995-96 and \$44,929,300 GPR and \$66,509,200 FED in 1996-97 to increase MA rates paid to selected providers. The table summarizes the percentage increase in rates compared to the rates under current law and the state and federal funding that would be budgeted to support these rate increases.

**Governor's Recommended MA Rate Increases**

Service Category	1995-96			1996-97		
	Rate Increase	Funding GPR	Funding FED	Rate Increase	Funding GPR	Funding FED
Nursing Homes	4.25%	\$14,101,700	\$20,894,400	5.00%	\$32,359,500	\$47,909,200
Inpatient Hospital Services						
General Rate Increase	3.25%	4,366,500	6,469,900	3.25%	9,118,000	13,490,500
Include Transplants under DRG Payment System	---	391,800	580,500	---	784,300	1,160,400
Rehabilitation Agencies	3.00%	219,100	324,600	0.00%	219,100	324,200
Physicians* and Clinics	2.50%	1,043,700	1,546,500	2.50%	2,206,900	3,267,500
Chiropractors*	6.75%	82,400	122,000	6.75%	197,400	292,100
Podiatrists*	6.25%	<u>18,500</u>	<u>27,400</u>	6.25%	<u>44,100</u>	<u>65,300</u>
Total		\$20,223,700	\$29,965,300		\$44,929,300	\$66,509,200

\*Providers subject to proposed health care provider assessment.

In addition, delete statutory references to rates paid to nursing homes in the 1993-95 biennium and, instead, reference the Governor's proposed rate increases for the 1995-97 biennium.

*Provider Assessment on Physicians, Chiropractors and Podiatrists.* To support the budgeted funding of MA rate increases for physicians, chiropractors and podiatrists, establish a health care provider assessment of \$300 for each licensed physician, podiatrist and chiropractor. The assessment, which would be collected by the Department of Regulation and Licensing (R&L) at the time occupational licenses are renewed, would be paid in addition to occupational fees for the renewal of a license. Under current law, licenses for these providers are renewed every two years.

Revenue collected from the health care provider assessment, which is summarized under R&L, would be deposited in the general fund. DOA estimates that \$7,903,200 in 1995-96 and \$692,700 in 1996-97 would be collected from the proposed health care provider assessment, for a total of \$8,595,900 in the 1995-97 biennium.

Of these revenues, \$3,593,000 would be used as the required, 40% state match for MA provider rate increases, resulting in \$8,913,800 in state and federal matching funds for MA rates. Compared to the provider assessment of \$8,595,900, physicians, chiropractors and podiatrists would receive \$317,900 more in funding through MA rate increases than paid in assessments. The remaining assessment revenues not used as the state match for MA rate increases for these providers would increase the state's general fund balance by \$5,002,900 in the 1995-97 biennium. For a complete summary of the Governor's recommendations relating to the health care provider assessment, see "Department of Regulation and Licensing."

**Joint Finance:** Reduce funding by \$1,828,100 GPR and \$2,708,700 FED in 1995-96 and by \$10,311,400 GPR and \$15,272,800 FED in 1996-97 to reflect the following:

a. *Nursing Home Rates.* Reduce funding by \$293,500 GPR and \$434,800 FED in 1995-96 and \$6,939,400 GPR and \$10,299,000 FED in 1996-97 to: (a) support rate increases for nursing homes of 4.25% in 1995-96 and 3.5% in 1996-97, rather than 4.25% in 1995-96 and 5.0% in 1996-97 as recommended by the Governor; and (b) reestimate the cost of the MA rate increases.

b. *Inpatient Hospital Rates.* Reduce funding by \$390,000 GPR and \$578,000 FED in 1995-96 and \$923,600 GPR and \$1,348,900 FED in 1996-97 to: (a) support increased rates for inpatient hospital services of 3.0% in 1995-96 and 1996-97, rather than 3.25% in 1995-96 and 1996-97 as recommended by the Governor; and (b) reestimate the cost of the MA rate increases.

c. *Physician and Clinic, Chiropractor and Podiatrist Services.* Delete the rate increases recommended by the Governor for physician and clinic, chiropractor and podiatrist services and reduce funding by \$1,144,600 GPR and \$1,695,900 FED in 1995-96 and \$2,448,400 GPR and \$3,624,900 FED in 1996-97 to reflect cost savings of deleting the Governor's recommended rate increases for these services.

d. *Provider Assessment on Physicians, Chiropractors and Podiatrists.* Delete the Governor's recommendations to establish a health care provider assessment on physicians, chiropractors and podiatrists. Reduce estimates of revenues deposited to the general fund by \$7,903,200 in 1995-96 and \$692,700 in 1996-97. [The effect of deleting the health care provider assessment is shown under the "Department of Regulation and Licensing."]

The following table summarizes the MA rate increases in 1995 Wisconsin Act 27.

**Selected MA Rate Increases  
1995 Wisconsin Act 27\***

<u>Service Category</u>	<u>1995-96</u>			<u>1996-97</u>		
	<u>Rate Increase</u>	<u>Funding GPR</u>	<u>Funding FED</u>	<u>Rate Increase</u>	<u>Funding GPR</u>	<u>Funding FED</u>
Nursing Homes	4.25%	\$13,808,200	\$20,459,600	3.50%	\$25,420,100	\$37,610,200
Inpatient Hospital Services						
General Rate Increase	3.00%	3,976,500	5,891,900	3.00%	8,194,400	12,141,600
Include Transplants under DRG Payment System	---	391,800	580,500	---	784,300	1,160,400
Rehabilitation Agencies	3.00%	<u>219,100</u>	<u>324,600</u>	0.00%	<u>219,100</u>	<u>324,200</u>
Total		\$18,395,600	\$27,256,600		\$34,617,900	\$51,236,400

\*MA rate increases for dental services for children, the Veteran's Home at King and the state mental health institutes are summarized under separate items.

**Senate/Legislature:** Update fiscal year statutory references for the provider assessment on ICF-MR beds.

[Act 27 Sections: 2960, 2961 and 3244g]

**17. BEST PRICE REQUIREMENT/REDUCED MA RATES [LFB Paper 403]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR	- \$8,201,900	\$2,622,300	- \$5,579,600
FED	<u>- 12,145,800</u>	<u>3,884,000</u>	<u>- 8,261,800</u>
Total	- \$20,347,700	\$6,506,300	- \$13,841,400

**Governor:** Reduce MA benefits funding by \$4,943,000 GPR and \$7,324,100 FED in 1995-96 and \$3,258,900 GPR and \$4,821,700 FED in 1996-97 to reflect projected cost savings of authorizing H&SS to require certain MA providers to charge H&SS the lesser of the provider's "best price" for a service, or the provider's actual cost for the service, unless a different price is set by contract. Prohibit H&SS from reimbursing a provider in excess of the charges required by the Department under these provisions.

Define "best price" as the lowest price that a provider has accepted or agreed to accept as payment from any third-party payer, including medicare, a self-insured plan and an insurer for a like service provided to a customer during the same month that the service is provided. This requirement would apply to all MA services except inpatient and outpatient hospital services, skilled nursing home services, services provided in an institution for mental disease, and home and community-based waiver services.

**Joint Finance:** Increase funding by \$1,833,400 GPR and \$2,716,600 FED in 1995-96 and \$788,900 GPR and \$1,167,400 FED in 1996-97 and delete all provisions relating to a best price requirement from

the bill. Instead, require H&SS to reduce MA rates for services that would have been affected by the best price requirement to generate the projected savings that would have resulted for the implementation of the best price requirement for home health services, medical equipment and supplies and elozapine management. In addition, reduce MA payment for drugs by \$0.50 per prescription. The following table summarizes the projected cost savings that would result from these MA rate reductions, by service category.

	<u>1995-96</u>		<u>1996-97</u>	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
Drugs*	-\$1,229,000	-\$1,821,000	-\$1,230,100	-\$1,819,900
Home Health	-1,208,800	-1,791,200	-797,100	-1,179,100
Medical Equipment and Supplies	-591,200	-875,900	-389,700	-576,700
Clozapine Management	<u>-80,600</u>	<u>-119,400</u>	<u>-53,100</u>	<u>-78,600</u>
Net Savings	-\$3,109,600	-\$4,607,500	-\$2,470,000	-\$3,654,300

\*Rate reduction is implemented by reducing payments for each MA prescription by \$0.50.

Finally, require H&SS to establish, by January 1, 1996, an incentive-based pharmacy payment system, that would provide financial incentives for pharmacists that perform services that result in savings to the MA program. Authorize H&SS to establish a schedule of payments that would ensure that the incentive payments made under the program are less than or equal to documented savings resulting from these pharmacy services. Authorize H&SS to discontinue the program if, based upon the results of a study by H&SS, the Department determines that payments to providers exceed the program's documented savings.

**Assembly/Legislature:** Delete the Joint Finance provision that would direct H&SS to lower rates for home health care providers to reduce MA home health expenditures. Instead, authorize H&SS to pay home health agencies the lesser of: (a) the state's maximum MA reimbursement rate; (b) the medicare cost for a service, separately identified under medicare cost reporting principles for each service, including skilled nursing, home health aide, and physical therapy; or (c) the provider's actual charge for the service. Prohibit H&SS from reimbursing a provider in excess of the charges required by H&SS under these provisions.

**Veto by Governor [D-5]:** Delete the requirement that the incentive-based pharmacy payment system be established by January 1, 1996. Consequently, there would be no statutory date by which H&SS would be required to establish the system.

[Act 27 Sections: 2988b, 2989, 2989d, 3012 and 3020m]

[Act 27 Vetoed Section: 2989d]

**18. MEDICATION SET-UP FEE**

**Governor/Legislature:** Reduce MA benefits funding by \$849,500 GPR and \$1,258,700 FED in 1995-96 and \$850,300 GPR and \$1,258,000 FED in 1996-97 to reflect the projected cost savings of reducing the medication set-up fee paid to home health agencies from \$78.50 to \$37.00 per visit.

	Chg. to Base
GPR	- \$1,699,800
FED	<u>- 2,516,700</u>
Total	- \$4,216,500

**19. RATES FOR OXYGEN AND RELATED SUPPLIES [LFB Paper 402]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$415,400	- \$415,000	- \$830,400
FED	<u>- 614,600</u>	<u>- 615,000</u>	<u>- 1,229,600</u>
Total	- \$1,030,000	- \$1,030,000	- \$2,060,000

**Governor:** Decrease funding by \$415,400 GPR and \$614,600 FED in 1996-97 to reflect reduced rates paid for oxygen and related supplies, including respiratory equipment, by an average of 12.5%, beginning in 1996-97.

**Joint Finance/Legislature:** Reduce funding by \$415,000 GPR and \$615,000 FED in 1995-96 to reflect cost savings of reducing rates for oxygen and related supplies by an average of 12.5%, beginning in 1995-96, rather than in 1996-97, as recommended by the Governor.

**20. LIMIT MA HOME HEALTH AND PRIVATE-DUTY NURSING SERVICES [LFB Paper 396]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$5,730,900	\$1,146,100	- \$4,584,800
FED	<u>- 8,485,300</u>	<u>1,697,100</u>	<u>- 6,788,200</u>
Total	- \$14,216,200	\$2,843,200	- \$11,373,000

**Governor:** Reduce MA benefits funding by \$2,864,200 GPR and \$4,243,900 FED in 1995-96 and \$2,866,700 GPR and \$4,241,400 FED in 1996-97 to reflect projected cost savings of limiting MA payment for home health and private-duty nursing services provided to an MA recipient in any month to the average monthly cost of nursing home care, as determined by H&SS. Specify that these provisions would not apply to: (a) MA recipients under the age of 22; (b) ventilator-dependent individuals; and (c) recipients whose nursing home costs would exceed the cost of providing the individual with home health and private-duty nursing services, as determined by the Department.

**Joint Finance/Legislature:** Increase funding by \$572,800 GPR and \$848,800 FED in 1995-96 and \$573,300 GPR and \$848,300 FED in 1996-97 to reflect reestimates of the cost savings of the Governor's recommendation. In addition, modify statutory provisions to specify certain criteria H&SS would be required to use in reviewing high cost cases, including: (a) the actual nursing home costs of a person who would be affected and the extent to which state MA costs for nursing home care would actually exceed the cost of care provided in the community, resulting in higher overall MA costs; and (b) the availability of a nursing home bed for such a person. Finally, clarify that personal care services, along with home health and private-duty nursing services, would be subject to the limit.

[Act 27 Sections: 2987, 2988, 2989, 2989d, 3012 and 3020m]

**21. DENTAL SERVICES [LFB Paper 401]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$4,489,900	\$4,268,000	- \$221,900
FED	- <u>6,647,900</u>	<u>6,332,900</u>	- <u>315,000</u>
Total	- \$11,137,800	\$10,600,900	- \$536,900

**Governor:** Reduce MA benefits funding by \$2,286,900 GPR and \$3,388,500 FED in 1995-96 and \$2,203,000 GPR and \$3,259,400 FED in 1996-97 to reflect the projected net cost savings of reducing MA coverage of dental services and increasing MA rates paid for dental services provided to children.

First, the Governor recommends eliminating MA coverage on the effective date of the bill, for the following dental services:

- Diagnostic services
- Restorative services
- Periodontic services
- Preventive services
- Endodontic services
- Oral and maxillofacial surgery services

Under the Governor's recommendation, dental services to persons under the age of 21 that are found to be necessary based on early and periodic screening, diagnostic and treatment ("HealthCheck") screens would continue to be covered, as required under federal law. In addition, as under current law, dentist services would continue to be provided for: (a) emergency treatment of dental pain; (b) removable prosthodontic services; and (c) fixed prosthodontic services.

Second, funding would be provided to increase rates for dental services provided to children such that MA payments would represent 80% of the projected amounts that will be billed for services to children in each year of the 1995-97 biennium.

**Joint Finance/Legislature:** Increase funding by \$2,138,600 GPR and \$3,171,000 FED in 1995-96 and \$2,129,400 GPR and \$3,161,900 FED in 1996-97 and modify the Governor's recommendations to:

- *Restore Adult Dental Procedures.* Retain adult dental procedures that would have been deleted under the Governor's recommendation (\$2,826,800 GPR and \$4,198,300 FED in 1995-96 and \$2,823,100 GPR and \$4,197,000 FED in 1996-97);

- *Delete Adult Prosthodontics Services.* Delete MA coverage of fixed and removable adult prosthodontics (-\$1,365,600 GPR and -\$2,043,600 FED in 1995-96 and -\$1,366,000 GPR and -\$2,043,500 FED in 1996-97); and

- *Provide Rates for Children's Dental Services.* Increase funding for MA pediatric dental rates based on 75% of the amounts billed in calendar year 1994 (\$677,500 GPR and \$1,016,300 FED in 1995-96 and \$672,200 GPR and \$1,008,400 FED in 1996-97) based on reestimates of the cost of implementing rate increases for dental services provided to children.

[Act 27 Sections: 3011, 3019b, 3019c and 9326(23)]

## 22. MANAGED CARE

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$7,099,600	2.50	-\$52,300	0.00	-\$7,151,900	2.50
FED	<u>-11,533,500</u>	<u>2.50</u>	<u>52,300</u>	<u>0.00</u>	<u>-11,481,200</u>	<u>2.50</u>
Total	-\$18,633,100	5.00	\$0	0.00	-\$18,633,100	5.00

**Governor:** Reduce funding by \$1,319,300 GPR and \$2,159,300 FED in 1995-96 and by \$5,780,300 GPR and \$9,374,200 FED in 1996-97 and provide 2.50 GPR and 2.50 FED positions, beginning in 1995-96, to expand the use of managed care services under the medical assistance program, as follows:

a. *Increase Enrollment of AFDC and Healthy Start MA Recipients in HMOs.* Reduce MA benefits funding by \$3,039,000 GPR and \$4,496,300 FED in 1996-97 to reflect projected cost savings of expanding HMO coverage of AFDC and healthy start MA recipients in areas of the state where MA recipients currently receive services on a fee-for-service basis. Under the Governor's recommendations, bids from HMOs would be sought on a statewide, rather than county-by-county, basis. These projected savings assume an 8% savings or discount rate from current fee-for-service expenditures for this population in the first two years of implementation for new HMO programs. After that time, the discount rate would be increased to 9.5%, the rate currently applied to HMOs which serve MA recipients.

Currently, all AFDC and healthy start MA recipients in Milwaukee County and, to the extent that slots are available, Dane, Eau Claire and Waukesha Counties, receive MA-covered services through an HMO. Beginning in 1995, AFDC and healthy start MA recipients in Kenosha County will also receive services through HMOs.

b. *Increase Enrollment of AFDC, Healthy Start and Disabled MA Recipients in the Primary Provider Program (PPP).* Reduce MA benefits funding by \$1,743,900 GPR and \$2,584,000 FED in 1995-96 and \$4,038,400 GPR and \$5,975,100 FED in 1996-97 to reflect projected cost savings of expanding PPP coverage of AFDC and healthy start MA recipients in areas without HMO coverage for such recipients and coverage of SSI recipients in 11 counties, including Milwaukee County. Under this program, which was created in 1993 Wisconsin Act 16, MA recipients in certain areas of the state are required to select a primary care provider and receive most nonemergency medical services from the assigned provider or through referrals made by the provider. Participating providers receive a case management fee of \$3.00 per recipient per month, in addition to any fee-for-service payments the provider receives for services rendered to the enrollee.

The Governor's proposal assumes that HMOs will bid to provide services in many areas of the state not currently serving the MA population. In areas of the state where HMOs do not bid, or cover only a portion of a county, H&SS would establish a primary provider program. Consequently, all counties would have either an HMO or primary provider program managing health care services to AFDC and healthy start recipients.

c. *Expand Targeted Managed Care.* Reduce MA benefits funding by \$143,700 GPR and \$212,600 FED in 1996-97 to reflect projected cost savings of enrolling an additional 1,000 high-cost, MA recipients (individuals whose MA costs exceed \$28,500 per year) in the targeted case management program. Under this program, which was created in 1993 Wisconsin Act 16, H&SS contracts for case management services to coordinate medical care and monitor services to ensure the use of the most efficient and cost effective treatment alternatives. Currently, 250 recipients with costs in excess of \$75,000 annually are covered by the program.

d. *Expand Voluntary Managed Care Under Independent Care (I-Care).* Reduce MA benefits funding by \$458,200 GPR and \$677,800 FED in 1996-97 to reflect projected cost savings of enrolling an additional 4,000 disabled, MA recipients in Milwaukee and two, other counties in the I-Care program. Currently, this program provides coordinated medical and social services for up to 3,000 SSI-related, MA recipients ages 15 and older in Milwaukee County.

e. *Expand Program for All-Inclusive Care for the Elderly (PACE).* Reduce MA benefits funding by \$78,800 GPR and \$116,500 FED in 1996-97 to reflect projected cost savings of enrolling an additional 300 individuals (100 each in three additional counties) in the PACE program. Under this program, H&SS contracts with a private firm that provides comprehensive services, including both community-based and nursing home services, to elderly persons who meet nursing home eligibility standards in Milwaukee and Dane County. Payment to the contractor is made on a capitated basis. By July 1, 1995, H&SS expects enrollment to reach 200 in Milwaukee County and 100 in Dane County.

f. *Establish a 24-Hour per Day Helpline ("Nurseline").* Reduce MA benefits funding by \$458,600 GPR and \$678,500 FED in 1996-97 to reflect projected cost savings of establishing "Nurseline," a 24-hour per day helpline staffed by nurses who provide triage, authorization of urgent and emergency care, advice



on non-emergency medical problems, referrals to appropriate physician services and other services to assist recipients and providers.

g. *Administrative Costs of Managed Care Expansions.* Provide a total of \$424,600 GPR and \$424,700 FED in 1995-96 and \$2,436,400 GPR and \$2,782,600 FED in 1996-97 and 2.5 GPR and 2.5 FED positions, beginning in 1995-96, to support: (a) additional staff to manage the HMO procurement process, modify and develop reporting systems and monitor contracts for all managed care initiatives (\$99,500 GPR and \$99,600 FED in 1995-96 and \$115,400 GPR and \$115,400 FED in 1996-97 and 2.5 GPR and 2.5 FED positions, beginning in 1995-96); (b) case management fees paid to providers under the primary provider program, which are paid from the MA benefits appropriations as provider reimbursement (\$722,800 GPR and \$1,069,300 FED in 1996-97); (c) other administrative costs relating to enrollment, auditing and quality assurance activities, actuarial services, and the operation of nurseline (\$325,100 GPR and \$325,100 FED in 1995-96 and \$1,598,200 GPR and \$1,597,900 FED in 1996-97).

**Joint Finance/Legislature:** Modify the bill to clarify the authority of H&SS to provide case management services to MA beneficiaries with high-cost chronic or catastrophic health conditions. Reduce MA administration funding by \$135,000 GPR and \$135,000 FED annually and increase MA benefits funding by \$108,800 GPR and \$161,200 FED in 1995-96 and \$108,900 GPR and \$161,100 FED in 1996-97 to reflect that funding provided for such services would be paid from the MA benefits appropriation with a 60% federal matching rate, rather than the MA administration appropriation with a 50% federal matching rate.

[Act 27 Sections: 3002r and 3023m]

**23. FEDERAL MA FUNDS TO REDUCE COUNTY OPERATING DEFICITS**

	Chg. to Base
FED	\$8,916,300

**Governor/Legislature:** Provide \$4,459,000 in 1995-96 and \$4,457,300 in 1996-97 to reflect anticipated federal matching funds for certain costs incurred by county social or human services departments that are in excess of MA payment for home health services (or nursing services if a home health agency is not available), medical day treatment services, mental health services and alcohol and other drug abuse services (including services provided by a psychiatrist).

Direct H&SS to allocate up to \$4,500,000 FED annually for the county department operating deficit reduction program. Require H&SS to estimate the availability of federal MA funds that could be used to match county funds that are expended for costs in excess of MA rates paid for these services and to develop a method to distribute the federal funds to county social or human services departments that incur operating deficits.

Specify that the method developed by H&SS for distributing these funds need not be promulgated as administrative rules, and provide that the method include provisions to: (a) develop criteria for determining operating deficits; (b) assure agreements by eligible counties to provide county funds as a

match to federal MA funds; and (c) consider the size of a county department's operating deficit. Require H&SS to use this method to distribute federal funds; however, authorize H&SS to distribute payments on a prorated basis if the federal Department of Health and Human Services approves an expenditure amount for the program that is less than the amount budgeted for the program, or disallows use of the distribution methodology developed by H&SS.

[Act 27 Section: 2975]

**24. MENTAL HEALTH CRISIS INTERVENTION [LFB Paper 407]**

	Chg. to Base
FED	\$7,000,000

**Governor:** Provide \$3,500,000 in each year from anticipated federal matching funds and establish mental health crisis intervention services as a medical assistance benefit, if a county or municipality elects to make this service available. Require that, if elected as a MA benefit, the county or municipality reimburse providers for the amount of allowable MA charges for these services which is not paid by H&SS from federal MA funds.

**Joint Finance/Legislature:** Modify the Governor's recommendation to clarify that counties and municipalities would be the providers of mental health crisis intervention services. Specifically, amend the bill to: (a) define "mental health crisis services" as services provided by the staff of crisis intervention programs operated by or under contract with a county, city, village or town that is certified as an MA provider; and (b) require that a county or municipality that chooses to become certified as a provider of such services provide payment for services for the amount of the allowable charges for those services that is not provided by the federal government.

[Act 27 Sections: 3002b and 3023]

**25. EXPAND TARGETED CASE MANAGEMENT SERVICES**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
FED	\$4,538,400	\$325,500	\$4,863,900

**Governor:** Provide \$1,134,600 in 1995-96 and \$3,403,800 in 1996-97 to reflect the projected increase in federal matching funds from expanding eligibility for MA targeted case management services to include: (a) families who have a child at risk of physical, mental or emotional dysfunction, as defined by H&SS; (b) children who are eligible for medical assistance and who receive early intervention services under the Birth to Three program. In addition, clarify that individuals eligible for case management services must meet at least one of several statutorily-defined conditions.

Case management services assist individuals in gaining access to and managing an array of services, including services covered by MA and services provided under other programs. These services are

provided by qualified public and private, nonprofit agencies, if a county or municipality elects to make the service available. The MA program pays the federal share of the cost of these services; case management agencies must provide the state MA match by using funds provided through other programs, such as the community options program, family support program, or Alzheimer's caregiver support funds.

Currently, case management is a covered, MA benefit for individuals who: (a) are 65 years of age or older; (b) have Alzheimer's disease or related dementia; (b) are under the age of 21 and severely, emotionally disturbed; (d) have an HIV infection; (e) have a developmental disability; (e) are over the age of 21 and have a chronic mental illness; (g) have a physical or sensory disability; or (h) have an alcoholic or other drug dependency.

**Joint Finance/Legislature:** Provide \$162,700 FED in 1995-96 and \$162,800 FED in 1997-98 to reflect projected increases in federal matching funds from expanding eligibility for MA targeted case management services to include children with asthma.

[Act 27 Sections: 2993 through 2996m and 2998]

## 26. SCHOOL SERVICES

	Governor (Chg. to Base)		Senate/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$792,400		\$792,400	
GPR	\$47,300	0.50	\$0	0.00	\$47,300	0.50
FED	2,028,400	0.50	- 792,400	0.00	1,236,000	0.50
Total	\$2,075,700	1.00	\$0	0.00	\$1,283,300	1.00

**Governor:** Provide \$21,800 GPR and \$21,800 FED in 1995-96 and \$25,500 GPR and \$2,006,600 FED in 1996-97 and 0.5 GPR and 0.5 FED position, beginning in 1995-96, for the purpose of increasing the amount of MA-eligible services billed by schools. Effective August 1, 1996, establish "school medical services" as a medical assistance benefit. This benefit would be defined as health care services that are provided in a school (including charter schools and school-operated early childhood programs for developmentally delayed and disabled 4-year old and 5-year old children) to children who are eligible for MA and that are appropriate to a school setting, under rules promulgated by H&SS. Require that H&SS submit to the Legislative Council, by March 1, 1996, proposed rules relating to specific certification and reporting requirements relating to this benefit.

Direct H&SS to reimburse school districts for the federal share of allowable charges for the school medical services that they provide and for allowable administrative costs, based on reimbursement methodologies established by H&SS, by rule. Specify that all other expenses for school medical services would be paid for by the school district with funds received from state or local taxes, and that each school district comply with all requirements of the federal Department of Health and Human Services for receiving federal financial participation.

Schools are currently authorized to submit MA claims for a variety of services, such as therapy and nursing services provided to MA-eligible students, if the school, or its appropriate staff, are certified as MA providers. Under current law, schools are not required to provide the state match to receive MA reimbursement. If a school submits a claim, it is reimbursed in the same manner as other MA providers. Thus, a school may have its total costs reimbursed, including both state and federal funds, for providing services reimbursed under MA.

Although schools would only be reimbursed the federal share of MA claims for school services on behalf of MA-eligible children under the Governor's recommendation, claims under MA are projected to increase because: (a) additional MA funds would not be counted toward school revenue caps; (b) federal guidelines have recently broadened services that may be claimed; (c) under the proposed rules to be submitted by H&SS, state standards for speech and language therapists would be accepted in lieu of MA certification; and (d) general supervision rather than immediate, on-site supervision, of physical and occupational therapists would be accepted for MA school medical services.

**Senate/Legislature:** Modify medical assistance benefits for school medical services to:

a. Direct H&SS to submit a state plan amendment by September 30, 1995, to establish school medical services as a medical assistance benefit;

b. Delete the August 1, 1996, effective date for the creation of the benefit and, instead, specify that the service be established at the earliest effective date permitted under federal law upon approval of the state plan amendment and the implementation of an administrative system by H&SS to claim these benefits;

c. Authorize H&SS to promulgate emergency rules, without the finding of an emergency, for MA school medical services;

d. Authorize CESAs, as well as schools and school-operated early childhood programs for developmentally delayed and disabled 4-year old and 5-year old children, to become certified to provide school medical services;

e. Authorize MA payment for all school medical services defined in an approved MA state plan; and

f. Provide that 40% of the additional federal MA funds claimed for school medical services be deposited as revenues to the general fund.

In addition, increase estimated GPR revenues deposited to the general fund by \$792,400 in 1996-97 and reduce federal revenues to school districts by a corresponding amount to reflect this change.

**Veto by Governor [D-4]:** Delete the provision that would have directed H&SS to implement an administrative system to permit school districts and CESAs to claim reimbursement for MA school services. By deleting references to the establishment and implementation of an administrative system,

create a requirement that school districts and CESAs claim MA reimbursement under the school medical services benefit, exclusively. This would effectively prohibit CESAs and school districts from independently claiming 100% reimbursement for other MA services, such as therapies and transportation. Moreover, by deleting the provision related to the administrative system, the effective date for the MA school services benefit will be immediately upon approval of the state's plan amendment.

In addition, delete the modification to the federal MA appropriation contained in Enrolled AB 150. This partial veto will permit H&SS to make payments to the state's fiscal agent equal to 100% of the federal MA payment for such services (which is approximately 60% of the total MA reimbursement for these services). In turn, the fiscal agent will make payments to school districts and CESAs equal to 60% of the federal MA reimbursement and to H&SS for the remaining 40% of the federal MA reimbursement. H&SS will forward funds received from the fiscal agent to the state's general fund.

[Act 27 Sections: 821b, 3000, 3022 and 9126(7m)]

[Act 27 Vetoed Sections: 821b and 3000]

**27. MA COVERAGE FOR PERSONS INFECTED WITH TUBERCULOSIS**

	Chg. to Base
GPR	\$241,700
FED	<u>1,347,200</u>
Total	\$1,588,900

**Governor/Legislature:** Increase MA benefits funding by \$113,600 GPR and \$640,700 FED in 1995-96 and \$128,100 GPR and \$706,500 FED in 1996-97 to reflect projected costs of expanding MA eligibility to include persons who are infected with tuberculosis and who meet the income and resource eligibility requirements for the federal supplemental security income (SSI) program. Limit the types of MA-funded services available to these persons to those authorized under federal law, including: (a) prescription drugs; (b) physician services; (c) laboratory and x-ray services; (d) clinic services; (e) case management services; (f) services designed to encourage individuals to take their medications. Authorize H&SS to promulgate rules regarding tuberculosis-related medical assistance services using emergency rule-making procedures, without the finding of an emergency. Related provisions for tuberculosis funding under the disease aids program are summarized under "Health."

[Act 27 Sections: 3008, 3024 and 9126(8)]

**28. MA ELIGIBILITY FOR MIGRANT WORKERS**

	Chg. to Base
GPR	\$91,200
FED	<u>136,900</u>
Total	\$228,100

**Governor/Legislature:** Increase MA benefits funding by \$39,100 GPR and \$58,700 FED in 1995-96 and \$52,100 GPR and \$78,200 FED in 1996-97 to reflect the projected cost of expanding MA eligibility to certain migrant workers and their families.

*MA Waiver.* Require H&SS to request a waiver from the federal Department of Health and Human Services to provide MA eligibility to certain migrant workers and their dependents. Specify that the waiver include provisions to determine MA eligibility if either:

- The migrant worker and any dependents have a valid MA card issued in another state and the migrant worker completes a Wisconsin MA application provided by H&SS. In addition, specify that eligibility would continue for the period specified on the identification card issued in the other state. Require H&SS to notify the other state of Wisconsin MA eligibility.
- The migrant worker and any dependents are determined eligible for MA in Wisconsin using an income-averaging method, as requested under the waiver. Require H&SS to seek a waiver from federal, MA quality control standards that H&SS determines are necessary to make income averaging feasible.

Specify that MA eligibility for these migrant workers and their dependents would only apply while the waiver is in effect.

Currently, eligibility for MA is based on prospective budgeting, which estimates the amount of income an applicant expects to receive in the next month. With income averaging, migrant workers who are ineligible for MA under the prospective budgeting test would be provided with a second eligibility test based on average monthly income over the past year.

*Definition of Migrant Worker.* Define a "migrant worker" as any person who temporarily leaves a principal residence outside of this state and comes to Wisconsin for not more than 10 months in a year to accept seasonal employment in the planting, cultivating, raising, harvesting, handling, drying, packing, packaging, processing, freezing, grading or storing of any agricultural or horticultural commodity in its unmanufactured state. Specify that a migrant worker would not include: (a) persons employed only by a state resident if the resident or resident's spouse is a relative of the person; (b) students who are enrolled or, during the past six months, have been enrolled in any school, college or university, unless the student is a family member in a migrant worker's household; or (c) any other persons who qualify for an exemption under rules promulgated by H&SS.

The Governor's recommendations contain a similar provision relating to eligibility for food stamps for migrant workers. This provision is summarized under "H&SS -- AFDC."

[Act 27 Section: 3026]

## 29. MA IMPACT OF AFDC PROGRAM MODIFICATIONS

**Governor/Legislature:** Reduce MA benefits funding by \$241,500 GPR and \$357,900 FED in 1995-96 and \$732,900 GPR and \$1,084,500 FED in 1996-97 to reflect projected MA cost savings due to modifications to the

	Chg. to Base
GPR	- \$974,400
FED	- 1,442,400
Total	- \$2,416,800

AFDC program. The following table summarizes the projected effect on MA expenditures of each of these items.

<u>Provision</u>	<u>1995-96</u>		<u>1996-97</u>	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
Parental Responsibility	-\$241,500	-\$357,900	-\$571,500	-\$845,700
Work Not Welfare	<u>0</u>	<u>0</u>	<u>-161,400</u>	<u>-238,800</u>
<b>TOTAL</b>	<b>-\$241,500</b>	<b>-\$357,900</b>	<b>-\$732,900</b>	<b>-\$1,084,500</b>

**30. GENERAL RELIEF AND SUPPLEMENTAL MA PAYMENTS TO MILWAUKEE COUNTY HOSPITALS [LFB Paper 485]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR	\$3,386,300	-\$1,323,300	\$2,063,000
FED	<u>5,013,800</u>	<u>-2,118,800</u>	<u>2,895,000</u>
Total	<u>\$8,400,100</u>	<u>-\$3,442,100</u>	<u>\$4,958,000</u>

**Governor:** Provide \$1,692,400 GPR and \$2,507,600 FED in 1995-96 and \$1,693,900 GPR and \$2,506,200 FED in 1996-97 to increase MA supplemental funding for county hospitals and county mental health complexes and extend supplemental payments to outpatient, as well as to inpatient, services. In addition, reduce state funding for general relief medical and nonmedical costs by \$4,200,000 GPR in 1995-96 and \$4,200,100 GPR in 1996-97. (The fiscal effect of the proposal on the general relief program is summarized under "H&SS -- AFDC.")

By increasing the MA payment for hospital services (funded by 40% GPR/60% FED) and reducing state support for GR costs in an amount equal to the increased MA hospital payment, total state GPR costs for general relief would be reduced by \$2,507,600 GPR in 1995-96 and \$2,506,200 GPR in 1996-97. Under the Governor's recommendations, state and federal funding would be sufficient to provide full funding of the state's statutory reimbursement of general relief costs incurred in calendar year 1994.

Counties receive state reimbursement, based on a statutory formula, for a portion of general relief costs, as follows: (a) 37.5% for nonmedical; (b) 40% for medical expenditures up to \$10,000; (c) 70% for medical expenditures over \$10,000; and (d) 60% for medical expenditures within an HMO. If amounts appropriated are insufficient to provide reimbursement at the statutory percentages, payments to counties are prorated. Beginning in 1993-94, supplemental MA payments to Milwaukee County, for its hospital and mental health complex, have been used to support a portion of the state reimbursement for GR medical costs in Milwaukee County.

Federal regulations limit MA payments for hospital services to the lesser of: (a) the amount that would have been paid under Medicare payment principles; or (b) the hospital's usual and customary

charges to the general public. Through using supplemental payments for hospital services, additional federal funds may be claimed for services that would otherwise be reimbursed under MA for less than the hospital's usual and customary charges for services.

**Joint Finance/Legislature:** Reduce funding by \$352,800 GPR and \$585,100 FED in 1995-96 and \$970,500 GPR and \$1,533,700 FED in 1996-97 to modify the Governor's recommendation, as follows:

*Adjust Hospital Payments to Reflect Actual 1994 and Projected 1995 County General Relief Expenditures.* Reduce funding by \$352,800 GPR and \$585,100 FED in 1995-96 and \$70,500 GPR and \$183,700 FED in 1996-97 to reflect actual county general relief expenditures in calendar year 1994 and revised estimates of county general relief expenditures in 1995.

*Adjust Payments to Reflect the Change to Eliminate the Mandatory General Relief Cash Assistance Program.* Reduce funding by \$900,000 GPR and \$1,350,000 FED in 1996-97 to reflect the estimated cost savings of changing, from January 1, 1996, to the bill's general effective date, the mandate that counties provide general relief cash assistance.

In addition, modify statutory provisions relating to MA supplemental payments to hospitals to: (a) delete the requirement that the supplemental payment be made to a county hospital; and (b) authorize H&SS to make supplemental MA payments to hospitals that enter into a contract with a county to provide health care funded from a medical relief block grant. For additional information, see "H&SS -- General Relief and Relief to Needy Indian Persons."

[Act 27 Sections: 2985 thru 2985s]

### **31. HOSPITAL OPERATING DEFICIT REDUCTION PROGRAM [LFB Paper 406]**

**Governor:** Beginning July 1, 1996, increase from \$3,300,000 to \$8,500,000 the amount of federal MA funding H&SS is directed to distribute in each fiscal year under the hospital operating deficit reduction program. Under this program, hospitals owned by the state or local governments that have an MA deficit and a total hospital operating deficit qualify for funding from H&SS to the extent that state GPR appropriations (for state hospitals) or local funds (for hospitals owned by a county, city or village) are available to match federal MA funds. [A technical amendment is required to increase federal MA benefits funding by \$5,200,000 in 1996-97 to reflect the Governor's intent of this recommendation.]

**Joint Finance/Legislature:** Delete the recommended funding increase for the program so that \$3,300,000 FED would be budgeted for the program annually. In addition, modify a statutory reference to county hospitals to reflect a renumbering of these statutory provisions.

[Act 27 Section: 2981b]



### **32. SUPPLEMENTAL FUNDS TO RURAL HOSPITALS AND ESSENTIAL ACCESS CITY HOSPITALS**

**Governor/Legislature:** Delete statutory references to specific fiscal years in the 1993-95 biennium and, instead, specify that supplemental MA payments be made in each fiscal year, as follows.

*Rural Hospitals.* Require H&SS to distribute not more than \$2,256,000 (all funds) in each fiscal year for supplemental payments to rural hospitals that have high utilization of inpatient services by patients whose care is provided from governmental sources.

Under current law, H&SS is required to make a supplemental MA payment to certain rural hospitals through an adjustment to their MA rates if their combined medicare and MA utilization rates (as measured by inpatient days) are equal to or greater than 55%. In fiscal year 1994-95, 47 hospitals qualified for the rural hospital adjustment, ranging from 4.5% to 18% of the hospital's diagnosis-related group base rate.

*Essential Access City Hospital.* Require H&SS to distribute not more than \$4,748,000 (all funds) in each fiscal year to an essential access city hospital.

Under current law, H&SS is required to make a supplemental MA payment to an essential access city hospital, which is defined as an acute care general hospital with medical and surgical, neonatal intensive care, emergency and obstetrical services, located in the inner city of Milwaukee and that has a patient population which includes at least 30% MA recipients who reside in the inner city. Since the creation of this supplemental payment in 1991, the only hospital that has met the criteria for this supplemental payment is Sinai-Samaritan Hospital in Milwaukee.

Under the Governor's recommendation, ongoing, supplemental MA payments for rural hospitals and the essential access city hospital will be identical in future fiscal years to the supplements provided in fiscal year 1993-94 and in fiscal year 1994-95.

[Act 27 Sections: 2954 and 2984]

### **33. NURSE MIDWIFERY SERVICES**

**Governor/Legislature:** Delete the requirement that nurse-midwifery services be prescribed by a physician to be covered as a medical assistance benefit.

[Act 27 Section: 3013]

### **34. AODA DAY TREATMENT SERVICES**

**Governor/Legislature:** Delete the current sunset date of June 30, 1995, or the first day after publication of the 1995-97 biennial budget act, whichever is later, for MA alcohol and other drug abuse

(AODA) day treatment services. As a result, provide MA coverage of AODA day treatment services on an ongoing basis.

[Act 27 Section: 3021]

**35. MA CONTRACT ADMINISTRATION**

**Governor/Legislature:** Provide \$1,490,300 GPR and \$14,335,100 FED in 1995-96 and \$1,193,000 GPR and \$5,879,300 FED in 1996-97 to fund contract increases related to the administration of the medical assistance (MA) program, as follows.

	Chg. to Base
GPR	\$2,683,300
FED	<u>20,214,400</u>
Total	\$22,897,700

**Fiscal Agent.** Provide \$1,403,200 GPR and \$13,805,600 FED in 1995-96 and \$1,022,700 GPR and \$5,405,500 FED in 1996-97 to:

- Implement additional systems for claims processing under the new, fiscal agent contract, including: (a) plastic magnetic swipe recipient ID cards containing third-party liability information; (b) information retrieval through the use of a local area network (LAN); (c) artificial intelligence software at the "front end" of claims processing; (d) utilization of electronic media claims for provider billings and electronic funds transfer; and (e) prospective drug utilization review (Pro-DUR); and
- Provide an inflationary factor of 5% for the price per claim, along with adjustments to reflect expected claims volume increases of 3.97% in 1995-96 and 7.34% in 1996-97.

The fiscal agent is responsible for processing MA claims, maintaining MA eligibility files, producing MA ID cards, conducting provider relations activities, performing third party-liability recoveries, maintaining the surveillance and utilization review (SUR) exception processing system and producing federally-required reports on MA payments for the state. In 1994-95, the appropriated amount for this contract was \$21,210,876 (\$7,994,871 GPR and \$13,213,005 FED).

**HMO Enrollments.** Provide \$97,300 GPR and \$97,300 FED in each year of the 1995-97 biennium to expand the HMO enrollment contract to cover Waukesha and Kenosha Counties and to implement the primary provider program. The HMO enrollment contract is for services to assist with enrolling recipients in the HMO program, such as providing staff to answer recipient questions and to assist with enrollment problems.

**MEDS Contract.** Provide \$55,000 GPR and \$1,475,200 FED in 1995-96 and \$138,200 GPR and \$1,419,500 FED in 1996-97 to implement and operate a new, medical evaluation and decision support (MEDS) contract that would initiate four, health care information systems. The functions of this contract include: (a) provider auditing; (b) analysis of access, quality, use and cost of care; (c) nursing home reimbursement modeling and analysis; and (d) analysis of access and quality of care in managed care programs. The MEDS contract would replace three, previous contracts that performed similar duties,

including the UW medical evaluation program (MEP), enhanced audit PSE, and the CHSRA nursing home modeling contract.

*SSI Disability Determinations.* Reduce funding by \$110,200 GPR and \$110,200 FED in each year of the 1995-97 biennium for the Disability Determination Bureau (DDB) agreement, since expenditures in 1993-94 were below budgeted amounts. This agreement is for disability determinations for MA cases.

*Miscellaneous Contracts.* Provide \$45,000 GPR and \$134,800 FED in each year of the 1995-97 biennium to implement two, new contracts for:

- Consulting services from WIEJI Management, an independent consultant in Milwaukee, to assess the MA program's effectiveness in Milwaukee (\$2,500 GPR and \$2,500 FED annually); and
- Development of a home health billing software package that would maximize federal Medicare payments for services to dual Medicare and MA patients (\$42,500 GPR and \$132,300 FED annually). Funding in 1993-95 was provided for development of the home health billing software but, due to administrative delays, the contract will not commence until the end of 1994-95.

*Federal Adjustment.* Reduce funding by \$1,067,600 FED in each year of the 1995-96 biennium to adjust current federal funding levels to existing contract activities.

**36. AUTOMATION OF PHARMACY CLAIMS [LFB Paper 405]**

**Governor:** Reduce funding by \$2,685,000 GPR and \$4,023,700 FED in 1996-97 and delete 0.25 GPR and 0.75 FED positions, beginning in 1996-97, to reflect the net projected cost savings due to the implementation of a new, automated prospective drug utilization review (Pro-DUR) system. The Pro-DUR system would be designed to automatically screen out inappropriate use of prescription drugs, identify prescriptions which threaten an MA recipient's health, and identify fraudulent or abusive use of prescription drugs.

	Chg. to Base Funding Positions	
GPR	- \$2,685,000	- 0.25
FED	- 4,023,700	- 0.75
Total	- \$6,708,700	- 1.00

The Governor's recommendation assumes projected 1996-97 MA administrative savings totaling \$6,674,500 (all funds), and includes the elimination of 1.0 pharmacy practices consultant position and corresponding funding of \$34,200 (all funds). In 1993-94, approximately 4.5 million pharmacy claims, which represented approximately 30% of MA claims processed, totalled \$130.2 million (all funds). Pharmacy claims were comprised of \$161.8 million in payments to pharmacies, offset by \$31.6 million in drug rebates.

**Joint Finance/Legislature:** Transfer estimated savings of \$2,676,500 GPR and \$3,998,000 FED in 1996-97 from MA administration to MA benefits to reflect the impact of the Pro-DUR system on MA benefits, rather than on administrative costs.

**37. MA COORDINATION OF BENEFITS**

**Governor/Legislature:** Reduce base funding by \$298,200 GPR and \$680,200 FED in 1995-96 and \$1,457,600 GPR and \$2,302,900 FED in 1996-97 and provide 1.0 GPR and 1.0 FED position, beginning in 1995-96, to reflect the impact of additional staff and reduced MA benefits from the ongoing implementation of MA coordination of benefits under provisions enacted in the 1991-93 biennial budget.

	Chg. to Base Funding Positions	
GPR	- \$1,755,800	1.00
FED	- 2,983,100	1.00
Total	- \$4,738,900	2.00

The components of the change include: (a) \$40,800 GPR and \$40,800 FED in 1995-96 and \$47,200 GPR and \$47,200 FED in 1996-97 to support salary costs and related expenses for two positions (1.0 GPR and 1.0 FED), beginning in 1995-96; (b) \$505,000 GPR and \$535,000 FED in 1995-96 and \$303,800 GPR and \$341,300 FED in 1996-97 for fiscal agent and insurance reimbursement costs connected with the MA coordination of benefits program; and (c) a reduction to medical assistance benefits of \$2,100,000 (\$844,000 GPR and \$1,256,000 FED) in 1995-96 and \$4,500,000 (\$1,808,600 GPR and \$2,691,400 FED) in 1996-97 to reflect greater recoveries of private insurance payments for MA eligible individuals.

The coordination of benefits program requires any commercial insurer that issues disability insurance to provide the Department with information to identify beneficiaries of MA that are covered by private insurance. The Department is required, by statute, to reimburse the insurer for its reasonable costs incurred in providing the requested information. The Department estimates that with the additional staff in this recommendation, coordination of benefits will be extended to approximately 95% of the insurance market in the state, compared to approximately 65% with current funding.

**38. ASSIGNMENT OF INSURANCE RIGHTS FOR RECIPIENTS OF PUBLIC ASSISTANCE**

**Governor/Legislature:** Modify current statutory provisions regarding the assignment of insurance rights that involve recipients of public assistance under uninsured health plans and insured health and disability plans to:

*Uninsured Health Plans.* For uninsured health plans, modify the assignment of insurance rights for recipients of medical assistance (MA) to:

- Expand the types of publicly-funded medical benefits for which the assignment of benefits would apply to include general relief (GR) and relief of needy Indian persons (RNIP);

- Expand the types of providers for which an assignment could be made to include counties and HMOs under contract with the Department that provide medical benefits or assistance, as well as the Department as under current law;
- Extend the current requirement that an uninsured health plan cannot impose different requirements on the Department than imposed on other assignees to also include medical benefits provided under GR and RNIP and counties and HMOs under contract with the Department; and
- Extend the current requirement that uninsured health plan benefits be primary to medical assistance benefits to also include medical benefits provided under GR and RNIP.

In addition to these provisions, current law prohibits an uninsured health plan from determining or terminating coverage based on a person's eligibility for medical assistance; this provision would not be extended to GR and RNIP recipients under the bill.

*Insured Health and Disability Plans.* For insured health and disability plans, modify the assignment of insurance rights for recipients of MA, GR and RNIP to:

- Expand the types of providers for which an assignment could be made to include HMOs under contract with the Department, as well as the Department and counties as under current law;
- Extend the current requirement that an insured health and disability plan cannot impose different requirements on the Department than imposed on other assignees to also include counties and HMOs under contract with the Department.

Current statutory provisions require that benefits under an insured health and disability plan be primary to either MA, GR or RNIP; existing provisions also prohibit an insured health and disability plan from determining or terminating coverage based on a person's eligibility for MA, GR or RNIP.

[Act 27 Sections: 3067 thru 3072, 7042 thru 7044, 7046 and 9326(5)]

### 39. REHABILITATION AGENCY BILLING

**Governor/Legislature:** Reduce MA benefits funding by \$401,900 GPR and \$598,100 FED in each year to reflect projected cost savings that would result by replacing current MA codes used by rehabilitation agencies for billing occupational therapy and physical therapy services with codes contained in the federal Health Care Financing Administration's Current Procedural Coding System/Current Procedural Terminology (HCPCS/CPT). The HCPCS/CPT is currently used by rehabilitation agencies to bill medicare for services. By requiring rehabilitation agencies to use the same billing codes for services under MA and medicare, it is expected that more costs for services provided to persons who are eligible for both medicare and MA will be billed to medicare instead of MA.

	Chg. to Base
GPR	- \$803,800
FED	- 1,196,200
Total	- \$2,000,000

**40. DELAY DATE FOR IMPLEMENTATION OF MACHINE-READABLE MA CARDS**

**Governor/Legislature:** Delay the required date to January 1, 1997, to implement machine-readable, MA identification cards and a computer support system that can respond to provider requests on the MA status of the cardholder. Under current law, the Department is required to solicit proposals that would establish this system by January 1, 1996.

[Act 27 Section: 2991]

**41. VETERANS HOME AT KING**

**Joint Finance/Legislature:** Reduce MA expenditures by \$8,700 GPR and \$12,900 FED in 1995-96 and increase MA expenditures by \$448,600 GPR and \$663,700 FED in 1996-97 to reflect the impact and timing of higher MA rates that would be allowed for the Veteran's nursing home at King by permitting King to establish a hospital-based nursing home.

	Chg. to Base
GPR	\$439,900
FED	650,800
Total	\$1,090,700

Payment for care of MA recipients at the King Home is based on the actual costs incurred by the facility, subject to a federal maximum. The King Home has reached the federal maximum for rural hospitals of \$96.49 per day in 1994-95. If a 16-bed hospital unit is established at the King Home, a higher federal maximum MA payment of \$110.03 per day would apply for nursing home care. For a detailed description of this provision and statutory references, see "Veterans Affairs."

**42. LAUNDRY CONSOLIDATION AT CENTRAL WISCONSIN CENTER**

**Joint Finance/Legislature:** Delete \$48,000 GPR and \$71,000 FED in 1996-97 to reflect lower MA expenditures for Central Wisconsin Center for the Developmentally Disabled as a result of efficiencies from the proposed purchase of new laundry equipment and the consolidation of laundry services. For a detailed description of the proposed laundry consolidation and purchase, see "H&SS -- Care and Treatment Facilities."

	Chg. to Base
GPR	-\$48,000
FED	- 71,000
Total	-\$119,000

**43. STATE MENTAL HEALTH INSTITUTES' RATE INCREASE**

**Joint Finance/Legislature:** Provide \$84,300 GPR and \$124,900 FED in 1995-96 and \$175,600 GPR and \$259,900 FED in 1996-97 to increase the medical assistance reimbursement rate for the state's two mental health institutes by 5.0% annually, rather than by 3.25%, for services provided to MA-eligible children in each year of the 1995-97 biennium.

	Chg. to Base
GPR	\$259,900
FED	384,800
Total	\$644,700

**44. STANDARDIZED FORMS FOR MANAGED CARE PROVIDERS**

**Assembly/Legislature:** Direct H&SS to convene a working group comprised of H&SS staff and representatives of managed care providers to study the development of standardized forms (other than billing and claims forms, but including forms to be used to obtain referrals and prior authorization for care) to be used by managed care providers under the MA program. Specify that the working group be convened no later than January 1, 1996, and that the study be submitted to the Legislature no later than July 1, 1996.

**Veto by Governor [D-3]:** Delete the requirement that H&SS convene a working group by January 1, 1996. In addition, by deleting the reference to "July 1," require that the results of the study be submitted no later than 1996, rather than by July 1, 1996.

[Act 27 Section: 9126(28x)]

[Vetoed Act 27 Section: 9126(28x)]

**Health**

**1. STATE WIC SUPPLEMENT [LFB Paper 425]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$5,706,000	0.00	\$0	0.00	-\$5,706,000	0.00
FED	<u>0</u>	<u>0.00</u>	<u>\$0</u>	<u>-7.47</u>	<u>0</u>	<u>-7.47</u>
Total	-\$5,706,000	0.00	\$0	-7.47	-\$5,706,000	-7.47

**Governor:** Reduce funding by \$2,853,000 annually to reflect the elimination of the state supplement to the federal special supplemental food program for women, infants and children (WIC). Under the Governor's recommendations, federal funding for WIC benefits is projected to increase by \$5,148,500 FED annually from the base funding amount of \$48,079,000 FED, so that a total of \$53,227,500 FED would be budgeted for WIC benefits annually in the 1995-97 biennium. (The projected increase in federal WIC funding is summarized under "Health -- Federal Reestimates.")

**Joint Finance:** Modify the Governor's recommendations as follows:

*State GPR Supplement.* Retain the GPR, WIC supplement appropriation but, as recommended by the Governor, provide no additional funding for the WIC supplement during the 1995-97 biennium. In the

1995-97 biennium, this change would enable H&SS to expend the balance of GPR funds authorized, but not expended, in the 1993-95 biennium, rather than lapsing these unexpended monies to the general fund. It is estimated that approximately \$1,183,500 GPR would be carried over into the 1995-97 biennium.

*Federal Revenue Reestimates.* Reestimate federal support for WIC benefits to increase funding by \$1,211,100 FED in 1995-96 and \$2,686,500 FED in 1996-97 and reduce funding for WIC administration by \$217,400 in 1995-96 and \$132,800 in 1996-97; this funding is budgeted under "Health -- Federal Reestimates."

*Administrative Costs.* Reduce federal funding for WIC administration by \$334,800 FED annually and delete 7.47 FED positions, beginning in 1995-96, and increase WIC benefits funding by a corresponding amount in each year. Limit the number of full-time equivalent positions that could be supported by federal WIC funds to 14.0 FED positions in the 1995-97 biennium to reflect current staffing within the WIC unit in the H&SS Division of Health.

**Assembly/Legislature:** Modify the Joint Finance provision to delete the limit on the number of positions supported by federal funds available under the women, infants and children (WIC) supplemental food program of 14.0 positions in the 1995-97 biennium.

**2. PRIMARY HEALTH CARE SERVICES GRANTS [LFB Paper 426]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$1,000,000	\$250,000	-\$750,000

**Governor:** Reduce funding for primary health care services grants by \$500,000 in each year so that \$250,000, rather than \$750,000, would be provided for grants annually. Grant funding is used by local public health departments to support primary health care services.

**Joint Finance/Legislature:** Provide \$250,000 in 1995-96 to phase down funding for the program. As a result, funding for the primary health care service grant program would be reduced from \$750,000 in 1994-95, to \$500,000 in 1995-96 and to \$250,000 in 1996-97.

[Act 27 Section: 6313b]

**3. LEAD POISONING PREVENTION GRANTS [LFB Paper 427]**

	Chg. to Base
GPR	-\$518,200

**Governor:** Reduce funding by \$259,100 in each year for grants to local public health departments to support lead poisoning or lead exposure prevention activities, including the specific statutory allocation of at least \$205,600 annually of this funding to the City of Milwaukee public health department. Under the Governor's recommendation, total



funding available for state-funded grants would be reduced from \$1,138,200 to \$879,100 annually. As under current law, this funding would be distributed to: (a) local public health departments in at least 10 counties determined by H&SS to have the greatest need for a grant (\$579,200); (b) other local public health departments which do not receive a state grant or federal funding for lead poisoning prevention activities, up to a maximum grant funding of \$25,000 per county (\$260,000); and (c) outreach and educational programs for health care providers (\$40,000).

**Joint Finance/Legislature:** Repeal current statutory provisions relating to the allocation of grant funds and, instead, direct H&SS to distribute lead poisoning prevention grants based on rules submitted to the staff of the Legislative Council by November 1, 1995, and emergency rules promulgated between October 1, 1995, and the effective date of the permanent rules.

[Act 27 Sections: 6328g, 6328h, 6328i and 9126(27x)]

**4. POISON CONTROL CENTERS [LFB Paper 428]**

Chg. to Base	
GPR	- \$375,000

**Governor:** Reduce funding by \$187,500 in each year for the supplement to operate two regional poison control centers and to collect and report statewide poison control data. Of the \$375,000 budgeted annually under current law, H&SS must distribute up to \$187,500 to each poison control center, if the center provides matching funds equal to 50% of state funds. In addition, modify the program to: (a) authorize H&SS to distribute all of the funds available in each fiscal year to one or more poison control centers; (b) delete a provision that directs H&SS to designate up to two regional poison control centers; and (c) provide that state funding be used to support a statewide poison control program, rather than a statewide regional poison control system with no more than two regional centers. Currently, the University of Wisconsin Hospital in Madison and Children's Hospital of Wisconsin in Milwaukee are designated as regional poison control centers.

**Joint Finance/Legislature:** Require the University of Wisconsin Hospitals and Clinics Authority (UWHA), which is created in the bill, to continue to operate a poison control center. Further, specify that if Children's Hospital in Milwaukee elects to no longer participate in the statewide poison control program, UWHA would be required to assume responsibility for administering a statewide poison control program.

[Act 27 Sections: 812, 4370 and 6301]

**5. MIGRANT HEALTH CARE**

Chg. to Base	
GPR	- \$100,000

**Governor/Legislature:** Delete \$50,000 annually to reflect the repeal of the migrant health care program under which the Department is required to award a grant to a migrant health care center to support direct health care services to migrant workers

and their families. Currently, the Family Health/La Clinica Migrant Health Center in Wild Rose (Waushara County) receives funding under this program.

[Act 27 Sections: 810 and 4360]

**6. REPEAL OF COST CONTAINMENT COUNCIL [LFB Paper 265]**

	Chg. to Base Funding Positions	
PR	- \$81,800	- 1.00

**Governor/Legislature:** Delete \$40,900 in each year and 1.0 position, beginning in 1995-96, to reflect the elimination of the Cost Containment Council. Under current law, the Council is an advisory body to the Cost Containment Commission, which is responsible for the capital expenditure review program. In addition to the Council, the Governor's recommendations would also eliminate the Cost Containment Commission and the capital expenditure review program. The statutory changes for all of these provisions are included under "Cost Containment Commission."

**7. DISEASE AIDS REESTIMATE**

	Chg. to Base	
GPR	\$672,600	

**Governor/Legislature:** Reduce funding for the disease aids program by \$163,700 in 1995-96 and increase funding by \$836,300 in 1996-97 to reflect reestimates of the amount of funding required to support program benefits in the 1995-97 biennium. The disease aids program serves as the payer of last resort for the costs of medical services provided to persons with chronic renal disease, cystic fibrosis and hemophilia; the program also supports the costs of services provided by public health dispensaries to persons with tuberculosis. Under the Governor's recommendations, a total of \$5,697,200 in 1995-96 and \$6,681,500 in 1996-97 would be provided for the disease aids program.

**8. DISEASE AIDS FUNDING FOR TUBERCULOSIS**

	Chg. to Base	
GPR	- \$173,700	

**Governor/Legislature:** Reduce funding by \$79,000 in 1995-96 and \$94,700 in 1996-97 to reflect projected cost savings to the disease aids program resulting from the Governor's recommendation to expand eligibility under the medical assistance program for persons with tuberculosis who meet the income and resource, but not the nonfinancial, eligibility requirements for the federal supplemental security income (SSI) program. Nonfinancial eligibility criteria for SSI specify that a person must be aged, blind or disabled. (The fiscal effect of the recommendation on medical assistance benefits is summarized under "Medical Assistance.")

Authorize H&SS to limit the amount of funding from the disease aids appropriation that is available for services provided by public health dispensaries to persons with tuberculosis. Currently, such payments are limited by the total amount budgeted for the disease aids program.

[Act 27 Sections: 813 and 6318]

**9. HIV/AIDS PROGRAM FUNDING [LFB Paper 429]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$160,500	-\$62,400	-\$222,900
FED	<u>0</u>	<u>223,000</u>	<u>223,000</u>
Total	-\$160,500	\$160,600	\$100

**Governor:** Delete \$160,500 GPR in 1995-96 and adjust funding for several programs that provide services to persons with human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS) to reflect reestimates of funding required to meet projected demand for the following services: (a) reimbursement for the cost of medications used to treat HIV infection (-\$164,500 in 1995-96 and -\$98,900 in 1996-97); (b) payments to support the continuation of group health insurance coverage for persons with HIV who have reduced hours of work, whose employment is terminated, or who are on unpaid medical leave from employment due to HIV-related illness (-\$88,000 in 1995-96 and -\$45,100 in 1996-97); and (c) anonymous counseling and laboratory testing services (\$92,000 in 1995-96 and \$144,000 in 1996-97).

Delete statutory references for 1993-94 and 1994-95 that aggregate total funding from several different AIDS appropriations and that limit program funding to a specified amount for drug reimbursement, insurance continuation and counseling and laboratory testing services and, instead, allow H&SS to allocate and distribute any moneys budgeted for AIDS services among the various programs. Finally, limit funding for life care and early intervention services in 1995-96 and 1996-97 to the amounts provided for these grants during the 1993-94 and 1994-95 fiscal years of \$1,457,500 and \$1,647,700, respectively.

**Joint Finance:** Increase funding for life care service grants by \$111,500 FED in each year of the 1995-97 biennium, supported by the federal alcohol and substance abuse block grant. In addition, modify statutory provisions to reflect the total funding that would be allocated for life care service grants of \$1,647,700 GPR and \$111,500 FED annually.

Finally, reduce funding by \$31,200 GPR annually to reflect the estimated cost savings to modify current income eligibility requirements for participation in the AZT, pentamidine and other drug reimbursement program to delete the existing requirement that program participants have an annual gross income of \$40,000 or less and, instead, require that the gross household income of program participants not exceed 200% of the federal poverty level.

**Assembly:** Reduce funding for community aids by \$75,000 FED annually from the alcohol and substance abuse block grant and, instead, use these funds to support a new grant program to prevent human immunodeficiency virus (HIV) infection.

Under the HIV prevention grant program, the Division of Health would award \$75,000 FED annually in grants on a competitive basis to nonprofit corporations and public agencies which apply, using the following factors in determining grant awards: (a) the project's scope; (b) the methodology used for prevention services, including the appropriateness and delivery of information; (c) qualifications of staff; (d) the proposed allocation of funds to the nonprofit corporation or public agency; and (e) methods for assessing the program's effectiveness.

**Senate/Legislature:** Modify the Assembly provision which would reallocate community aids federal funding of \$75,000 annually from the alcohol and substance abuse block grant (SABG) to create a new HIV prevention grant program to specify that \$37,500 FED annually be provided from life care services grants and \$37,500 FED annually be provided from community aids.

[Act 27 Sections: 3062, 3062d, 6319 thru 6321, 6321g and 6324]

**10. FEDERAL REVENUE REESTIMATE [LFB Paper 425]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
FED	\$14,495,100	\$3,547,400	\$18,042,500

**Governor:** Provide \$7,321,200 in 1995-96 and \$7,173,900 in 1996-97 to reflect reestimates of federal revenue available for programs administered by the Division of Health. Among the major items included are: (a) increased funding for the women, infant and children (WIC) supplemental food program (\$5,148,500 annually); (b) increased funding for federal project aids (\$2,397,700 annually); (c) increased funding for medicare state administration (\$564,100 in 1995-96 and \$523,300 in 1996-97); (d) reduced funding for maternal and child health block grant aids and local assistance (-\$604,400 annually); (e) reduced funding for preventive health block grant aids and local assistance (-\$221,600 annually); and (f) reduced funding for preventive health block grant operations (-\$136,700 in 1995-96 and -\$160,900 in 1996-97).

**Joint Finance/Legislature:** Reestimate federal support for WIC to increase funding for benefits by \$1,211,100 in 1995-96 and \$2,686,500 in 1996-97 and to reduce funding for administrative costs by \$217,400 in 1995-96 and \$132,800 in 1996-97.

**11. PROGRAM REVENUE REESTIMATE**

	Chg. to Base
PR	\$5,616,800

**Governor/Legislature:** Provide \$2,726,400 in 1995-96 and \$2,890,400 in 1996-97 to reflect reestimates of program revenue available for programs administered by the Division of Health. Among the major items included are: (a) projected increases in collections under the estate recovery program (\$2,255,100 annually); (b) increased funding for diagnostic services, special dietary treatment and follow-up counseling for congenital disorders and periodic

evaluation of infant screening programs (\$331,900 in 1995-96 and \$397,200 in 1996-97); and (c) increased funding for clerical licensing operations and similar services (\$250,000 in 1995-96 and \$300,000 in 1996-97).

**12. LICENSING AUTOMATION**

	Chg. to Base
PR	\$174,000

**Governor/Legislature:** Provide \$174,000 in 1996-97 to develop a new, automated system to record data relating to the licensing, certification and regulation of environmental sanitation activities by the Division of Health. The total estimated cost of purchasing computer hardware for the new system of \$182,900 would be purchased through DOA's master lease program over a three-year period.

**13. POSITION AND FUNDING REALIGNMENTS**

	Chg. to Base Funding	Positions
FED	\$0	- 3.82
PR	<u>1,279,300</u>	<u>3.82</u>
Total	\$1,279,300	0.00

**Governor/Legislature:** Provide \$637,800 PR in 1995-96 and \$641,500 PR in 1996-97 and 3.82 PR positions and delete 3.82 FED positions, beginning in 1995-96, to reflect a realignment of funding and positions within the Division of Health.

Under the Governor's recommendation, a total of 11.39 positions (3.07 GPR positions and 8.32 FED positions) in the Bureau of Health Statistics would be converted to PR positions, beginning in 1995-96, to accommodate frequent changes in the funding sources used to support statistical services. The federal positions are currently supported by MA administrative funds (3.07 positions) and MCH block grant funds (5.25 positions).

In addition, 7.57 PR positions in the division's regional offices, which are currently funded from the PR internal services appropriation, would be converted to 3.07 GPR positions and 4.5 FED positions, beginning in 1995-96, to reflect that these positions perform functions relating to the Bureau of Quality Compliance. The federal positions would be supported by funds available for MA survey and certification operations (2.91 positions) and medicare administration (1.59 position).

The projected increase in program revenue funding reflects the net annual effect of increasing the amounts budgeted for interagency and intra-agency programs to support the positions in the Bureau of Health Statistics (\$846,400) and a reduction in funding budgeted for internal services (-\$208,600) due to the change in funding relating to positions in the division's regional offices.

**14. PAYMENT OF NURSING HOME MONITOR [LFB Paper 430]**

**Governor:** Expand the use of current PR appropriations for nursing home and community-based residential facility (CBRF) receivership and the GPR appropriation for nursing home receivership to also allow the costs of placing a monitor at such facilities to be funded from the appropriations. Under current

law, the costs of receivership for nursing homes and CBRFs are supported by: (a) two, continuing, program revenue appropriations funded, respectively, by revenue from nursing homes and CBRFs in receivership; and (b) two, separate, sum sufficient, GPR appropriations to provide a supplement.

Under current law, a monitor's duties include observing the operation of the facility and assisting the facility by advising it on how to comply with state regulations, while a receiver has, among other powers, the duty and authority to operate the facility. The nursing home or CBRF in receivership is liable to pay the receiver for any goods and services provided by the receiver; however, the owner of the facility is not liable for the costs of a monitor. Currently, the costs of a monitor are funded solely by state GPR.

[A technical change is needed to delete an incorrect reference in the bill. In addition, as drafted, the statutory language may be incomplete since the language does not include specific authority that allows the monitor's costs to be charged to the facility being monitored.]

**Joint Finance/Legislature:** Modify the Governor's recommendation to allow the Department to assess an owner of a nursing home or CBRF for the costs of a monitor placed in their facility only if the facility is subsequently placed into receivership. If the nursing home is placed into receivership, require the Department to first attempt to recover the monitor costs from charges to the facility, before using the sum sufficient appropriation. Specify that the court would be allowed to review the monitor costs and, as with the collection of receivership costs, allow operating funds collected by the receiver to be used for monitor costs. If these funds are insufficient, specify that the owner or owners be liable for this deficiency, and allow the receiver to impose liens on the facility property and other property of the owners, to collect this deficiency.

**Veto by Governor [D-2]:** Delete the limitation that the assessment for monitor costs could only be applied to facilities that are subsequently placed into receivership, and instead, authorize the Department to assess the owner of a facility for the costs of a monitor whenever a monitor is placed in a facility.

[Act 27 Sections: 811, 820, 923, 3240y and 3241d thru 3241L]

[Act 27 Vetoed Section: 3240y]

## 15. MARQUETTE DENTAL SCHOOL SERVICES FOR INMATES

**Governor/Legislature:** Require that the Marquette University School of Dentistry use state funding provided through H&SS to support dental services in correctional centers in Milwaukee County, in addition to clinics in the City of Milwaukee as required under current law. Current base funding of \$2.3 million GPR annually for dental school services would be continued in the 1995-97 biennium.

In addition, the Governor's recommendation would delete \$43,100 GPR and 1.0 GPR position (0.5 dentist and 0.5 dental assistant) in each year from Corrections to reflect the use of dental school services at the Racine Correctional Institution. (This funding is summarized under "Corrections.")

[Act 27 Section: 6314]

**16. BREAST CANCER SCREENING PROGRAM**

**Governor/Legislature:** Modify the breast cancer screening program for women age 40 or older to delete the requirement that grants only be used to support mammography services to women who reside in the 12 rural counties which, by rule, H&SS specifies as having the highest incidence of late stage breast cancer. Instead, authorize H&SS to distribute grants to support breast cancer screening services in all areas of the state. Current base funding of \$422,600 annually would be continued in the 1995-97 biennium.

[Act 27 Sections: 809 and 6347 thru 6350]

**17. TRANSFER FACILITY PLAN REVIEW FROM DILHR TO H&SS [LFB Paper 431]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$122,600	1.50	-\$5,000	0.00	\$117,600	1.50

**Governor:** Provide \$55,400 in 1995-96 and \$67,200 in 1996-97 and 1.5 position, beginning in 1995-96, to reflect the transfer from DILHR to H&SS, effective October 1, 1995, of the responsibility to review plans for capital construction and remodeling projects for nursing homes and hospitals to ensure that they meet building code requirements. The offsetting reduction in funding and positions in DILHR due to the transfer is summarized under "DILHR". In total, the Governor's recommendation would provide an additional \$5,000 in 1995-96 to H&SS under the transfer.

Require H&SS to establish a fee schedule for conducting reviews and specify that the fees for a combined review be set in amounts that are less than the sum of the amounts collected by both H&SS and DILHR under current law for separate reviews. However, allow H&SS to collect fees that are equal to the sum of the amounts currently collected by H&SS and DILHR until H&SS promulgates required rules or until June 30, 1996, whichever is earlier. Currently, the activities of both agencies are supported by separate fees collected at the time plans are submitted.

Through session law provisions, specify the transfer of staff, resources and other matters relating to plan review from DILHR to H&SS, including: (a) DILHR employees at their current status who hold positions that perform duties primarily related to plan review, as determined by the Secretary of DOA; (b) assets and liabilities, as determined by the Secretary of DOA; (c) tangible personal property; and (d) pending matters. Specify that existing contracts, as determined by the Secretary of DOA, and rules and orders in effect prior to the transfer from DILHR remain valid and in effect after the transfer.

Currently, H&SS is responsible for reviewing hospital and nursing home plans to ensure that projects comply with certain federal life safety code requirements and physical plant requirements, while DILHR is responsible for examining plans for public buildings, including hospitals and nursing homes, for building code requirements. The Governor's recommendation consolidates the review of construction and remodeling plans for hospitals and nursing homes in H&SS.

**Joint Finance/Legislature:** Reduce funding by \$5,000 in 1995-96 to reflect the deletion of one-time funding that would have been provided to support costs associated with establishing a new position, such as the purchase of furniture and computer hardware. In addition, delete the provision that would transfer the incumbent employees from DILHR to H&SS.

[Act 27 Sections: 819, 3225, 3246, 3660, 9126(2), 9130(1), 9426(2) and 9430(1)]

**18. DISEASE AIDS ESTATE RECOVERY**

**Joint Finance/Legislature:** Provide \$29,500 in 1995-96 and \$39,300 in 1996-97 to support 1.10 positions, beginning in 1995-96, to establish an estate recovery program for the recovery of the cost of services provided under the disease aids program, based on procedures used in recovering amounts under the medical assistance estate recovery program. Increase estimates of revenues deposited to general fund by \$42,600 in 1995-96 and \$305,800 in 1996-97 to reflect estimates of the amounts that will be recovered under the program. Establish the estate recovery program as follows:

	Chg. to Base Funding Positions	
GPR-REV	\$348,400	
GPR	\$68,800	1.10

a. Authorize H&SS to file a claim against the estate of a recipient or against the estate of the surviving spouse of a recipient for the amount of disease aids treatment paid by H&SS on behalf of the recipient. Specify that H&SS could recover amounts for disease aids benefits provided on or after September 1, 1995, on behalf of recipients who die after that date.

b. Specify that H&SS is responsible for administering the program and may contract for the administration of all or a portion of the program and that all moneys recovered under the program be deposited to the general fund.

c. Establish a hardship waiver, similar to the MA estate recovery program, so that if H&SS determines that the application of a recovery would work an undue hardship in a particular case, H&SS would be required to waive application of the recovery.

d. Modify statutory provisions relating to probate notice statutes to require H&SS to receive notice of estates of persons who received, or whose spouse received aid for treatment of kidney disease, cystic fibrosis and hemophilia.

Currently, H&SS is required to recover payments made under the state's medical assistance program for nursing home services, home- and community-based services for recipients age 55 and older and



related hospital and prescription drug services for home- and community-based services. This provision would extend the estate recovery program to recipients of disease aids funding.

[Act 27 Sections: 3044b thru j, 7065b, 7065bm, 7065c, 7190b, 7190bm, 7191b, 7191c, 7193b, 7193c, 7194b, 7194c, 7195b, 7195c, 7197b, 7197c, 7198b, 7198c, 7199b, 7199c, 7199y, 7200b, 7200c, 7206b, 7206c, 9126(32g) and 9426(14)&(24g)]

## 19. CERTIFICATION OF LABORATORIES

Chg. to Base Funding Positions		
PR	- \$91,300	- 2.50

**Joint Finance/Legislature:** Reduce funding by \$91,300 and 2.50 positions, beginning in 1996-97, and transfer the responsibility for the certification of laboratories from the Division of Health to the Department of Agriculture, Trade and Consumer Protection (DATCP), effective July 1, 1996. Direct DATCP to submit proposed rules to the Legislative Council staff by March 1, 1996, establishing fees to support the cost of the program. Specify that these fees be credited to DATCP's food regulation appropriation.

Through session law provisions, specify the transfer of staff, resources and other matters relating to laboratory certification from H&SS to DATCP, including: (a) H&SS employees at their current status who hold positions that perform duties primarily related to plan review, as determined by the Secretary of DOA; (b) assets and liabilities, as determined by the Secretary of DOA; (c) tangible personal property; and (d) pending matters. Specify that existing contracts, as determined by the Secretary of DOA, and rules and orders in effect prior to the transfer from H&SS remain valid and in effect after the transfer.

Require the Secretary of DOA, after reviewing the transfer, to submit the proposed transfer, including any suggested modifications, to the Joint Committee on Finance by June 1, 1996. Permit the Secretary to proceed with the transfer, as modified by the Secretary, if, within 14 working days of the transfer's submittal, the Committee has not scheduled a meeting to take place in June, 1996, to review the transfer. If the Committee does schedule a meeting to review the transfer, the transfer may not take effect unless the Committee approves the action.

Currently, H&SS is responsible for assuring the reliability and quality of manual and automated laboratory examinations made for the protection of the health of the public. Any laboratory that is established and operated to perform bacteriological or microscopic examinations of milk, water and food products for the purpose of protecting the health of the public must apply to H&SS for an evaluation of the examinations and appropriate certification. H&SS collects fees from laboratories that apply for a certificate of approval from H&SS. These fees are used to support the program. In addition, H&SS is responsible for establishing uniform minimum standards to be used in the evaluation and certification of laboratory examinations.

[Act 27 Sections: 476b, 816m, 4336L thru n, 6324g thru k, 9104(5g), 9126(31g), 9326(26g) and 9426(29g)]

## 20. PLAN FOR A STATE DEPARTMENT OF HEALTH

**Joint Finance/Legislature:** Direct H&SS, after consulting with representatives of local public health agencies and affected state agencies, to develop a plan to transfer health functions currently performed by other state agencies, to a department. Specify that this plan include an inventory of all positions and funding associated with these programs. Require that the plan be submitted to the Governor and the Legislature no later than July 1, 1996.

**Veto by Governor [D-1]:** Delete the requirement that H&SS submit a plan to transfer to a department functions that are performed by state agencies and that the report be submitted to the Legislature, in addition to the Governor. Consequently, H&SS is required to submit to the Governor, by July 1, 1996, an inventory of all authorized positions and funding of state agencies that are associated with health functions.

[Act 27 Section: 9126(27h)]

[Act 27 Vetoed Section: 9126(27h)]

## 21. BED AND BREAKFAST ESTABLISHMENTS

**Joint Finance/Legislature:** Authorize H&SS to waive the current statutory requirement relating to structural additions or renovations to an existing structure under the definition of a bed and breakfast establishment if H&SS determines that the public health, safety, or welfare would not be jeopardized and that the nature of the establishment seeking a waiver is consistent with the other statutorily-defined attributes of a bed and breakfast establishment.

Currently, a bed and breakfast establishment is defined as a place of lodging that: (a) provides eight or fewer rooms for rent to no more than a total of 20 tourists or transients; (b) provides no meals other than breakfast and provides the breakfast only to renters of the place; (c) is the owner's personal residence; (d) is occupied by the owner at the time of rental; (e) was originally built and occupied as a single-family residence or, prior to use as a place of lodging, was converted to use and occupied as a single-family residence; and (f) has had completed, before May 11, 1990, any structural additions to the dimensions of the original structure, including by renovation, except that a structural addition, including a renovation, to the structure may, after May 11, 1990, be made within the dimensions of the original structure. This

modification would authorize H&SS to waive the requirement under "f" for the purpose of defining a bed and breakfast establishment.

[Act 27 Sections: 6343m and 9326(25h)]

**22. NURSING HOME APPEAL RIGHTS**

**Joint Finance/Legislature:** Delete state statutory provisions which allow health care providers the right to appeal a federal citation.

H&SS, as an agent of the federal government, is authorized to conduct validation surveys of nursing homes for medicaid and medicare. Citations issued under this authority are federal citations, subject to federal appeal rights. Under current law, state statutes also provide the right to appeal such citations. Although the results of state hearings have no bearing on the federal citation, H&SS is required to defend federal citations through the state appeals process.

[Act 27 Sections: 3079r, 3240m and 9326(24i)]

**23. EXEMPTION FROM HOSPITAL BED MORATORIUM**

**Joint Finance/Legislature:** Exempt from the current hospital moratorium for psychiatric and chemical dependency beds any hospital which transfers beds to other facilities owned by the county or to a private hospital that has an existing psychiatric or chemical dependency unit in the same county, if the transfer results in a reduction in the total number of such licensed beds.

[Act 27 Sections: 4391x and 4392e]

**Care and Treatment Facilities**

**1. STATE CENTERS BUDGET REDUCTIONS TO REFLECT 1993-95 CIP IA PLACEMENTS**  
[LFB Paper 440]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	-\$8,691,000	- 123.00	\$973,600	25.5	-\$7,717,400	- 97.5

**Governor:** Reduce base funding by \$4,345,500 annually and delete 123.0 positions, beginning in 1995-96, to reflect the relocation of residents from the State Centers for the Developmentally Disabled into community settings under the community integration program (CIP IA) during the 1993-95 biennium. In each year, reductions to Center budgets would total: (a) Northern Center, \$1,542,000 and 45.0 positions; (b) Southern Center, \$1,429,900 and 42.5 positions; and (c) Central Center, \$1,373,600 and 35.5 positions. A total of 79 residents were relocated from the Centers under CIP IA during 1993-94; 100 CIP IA placements are projected for 1994-95.

**Joint Finance/Legislature:** Increase the Centers' budget by \$486,800 PR and 25.5 PR positions annually to reflect a reestimate of the number of CIP IA placements that will be made from the Centers during the 1994-95 fiscal year, of 75 CIP IA placements under the reestimate rather than 100 CIP IA placements as projected by the Governor. Further, increase funding for medical assistance benefits by \$196,200 GPR and \$290,600 FED in 1995-96 and \$196,300 GPR and \$290,500 FED in 1996-97 to reflect this reestimate of CIP IA placements in 1994-95. [The impact of this provision on medical assistance benefits is shown under "Medical Assistance."]

## 2. CIP IA REDUCTION RATE FOR STATE CENTERS [LFB Paper 441]

**Governor:** Beginning in 1995-96, modify the required statutory funding reductions from State Center budgets when CIP IA placements are made to increase the amounts as follows: (a) Central Center, from \$55.77 to \$232 per day; (b) Northern Center, from \$49.06 to \$225 per day; and (c) Southern Center, from \$48.37 to \$173 per day. Although no fiscal effect is shown, the higher reduction rates would decrease the amount of funding the Centers would be authorized to expend as CIP IA placements are made, resulting in greater program revenue lapses from the Centers' budgets during the 1995-97 biennium. In addition, the modified rates would also result in lower funding for the Centers' budgets in the 1997-99 biennial budget, based on the reductions required in the 1995-97 biennium. The impact of this provision on medical assistance benefits is shown under "Medical Assistance."

**Joint Finance:** Modify the Governor's recommendation to decrease the required statutory reductions from State Center budgets when CIP IA placements are made to the following amounts: (a) Central Center, to \$220 per day, from \$232; (b) Northern Center, to \$214 per day, from \$225; and (c) Southern Center, to \$164 per day, from \$173. The impact of this provision on medical assistance benefits is shown under "Medical Assistance."

**Senate/Legislature:** Modify the Joint Finance provision to decrease the required statutory reductions from State Center budgets when CIP IA placements are made to the following amounts: (a) Central Center, to \$205 from \$220; (b) Northern Center, to \$199 from \$214; and (c) Southern Center, to \$149 from \$164.

[Act 27 Sections: 2955, 2956, 2957 and 9426(10)]

**3. PSYCHIATRIC POSITIONS AND TECHNOLOGY TO MONITOR RESIDENTS AT TWO STATE CENTERS**

Chg. to Base Funding Positions		
PR	\$667,400	10.00

**Governor/Legislature:** Provide \$316,300 in 1995-96 and \$351,100 in 1996-97, in unallotted reserve, and 10.0 positions, beginning in 1995-96, for: (a) two psychologists and eight psychological service technicians (\$260,200 in 1995-96 and \$347,100 in 1996-97); and (b) computers and other equipment for a pilot program to use bar code technology to monitor resident behavior (\$56,100 in 1995-96 and \$4,000 in 1996-97). The funding and positions would be split between Central Wisconsin Center and Southern Wisconsin Center. These Centers have been investigated by the U.S. Department of Justice during the past three years; an interim report alleging deficiencies at the Centers was submitted to the state by the Justice Department last fall.

**4. BILLING OF THERAPY, LABORATORY AND ORTHOTICS SERVICES AT THE STATE CENTERS**

Chg. to Base	
PR	\$2,391,100

**Governor/Legislature:** Provide \$1,170,200 in 1995-96 and \$1,220,900 in 1996-97 to convert the billing of MA costs of therapy, laboratory and orthotic services at the three State Centers from individual contractors to the State Centers. In March, 1994, the Department received approval under s. 16.515 to increase its expenditure authority, on a one-time basis, to provide these services; lapses from CIP IA placements were used to fund this increase.

This recommendation adjusts the Center's budgets to incorporate this change on an ongoing basis. Because the change reflects billing procedures, and not additional costs, MA costs are not anticipated to increase. Previously, these services were provided by contractors who directly billed MA. However, currently the State Centers are either directly providing services, such as orthotics services at Central Center, or are billing MA to reimburse contractors.

**5. REVISED FUNDING SPLIT FOR THE MENTAL HEALTH INSTITUTES [LFB Paper 442]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$4,516,700	-48.36	-\$284,400	33.84	-\$4,801,100	-14.52
PR	4,516,700	48.36	-989,400	-33.84	3,527,300	14.52
Total	\$0	0.00	-\$1,273,800	0.00	-\$1,273,800	0.00

**Governor:** Convert \$2,066,200 and 44.29 positions in 1995-96 and \$2,450,500 and 48.36 positions in 1996-97 from GPR to PR to reflect projected changes in the mix of populations at the Mental Health Institutes (MHIs) between forensic patients, whose care is supported by GPR, and other patients, whose care is supported by program revenues contributed by counties and third-party payers. The projected population mix for both MHIs for the 1995-97 biennium follows.

Type of Client	Mendota				Winnebago			
	1995-96		1996-97		1995-96		1996-97	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Forensic	157	58%	157	54%	137	53%	141	54%
Adult	37	14	37	13	70	27	70	27
Children	78	29	97	33	36	14	36	14
Substance Abuse	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>5</u>	<u>14</u>	<u>5</u>
Total	272	100%	291	100%	257	100%	261	100%
GPR-Supported	150	55%	182	63%	137	53%	141	54%
PR-Supported	122	45%	109	37%	120	47%	120	46%

**Joint Finance/Legislature:** Modify the Governor's recommendations to:

*Revised Split.* Convert \$498,300 and 6.33 positions in 1995-96 and \$774,300 and 33.84 positions in 1996-97 from PR to GPR to reflect the revised funding split for the mental health institutes based on more recent information on projected populations and to retain the split allocations assumed by the Governor for secure mental health treatment beds for juveniles. The following table reflects the revised estimates of populations at the Mental Health Institutes during the 1995-97 biennium.

Type of Client	Mendota				Winnebago			
	1995-96		1996-97		1995-96		1996-97	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Forensic	157	62%	157	55%	137	53%	141	54%
Adult	26	10	26	9	70	27	70	27
Children	72	28	101	36	36	14	36	14
Substance Abuse	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>6</u>	<u>14</u>	<u>5</u>
Total	255	100%	284	100%	257	100%	261	100%
GPR-Supported	149	58%	192	68%	137	53%	141	54%
PR-Supported	106	42%	92	32%	120	47%	120	46%

*PR Expenditure Authority.* Increase the PR expenditure authority of the Mendota Mental Health Institute by \$1,399,200 PR in 1996-97 to adjust for the split assumption that certain juveniles transferred from Corrections would be classified as GPR-supported.

*Billing Limit for Juveniles.* Clarify the amount that could be billed by the mental health institutes for juveniles transferred by H&SS in 1995-96 or by Corrections in 1996-97 for secure mental health treatment be no more than the actual costs of such treatment.

*Delete Fringe Benefit Funding.* Delete \$778,500 GPR and \$558,000 PR in each year of the 1995-97 biennium for fringe benefit funding to correct the fringe rate for the mental health institutes.

*Medical Assistance Rate.* Provide \$84,300 GPR and \$124,900 FED in 1995-96 and \$175,600 GPR and \$259,900 FED in 1996-97 to increase the mental health institutes medical assistance reimbursement rate by 5.0% annually, rather than 3.25%, for services provided to MA-eligible children in each year of the 1995-97 biennium. [The impact of the higher rate on MA benefits is shown under "Medical Assistance."]

[Act 27 Section: 2052r]

**6. ADOLESCENT TREATMENT UNITS [LFB Paper 443]**

Chg. to Base Funding Positions		
PR	\$3,337,000	67.95

**Governor:** Provide \$1,092,600 in 1995-96 and \$2,244,400 in 1996-97 and 64.95 positions, beginning in 1995-96, and an additional 3.0 positions, beginning in 1996-97 (for a total of 67.95 positions in 1996-97), to staff 40, additional secure adolescent beds currently under construction at the Mendota Mental Health Institute that are scheduled to be opened in March, 1996; staff would be hired beginning in January, 1996.

Twenty of the new beds would be combined with an existing, 15-bed adolescent diagnostic treatment unit to form a new, 35-bed adolescent treatment unit; the remaining new beds would be used to provide an admission/evaluation unit of 10 beds and a treatment unit of 10 beds. The mental health treatment beds would serve youth from the juvenile correctional institutions and the counties; funding for these beds would be provided from youth aids paid by counties and from medical assistance.

**Joint Finance/Legislature:** Modify the Governor's recommendation to:

- a. Specify that 43 beds, rather than 35 beds, be designated as secure mental health treatment beds for youth transferred from the state's juvenile correctional schools; and
- b. Transfer the additional funding for staff and related costs for the adolescent treatment unit to unallotted reserve, subject to release by the Joint Committee on Finance, under s. 16.505/515.

[Act 27 Section: 2052p]

**7. SEXUALLY VIOLENT PERSONS**

Chg. to Base Funding Positions		
GPR	\$3,217,100	61.25

**Governor/Legislature:** Provide \$1,228,100 in 1995-96 and \$1,989,000 in 1996-97 and 47.25 positions, beginning in 1995-96, and an additional 14.0 positions, beginning in 1996-97 (for a total of 61.25 positions in 1996-97), to provide care and treatment for persons who are committed to the Department as sexually violent persons, as provided under 1993 Wisconsin Act 479. The recommendation assumes that a projected population of 60 patients by June, 1996, and 80 patients by June, 1997, will be placed in two, 40-bed units at the Wisconsin Resource Center and that inmates currently held at the Center will be moved to the Oshkosh Correctional Institution.

**8. PAYMENT FOR SUPERVISED RELEASE OF SEXUALLY VIOLENT PERSONS**

**Governor/Legislature:** Clarify that H&SS is responsible for the cost of services, treatment and care of sexually violent persons who are placed in the community under supervised release.

[Act 27 Section: 822]

**9. SERVICES TO CONDITIONALLY RELEASED PERSONS**

**Governor/Legislature:** Provide \$2,000,000 in 1995-96 and \$2,500,000 in 1996-97 and 2.0 positions, beginning in 1995-96, to:

	Chg. to Base Funding Positions	
GPR	\$4,500,000	2.00

*Transfer of Program.* Transfer base funding of \$3,082,100 and 2.0 positions in each year for the operation of the conditional release program from the Division of Community Services to the Division of Care and Treatment Facilities. [The fiscal effect of this item on the Division of Community Services is identified under "Community Services."]

*Reestimate.* Reduce funding by \$1,082,100 in 1995-96 and \$582,100 in 1996-97 to reflect a reestimate of the projected costs of providing services in the 1995-97 biennium.

Under the program, H&SS contracts for treatment, services and case management for persons who are conditionally released to the community from the state MHIs after being found not guilty by reason of mental disease or defect. The Wisconsin Supreme Court decision in Rolo v. Goers et. al. held that, the state, rather than counties, is responsible for funding such services.

[Act 27 Sections: 935 and 3260]

**10. SUPPLIES AND SERVICES INFLATION INCREASES**

**Governor/Legislature:** Provide \$326,700 GPR and \$987,400 PR in 1995-96 and \$541,400 GPR and \$1,438,600 PR in 1996-97 to fund anticipated cost increases at the State Centers, MHIs and the Wisconsin Resource Center for supplies and services that vary with the change in resident populations. This funding would be used to support projected cost increases for medical services, supplies, drugs, clothing and other items.

	Chg. to Base
GPR	\$868,100
PR	<u>2,426,000</u>
Total	\$3,294,100



**11. OVERTIME**

**Governor/Legislature:** Provide \$50,000 GPR and \$200,000 PR in each year to increase funding for overtime at the State Centers (\$150,000 PR annually) and the MHIs (\$50,000 GPR and \$50,000 PR annually). In recent years, overtime costs have exceeded budgeted amounts.

Chg. to Base	
GPR	\$100,000
PR	400,000
Total	\$500,000

**12. MUNICIPAL SERVICES CONVERSION**

**Governor/Legislature:** Provide \$31,800 GPR and \$174,900 PR in each year for increased costs to connect Winnebago Mental Health Institute to the City of Oshkosh water supply (\$31,800 GPR and \$28,200 PR annually) and to connect the Southern Wisconsin Center to the Union Grove municipal sewer lines (\$146,700 PR annually).

Chg. to Base	
GPR	\$63,600
PR	349,800
Total	\$413,400

**13. REPORTING OF DEBT SERVICE INTEREST COSTS**

**Governor/Legislature:** Increase revenues deposited to the general fund by \$116,000 in each year to reflect planned improvements in the timeliness of reporting construction project costs at the State Centers and the MHIs to claim debt service interest costs on the medical assistance cost report. Debt service costs, as well as Department overhead costs, are credited to GPR-Earned rather than program revenue when billed to MA.

Chg. to Base	
GPR-REV	\$232,000

**14. CENTREX COSTS**

**Governor/Legislature:** Provide \$37,100 GPR and \$78,500 PR in each year to operate the new Centrex phone system at Central Wisconsin Center (\$55,800 PR annually) and the Mendota Mental Health Institute (\$37,100 GPR and \$22,700 PR annually). The new Centrex system was installed in January, 1994, and has resulted in increased monthly operating costs.

Chg. to Base	
GPR	\$74,200
PR	157,000
Total	\$231,200

**15. BASE POSITION AUTHORITY**

**Governor/Legislature:** Provide \$12,300 GPR and \$97,600 PR in each year and 0.5 GPR and 2.0 PR positions, beginning in 1995-96, to restore funding and positions at the Mendota Mental Health Institute (\$12,300 GPR annually and 0.5 position) and the Central Wisconsin Center (\$97,600 PR and 2.0 positions) that were erroneously removed in 1993 Wisconsin Act 16.

Chg. to Base		
	Funding	Positions
GPR	\$24,600	0.50
PR	195,200	2.00
Total	\$219,800	2.50

**16. SHARED SERVICES**

**Governor/Legislature:** Provide \$27,300 GPR and \$1,200 PR in 1995-96 and \$83,100 GPR and \$3,700 PR in 1996-97 to fund salary, fringe benefits and other costs for positions located at the MHIs that provide shared support services, under contract, for building maintenance and food preparation to the Wisconsin Resource Center and Central Wisconsin Center.

	Chg. to Base
GPR	\$110,400
PR	<u>4,900</u>
Total	\$115,300

**17. CONTRACT FOR LAUNDRY SERVICES [LFB Paper 444]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$0	0.00	-\$22,900	0.00	-\$22,900	0.00
PR	<u>0</u>	<u>- 20.50</u>	<u>- 140,000</u>	<u>18.00</u>	<u>- 140,000</u>	<u>- 2.50</u>
Total	\$0	- 20.50	-\$162,900	18.00	-\$162,900	- 2.50

**Governor:** Delete 20.50 positions, beginning in 1995-96, for laundry workers and, instead, contract with Badger State Industries (BSI) for all laundry services at Central Wisconsin Center and Mendota Mental Health Institute, starting January 1, 1996.

**Joint Finance/Legislature:** Delete \$22,900 GPR and \$140,000 PR in 1996-97 and restore 20.5 PR positions in 1995-96 and 18.0 PR positions in 1996-97, to consolidate the laundry operations of Mendota Mental Health Institute and Central Wisconsin Center at Central Wisconsin Center. In addition, authorize \$684,000 of GPR-supported borrowing for the purchase of new laundry equipment; revenues from bonding are reflected under the "Building Program." In addition, the laundry consolidation at Central Wisconsin Center would reduce expenditures for medical assistance by \$48,000 GPR and \$71,000 FED in 1996-97; this funding is budgeted under "Medical Assistance."

**Veto by Governor [C-13]:** Delete the project enumeration for \$684,000 in bonding authority to purchase laundry equipment, thereby preventing the consolidation of laundry operations at Central Wisconsin Center and continuing the current situation of processing some laundry at Central Wisconsin Center and some at BSI. The veto does not restore the funding or positions that were deleted in 1996-97 (\$22,900 GPR and \$140,000 PR and 2.5 PR positions) based on more efficient equipment, but does retain 20.5 PR positions in 1995-96 and 18.0 PR positions in 1996-97.

[Act 27 Sections: 1165d and 9108(1)]

[Act 27 Vetoed Section: 9108(1)]

## 18. USE OF RESTITUTION PAYMENTS AND SURPLUS SALE RECEIPTS

**Governor/Legislature:** Modify statutory provisions to allow the State Centers and MHIs to use restitution payments from property that is damaged or money received from the sale of surplus property, including vehicles, for the repair or replacement of property damaged at these institutions, subject to the funding appropriated.

[Act 27 Section: 823]

## 19. TRANSFER AND CONVERSION OF THE ASSERTIVE COMMUNITY TREATMENT POSITION

	Chg. to Base Funding Positions	
PR	\$61,800	1.00

**Governor/Legislature:** Provide \$26,500 in 1995-96 and \$35,300 in 1996-97 and 1.0 position, beginning in 1995-96, to replace a project position that is scheduled to expire with a permanent position and transfer this position from the Division of Vocational Rehabilitation to the Division of Care and Treatment Facilities. The position serves in the program for assertive community treatment, which provides vocational services to former residents of Mendota Mental Health Institute.

## 20. MENTAL HEALTH INSTITUTE STAFFING REQUIREMENTS

	Senate/Leg. Chg. to JFC Funding Positions	
GPR	\$1,387,500	16.50
PR	<u>1,199,800</u>	<u>14.50</u>
Total	\$2,587,300	31.00

**Joint Finance:** Provide \$850,000 GPR in 1995-96 and \$925,000 GPR in 1996-97 in the Joint Committee on Finance program supplements appropriation, to be released by the Committee, for the potential costs of increased staffing at the Winnebago Mental Health Institute to comply with federal staffing requirements for medicare and medicaid certification. The fiscal impact is budgeted under "Program Supplements."

In a May 24, 1995, survey by the federal Health Care Financing Administration, surveyors indicated at the exit conference that Winnebago Mental Health Institute was not in compliance with federal staffing requirements for nursing services, psychological services and therapeutic activities. Although the state has not yet received formal notification from the federal government, Winnebago has 90 days from the date of the exit conference to correct staffing deficiencies; failure to correct such deficiencies would result in decertification and the loss of \$2.8 million annually in federal funding for medicare and medicaid.

Preliminary estimates by the administration indicate that 37.0 positions (22.0 GPR and 15.0 PR) would be required to address the federal deficiencies. Additional funding for these positions is estimated to total \$850,000 GPR and \$565,700 PR in 1995-96 and \$925,000 GPR and \$620,000 PR in 1996-97. Once formal notification of the federal deficiencies has been received, the Department could submit a request to release funding for staffing from the Committee's appropriation.

**Senate/Legislature:** Delete \$191,400 GPR and provide \$578,800 PR in 1995-96 and delete \$196,100 GPR and provide \$621,000 PR in 1996-97 and provide 16.5 GPR positions and 14.5 PR positions, beginning on August 1, 1995, for increased staffing at the Winnebago Mental Health Institute (WMHI) to comply with federal staffing requirements for medicare and medicaid certification.

Under Joint Finance, funding was placed in the Committee's program supplements appropriation, to be released by the Committee, for the potential costs of increased staffing at WMHI to comply with federal certification requirements. Based on a more detailed review by the Department of the number of positions necessary to correct the deficiencies, the estimated amount of GPR funding needed to comply with federal requirements is \$387,500 less over the 1995-97 biennium than previously estimated. The net GPR change is the result of: (a) an increase of \$658,600 GPR in 1995-96 and \$728,900 GPR in 1996-97 in the appropriation for WMHI, which is budgeted under this provision; and (b) a decrease of \$850,000 GPR in 1995-96 and \$925,000 GPR in 1996-97 in the Joint Committee on Finance program supplements appropriation, which is budgeted under "Program Supplements."

## Aid to Families With Dependent Children

### 1. AFDC BASE REESTIMATE [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$20,849,100	-\$5,913,300	-\$26,762,400
FED	- 40,546,600	- 8,017,800	- 48,564,400
<b>Total</b>	<b>-\$61,395,700</b>	<b>-\$13,931,100</b>	<b>-\$75,326,800</b>

**Governor:** Reduce funding by \$8,023,500 GPR and \$16,572,100 FED in 1995-96 and \$12,825,600 GPR and \$23,974,500 FED in 1996-97 for the aid to families with dependent children (AFDC) program. These figures assume that the average AFDC-R caseload will fall by 1.6% in each year and that the AFDC-U caseload will decline by 7.6% in each year. The estimates also reflect reductions in the federal financial participation rate from 59.975% in 1994-95 to 59.705% in 1995-96 and 59.670% in 1996-97, a reestimate of child support collections available to offset AFDC expenditures and increased burial expenses.

**Joint Finance/Legislature:** Reduce funding by an additional \$3,657,700 GPR and \$5,105,100 FED in 1995-96 and \$2,255,600 GPR and \$2,912,700 FED in 1996-97 to reflect a lower caseload estimate and increased child support collections. These figures assume that the AFDC-R caseload will decline by 3.2% in 1994-95, 2% in 1995-96 and 1% in 1996-97. The AFDC-U caseload is estimated to fall by 16.4% in 1994-95, 7% in 1995-96 and 4% in 1996-97. These amounts also reflect a reallocation of child support

collections from child support enforcement to AFDC benefits; offsetting increases in GPR funding for enforcement activities are shown under "H&SS -- Child Support."

**2. FEDERAL REVENUE REESTIMATE**

	<b>Chg. to Base</b>
FED	- \$1,816,700

**Governor/Legislature:** Delete \$1,905,600 FED in 1995-96 and provide \$88,900 FED in 1996-97 to reflect reestimates of federal revenue available for programs administered by the Division of Economic Support. Among the major items included are: (a) a decrease of \$1,320,600 in 1995-96 and \$465,700 in 1996-97 for economic support local assistance programs; (b) a decrease of \$471,600 in 1995-96 and an increase of \$423,200 in 1996-97 for state operation of economic support programs; (c) an increase of \$186,700 in 1995-96 and \$380,900 in 1996-97 for block grant aids distributed under economic support programs; and (d) a decrease of \$237,400 in 1995-96 and \$186,800 in 1996-97 for employment and training programs.

**3. PROGRAM REVENUE REESTIMATE**

	<b>Chg. to Base</b>
PR	\$1,026,000

**Governor/Legislature:** Provide \$488,000 PR in 1995-96 and \$538,000 PR in 1996-97 to reflect reestimates of program revenue available for programs administered by the Division of Economic Support. Among the major items included are: (a) \$285,000 annually in funding received from other agencies or divisions for economic support administration; (b) \$155,600 annually in fees for administrative services; (c) \$84,500 in 1995-96 and \$134,500 in 1996-97 for child support state operations; and (d) a decrease of \$63,000 annually for welfare fraud and error reduction activities.

**4. CARES COMPUTER SYSTEM [LFB Paper 456]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR	\$2,111,200	- \$3,383,600	- \$1,272,400
FED	<u>3,032,700</u>	<u>- 3,642,800</u>	<u>- 610,100</u>
Total	\$5,143,900	- \$7,026,400	- \$1,882,500

**Governor:** Provide \$908,500 GPR and \$1,344,600 FED in 1995-96 and \$1,202,700 GPR and \$1,688,100 FED in 1996-97 for the Client Assistance for Reemployment and Economic Support (CARES) information system to reflect increased mainframe costs, a reduced amount of enhanced federal JOBS funding and contracting costs with a private vendor for the maintenance of the system. CARES is the new state computer system for income maintenance programs. The CARES system, which has been operational statewide since July, 1994, will replace the old Computer Reporting Network (CRN).

**Joint Finance/Legislature:** Place \$1,587,000 GPR in 1995-96 and \$1,796,600 GPR in 1996-97 in the Joint Finance Committee's program supplements appropriation and delete associated federal funding of \$1,703,500 FED in 1995-96 and \$1,939,300 FED in 1996-97. The Department could request approval of these funds under section 13.10 of the statutes after additional information is available regarding the specifications and cost of the vendor contract for system maintenance.

## 5. JOBS FUNDING CHANGES

**Governor/Legislature:** Delete \$438,300 GPR and provide \$1,579,600 FED in 1995-96 and delete \$406,800 GPR and provide \$1,295,600 FED in 1996-97, for the job opportunities and basic skills (JOBS) program. These funding changes reflect: (a) a reduced AFDC caseload; (b) elimination of a hold harmless provision in calculating county JOBS allocations; (c) elimination of JOBS funding for employment and training programs for refugees; (d) increased funding to meet federal requirements for participation in JOBS by AFDC unemployed parents; and (e) higher federal JOBS awards. In addition, a 0.22 vacant position would be deleted beginning in 1995-96 and the state/federal matching rate would be adjusted for a position in the Bureau of Welfare Initiatives. These funding amounts do not include other increases in JOBS funding provided under welfare reform initiatives.

	Chg. to Base Funding Positions	
GPR	- \$845,100	- 0.02
FED	<u>2,875,200</u>	<u>- 0.20</u>
Total	\$2,030,100	- 0.22

## 6. AFDC MATERNITY BENEFITS [LFB Paper 457]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$1,186,400	\$356,400	- \$830,000
FED	- <u>1,757,800</u>	<u>512,800</u>	- <u>1,245,000</u>
Total	- \$2,944,200	\$869,200	- \$2,075,000

**Governor:** Specify that eligibility for AFDC benefits for a pregnant woman with no other children, or for the \$71 pregnancy allowance for women currently receiving AFDC, would not occur until the eighth month of a medically-verified pregnancy. Under current law, pregnant women may be eligible for these benefits beginning in the seventh month of pregnancy. This modification would take effect on the first day of the first month beginning after publication and would affect persons who apply for AFDC after that date. This provision would decrease estimated AFDC costs by \$593,200 GPR and \$878,900 FED annually.

**Joint Finance/Legislature:** Provide \$178,200 GPR and \$256,400 FED, annually, to reflect a reestimate of the fiscal effect of the Governor's recommendation, based on current payment patterns for these benefits.

**Veto by Governor [D-12]:** Eliminate the provision that would have only applied this modification to new applicants for AFDC. With this veto, current recipients of AFDC would also become eligible for

maternity benefits beginning in the eighth month of pregnancy. This veto reflects the intent of the Legislature to clarify the effective date of this provision.

[Act 27 Sections: 2853 and 9426(12)]

[Act 27 Vetoed Sections: 9326(9) and 9426(12)]

## 7. LEARNFARE EXPANSION

**Governor/Legislature:** Provide \$22,600 GPR and \$18,900 FED in 1995-96 and \$52,300 GPR and \$43,600 FED in 1996-97 for expansion of the Learnfare program to children ages six through 12. Under the Department's phase-in schedule, the Learnfare requirements will apply to children age 10 through 12 in the 1994-95 school year, children age eight and nine in the 1995-96 school year and children age six and seven in the 1996-97 school year. The Learnfare expansion is being implemented in four pilot counties (Brown, Fond du Lac, Kenosha and Rock). In these counties, 50% of eligible pupils are subject to Learnfare and 50% are maintained as a control group.

	Chg. to Base
GPR	\$74,900
FED	<u>62,500</u>
Total	\$137,400

The Governor's recommendation reflects higher caseloads associated with the expansion and includes:

a. An increase of \$15,200 GPR and \$15,200 FED in 1995-96 and \$35,400 GPR and \$35,400 FED in 1996-97 for case management services. Case management services must be provided by the county before a sanction may be imposed for poor school attendance. Base funding is \$25,100 GPR and \$25,100 FED.

b. An increase of \$15,000 GPR and \$15,000 FED in 1995-96 and \$35,000 GPR and \$35,000 FED in 1996-97 for county income maintenance administration. Base level funding is \$25,000 GPR and \$25,000 FED.

c. A reduction of \$7,600 GPR and \$11,300 FED in 1995-96 and \$18,100 GPR and \$26,800 FED in 1996-97 in the sum sufficient appropriation for AFDC benefits to reflect decreased expenditures resulting from additional Learnfare sanctions.

## 8. LEARNFARE ATTENDANCE REQUIREMENT [LFB Paper 458]

**Governor:** Provide that DPI's definition of "habitual truant" would be used to identify AFDC students with attendance problems under the Learnfare program. With this definition, a student would fail to meet the attendance requirement if he or she is absent from school without an acceptable excuse, as defined by the school, for: (a) part or all of five or more days out of 10 consecutive school days during a semester; or (b) part or all of 10 or more school days during a semester.

Currently, in order to meet the Learnfare attendance requirement, pupils receiving AFDC must have fewer than 10 full days of unexcused absences in the most recently completed semester. A student who has 10 or more full days of unexcused absences, or was a dropout and returned to school during the semester under review, is subject to the monthly attendance requirement. The monthly attendance requirement allows no more than two unexcused absences in any calendar month. These provisions are specified by rule.

The Administration indicates that it was intended for this provision to take effect beginning in the 1996-97 school year. However, as drafted, the new attendance requirement would apply on the bill's general effective date.

The bill would also update statutory references to the Learnfare program, including required case management services. Under current law, H&SS is required to allocate funds to counties for case management services to individuals who are required to attend school under Learnfare and to their families to improve the school attendance and achievement of those individuals. Under the bill, the Department would still be required to allocate funds to counties for case management services under Learnfare. However, the requirement that such services must be provided to pupils and their families and the specified purpose of the case management services would be deleted.

**Joint Finance/Legislature:** Modify the Governor's recommendation to: (a) incorporate the DPI definition of habitual truant in the Learnfare statutes to determine if monthly attendance monitoring is required for a Learnfare student; (b) provide that monthly monitoring would be required if the student violates the habitual truancy guidelines in the most recently completed semester or in the current semester; (c) specify that if an AFDC student who is subject to monthly monitoring drops out of school, or has more than two unexcused absences in any calendar month (and either has not requested a fair hearing or has failed to show good cause in a fair hearing), the pupil would be subject to sanctions as provided by rule; and (d) include enrollment in a program leading to a high school diploma or its equivalent as a Learnfare requirement. These provisions would be effective beginning with the 1996-97 school year.

In addition, specify that current law would be maintained as it relates to funding for case management services.

[Act 27 Sections: 853, 892b, 894b, 2038b, 2322b, 2898g thru 2898r, 3102b thru 3111b, 3116b thru 3120b and 9426(26x)]

## 9. AFDC PARENTAL AND FAMILY RESPONSIBILITY PROGRAM

**Governor/Legislature:** Provide \$437,100 GPR and \$438,000 FED in 1995-96 and \$465,000 GPR and \$394,400 FED in 1996-97 for continuation of the parental and family responsibility (PFR) pilot program, which began on July 1, 1994, in Juneau, Milwaukee, Oneida and Rock Counties. Funding was provided in the 1993-95 budget to initiate the program. The Governor's recommendation for 1995-97 includes:

	Chg. to Base
GPR	\$902,100
FED	832,400
Total	\$1,734,500



a. An increase of \$540,100 GPR and \$593,900 FED in 1995-96 and \$757,400 GPR and \$828,400 FED in 1996-97 for services provided to PFR participants under the job opportunities and basic skills (JOBS) program. The base funding level for these services is \$333,800 GPR and \$350,600 FED.

b. An increase of \$10,000 GPR and \$10,000 FED in 1995-96 and \$20,000 GPR and \$20,000 FED in 1996-97 for county income maintenance administration to reflect increases in AFDC cases participating in the pilot. The base funding level is \$97,500 GPR and \$97,500 FED.

c. A decrease of \$113,000 GPR and \$165,900 FED in 1995-96 and \$312,400 GPR and \$454,000 FED in 1996-97 to reflect anticipated reduced AFDC benefit payments.

The administration also estimates that medical assistance benefits would be reduced by \$813,000 GPR and \$1,203,600 FED in the 1995-97 biennium under the PFR pilot. The fiscal effect of this item is shown under "H&SS -- Medical Assistance."

**10. WORK-NOT-WELFARE FUNDING**

	Chg. to Base
GPR	- \$90,900
FED	- 98,400
Total	- \$189,300

**Governor/Legislature:** Provide \$151,400 GPR and \$233,000 FED in 1995-96 and a decrease of \$242,300 GPR and \$331,400 FED in 1996-97 to continue the work-not-welfare pilot project, which began on January 1, 1995, in Fond du Lac and Pierce Counties. Start-up funding for the program was provided in the 1993-95 biennium under 1993 Wisconsin Act 99. The Governor's recommendation includes:

a. An increase of \$257,300 GPR and \$373,100 FED in 1995-96 and \$150,400 GPR and \$231,000 FED in 1996-97 for the JOBS program, including child care. The base funding level for these services is \$251,300 GPR and \$251,300 FED.

b. An increase of \$13,000 GPR and \$13,000 FED in 1995-96 and \$7,500 GPR and \$7,500 FED in 1996-97 for county income maintenance administration to reflect increases in AFDC cases participating in the program. Base funding is \$73,000 GPR and \$73,000 FED.

c. An increase of \$43,600 GPR and \$63,800 FED in 1995-96 and \$47,100 GPR and \$68,800 FED in 1996-97 for transitional child care services to reflect an increase in the number of families leaving AFDC due to increased earnings. The base funding level for transitional child care is \$40,000 GPR and \$60,000 FED.

d. Funding of \$19,200 GPR and \$28,300 FED in 1996-97 for special needs payments in cases where the loss of work-not-welfare benefits would leave a child homeless. In such cases, an AFDC special needs grant will be provided as a vendor payment for housing costs. The special needs payment may not exceed the amount provided as an AFDC child-only grant. Currently no funding is provided for these payments.

e. Decreases of \$48,100 GPR and \$48,200 FED in 1995-96 and \$46,800 GPR and \$46,900 FED in 1996-97 for reduced state administrative costs.

f. A decrease of \$114,400 GPR and \$168,700 FED in 1995-96 and \$419,700 GPR and \$620,100 FED in 1996-97 to reflect reduced AFDC benefit payments.

The administration also estimates that medical assistance benefits would be reduced by \$161,400 GPR and \$238,800 FED in 1996-97. The fiscal effect of this decrease is shown under "H&SS -- Medical Assistance."

## 11. WORK-NOT-WELFARE BENEFIT RECALCULATION

**Governor:** Modify statutory provisions relating to the calculation of benefits under the work-not-welfare program, which was implemented on January 1, 1995, in Fond du Lac and Pierce Counties. Work-not-welfare provides a cash benefit based on the combined value of the AFDC payment and food stamps that the family would otherwise receive. A work-not-welfare group generally may not receive more than 24 monthly cash benefit payments during a 48-month period.

Under current law, work-not-welfare cash benefits are based on the average income of the family, estimated prospectively for a six-month period, except during the first two months of participation. In these months, the cash benefit is based on the estimated average income for those first two months. The benefit amount may be adjusted after the first two months only at a regularly scheduled reinvestigation, except under certain specified circumstances.

The Governor recommends the following changes to these provisions:

a. Calculate the benefit for the first two months based on the estimated income for those months rather than the estimated average income for those months.

b. Require the benefit level to be adjusted if the family experiences an increase or decrease in hours of unsubsidized employment of 10 or more hours per week, an increase or decrease in monthly child care expenses of more than \$50 or a change in the maximum allowable child care disregard based on the child's age.

c. Specify that resources allowed under the special resource account and vehicle asset demonstration projects would also be exempt for purposes of recalculating work-not-welfare benefits. These waivers allow AFDC recipients to disregard up to \$2,500 in equity value of any number of vehicles (rather than up to \$1,500 for one vehicle) or up to \$10,000 in a special resource account from the \$1,000 asset limit.

d. Allow an additional monthly benefit for each month that a member of the group is found to be eligible for supplemental security income (SSI). Currently, an additional payment is allowed only if a member of the group is actually receiving SSI.

- e. Correct a reference to federal law.

**Joint Finance/Legislature:** Add a provision to specify that participants in the work-not-welfare pilot could receive food stamps, instead of the work-not-welfare cash benefit, only if the AFDC portion of the work-not-welfare benefit equals zero for a reason other than a sanction and an adult caretaker in the family has earned income. Under current law, a family may elect this option if the AFDC portion of the work-not-welfare benefit equals zero for any reason other than a sanction for violation of the work-not-welfare employment and training requirements. As under current law, any month in which a family chooses to receive food stamps in lieu of a work-not-welfare cash benefit under this provision would not count against the 24-month limit under work-not-welfare.

[Act 27 Sections: 2899m, 2900, 2902 thru 2905 and 2908]

**12. AFDC TWO-TIER DEMONSTRATION PROJECT FUNDING [LFB Paper 459]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$182,000	- \$67,400	\$114,600
FED	<u>182,000</u>	<u>- 67,400</u>	<u>114,600</u>
Total	\$364,000	- \$134,800	\$229,200

**Governor:** Provide \$91,000 GPR and \$91,000 FED in each year for additional county income maintenance (IM) costs for the two-tier demonstration project, which limits AFDC benefits for new arrivals to Wisconsin. These amounts would reflect actual, rather than estimated, salaries and fringe benefits for eight IM workers in Milwaukee County and one each in Kenosha, Racine and Rock Counties. These employees review AFDC cases in the pilot counties to determine whether they are subject to the two-tier provisions. Base level funding is \$149,000 GPR and \$149,000 FED.

**Joint Finance/Legislature:** Reduce funding by \$33,700 GPR and \$33,700 FED in each year to reflect a lower estimated cost for these employees.

**13. AFDC TWO-TIER DEMONSTRATION STATUTORY MODIFICATIONS**

**Governor/Legislature:** Modify statutory provisions relating to the two-tier demonstration project to:

- a. Require the Department to publish annual changes to the two-tier benefit schedule in the Wisconsin Administrative Register rather than to establish the schedule by rule each year. As under current law, the Department would be required to promulgate a rule which specifies the methods and factors used to determine the benefit schedule. The rule would also have to establish the initial benefit table for the two-tier project.

b. Specify that the AFDC benefit for new arrivals to Wisconsin would be based on the benefit level in the state where the family most recently resided for one month or longer. The one-month requirement is not provided under current law.

c. Provide that the two-tier provisions apply to persons who have not previously resided in Wisconsin for at least six consecutive months. Under current law, the two-tier provisions do not apply to persons who have previously resided in Wisconsin for at least six months, regardless of whether the months were consecutive.

[Act 27 Sections: 2866 and 2867]

**14. AFDC FUNERAL EXPENSES [LFB Paper 460]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$180,000	-\$260,000	-\$440,000
FED	<u>180,000</u>	<u>260,000</u>	<u>440,000</u>
Total	\$0	\$0	\$0

**Governor:** Require H&SS to amend the state plan for AFDC by January 1, 1996, to make funeral, burial and cemetery expenses a special needs item under federal regulations. This change would enable the state to claim partial federal reimbursement for the burial of AFDC recipients at an estimated savings of \$90,000 GPR in each year.

**Joint Finance/Legislature:** Reestimate the fiscal effect of this provision to be an additional savings of \$130,000 GPR annually, with an offsetting increase in federal reimbursements.

[Act 27 Section: 9126(27)]

**15. PUBLIC ASSISTANCE -- FUNERAL EXPENSES [LFB Paper 461]**

**Governor:** Modify statutory provisions regarding funeral, burial and cemetery expenses paid by counties and tribes for certain children and parents who were recipients of public assistance.

Under current law, counties must pay the full amount of actual cemetery expenses and up to \$1,000 of funeral and burial expenses not paid by the estate of the deceased person and other persons. The state is required to reimburse counties and tribes for these expenditures. Counties and tribes may receive reimbursement for additional funeral and burial expenses if H&SS approves the reimbursement due to unusual circumstances.

Under the Governor's recommendation, counties and tribes would be required to pay up to \$1,000 of the cemetery expenses that are not paid by the estate of the deceased person and other persons. The amount of unpaid funeral and burial expenses that counties and tribes would have to pay would depend on the amount of the total expenses. If total funeral and burial expenses are \$1,000 or less, the full amount of unpaid expenses would be paid. If the total expenses are between \$1,000 and \$2,000, 50% of the unpaid expenses would be paid. No payment would be made if the total funeral and burial expenses are more than \$2,000.

As under current law, H&SS would be required to reimburse counties and tribes for these expenditures. Additional cemetery, funeral and burial payments by counties and tribes could be reimbursed if H&SS approves the reimbursement due to unusual circumstances. These provisions would first apply to reimbursement of expenses paid on the effective date of the budget act.

**Joint Finance:** Delete the proposed payment provision and, instead, require counties and tribes to pay up to \$1,000 of unpaid funeral and burial costs and up to \$1,000 of unpaid cemetery costs if total funeral, burial and cemetery expenses are \$3,500 or less. Provide that no payment would be made if total funeral, burial and cemetery expenses are more than \$3,500. As under current law, H&SS would be required to reimburse counties and tribes for these expenditures. Additional cemetery, funeral and burial payments by counties and tribes could be reimbursed if H&SS approves the reimbursement due to unusual circumstances.

**Assembly/Legislature:** Require counties and tribes to pay up to \$1,000 of unpaid cemetery expenses that are not paid by the estate of the deceased person or other persons if total cemetery expenses are \$3,500 or less. Provide no payment if total cemetery expenses are more than \$3,500.

Require counties and tribes to pay up to \$1,000 of unpaid funeral and burial expenses if total funeral and burial expenses are \$3,500 or less. No payment for funeral and burial expenses would be provided if total funeral and burial expenses are more than \$3,500.

As under current law, H&SS would be required to reimburse counties and tribes for these expenditures. Additional cemetery, funeral and burial payments by counties and tribes could be reimbursed if H&SS approves the reimbursement due to unusual circumstances.

[Act 27 Sections: 2861, 2920, 2923 thru 2926 and 9326(10)]

16. AFDC CONSOLIDATED CHILD CARE [LFB Paper 461]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$1,251,600	-\$1,882,700	-\$631,100
FED	2,343,900	- 2,797,100	- 453,200
PR	503,100	0	503,100
Total	\$4,098,600	-\$4,679,800	-\$581,200

**Governor:** Provide \$88,800 GPR, \$503,100 PR and \$777,300 FED in 1995-96 and \$1,162,800 GPR and \$1,566,600 FED in 1996-97 for AFDC consolidated care. The consolidated child care appropriation provides funding for transitional and Learnfare child care and child care for working AFDC recipients. These programs provide child care assistance through vouchers issued by county and tribal agencies.

The Governor's recommendation includes \$503,100 PR and \$688,500 FED in 1995-96 and \$985,500 GPR and \$1,389,200 FED in 1996-97 to fully fund the consolidated child care programs. Base funding is \$5,540,300 PR and \$8,266,100 FED. The PR funding in 1995-96 would be drawn from the Department's appropriation for low-income child care services under the community aids program. In addition, \$92,400 GPR and \$92,400 FED in 1995-96 and \$183,500 GPR and \$183,500 FED in 1996-97 would be provided for county income maintenance administration, and \$3,600 GPR and \$3,600 FED in 1995-96 and \$6,200 GPR and \$6,100 FED in 1996-97 would be deleted for state administration.

**Joint Finance/Legislature:** Reduce estimated funding by \$870,900 GPR and \$1,290,500 FED in 1995-96 and \$885,700 GPR and \$1,380,500 FED in 1996-97 for consolidated child care and by \$60,300 GPR and \$60,300 FED in 1995-96 and \$65,800 GPR and \$65,800 FED in 1996-97 for county administration of consolidated child care. Place the GPR portion of this funding (\$931,200 in 1995-96 and \$951,500 in 1996-97) in the Joint Finance Committee's appropriation to be available for future child care funding needs, if necessary.

17. SELF-INITIATED CHILD CARE [LFB Paper 462]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$982,900	-\$140,000	-\$1,122,900
FED	- 1,530,300	- 248,100	- 1,778,400
Total	-\$2,513,200	-\$388,100	-\$2,901,300

**Governor:** Delete \$594,600 GPR and \$916,100 FED in 1995-96 and \$388,300 GPR and \$614,200 FED in 1996-97 to reflect a reestimate of child care needs for AFDC recipients enrolled in self-initiated educational and training programs. The base funding level is \$5,248,600 (\$2,100,800 GPR and \$3,147,800 FED). However, the Department estimates expenditures in 1994-95 to be \$3,296,000, or \$1,952,600 lower than the base funding amount.

With this reduction, total funding would be \$3,737,900 in 1995-96 and \$4,246,100 in 1996-97. These figures reflect growth of 13.4% in 1995-96 and 13.6% in 1996-97 over the \$3,296,000 estimate for 1994-95.

**Joint Finance/Legislature:** Reduce estimated funding for self-initiated child care by \$76,400 GPR and \$132,400 FED in 1995-96 and \$63,600 GPR and \$115,700 FED in 1996-97 to reflect a higher base funding level and increased estimates of program demand. Place the GPR portion of this funding in the Joint Finance Committee's appropriation to be available for future child care funding needs, if necessary.

**18. RECOVERY OF AFDC CHILD CARE OVERPAYMENTS**

**Governor/Legislature:** Require H&SS to promptly recover all overpayments for child care services to AFDC families. This would include child care provided under the JOBS, work-not-welfare and Learnfare programs, transitional child care for former AFDC recipients and child care provided to AFDC recipients who participate in self-initiated educational and training activities. The Department would be required to promulgate a rule establishing policies and procedures to administer this provision. Amounts recovered under this provision would be deposited in the Department's PR appropriations for welfare fraud and error reduction activities.

Under current law, the Department is required to recover all overpayments made under the AFDC program. This provision would specifically require recovery of AFDC child care overpayments.

[Act 27 Sections: 877, 879, 3089c, 3093c, 3094, 3100c and 3098]

**19. AFDC EMERGENCY ASSISTANCE PROGRAM [LFB Paper 463]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$1,207,800	\$618,800	- \$589,000
FED	- 1,207,800	618,800	- 589,000
Total	- \$2,415,600	\$1,237,600	- \$1,178,000

**Governor:** Reduce funding by \$603,900 GPR and \$603,900 FED in each year to reflect a reestimate of benefits under the AFDC emergency assistance program. Total funding for the program would decrease from the base level of \$1,954,200 GPR and \$1,954,200 FED to \$1,350,300 GPR and \$1,350,300 FED in 1995-96 and 1996-97. In each year, these amounts include \$550,300 GPR and \$550,300 FED for emergency homeless assistance and \$800,000 GPR and \$800,000 FED for AFDC emergency energy assistance.

The reduced funding reflects lower than expected demand for the homeless and crisis assistance components of the program. The monthly homeless and crisis assistance benefit would be maintained at

\$96 per person. In each year, the Department anticipates 600 crisis cases with an average case size of 3.7 persons and 2,800 homeless cases with an average case size of 3.3 persons. The appropriation for emergency energy assistance would not be changed.

**Joint Finance/Legislature:** Restore \$309,400 GPR and \$309,400 FED annually to enable the Department to increase the homeless and crisis assistance benefit to \$150 per person, which is the maximum benefit allowed under state law. In addition, eliminate the current annual statutory limit of \$150 per family member for crisis and homelessness assistance and, instead, require H&SS to establish the maximum benefit amount annually within the funding allocated for these benefits and to publish the amount as a public notice in the Wisconsin administrative register. Specify that the Department would not have to promulgate a rule establishing the maximum benefit.

[Act 27 Sections: 2865m and 2865n]

**20. LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM -- CRISIS ASSISTANCE**

	Chg. to Base
FED	- \$201,400

**Governor:** Delete \$93,800 in 1995-96 and \$107,600 in 1996-97 to reflect reductions in estimated federal funding for state administration of the low-income home energy assistance program (LIEAP). In addition, repeal the requirement that H&SS allocate \$2,400,000 in each federal fiscal year for the payment of crisis energy assistance benefits and, instead, specify that the Department would determine the amount allocated for crisis assistance. The LIEAP program provides a federal block grant which is used for heating assistance benefits, energy crisis services and emergency furnace repairs for low-income individuals.

**Joint Finance/Legislature:** Require the Department to allocate not more than \$3,200,000 in each federal fiscal year for crisis assistance.

[Act 27 Sections: 304b and 3193]

**21. AFDC RECOUPMENT PERCENTAGE RATE [LFB Paper 464]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$563,700	-0.50	-\$623,500	0.00	-\$1,187,200	-0.50
FED	0	0.00	47,200	0.00	47,200	0.00
PR	<u>658,100</u>	<u>0.50</u>	<u>576,300</u>	<u>0.00</u>	<u>1,234,400</u>	<u>0.50</u>
Total	\$94,400	0.00	\$0	0.00	\$94,400	0.00

**Governor:** Provide a decrease of \$241,600 GPR and an increase of \$288,800 PR in 1995-96 and a decrease of \$322,100 GPR and an increase of \$369,300 PR in 1996-97 for welfare fraud and front end



verification activities, including additional LTE staff for the tax intercept program. Also, a 0.5 GPR position would be converted to PR funding.

In addition, increase the statutory recoupment rate for all overpayments of AFDC benefits from 7% to 10%. Under current law, in cases of intentional violations of AFDC statutes or rules, the Department may recover overpayments of AFDC benefits from families who continue to receive aid by reducing subsequent payments by up to 10% of the maximum monthly benefit. In other cases, such as inadvertent client error or administrative error, the maximum recoupment rate is 7%. The program revenue generated by this change would reduce GPR funding for welfare fraud and front end verification.

**Joint Finance/Legislature:** Reestimate the fiscal effect of increasing the recoupment rate to 10% in cases of client error and administrative error to be an increase in program revenue of \$99,400 in 1995-96 and \$121,300 in 1996-97 to reflect recent recoupment data. These amounts are lower than the administration's estimates by \$130,100 in 1995-96 and \$184,700 in 1996-97.

Reduce GPR funding for welfare fraud activities by an additional \$350,000 in 1995-96 and \$273,500 in 1996-97 and provide the same amounts of program revenue from the balances in the Department's PR appropriations for welfare fraud state operations and local assistance. In addition, decrease funding for LTE tax intercept staff by \$23,600 PR annually to account for federal matching funds.

[Act 27 Section: 2871]

## 22. PUBLIC ASSISTANCE THIRD-PARTY CLAIMS

**Governor/Legislature:** Provide that, by applying for public assistance, an applicant would automatically assign to H&SS the right to make a claim to recover an indemnity from a third party, including an insurer, if the public assistance is provided as a result of the occurrence of injury, sickness or death that results in a possible recovery from the third party. This provision would first apply to applications made on the effective date of the budget act. Under current law, H&SS, counties and tribes may require applicants and recipients of public assistance to assign the right to make third-party claims, but such an assignment is not automatic.

The bill would establish notice requirements for recipients if the recipient asserts a third-party claim that has been subrogated or assigned. Such persons would be required to provide notice to H&SS by certified mail as soon as practicable after the occurrence of each of the following events for such a claim: (a) the filing of the action asserting the claim; (b) intervention in the action asserting the claim; (c) consolidation of the action asserting the claim; and (d) an award or settlement of all or part of the claim.

These provisions would apply to recipients and former recipients of public assistance or to a recipient's estate. If the recipient or his or her estate is represented by an attorney in asserting a third-

party claim, the attorney would be required to provide notice to H&SS. The notice requirements would first apply to events that occur on the effective date of the budget act.

[Act 27 Sections: 3155, 3158 and 9326(3)&(4)]

**23. ELIMINATE NEW HOPE PROGRAM AND FUNDING [LFB Paper 465]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Veto (Chg. to Leg.)	Net Change
GPR	-\$1,000,000	\$500,000	-\$250,000	-\$750,000

**Governor:** Delete funding of \$500,000 in each year and eliminate statutory provisions regarding the New Hope project, which assists low-income individuals in the City of Milwaukee to obtain employment and secure support services. In order to receive state funding, the project must obtain an equal amount of funding from other public or private sources. Under current law, no GPR funds may be encumbered for New Hope after June 30, 1995.

**Joint Finance/Legislature:** Provide \$250,000 annually and change the sunset date for statutory provisions relating to New Hope to June 30, 1997. Specify that no GPR funds may be encumbered for New Hope after June 30, 1997.

**Veto by Governor [D-13]:** Delete the \$250,000 of funding in 1996-97.

[Act 27 Sections: 858b, 858c, 2277b and 2277d]

[Act 27 Vetoed Section: 473 (as it relates to s. 20.445(3)(dk)]

**24. ELIMINATE FOOD STAMP OUTREACH PROGRAM**

**Governor/Legislature:** Eliminate \$115,800 GPR and \$115,800 FED and a 0.75 FTE (0.38 GPR and 0.37 FED) position annually, for food stamp outreach activities. These funds are distributed to nonprofit organizations to inform low-income persons about the food stamp program.

	Chg. to Base Funding Positions	
GPR	-\$231,600	- 0.38
FED	- 231,600	- 0.37
Total	-\$463,200	- 0.75

[Act 27 Sections: 860 and 2327]

**25. FOOD STAMP ELIGIBILITY FOR MIGRANT WORKERS**

**Governor/Legislature:** Require H&SS to request a waiver from the federal Department of Agriculture to implement income averaging in determining food stamp eligibility for migrant workers and their dependents who do not meet the program's income eligibility limitations using prospective budgeting. The wavier would also be required to seek a waiver from federal quality control standards under the food stamps program that H&SS determines are necessary to make income averaging feasible. The income averaging provision would apply only while the waiver is in effect.

Currently, eligibility for food stamps is based on prospective budgeting, which estimates the amount of income an applicant expects to receive in the next month. With income averaging, migrant workers who are ineligible under the prospective budgeting test would be provided with a second eligibility test based on average monthly income over the past year. The specific requirements for determining eligibility with income averaging would be specified in the federal waiver, and these provisions would apply only while the waiver is in effect.

"Migrant worker" would include any person who leaves a principal residence outside of this state and comes to Wisconsin for not more than 10 months in a year to accept seasonal employment in the planting, cultivating, raising, harvesting, handling, drying, packing, packaging, processing, freezing, grading or storing of any agricultural or horticultural commodity in its unmanufactured state. The new provision would not apply to: (a) persons employed only by a state resident if the employer or his or her spouse is a relative of the employe; (b) students who are enrolled or, during the past six months, have been enrolled in any school, college or university unless the student is a family member of a migrant worker's household; or (c) any other persons who qualify for an exemption under rules promulgated by H&SS.

The bill would also clarify references to the federal food stamp program.

[Act 27 Sections: 2788 thru 2790, 2793 and 3026]

**26. TRANSFER ECONOMIC SUPPORT PROGRAMS FROM H&SS [LFB Paper 466]**

	<b>Governor</b>		<b>Jt. Finance</b>		<b>Senate/Leg.</b>		<b>Veto</b>		<b>Net Change</b>	
	<b>(Chg. to Base)</b>		<b>(Chg. to Gov.)</b>		<b>(Chg. to JFC)</b>		<b>(Change to Leg.)</b>			
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	-\$224,583,300	- 99.24	\$1,112,400	- 19.16	\$3,878,200	19.16	-\$250,000	0.00	-\$219,842,700	- 99.24
FED	- 391,362,500	- 152.26	- 50,439,300	- 51.72	45,927,900	46.72	0	0.00	- 395,873,900	- 157.26
PR	- 6,141,400	- 6.50	- 73,863,500	- 6.12	73,613,600	6.12	0	0.00	- 6,391,300	- 6.50
Total	-\$622,087,200	- 258.00	-\$123,190,400	- 77.00	\$123,419,700	72.00	-\$250,000	0.00	-\$622,107,900	- 263.00

**Governor:** Delete \$20,000 GPR in 1995-96 and \$224,563,300 GPR, \$391,362,500 FED and \$6,141,400 PR in 1996-97 to reflect the transfer of certain economic support programs from the Department of Health and Social Services (H&SS) to the Department of Industry, Labor and Human

Relations (DILHR) and the Department of Administration (DOA) on July 1, 1996. In addition, delete 258.0 FTE positions (99.24 GPR, 152.26 FED and 6.5 PR) in H&SS.

Of the funding and positions eliminated in H&SS in 1996-97, \$224,543,300 GPR, \$337,558,200 FED, \$6,141,400 PR and 247.0 FTE positions (99.24 GPR, 141.26 FED and 6.5 PR) would be transferred to DILHR. In addition, \$53,804,300 FED and 11.0 FED positions would be transferred to DOA. Also, \$20,000 GPR would be deleted in each year for the work opportunities pilot program, which was repealed on January 1, 1995.

Several programs currently administered in the Division of Economic Support in H&SS would be transferred to other divisions within H&SS in 1996-97. The current appropriation for general relief (\$9,042,400 GPR) and the proposed emergency medical relief appropriation (\$548,200 GPR) would be moved under the Division of Health Services. Programs relating to child support would be transferred to the Division of Youth Services in H&SS, including \$6,775,700 GPR, \$58,046,400 FED and \$74,897,100 PR and 75.13 FTE positions (9.63 GPR, 49.35 FED and 16.15 PR). Finally, \$12,494,700 FED and \$1,096,100 GPR and 13.62 FTE positions (9.75 FED and 3.37 GPR and 0.50 PR) would be transferred to the Division of Community Services in H&SS.

#### **Transfer of Low-Income Energy Assistance Program to DOA**

Responsibility for the low-income energy assistance program (LIEAP) would be transferred from H&SS to DOA on July 1, 1996. County departments of human/social services would continue to assist in administering the program under the supervision of DOA.

The LIEAP program is funded primarily with a federal block grant and provides heating assistance, energy crisis assistance and weatherization services to low-income households. H&SS currently administers the heating and crisis assistance components of the program, as well as the furnace repair and replacement program. Other weatherization services are administered by the Division of Housing in DOA.

The bill does not specify that the employees transferred from H&SS to DOA would have all the rights and the same status under state employment relations provisions that they had in H&SS immediately before the transfer or that no transferred employee who has attained permanent status in class would be required to serve a probationary period. However, the administration indicates that it is the Governor's intent to include these provisions, which would apply to other employees transferred under the bill.

#### **Transfer of Economic Assistance Programs to DILHR**

Responsibility for the food stamp and AFDC programs (including welfare reform initiatives) would be transferred from H&SS to DILHR on July 1, 1996. In addition, DILHR would assume responsibility for administration of the job opportunities and basic skills (JOBS), AFDC child care, Children First, county income maintenance administration assistance and welfare fraud and error reduction programs.

DILHR would be required to supervise the administration of the economic support programs identified above, and to submit to the federal authorities state plans for the administration of these programs in such form and containing such information as the federal authorities require, and comply with all requirements prescribed to ensure their correctness.

DILHR would enter into annual contracts with County Departments of Human/Social Services for the administration of these economic support programs under the supervision of DILHR and in accordance with rules promulgated by DILHR.

DILHR would also be required to distribute funds to community action agencies for that program if H&SS contracts for this service. If this provision applies, DILHR would have to provide relevant information to the secretary of H&SS for completion of the annual report regarding community action agencies.

The Department of Health and Social Services would retain responsibility for medical assistance; county homes, hospitals and infirmaries; residential care institutions; the state SSI supplement; and the new emergency medical relief program, which would be created on January 1, 1996. H&SS would also be responsible for recovery of general relief overpayments. The number of division administrators in H&SS would be reduced from seven to five.

#### **Nonstatutory Provisions**

On July 1, 1996, all assets and liabilities of H&SS (including tangible personal property and records), and all incumbent employes holding positions in H&SS, that are primarily related to the economic support programs identified above, as determined by the Secretary of DOA, would be transferred to DILHR.

Upon the final determination of the personnel to be transferred to DILHR, the Secretaries of H&SS and DILHR would be required to request the Joint Committee on Finance to transfer moneys between the GPR, PR and FED appropriations for H&SS and DILHR, if necessary to adjust previously allocated costs in accordance with the transfer of personnel. The request would have to be submitted for consideration at the Committee's fourth quarterly meeting for 1995 under section 13.10.

Employes transferred from H&SS to DILHR would have all the rights and the same status under state employment relations provisions that they had in H&SS immediately before the transfer. No transferred employe who has attained permanent status in class would be required to serve a probationary period.

All contracts entered into by H&SS that are in effect on July 1, 1996, and that are primarily related to these programs would remain in effect and be transferred to DILHR. DILHR would be required to carry out any such contractual obligations until modified or rescinded to the extent allowed under the contracts. Also, all rules promulgated, and orders issued, by H&SS that are in effect on July 1, 1996, and that are primarily related to these programs would remain in effect until their specified expiration date or until amended, repealed, modified or rescinded by DILHR.

Any matter pending with H&SS on July 1, 1996, that is primarily related to these programs would be transferred to DILHR. Any materials submitted to or actions taken by H&SS with respect to such a matter would be considered as having been submitted to or taken by DILHR.

The Secretaries of H&SS and DILHR would be required by December 31, 1995, to meet and specify the apportionment of rules and standards between the two Departments with respect to the supervision of employes of county Departments of Human/Social Services and with respect to eligibility requirements for public assistance programs, in order to meet the intent of these provisions.

By April 1, 1996, H&SS would be required to submit for approval by DOA a proposed plan of reorganization for H&SS in order to effect the intent of these provisions. H&SS would be required to revise the plan to conform to any changes that are determined to be necessary by DOA.

#### **Effective Date**

These provisions would take effect on July 1, 1996.

**Joint Finance:** Modify the Governor's recommendation as follows:

- a. Transfer child support and refugee assistance programs and the employment opportunity program from H&SS to DILHR on July 1, 1996. Modify funding and staff in H&SS by \$1,112,400 GPR, -\$50,439,300 FED and -\$73,863,500 PR and -19.16 GPR, -51.72 FED and -6.12 PR positions in 1996-97 to reflect this transfer. These modifications reflect the net effect of the funding adjustments made to these programs by the Joint Finance Committee.
- b. Clarify that the same transfer provision established for the transfer of economic support programs from H&SS to DILHR would apply to the transfer of the LIEAP program from H&SS to DOA.
- c. Require the Secretary of DOA to submit the proposed reorganization plans for H&SS and DILHR for consideration by the Joint Committee on Finance after they have been reviewed by the Secretary, no later than May 1, 1996. Permit the Secretary to proceed with the proposals if, within 14 working days of the plans' submittal, the Committee does not schedule a meeting to review the plans. If the Committee does schedule a meeting to take place by June, 1996, to review the proposals, the Secretary could proceed with the plan after incorporating any changes made by the Committee.
- d. Clarify current statutory references relating to certification of delinquent child support payments.

**Assembly:** Transfer child support enforcement programs from H&SS to DOR, rather than DILHR, on July 1, 1996, along with \$3,878,200 GPR, \$73,613,600 PR and \$45,927,900 FED and 19.16 GPR, 6.12 PR and 46.72 FED positions.

**Senate/Legislature:** Retain child support enforcement programs in H&SS, along with \$3,878,200 GPR, \$73,613,600 PR and \$45,927,900 FED and 19.16 GPR, 6.12 PR and 46.72 FED positions.

**Veto by Governor [D-9]:** Delete the provisions requiring the Secretary of DOA to submit the reorganization plans for H&SS and DILHR for review by the Joint Committee on Finance. Also, decrease the amount transferred from H&SS to DILHR in 1996-97 by \$250,000 GPR to reflect the elimination of funding for the New Hope project in that year.

[Act 27 Sections: 16, 45, 47, 285, 286, 806, 814, 818, 835 thru 840, 841 thru 843r, 846, 847b, 849, 850, 852, 854, 855, 859 thru 865, 867, 870 thru 876, 878, 880 thru 888, 890, 931, 938, 946, 999 thru 1008, 1088, 1093, 1812, 2022, 2030, 2032, 2033, 2034, 2035, 2036, 2037, 2040, 2041, 2043 thru 2045, 2047 thru 2049, 2051, 2055, 2056 thru 2058, 2061, 2062, 2063, 2065, 2067 thru 2071, 2072, 2074, 2075, 2076 thru 2083, 2085, 2086, 2087 thru 2093, 2095, 2096, 2101, 2102, 2103, 2105, 2106, 2107 thru 2111, 2113 thru 2118, 2119 thru 2121, 2122, 2123, 2124 thru 2128m, 2134q, 2135 thru 2143, 2146, 2149, 2150, 2153 thru 2158b, 2160b, 2218, 2220, 2224, 2228, 2236, 2240, 2244, 2263, 2272, 2276c thru 2276e, 2278, 2288, 2297, 2319, 2320, 2323, 2324, 2327 thru 2330, 2336, 2377, 2427, 2428, 2577 thru 2579, 2636 thru 2645, 2648 thru 2650, 2654 thru 2656, 2659 thru 2661, 2662 thru 2664, 2666, 2682, 2692, 2694, 2716, 2752, 2753, 2768m, 2769 thru 2772, 2774, 2775, 2778 thru 2783, 2785 thru 2787, 2791, 2792, 2794, 2798 thru 2800, 2802, 2804 thru 2825, 2827 thru 2844, 2850, 2851, 2862, 2865b, 2872, 2875, 2881 thru 2894, 2896b, 2898b, 2899, 2906, 2907, 2909 thru 2912, 2915b, 2916 thru 2918, 2922, 2927 thru 2938, 2940 thru 2947, 2951, 2953, 2969, 2971, 2976 thru 2978, 2982, 2983, 2986, 2999, 3001, 3007, 3009, 3010, 3028, 3035 thru 3044, 3045 thru 3061, 3063 thru 3065, 3073, 3075, 3076, 3080 thru 3088, 3090, 3095 thru 3097, 3099, 3101, 3115, 3122, 3124, 3125, 3127 thru 3130, 3132, 3133, 3135 thru 3142, 3144, 3146 thru 3154, 3156, 3157, 3159 thru 3168, 3170 thru 3180, 3182 thru 3192, 3194 thru 3218, 3220, 3232, 3240, 3243, 3247, 3249, 3262, 3263, 3265, 3271, 3277, 3278, 3287, 3373s, 3399e, 3428, 3429, 3661, 3718, 3721, 3723 thru 3725, 3777, 3872, 3939, 3945, 3970m, 4021, 4379, 4391, 4395, 4496, 6251, 6252, 6281, 6282, 6292, 6316, 6322, 6326, 6346, 6369, 6618, 6934 thru 6936, 7007, 7022, 7035, 7036, 7048, 7074, 7098c, 7098e, 7100, 7101, 7102, 7104tm, 7106, 7108, 7108c, 7109, 7115, 7116, 7126, 7142, 7186, 7225, 7241, 7291, 9126 (15)(a) thru (g), 9126(16), 9126(27i) and 9426(14) and (30gbz)]

[Act 27 Vetoed Sections: 9126(16) and 9130(7)]

## **27. ALCOHOL AND DRUG ABUSE PROGRAMS FOR JOBS PARTICIPANTS**

**Joint Finance/Legislature:** Include treatment for alcohol and other drug abuse as a component of the state JOBS program and permit the Department to use JOBS funds for these services. Direct the Department to seek a waiver from the federal government to allow the Department to require participation in AODA prevention or treatment programs to fulfill JOBS requirements and to sanction individuals who are assigned to AODA counseling or treatment as part of their employability plans, but who fail, without good cause, to participate in the counseling or treatment.

**Veto by Governor [D-11]:** Delete provision.

[Act 27 Vetoed Sections: 2879g and 2879m]

## Child Support

### 1. AFDC CHILD SUPPORT COLLECTIONS REESTIMATE [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
FED	-\$1,000,000	\$0	-\$1,000,000
PR	<u>5,071,600</u>	<u>2,597,000</u>	<u>7,668,600</u>
Total	\$4,071,600	\$2,597,000	\$6,668,600

**Governor:** Provide \$503,300 PR and a reduction of \$500,000 FED in 1995-96 and \$4,568,300 PR and a decrease of \$500,000 FED in 1996-97 to reflect a reestimate of child support collections made on behalf of AFDC recipients.

Recipients of AFDC are required to assign court-ordered child or maintenance support payments from the absent parent to the state. The AFDC family is allowed to keep the first \$50 of child support collected each month. The remainder is used to offset the federal and state costs of providing AFDC benefits. A portion of the state share is also used for paternity establishment incentive payments and assistance to local child support agencies. The federal share is also used to provide incentive payments to the state.

Estimates of child support collections for the 1995-97 biennium include adjustments to the base level to reflect: (a) lower than expected collections in the 1993-95 biennium; (b) an expected increase in collections of 3% in 1995-96 and 6% in 1996-97 as a result of implementing the KIDS statewide computer system; and (c) a decrease of federal child support incentives due to inclusion of KIDS development costs in the federal cost effectiveness ratio used to determine child support incentive payments.

**Joint Finance/Legislature:** Provide \$1,260,500 PR in 1995-96 and \$1,336,500 PR in 1996-97 to reflect a higher estimate of AFDC child support collections.

### 2. KIDS COMPUTER SYSTEM OPERATION [LFB Paper 475]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$8,554,600	-\$12,327,000	-\$3,772,400
FED	7,671,900	- 21,470,300	- 13,798,400
PR	<u>1,000,000</u>	<u>- 1,000,000</u>	<u>0</u>
Total	\$17,226,500	-\$34,797,300	-\$17,570,800



**Governor:** Provide \$4,607,100 GPR, \$500,000 PR and \$7,874,400 FED in 1995-96 and \$3,947,500 GPR, \$500,000 PR and a decrease of \$202,500 FED in 1996-97 for implementation and operation of the Kids Information Data System (KIDS), an automated statewide system for child support enforcement. Under federal law, every state must have a certified statewide automated child support system in place by October 1, 1995. The KIDS system will replace the current automated child support system, Child Support Data System (CSDS), which does not meet the federal requirements. Since January, 1993, the Department has contracted with Integrated Systems Solutions Corporation (ISSC) to develop the KIDS system in Wisconsin.

Federal funding for the development and conversion of automated child support systems is available at a 90/10 federal/state match until October, 1995. State operation of the system is funded at a 66/34 federal state match. The base funding level for the project is \$4,730,900 GPR and \$14,137,000 FED.

The recommendation is divided into two components: (a) supplies and services for the combined CSDS and KIDS projects; and (b) the information systems plan, which will maintain linkages among the CSDS, KIDS and Client Assistance for Reemployment and Economic Support (CARES) systems and the Dottie Moore program. The supplies and services recommendation includes funding for vendor payments, change orders, systems management during the transition period, centralized printing and mailing of forms and notices and lower federal incentive payments.

The information systems plan recommendation includes funding in the Bureau of Information Systems (BIS) for development staff; space, equipment, training and other supplies and services; capital equipment for county agencies; and other BIS costs including local area network services and maintenance of the system. In addition, funding would be provided for InfoTech charges for mainframe services, connection to the statewide consolidated data network and operating the electronic mail system. The administration indicates that the GPR funding for BIS costs would be placed in unallotted reserve and could be used to provide these services through a contract with a private vendor, with state staff or some combination of state and private resources. The following table outlines the Governor's 1995-97 recommendation for the KIDS computer system.

	1995-96			1996-97		
	<u>GPR</u>	<u>PR</u>	<u>FED</u>	<u>GPR</u>	<u>PR</u>	<u>FED</u>
<b>Supplies and Services</b>						
Vendor Payments	\$918,200	\$0	\$8,263,500	\$0	\$0	\$0
Change Orders	340,000	0	660,000	340,000	0	660,000
General Supplies and Services	853,900	0	1,426,300	853,900	0	1,269,200
Transitional Systems Management	680,000	0	1,320,000	850,000	0	1,650,000
Centralized Mailings	1,186,800	0	2,303,800	1,186,800	0	2,303,800
Transitional Staff	0	0	0	0	0	0
Loss of Incentive Payments	0	500,000	0	0	500,000	0
Subtotal--Supplies and Services	\$3,978,900	\$500,000	\$13,973,600	\$3,230,700	\$500,000	\$5,883,000
Less Base Funding Level	<u>1,572,300</u>	<u>0</u>	<u>7,622,500</u>	<u>1,572,300</u>	<u>0</u>	<u>7,622,500</u>
Net Supplies and Services	\$2,406,600	\$500,000	\$6,351,100	\$1,658,400	\$500,000	-\$1,739,500
<b>Information System Plan</b>						
BIS Costs	\$1,929,700	\$0	\$3,002,800	\$1,936,900	\$0	\$2,862,200
InfoTech Charges	<u>3,429,400</u>	<u>0</u>	<u>5,035,000</u>	<u>3,510,800</u>	<u>0</u>	<u>5,189,300</u>
Subtotal--Information System Plan	\$5,359,100	\$0	\$8,037,800	\$5,447,700	\$0	\$8,051,500
Less Base Funding Level	<u>3,158,600</u>	<u>0</u>	<u>6,514,500</u>	<u>3,158,600</u>	<u>0</u>	<u>6,514,500</u>
Net Information Systems	\$2,200,500	\$0	\$1,523,300	\$2,289,100	\$0	\$1,537,000
<b>NET</b>	\$4,607,100	\$500,000	\$7,874,400	\$3,947,500	\$500,000	-\$202,500

**Joint Finance/Legislature:** Modify the Governor's recommendation to: (a) decrease funding for general supplies and services by \$58,300 GPR and \$113,200 FED annually to adjust for unnecessary funding recommended for centralized mailing; (b) increase funding by \$33,300 GPR and \$64,500 FED in 1995-96 and \$37,600 GPR and \$72,900 FED in 1996-97 to account for higher charges by InfoTech for electronic mail services; (c) convert \$500,000 of annual funding for reduced federal child support collection incentives from program revenue to GPR; and (d) place \$5,759,200 GPR in 1995-96 and \$7,522,100 GPR in 1996-97 in the Joint Committee on Finance's program supplements appropriation until bids are received by private vendors for ongoing maintenance of the KIDS system. In addition, delete \$9,303,100 FED in 1995-96 and \$12,078,200 FED in 1996-97 of associated KIDS federal funding. At that time, direct the Department to submit its request for KIDS funding to the Committee under section 13.10 of the statutes. These funding amounts include transitional systems management, centralized mailings, BIS costs and InfoTech charges, as adjusted for the higher electronic mail charges.

3. **PATERNITY ESTABLISHMENT PROGRAMS** [LFB Paper 476]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$782,200	\$28,200	- \$754,000
PR	<u>962,200</u>	<u>- 962,200</u>	<u>0</u>
Total	\$180,000	- \$934,000	- \$754,000

**Governor:** Delete \$391,100 GPR and provide \$436,100 PR in 1995-96 and delete \$391,100 GPR and provide \$526,100 PR in 1996-97 for paternity establishment programs. The state funding for these programs would be program revenue from child support collections that are assigned to the state under the AFDC program. This revenue source would replace general purpose revenue for certain programs that are currently funded with GPR. Under current law, this program revenue would, instead, be used to offset the GPR cost of AFDC benefits.

*Teen Paternity Incentives.* Provide \$422,000 PR in 1995-96 and \$512,000 PR in 1996-97 for teen paternity incentive payments. Also, delete base funding of \$377,000 GPR in each year. The teen paternity incentive pays child support agencies for establishing paternities in cases involving teen mothers if paternity is established before the child's first birthday. The incentive payment is \$300 in counties participating in the PFR pilot (Juneau, Milwaukee, Oneida and Rock) and \$100 in all other counties. Currently, the incentives are paid with state GPR.

*Hospital-Based Paternity Acknowledgement Program.* Eliminate base funding of \$14,100 GPR and \$27,400 FED annually for the hospital-based paternity establishment program. This program is currently operated on a pilot basis in three hospitals and pays \$20 for each paternity acknowledgement form correctly filled out and filed with the Center for Health Statistics. The Governor's recommendation would require all hospitals to ensure that trained, designated hospital staff provide oral information to the child's available parents about the paternity acknowledgement form and the legal significance and benefits of establishing paternity, but would eliminate the \$20 payment.

*Outreach.* Provide \$14,100 PR and \$27,400 FED annually to establish an outreach program to inform parents about the responsibilities of parenting, paternity establishment and the opportunity to file a paternity acknowledgement.

**Joint Finance/Legislature:** Eliminate the teen paternity establishment incentive program with \$422,000 PR in 1995-96 and \$512,000 PR in 1996-97 and fund the hospital-based outreach program with \$14,100 GPR rather than program revenue in each year.

**Veto by Governor [D-10]:** Modify the county child support administration appropriation to specify that funds would be used for assistance to all counties (rather than only work-not-welfare and PFR pilot counties) in establishing paternity and obtaining child support. In addition, the Governor's veto message indicates that the \$500,000 of annual funding intended to replace federal collection incentives (summarized in Child Support, Item # 2, Kids Computer System Operation) should be reallocated to continue the teen

paternity establishment program to the greatest extent possible. However, the Governor's veto does not restore the statutory language relating to the teen paternity incentive program.

[Act 27 Section: 2130m]

[Act 27 Vetoed Section: 868]

**4. CHILDREN FIRST EXPANSION [LFB Paper 466]**

	Chg. to Base
GPR	\$50,000
FED	<u>50,000</u>
Total	\$100,000

**Governor/Legislature:** Provide \$15,000 GPR and \$15,000 FED in 1995-96 and \$35,000 GPR and \$35,000 FED in 1996-97 for expansion of the children first program, beginning in calendar year 1996. In addition, authorize judges to order participation in children first in another county if the county where the obligor lives has a children first program and that county agrees to enroll the obligor. This provision would first apply to actions and proceedings commenced after the effective date of the budget act. Under current law, a judge may order participation in children first only if the county where the court action occurs has a children first program and the obligor lives in that county.

Children first provides job training and work experience to non-custodial parents who fail to pay child support or to meet their children's need for support as a result of unemployment or underemployment. The program is administered by counties under contract with H&SS, and is currently operating in 23 counties (Burnett, Dane, Dunn, Florence, Fond du Lac, Grant, Kenosha, Kewaunee, Langlade, Manitowoc, Marinette, Marquette, Oconto, Outagamie, Price, Racine, Rusk, Sawyer, Shawano, Vilas, Washington, Waukesha and Waupaca).

The base funding level is \$171,200 GPR and \$171,200 FED, which allows 1,712 total placements in the program, based on the \$200 statutory reimbursement rate. The recommended funding would provide 150 new placements in 1995-96 and 350 new placements in 1996-97. The Department would determine whether the additional placements would occur in counties currently participating in the program or whether new counties would be added.

[Act 27 Sections: 7105, 7107 and 9326(7)]

5. CHILD SUPPORT AGENCY FUNDING [LFB Paper 477]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$293,200	\$2,692,100	\$2,398,900
FED	- 334,900	0	- 334,900
PR	<u>120,700</u>	<u>- 2,174,100</u>	<u>- 2,053,400</u>
Total	- \$507,400	\$518,000	\$10,600

**Governor:** Delete \$146,600 GPR and \$155,900 FED and provide \$66,300 PR in 1995-96 and delete \$146,600 GPR and \$179,000 FED and provide \$54,400 PR in 1996-97 for local child support programs. The state funding for these programs would be program revenue from child support collections that are assigned to the state under the AFDC program. This revenue source would replace general purpose revenue for certain programs that are currently funded with GPR. Under current law, this program revenue would, instead, be used to reduce GPR costs of AFDC benefits. Federal funding is generally available at a 66/34 federal/state match rate.

The Governor's recommendation would modify the Department's appropriation of \$146,600 GPR that is used for specialized local assistance payments to county child support agencies. The GPR base funding would be eliminated and partially replaced with state program revenue. Specifically, the following modifications would be made to the programs that are funded with the specialized local assistance appropriation:

*Dottie Moore Litigation.* Funding of \$92,200 GPR and \$179,000 FED would be deleted annually for one-time payments for temporary local workloads associated with retroactive payments of child support resulting from the Dottie Moore litigation.

*Conversion of Base Level Funding.* Funding of \$54,400 PR would be provided annually to cover the remaining state base level GPR appropriation, which includes \$11,900 PR for the work-not-welfare program and \$42,500 PR for the parental and family responsibility pilot program.

*Work-Not-Welfare.* Additional funding of \$11,900 PR and \$23,100 FED would be provided in 1995-96 to fully fund child support administration under the work-not-welfare program, which began on January 1, 1995.

**Joint Finance/Legislature:** Fund child support administration under the work-not-welfare program and the parental and family responsibility pilot program with \$66,300 GPR in 1995-96 and \$54,400 GPR in 1996-97 rather than with program revenue. Also, convert funding for the child support order revision program (\$1,026,700 annually) from program revenue to GPR. Finally, provide \$259,000 GPR annually for state child support collection incentives.

6. BUREAU OF CHILD SUPPORT REORGANIZATION [LFB Paper 477]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$961,600	- 11.22	\$910,900	13.26	-\$50,700	2.04
FED	- 686,400	- 8.04	0	0.00	- 686,400	- 8.04
PR	<u>910,900</u>	<u>13.26</u>	<u>- 910,900</u>	<u>- 13.26</u>	<u>0</u>	<u>0.00</u>
Total	-\$737,100	- 6.00	\$0	0.00	-\$737,100	- 6.00

**Governor:** Delete \$412,900 GPR and \$293,700 FED and provide \$398,100 PR in 1995-96 and delete \$548,700 GPR and \$392,700 FED and provide \$512,800 PR in 1996-97 to reorganize the Bureau of Child Support (BCS) within the Division of Economic Support. The reorganization would convert the Bureau's current GPR funding to program revenue from child support collections assigned to the state by AFDC recipients. Under current law, these PR funds would, instead, be used to reduce GPR costs of AFDC benefits.

In addition, the reorganization would: (a) eliminate 2.0 program assistants, 2.0 administrative assistants and 1.0 program planning analyst from the KIDS project and 1.0 administrative assistant from BCS; (b) convert the FED funding splits for 11.0 positions that are currently funded with enhanced federal funding (90/10) for the KIDS project to regular child support funding splits (66/34); and (c) reallocate 10.5 FTE positions currently working on the KIDS project to other functions in BCS.

**Joint Finance/Legislature:** Fund BCS operations with \$398,100 GPR in 1995-96 and \$512,800 GPR in 1996-97 rather than with program revenue.

7. CHILD SUPPORT STATE OPERATIONS APPROPRIATION [LFB Paper 477]

**Governor:** Authorize H&SS to contract with or employ: (a) collection agencies or other persons to enforce a delinquent child support obligation of a parent who resides in Wisconsin; and (b) attorneys to appear in an action in state court to enforce such an obligation. Currently, private collection agencies and attorneys may be used only if the obligor resides outside this state. As under current law for interstate cases, the Department could charge a fee to counties for expenditures relating to in-state cases, retain up to 50% of any federal incentive payment for in-state collections and retain up to 30% of the state's share of in-state collections under this provision on behalf of AFDC recipients.

Modify the current PR appropriation for state child support operations from a continuing appropriation authorizing the expenditure of all fees received to, instead, be an annual appropriation. In addition, specify that monies received for the support of dependent children assigned to the state under the AFDC program would be deposited in this appropriation to the extent that designated fees and other collections were less than the appropriation amount. Under current law, the child support state operations appropriation is funded with fees charged by the Department for services related to interstate child support collections, the federal parent locator service, the interception of unemployment compensation and state

and federal income tax withholding. These revenues may be used only for these specified activities. The state share of AFDC child support collections is currently deposited in a separate program revenue appropriation and used for county child support order revision programs and to offset GPR costs of AFDC benefits.

**Joint Finance/Legislature:** Delete the provision specifying that monies received for the support of dependent children assigned to the state under the AFDC program would be deposited in this appropriation to the extent that designated fees and other collections were less than the appropriation amount. With this modification, as under current law, this appropriation would be funded only with fees charged for services related to child support collections, the federal parent locator service, the interception of unemployment compensation and state and federal income tax withholding. These revenues could be used only for these specified activities.

[Act 27 Sections: 866, 871b and 2129]

**8. CONSOLIDATE CHILD SUPPORT APPROPRIATIONS [LFB Paper 477]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR-Lapse	\$312,700	-\$312,700	\$0
GPR-REV	\$0	\$312,700	\$312,700

**Governor:** Consolidate the following appropriations for child support enforcement into one annual PR appropriation.

a. The annual GPR appropriation for state payments to counties for establishing paternity.

b. The annual GPR appropriation for county child support assistance, which provides funding for: (1) counties in the parental and family responsibility (PFR) and work-not-welfare pilot programs for establishing paternity and obtaining child support; (2) an additional family court commissioner in Milwaukee County under the PFR pilot; and (3) all counties for administrative costs of making retroactive child support payments.

c. The annual PR appropriation for the child support order revision programs.

Require DOA to review the balance in this appropriation account at the end of each fiscal year and provide that the Secretary of DOA could lapse unencumbered monies to the general fund. In addition, delete the requirement that H&SS must provide funds to counties for their administrative costs of making retroactive child support payments resulting from the Dottie Moore litigation. Specify that \$312,700 would lapse to the general fund from the current PR appropriation for the child support order revision programs on the effective date of the budget act.

With the recommended appropriation structure, all of these activities would be funded with program revenue from child support collections that have been assigned to the state by AFDC recipients. Under current law, this program revenue would, instead, be used to reduce GPR costs of AFDC benefits. The fiscal effect of consolidating these appropriations is reflected in separate entries relating to paternity establishment programs and child support agency funding.

**Joint Finance/Legislature:** Consolidate the current appropriations for child support enforcement into two annual, GPR appropriations:

a. County administration, including the order revision program, funding for reduced federal incentive payments resulting from costs of the KIDS computer system, state child support collection incentives, assistance to the PFR and work-not-welfare counties and the additional family court commissioner in Milwaukee County under the PFR pilot.

b. State administration, including operations of the Bureau of Child Support and the hospital-based paternity establishment outreach program.

With this modification, all of these activities would be funded with state GPR rather than program revenue from child support collections assigned to the state by AFDC recipients. As under current law, the program revenue would, instead, be used to offset the GPR costs of AFDC benefits. The fiscal effect of consolidating these appropriations is reflected in separate entries relating to paternity establishment programs and child support agency funding.

In addition, specify that \$312,700 would lapse to the general fund on the effective date of the bill from the PR appropriation for the order revision program, but treat this funding as GPR-Earned rather than as a GPR-lapse.

[Act 27 Sections: 843m thru 843r, 844, 845, 868, 1154c, 2134, 2157x, 2159, 2895, 2897, 2914 and 9226(1)]

## 9. TEMPORARY ORDERS FOR PHYSICAL PLACEMENT

**Joint Finance/Legislature:** Require a court to enter a temporary order if a party requests it, allocating periods of physical placement with the minor children of the parties to an action affecting the family (except a paternity action) within 30 days of the initiation of the action.

If parties request a temporary order for physical placement, require a court to enter a temporary or final order allocating periods of physical placement with a minor child within 30 days after paternity is established in any of the manners specified under the family code. Specify that, if a party requests a temporary order for physical placement in any action affecting the family (including a paternity action), the court or court commissioner would be subject to the 30-day time frame.



Current law authorizes a court or court commissioner during the pendency of any action affecting the family to make just and reasonable temporary orders granting periods of physical placement to a party. This provision would not modify the factors which a court is required to consider under current law in determining physical placement.

[Act 27 Section: 7100h]

## General Relief and Relief to Needy Indian Persons

### 1. GENERAL RELIEF

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$2,953,600	-\$3,803,900	-\$6,757,500

**Governor:** Delete \$1,755,400 in 1995-96 and \$1,198,200 in 1996-97 for partial reimbursements to counties under the general relief (GR) program. The decreased funding reflects an anticipated decline in general relief expenditures in calendar years 1994 and 1995, compared to the 1993 level. Total county GR expenditures are estimated to be \$74,934,300 in 1994 and \$76,169,700 in 1995. State reimbursements, including GPR and FED medical assistance funds, are estimated to be \$32,369,400 in 1995-96 and \$32,926,600 in 1996-97. The base funding level for GR reimbursements is \$34,124,800.

**Joint Finance/Legislature:** Delete additional funding of \$1,331,500 GPR in 1995-96 and \$2,472,400 GPR in 1996-97 for county reimbursements under the GR program. These reductions reflect a reestimate of general relief expenditures of \$70,243,100 in 1994 and \$71,128,400 in 1995. State reimbursements are estimated to be \$30,100,000 (\$16,400,000 GPR and \$13,700,000 FED) in 1995-96 and \$30,200,000 (\$16,100,000 GPR and \$14,100,000 FED) in 1996-97.

### 2. GENERAL RELIEF -- INCREASED CLAIMS FOR MEDICAL ASSISTANCE

	Chg. to Base
GPR	-\$8,400,100

**Governor/Legislature:** Delete \$4,200,000 GPR in 1995-96 and \$4,200,100 GPR in 1996-97 for the general relief program to reflect additional claims of federal funding in the 1995-97 biennium under the medical assistance (MA) program for services provided in Milwaukee County. The Department would use additional MA funds to pay more of Milwaukee County's medical GR costs. This would result in GPR savings because MA is funded with approximately 60% federal revenues while the state share of GR expenditures is funded entirely with general purpose revenues.

With this modification and the GR base reestimate, reimbursements to counties for general relief, including monies provided under MA, would total \$18,084,300 GPR and \$14,285,500 FED in 1995-96 and \$18,642,900 GPR and \$14,283,700 FED in 1996-97, for services provided in calendar years 1994 and 1995. The statutory modifications and medical assistance fiscal effect relating to this provision are reflected under "H&SS -- Medical Assistance."

**3. PROHIBIT GENERAL RELIEF REIMBURSEMENT OF AODA AND MENTAL HEALTH SERVICES**

**Governor/Legislature:** Specify that general relief agencies would not be required to provide services for mental disabilities, including mental illness, developmental disabilities, alcoholism or drug abuse, and prohibit the state from reimbursing general relief agencies for such expenses. These provisions would first apply to the costs of these services incurred on the effective date of the budget act. Such services would continue to be provided by counties with community aids funds.

[Act 27 Section: 2704]

**4. RELIEF OF NEEDY INDIAN PERSONS**

	<b>Chg. to Base</b>
GPR	\$150,500

**Governor/Legislature:** Provide \$82,800 in 1995-96 and \$67,700 in 1996-97 for the relief of needy Indian persons (RNIP) program. The base funding level is \$3,497,500 for medical and nonmedical benefits. These increases reflect estimated total program costs of \$3,580,300 in 1995-96 and \$3,565,200 in 1996-97.

**5. ELIMINATE GENERAL RELIEF AND RELIEF OF NEEDY INDIAN PERSONS [LFB Paper 486]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR	-\$5,434,600	\$377,700	-\$5,056,900

**Governor:** Delete \$1,816,600 in 1995-96 and \$3,618,000 in 1996-97 and eliminate the mandatory general relief program and the relief of needy Indian persons (RNIP) program on January 1, 1996, and instead, create an optional emergency medical relief (EMR) program for counties and tribes on that date. In addition, create an optional county cash relief program on January 1, 1996. The state would provide reimbursement to tribes and counties for the EMR program, but not for the optional cash relief program.

These modifications would reduce funding for RNIP benefits and administration by an estimated \$2,090,700 GPR in 1995-96 and \$4,166,200 GPR in 1996-97. Costs of the new EMR program for tribes are estimated to be \$274,100 GPR in 1995-96 and \$548,200 GPR in 1996-97.

State savings from eliminating the general relief program would not be realized until the 1997-98 fiscal year because, under current law, reimbursement for county expenses in 1996 will not be paid until July, 1997. Likewise, state costs of the new county EMR program would not be incurred until 1997-98, because reimbursement would be made to counties in July, 1997, for costs incurred during the 1996 calendar year.

### **General Relief**

General relief is a mandatory public assistance program administered by counties which provides benefits to eligible persons in need of food, housing, clothing, fuel, light, water, medicine, medical and dental services, transportation or funeral arrangements. Persons eligible for general relief must be without currently available resources to provide these necessities. Each county determines, within the context of state law, the eligibility criteria, standards for the type of relief to be furnished, rules regarding job search activities and standards for what qualifies as reasonable care in emergency situations.

*Benefits.* Two types of assistance are provided: nonmedical relief and medical relief. Nonmedical assistance covers such commodities as food, housing and clothing. State law establishes a minimum monthly benefit for dependent persons without income or assets which ranges from \$175 for one person to \$474 for five people; for each person beyond five, \$35 is added. There is no statutorily imposed maximum benefit level. Medical relief covers medical, dental and surgical treatment, hospital care, medicine, nursing and optometrical services. Counties must limit their liability for medical or dental care, including emergency care, to the amount payable under the medical assistance program.

*State Reimbursement.* County agencies receive partial state reimbursement for general relief expenditures. The statewide reimbursement rates are 37.5% for nonmedical assistance, 40% for medical benefits of up to \$10,000 and 70% for medical benefits over \$10,000. Medical benefits provided through a health maintenance organization are reimbursed at a flat rate of 60%. No state reimbursement is directly provided for county administrative expenses for general relief.

*Work Relief and Grant Diversion.* Work relief is an optional program under which a county may require a general relief recipient to work on a project for a public entity or nonprofit corporation authorized by the county. Recipients who do not comply with work relief requirements may have benefits denied or discontinued for up to 30 days for the first infraction or up to 60 days for additional infractions. County agencies also may operate an enhanced work program for recipients, under which the agency must assess the recipient's employability and develop an employability plan for the recipient, and a grant diversion program which allows diversion of part or all of the recipient's cash benefit to the recipient's employer. The county may subsidize up to 50% of the recipient's hourly wage for up to six months.

The bill would eliminate mandatory general relief cash and medical assistance, work relief, enhanced work relief and grant diversion on January 1, 1996.

### **Relief of Needy Indian Persons**

The relief of needy Indian persons program provides medical and nonmedical benefits comparable to general relief to unemployed members of federally-recognized Indian tribes or bands who reside on tax-free reservation land in Wisconsin. Program benefits and allowable administrative costs are fully funded with state GPR through a sum sufficient appropriation. An American Indian (or a non-Indian spouse or child residing in the same household) is eligible for RNIP cash assistance if all of the following conditions apply: (a) the person resides on tax-free land; (b) the person is ineligible to receive the type of aid needed under other programs such as AFDC or SSI; (c) unless exempt, the person participates in a work and training program; and (d) the person meets the financial standards for the AFDC program.

*Benefits.* In determining RNIP cash benefits, H&SS is required to designate two areas of the state based on variations in shelter cost. In Area 1, the monthly benefit ranges from \$216 for family size one to \$817 for family size ten; in Area 2, the range is \$209 to \$792. For each additional family member, \$17 is added to the benefit level for a family of ten. Recipients of RNIP are categorically eligible to receive medical benefits through the medical assistance program. Medical benefits under RNIP are also funded entirely with state revenues.

*Administration.* The RNIP program is administered, under rules promulgated by H&SS, by 10 tribal agencies and 10 counties in the Winnebago Bureau of Indian Affairs Service Area. Allowable administrative costs for the program are determined by rule and are fully reimbursed to the administering agency from the state general fund.

*Work Experience and Grant Diversion.* Administering agencies are required to operate an RNIP work experience program, unless H&SS determines that requiring the agency to operate the program is not cost effective due to the low number of participants. All nonexempt RNIP recipients must participate in the work experience program for a minimum of 15 hours per week or 60 hours per month on the job or in training which may lead to gainful employment. A nonexempt recipient who does not comply with the requirements of the work experience program without good cause is ineligible for RNIP benefits for 60 days. As with general relief, RNIP administering agencies may offer a grant diversion program.

These provisions would be eliminated on January 1, 1996,

### **Emergency Medical Relief Program**

Effective January 1, 1996, the bill would authorize counties and tribes to operate an optional emergency medical relief (EMR) program in place of the current general relief and RNIP programs. The program would provide emergency medical care to dependent persons who are without the presently

available money, income, property or credit, or other means by which it can be presently obtained, sufficient to provide emergency medical care covered by EMR.

As with general relief, the emergency medical relief program would be declared to be the payor of last resort in all cases, except those involving crime victim awards, where a dispute arises over payment of costs associated with emergency medical care to EMR recipients.

*Eligibility.* Except as provided below, a person would be eligible for emergency medical relief if: (a) he or she resides in a county which has elected, or on tax-free land in which a tribe has elected, to operate EMR; and (b) the person qualifies under written criteria for dependency established by the EMR agency in that county or on that tax-free land. For purposes of eligibility, the definitions of "American Indian" and "tax-free land" under the RNIP program would be retained.

No person would be eligible for EMR unless the person has resided in this state for at least 60 consecutive days before applying for relief. This restriction would not apply if the person resides in this state and meets any of the following conditions: (a) the person was born in this state; (b) the person has, in the past, resided in this state for at least 365 consecutive days; (c) the person came to this state to join a close relative who has resided in this state for at least 180 days before the person's arrival; or (d) the person came to this state to accept a bona fide offer of employment and the person was eligible to accept the employment.

In addition, a person would not be eligible for emergency medical relief for a month in which the person has received AFDC or SSI or in which these benefits are immediately available to the person.

The restrictions regarding residency and recipients of AFDC and SSI could be waived by the EMR agency in cases of unusual misfortune or hardship. Each waiver would have to be reported to H&SS, and the Department could deny reimbursement for any case in which a waiver is inappropriately granted. These provisions currently apply to the general relief program.

Emergency medical relief agencies would be allowed to use DOT vehicle registration records in determining eligibility. General relief agencies currently have this authority.

*Benefits.* If a county or tribe elects to provide EMR, the county or tribe would be liable for emergency hospitalization and care if a physician hospitalizes, on an emergency basis, or renders care on that basis to an eligible person when, in the reasonable professional judgement of a physician, the treatment or hospitalization was necessary because severe physical or psychological damage would result if the treatment or hospitalization was withheld. H&SS would be required to promulgate rules establishing standards to be used by physicians in making this judgement, and would have to have these rules in proposed form to Legislative Council staff by October 1, 1995. However, counties and tribes would have to limit their liability for EMR to the amount payable under the medical assistance program.

An EMR agency could require a recipient to authorize any program or resource for which he or she is eligible to reimburse the agency for emergency medical services if the program or resource permits

retroactive reimbursement for the period when the services were provided. Also, counties and tribes would not be liable for emergency care or hospitalization if the hospital provides these services to the person as uncompensated services required under the federal Hill-Burton Act.

The bill would specify that eligible dependent persons would not be liable for emergency medical care charges that are not covered by the emergency medical relief program. In addition, persons who have been found ineligible for MA because of divestment provisions would also be ineligible for EMR.

All of these provisions currently apply to medical care under the general relief program.

The bill would delete the current requirement that H&SS must establish maximum rates for general relief hospital care equal to the interim rates payable on December 31, 1986, as adjusted to reflect inflationary increases provided under the medical assistance program.

*State Reimbursement.* Tribes would be reimbursed by the state for 100% of the benefits provided under the EMR program, but would no longer be reimbursed for their administrative expenses. Counties would receive partial reimbursement for EMR benefits under the same schedule that currently applies for medical care provided under the general relief program.

If a county operates a comprehensive medical relief program in addition to an emergency medical relief program and if the county enrolls participants in these programs in a prepaid health care system with a uniform fee per person, the state would reimburse the county for up to 60% of the portion of medical care costs that are attributable to emergency care if certain requirements are met.

In order to receive reimbursement, counties and tribes would have to develop and file with H&SS before October 1 of each year an EMR cost containment plan for the following calendar year. The plan would have to include provisions to limit the inappropriate use of emergency room care and control payments to providers. The Department would be required to approve or disapprove the plan within a reasonable period of time after it is filed. This requirement is provided currently for the general relief program, except the plan may also include provisions regarding case management services.

Counties and tribes would also be required to provide information to H&SS relating to emergency medical relief costs. The Department could deny reimbursement if the county or tribe fails to comply with the statutes or rules relating to EMR. These provisions currently apply to general relief.

State reimbursement to tribes for eligible emergency medical relief costs would be provided through a sum sufficient GPR appropriation. Counties would be reimbursed through an annual GPR appropriation. County reimbursements would be pro-rated if the amount appropriated is insufficient to provide full reimbursement.

As under current law, county claims for state reimbursement for a calendar year would have to be filed with H&SS by March 1 of the following year. The Department would be required to reimburse

counties: (a) on or before the July 31 immediately following the March 1 claims filing date; or (b) 30 days after the effective date of the act which establishes funding for the EMR appropriation, whichever is later.

The Department would establish, by rule, filing requirements for reimbursements to tribes, after consulting with all elected tribal governing bodies in this state. H&SS would also be required to establish a uniform reporting system for use by counties and tribes to provide the Department with case and fiscal data relating to EMR.

*Administration.* Counties and tribes which elect to provide emergency medical relief would be required to establish or designate an EMR agency to administer the program. The administering agency would be a county department of human/social services, a tribal governing body or an agency administering emergency medical relief under contract with the county or tribe. Such agencies would be required to establish written criteria to be used to determine dependency, and to review these criteria at least annually. The Department could promulgate rules establishing minimum requirements for the criteria under this provision.

H&SS would be required to promulgate rules regarding the following administrative procedures for the emergency medical relief program. The rules would have to be submitted in proposed form to the Legislative Council staff no later than October 1, 1995.

a. Procedures that counties, tribes and hospitals providing EMR must follow in making eligibility determinations.

b. Procedures that counties and tribes must follow to obtain partial state reimbursement for EMR expenses and procedures for determining the portion of medical costs that are attributable to emergency care.

c. Procedures for appealing eligibility determinations for EMR, which include provision for notice, fair hearing and review. Under current law for general relief, these provisions are specified in the statutes.

If the county or tribe receives state reimbursement, all county and tribal records relating to the new emergency medical relief program would be open to inspection by H&SS, and the Department would be authorized to audit county and tribal records relating to emergency medical relief. These provisions currently apply to general relief.

As under the current general relief program, EMR administrative authorities would be required to notify county law enforcement officials whenever the administering authority has reason to believe that a recipient is engaging in criminal conduct.

## **Optional County General Relief Program**

The bill would permit county boards to operate a program of relief to dependent persons residing in a county. The program could provide dependent persons with such services, commodities or money as the county determines to be reasonable and necessary under the circumstances, and could include work components. The county could enact any ordinances necessary or useful to the operation of a relief program under this provision. Counties would be allowed to use vehicle registration information from DOT in determining eligibility for such relief programs. State reimbursement would not be provided.

## **Miscellaneous Provisions**

The bill would delete the current requirement that general relief agencies must assist eligible dependent persons to regain self-support through every proper means at their disposal and must provide services and counsel to persons likely to become dependent as may prevent such dependency.

The bill would repeal the current provision which allows law enforcement officers to review general relief information to determine if a warrant has been issued for a recipient's arrest and the requirement that agencies must provide specific information regarding recipients to law enforcement officers.

The bill would delete the current provision which allows a limited number of general relief recipients to participate in county JOBS programs.

The bill would repeal provisions relating to tribal economic development projects which are funded from the appropriation for RNIP administrative costs.

For purposes of the homestead tax relief credit, cash benefits paid by counties under the optional general relief program would be included as income, and annual property taxes would be reduced by one-twelfth for each month that a person receives at least \$400 in cash benefits paid by counties. This provision applies to cash benefits paid under the current general relief program.

## **Effective Date**

These provisions would take effect on January 1, 1996.

**Joint Finance/Legislature:** Delete the Governor's recommendation, and, instead, establish a relief block grant program. Require H&SS to adopt rules regarding the use of relief block grants, which would have to include: (a) procedures that relief agencies would use in determining eligibility and appealing such a determination; (b) procedures that relief agencies would follow to obtain relief block grants; and (c) standards for any waiver of eligibility requirements.



## Medical Relief Block Grant in Milwaukee County

Beginning in calendar year 1996, create a medical relief block grant (MRBG) program to provide services to indigent Wisconsin residents in counties with a population of 500,000 or greater (Milwaukee County). Permit the county to participate in the program if: (a) the County Board of Supervisors adopts a resolution to apply for the grant; (b) the county establishes written criteria to be used to determine dependency and reviews these written criteria at least annually; and (c) the county submits a plan for the provision of health care services to H&SS.

Require the plan to include a description of all of the following: (a) how eligibility for health care services will be determined and how eligibility determinations would be appealed, which are consistent with rules promulgated by H&SS; (b) how it would be determined which health care services are needed by a dependent person; and (c) what cost containment mechanisms will be used, including what limitations will be placed on the inappropriate use of emergency room care and what limitations will be placed on payments to providers. Require H&SS to approve or disapprove the plan within a reasonable time period after its submittal.

Repeal the current requirement that any hospital or sanatorium operated by Milwaukee County must be devoted to hospital service and the treatment of persons who would otherwise be unable to secure those services and treatment.

*Use of Block Grant Funds.* Specify that funds from the block grant could only be used for the purpose of providing health care services to indigent persons who reside in that county. Define "health care services" as such emergency and nonemergency medical, surgical, dental, hospital, nursing and optometric services which are reasonable and necessary under the circumstances, as determined by the county. Exclude certain services counties provide for the program needs of persons with mental disabilities, including mental illness, developmental disabilities, alcoholism or drug abuse, from being supported by the MRBG.

Provide that, in order to be eligible for these services, an individual would have to: (a) meet the written criteria for dependency established by the county; and (b) authorize any program or resource for which he or she is determined to be eligible to reimburse the county for health care services provided to the individual, if the program or resource permits reimbursement for the services provided. Apply the current restrictions regarding eligibility of new arrivals to the state and recipients of other types of public assistance. Specify that the eligibility standards could be waived in cases of unusual misfortune or hardship.

Specify that funds under a county medical relief program could only be used to cover the costs of care furnished to county residents, except that the county could waive the residency requirement for individuals receiving health care services through a trauma center that meets the criteria for classification as a Level 1 Trauma Center. If the residency requirement is waived, permit the county to seek reimbursement from the individual's county of residence, if that county operates a medical relief program funded with a state block grant.

*Administration of the MRBG.* Allow Milwaukee County to use block grant funds to provide health care services directly, or by contracting with private health care providers, or a combination of providing care directly and contracting for such services. If the county chooses to contract with a private provider, require all of the following conditions to be met:

a. The county enters into a contract with the private health care provider to provide specified health care services;

b. The contract provides that all records of the provider relating to the administration and provision of the health care services shall be open to inspection by authorized representatives of the county and H&SS;

c. The contract requires that all medical assistance supplemental hospital payments made for hospitals serving low-income patients be used to offset the county's liability for the costs of services provided under the contract;

d. The contract limits the payment for services under the contract to the amount payable by MA for care for which an MA rate exists;

e. The contract does not provide for hospitalization or care provided as uncompensated services required under the Hill-Burton program; and

f. The contract prohibits the health care provider from holding an individual recipient of health care services funded under the MRBG liable for the difference between the costs of the health care services and the amount paid to the health care provider by the county for services.

*Amount of the MRBG.* For calendar year 1996, provide a maximum county block grant of \$17.6 million (\$7.1 million GPR and \$10.5 million FED) including monies available to hospitals for this care under the medical assistance program. For 1997 and thereafter, provide a maximum block grant of \$16.6 million (\$6.7 million GPR and \$9.9 million FED). Require the county to provide at least 55% county matching funds in order to receive the full grant (55% county/45% state and federal). If the County provides less funding, reduce the block grant by a corresponding amount and specify that H&SS could exclude any county spending under an eligibility waiver determined to be inappropriate in calculating the grant amount. Provide that the MRBG would use the current general relief reporting and payment procedure.

*Supplemental MA Payments to Private Hospitals.* Modify current provisions relating to supplemental MA payments to hospitals by: (a) deleting the requirement that the supplemental payment be made to a county hospital; and (b) authorizing H&SS to make supplemental MA payments to hospitals that enter into a contract with Milwaukee County to provide health care funded with a medical relief block grant. If no hospital enters into a contract or if the allocation of funds to such hospitals would exceed any federal limitation on MA payments to hospitals, authorize H&SS to distribute these supplemental funds to

hospitals that have not entered into a contract with the county for the provision of services under the program.

*Exemption from Hospital Bed Moratorium.* Modify the bill to exempt, from the current statutory moratoria on the construction or establishment of hospital beds and psychiatric or chemical dependency beds, the transfer of beds from a public general medical surgical hospital owned and operated by Milwaukee County to a private hospital or specialty hospital, as long as the transfer would not increase the total number of beds in the affected hospitals.

*Audit of the Medical Relief Block Grant Program.* Request the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to conduct a financial and performance evaluation of the MRBG program, if a grant is awarded for calendar year 1996. Require the Audit Bureau to file its report by December 31, 1997, and to consider the following in its evaluation:

- a. The degree to which the county provides a range of health care services under the block grant program, including primary, secondary and tertiary care, and emergency care in community hospitals and at any trauma centers that meet the criteria established by the American College of Surgeons for classification as a Level 1 Trauma Center;
- b. The adequacy of reimbursement to health care providers under the MRBG program.
- c. The degree to which the block grant program is successful in improving the geographic accessibility of primary care, including the availability of care provided in community-based clinics.
- d. The degree to which the program encourages health care providers to contribute uncompensated care, or care at compensation levels below normal charges, to the patient population served by the block grant program.
- e. The effect of the program on medical education and residency training programs offered by the Medical College of Wisconsin, and the effect of possible future changes under consideration by the county to the delivery of services under the MRBG program.

### **Medical and Nonmedical Relief Block Grants in Other Counties**

Beginning in calendar year 1996, provide \$2 million GPR annually for block grants to the other 71 counties for optional general relief medical services and nonmedical benefits. Permit the block grant funds to be used to provide dependent persons with such services (including health care services as defined above and work components), cash benefits or other nonmedical assistance. Specify that a county may not establish a nonmedical assistance program unless it has also established a medical relief program.

Allocate the funds to counties based on each county's share of total general relief reimbursements for costs incurred in calendar year 1994. Require counties to provide at least 60% matching funds for

nonmedical benefits (60% county/40% state) and at least 50% matching funds for medical benefits (50% county/50% state). Eliminate the current statutory requirements specifying the types and amounts of general relief benefits that must be provided by counties. Specify that the current general relief reporting and payment procedure would be used.

Permit counties to participate in the program if: (a) the County Board of Supervisors adopts a resolution to apply for the grant; (b) the county establishes written criteria to be used to determine dependency and reviews these written criteria at least annually; and (c) the county submits a plan for the provision of health care services and, if applicable, nonmedical benefits to H&SS.

Require the plan to include a description of all of the following: (a) how eligibility for health care services and nonmedical benefits will be determined and how eligibility determinations would be appealed, which are consistent with rules promulgated by H&SS; (b) how it would be determined which health care services and nonmedical benefits, if any, are needed by a dependent person; and (c) what cost containment mechanisms will be used for medical services, including what limitations will be placed on the inappropriate use of emergency room care and what limitations will be placed on payments to providers. Require H&SS to approve or disapprove the plan within a reasonable time period after its submittal.

Provide that, in order to be eligible for these benefits, an individual would have to: (a) meet the written criteria for dependency established by the county; and (b) authorize any program or resource for which he or she is determined to be eligible to reimburse the county for health care services provided to the individual, if the program or resource permits reimbursement for the services provided. Apply the current restrictions regarding eligibility of new arrivals to the state and recipients of other types of public assistance. Specify that the eligibility standards could be waived in cases of unusual misfortune or hardship.

Specify that the same administrative provisions outlined above for Milwaukee County would apply to medical services in other counties.

### **Medical Relief Block Grant for Tribes**

Establish a medical relief block grant program for tribes and provide \$400,000 GPR in 1995-96 and \$800,000 GPR in 1996-97. Require H&SS to promulgate a rule establishing a method to allocate these funds among the tribes. Specify that, to the extent possible, the Department's allocation methodology must consider each tribe's economic circumstances and need for medical benefits.

### **Effective Date for Nonmedical Benefits**

Eliminate the mandate that counties must provide general relief nonmedical assistance on the effective date of the bill, rather than January 1, 1996, as proposed by the Governor. Continue to provide 37.5% state reimbursement for county expenditures incurred up until January 1, 1996, for counties that elect to

continue providing cash grants. Reduce funding by \$900,000 GPR and \$1,350,000 FED in 1996-97 to reflect estimated savings attributable to the earlier effective date, which is shown under "H&SS -- Medical Assistance."

### **Fiscal Effect of Block Grant Programs**

The block grant programs would take effect on January 1, 1996. The grants for county expenditures in calendar year 1996 would be paid in the 1997-98 fiscal year. The grants for 1997 expenditures would be paid in 1998-99. Therefore, the county block grant provisions would have no fiscal effect in the 1995-97 biennium. In the 1997-99 biennium, the block grants for counties would total \$9.1 million GPR and \$10.5 million FED in 1997-98 and \$8.7 million GPR and \$9.9 million FED in 1998-99. Compared to the emergency medical relief program in AB 150, this provision would cost an estimated \$3.6 million GPR and \$4.3 million FED in 1997-98 and \$3.2 million GPR and \$3.7 million FED in 1998-99.

This provision would also establish a tribal block grant of \$400,000 GPR in 1995-96 and \$800,000 GPR in 1996-97. AB 150 would provide \$274,100 GPR in the first year and \$548,200 GPR in the second year for the tribal EMR program. Therefore, compared to AB 150, this provision would increase funding by \$125,900 GPR in 1995-96 and \$251,800 GPR in 1996-97.

**Veto by Governor [D-14]:** Delete an initial applicability provision that incorrectly references an item relating to the establishment of an emergency medical relief program, which was subsequently deleted.

[Act 27 Sections: 283, 284, 808b thru 808f, 851, 863, 865, 1632, 2042, 2046, 2059b, 2060, 2061m, 2066b, 2084, 2094b, 2095, 2112, 2145, 2148, 2152, 2636, 2640 thru 2643, 2645, 2646b thru 2647c, 2651b thru 2652b, 2653, 2657b thru 2658b, 2661g, 2661r, 2665, 2667 thru 2688c, 2689 thru 2693, 2695 thru 2703b, 2705b thru 2718b, 2748b, 2748c thru 2768, 2771 thru 2787, 2798 thru 2804, 2809, 2818, 2824 thru 2827, 2851, 2870, 2901, 2919, 2921, 2939, 2942, 2950, 2984r, 2985e thru 2985s, 2990, 3025, 3080, 3126 thru 3128, 3131, 3143, 3145, 3146, 3150, 3169, 3180, 3181, 3219b, 3275, 3276, 3279, 3413, 3414, 3427, 3722, 3951, 4201, 4378, 4380, 4392b, 4392c, 4392d, 4392e, 6317, 7045b, 7073, 7144 thru 7146, 7150, 9126(13), 9137(1g), 9326(11) thru (19) and 9426(13)]

[Act 27 Vetoed Section: 9326(8)]

## **Youth Services**

### **1. OVERVIEW OF JUVENILE CORRECTIONAL POPULATIONS [LFB Paper 498]**

**Governor:** Reestimate the juvenile correctional average daily populations (ADP) from 932 youth (887 boys and 45 girls) in the juvenile correctional institutions (JCI) in 1994-95 as follows:

**Estimated Total Average Daily Populations  
Juvenile Correctional Institutions**

	1994-95	1995-96			1996-97		
		Boys	Girls	Total	Boys	Girls	Total
Juvenile Correctional Institutions <sup>1</sup>	932	863	69	932	959	80	1,039
Other Placements							
Corrective Sanctions <sup>2</sup>	32	70	5	75	70	5	75
Boot Camp <sup>3</sup>	0	9	0	9	20	0	20
MMHI	0	37	3	40	46	4	50
Intensive Residential Aftercare	0	3	1	4	3	1	4
Subtotal--Other	32	119	9	128	139	10	149
<b>Total ADP</b>	<b>964</b>	<b>982</b>	<b>78</b>	<b>1,060</b>	<b>1,098</b>	<b>90</b>	<b>1,188</b>

<sup>1</sup> Includes Ethan Allen School, Lincoln Hills School and the new facility for girls.

<sup>2</sup> Because youth who are placed in the community under the juvenile corrective sanctions program have a reduced length of stay at the JCI, for every two corrective sanctions slots created, the ADP at the JCIs is reduced by one youth annually.

<sup>3</sup> Because youth who are placed in the boot camp program have a reduced length of stay at the JCIs, for every two boot camp beds created, the ADP at the institutions is reduced by one youth annually.

**Joint Finance/Legislature:** Reestimate the average daily population of girls in the Southern Oaks juvenile correctional institution to 126 girls in 1995-96 and 172 girls in 1996-97, compared to 69 girls in 1995-96 and 80 girls in 1996-97 under the Governor's recommendation. Adjustments to funding and staff to reflect this increase are budgeted under "Girls' Juvenile Institution Staffing," Item #10.

**2. YOUTH AIDS RATE INCREASE [LFB Paper 504]**

	Chg. to Base
GPR	\$8,077,300

**Governor:** Provide \$3,932,500 in 1995-96 and \$4,144,800 in 1996-97 to fund increased costs for the community youth and family aids (youth aids) program. The youth aids program provides funding to counties to purchase and provide juvenile delinquency-related services to youth, including state-operated juvenile institutional care and community-based programs. The funding includes: (a) \$1,936,800 annually to fund the costs of continuing program increases approved during the 1993-95 biennium; (b) \$4,418,500 in 1995-96 and \$4,630,800 in 1996-97 to fund increased costs that counties will incur in the 1995-97 biennium due to proposed increases in the statutory daily rates for the state's secure juvenile correctional institutions, juvenile corrective sanctions services, alternate care services and aftercare services; and (c) a reduction of \$2,422,800 annually to reflect the transfer of a portion of youth aids to the violent juvenile offender program under provisions enacted in 1993 Wisconsin Act 16.

Current law requires H&SS to permanently transfer a total of \$4,845,600 from counties' calendar year 1995 youth aids allocations to the violent juvenile offender program. A total of \$2,422,800 was transferred from the youth aids appropriation beginning in 1994-95, while the remaining funds would be transferred beginning in 1995-96 under the request.

Current law provides a total of \$82,988,100 (\$80,538,900 GPR and \$2,449,200 FED) in youth aids funding for counties in 1994-95. During the 1995-97 biennium, the amount of federal funding is expected

to remain constant at \$2,449,200 in each year and the proposed increases in youth aids funding would be provided with GPR.

**Joint Finance/Legislature:** Reduce youth aids funding provided in the bill by \$2,506,600 in 1995-96 and \$4,175,700 in 1996-97 to reflect decreases in statutory daily rates for juvenile correctional services and a technical correction to accurately reflect the costs of continuing program increases approved in the 1993-95 biennium. The change in funding is budgeted under the "Transfer of Juvenile Institutions," Item #29.

### 3. YOUTH AIDS CARRYOVER PROVISION

**Governor/Legislature:** Modify the statutory provisions for the carryover of youth aids, effective January 1, 1996, to:

*General Carryover.* Increase the amount of unexpended youth aids funds that the Department is authorized to carry forward between calendar years on behalf of a county from 3% to 5% of the county's calendar year youth aids allocation.

*Carryover for Emergency Funds.* Authorize the Department to carry forward to the next two calendar years any emergency funds that are allocated but not expended or carried forward by counties by December 31. Specify that H&SS may transfer monies from or within the youth aids appropriation to accomplish this purpose. Authorize H&SS to allocate the transferred youth aids funds to counties that are eligible for emergency funds and specify that the emergency allocation would not effect a county's base allocation.

Under current law, a total of \$250,000 GPR annually is allocated for youth aids emergency funds for small counties. Counties with populations of not more than 45,000 residents that can demonstrate a need for additional funding due to unplanned, but appropriate, juvenile correctional and child caring institution placements may apply for emergency funds.

[Act 27 Sections: 2168, 2169 and 9426(5)]

### 4. BOYS' JUVENILE INSTITUTION STAFFING [LFB Papers 496 and 497]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov.) Funding Positions		Net Change Funding Positions	
PR	\$5,282,600	90.00	-\$127,400	-0.60	\$5,155,200	89.40

**Governor:** Provide \$2,306,600 and 80.0 positions, beginning in 1995-96, and \$2,975,700 and 90.0 positions in 1996-97 (for an increase of 10.0 positions over 1995-96) relating to population increases at

Ethan Allen School (EAS) and Lincoln Hills School (LHS). DOA projects an ADP of 863 boys in 1995-96 and 959 boys in 1996-97 at EAS and LHS. This projection represents a decrease of 24 boys in 1995-96 and an increase of 72 boys in 1996-97 over the currently budgeted average daily population of 887 boys in EAS and LHS in 1994-95. The projected decrease in 1995-96 is mainly due to the availability of new, secure beds for boys at the boot camp program and Mendota Mental Health Institute. The additional positions requested are based, in part, on a JCI staffing plan developed by H&SS, rather than the traditional staff-to-youth ratios used to calculate the number of additional staff required for increased populations at the institutions in recent biennia.

**Joint Finance/Legislature:** Modify the Governor's recommendations to delete \$143,500 in 1995-96 and provide \$16,100 in 1996-97, as follows:

*Youth Counselor Positions.* Reduce funding for youth counselor positions to provide triple coverage on second shift and non-cottage positions by \$155,800 in 1995-96 to reflect positions budgeted for nine months, rather than 12 months, in 1995-96.

*Psychological Services.* Delete \$38,000 in 1995-96 and \$50,000 in 1996-97 for psychological services at LHS. Direct H&SS, if it is unable to fill 2.0 vacant psychologist positions at LHS, to use the associated funding of \$93,600 in each year to hire LTE psychologists or to contract for the provision of psychological services for boys at LHS.

In addition, delete \$1,200 annually and authorize 1.0 psychologist position at EAS, beginning in 1995-96, rather than purchase psychological services as under the Governor's recommendation.

*Educational Services.* Provide an additional \$62,000 in 1995-96 and \$83,600 in 1996-97 to support 2.0 teacher positions (1.0 at LHS and 1.0 at EAS), beginning in 1995-96, to provide educational services to boys with exceptional educational needs.

*Management Support Services.* Delete \$60,500 in 1995-96 and \$116,300 in 1996-97 and 2.0 management information specialist positions, beginning in 1995-96, and 1.6 electronics technician positions, beginning in 1996-97. Instead, provide \$50,000 in 1995-96 and \$100,000 in 1996-97 in supplies and services funding for the institutions to contract for information systems and electronics services.

[Act 27 Sections: 9112(1x) and 9126(26y)]

## 5. VIOLENT JUVENILE OFFENDER PROGRAM

**Governor:** Provide \$7,609,400 in 1995-96 and \$8,444,800 in 1996-97 to fully fund the violent juvenile offender program. The additional amounts are provided to fund increases in the estimated violent juvenile offender population and in the daily rates charged by the JCIs.

	Chg. to Base
GPR	\$16,054,200



Reestimate the calendar year violent juvenile offender population of 180 youth in 1995 (as reestimated at the December 5, 1994, meeting of the Joint Committee on Finance under s.13.10 of the statutes) to: (a) 213 youth in the last six months of 1995; (b) 233 youth in 1996; and (c) 253 youth in first six months of 1997. Under current law, base funding of \$2,749,200 annually (including the \$2,422,800 transferred from the 1995 youth aids appropriation) is provided for the violent juvenile offender program.

Under the program, the state directly funds the costs of caring for youth adjudicated delinquent and placed at the JCIs for the following offenses:

- First-degree intentional homicide
- First-degree reckless homicide
- First-degree sexual assault
- Second-degree intentional homicide
- Felony murder
- Armed robbery

Current law requires H&SS to reimburse the JCIs for each violent juvenile offender at the same per person daily rates counties are charged under youth aids for juvenile correctional care.

**Joint Finance/Legislature:** Reduce funding for the violent offender program by \$972,400 in 1995-96 due to decreases in the daily rates for the institutions. Changes to funding are budgeted under the "Transfer of Juvenile Institutions," Item #29.

#### 6. EXTENDED JURISDICTION AND WAIVED YOUTH

	Chg. to Base
GPR	\$612,000

**Governor:** Provide \$285,400 in 1995-96 and \$326,600 in 1996-97 to fund the increased costs of caring for youth placed on extended juvenile court jurisdiction and youth waived to adult court and sentenced to prison who are held in the JCIs.

Under current law, H&SS is required to reimburse the JCIs, state aftercare supervision and alternate care services for the costs of caring for extended jurisdiction youth age 19 and over. In addition, H&SS must reimburse the JCIs for the costs of caring for waived youth under age 16 who must be held in a JCI rather than a state prison, unless H&SS determines, in consultation with Corrections, that placement in a state prison is appropriate. After the youth attains age 16, H&SS may transfer the youth to a state prison.

Base level funding is \$295,300 GPR annually. The ADP of waived and extended youth in the JCIs is projected to be 12 in 1995-96 and 14 in 1996-97; the ADP on aftercare is projected to be 12 in 1995-96 and 14 in 1996-97. In 1994-95, the budgeted ADP of extended and waived youth is 9.5 in the JCIs and two on aftercare.

**Joint Finance/Legislature:** Reduce funding for extended jurisdiction and waived youth by \$51,900 in 1995-96 due to the decreases in the daily rates for the institutions under the reestimate. Changes to funding are budgeted under the "Transfer of Juvenile Institutions," Item #29.

7. ADDITIONAL HOUSING UNITS [LFB Paper 496]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov.) Funding Positions		Net Change Funding Positions	
PR	\$2,107,700	30.00	-\$158,000	2.00	\$1,949,700	32.00

**Governor:** Provide \$1,049,400 in 1995-96 and \$1,058,300 in 1996-97 to support 30.0 positions, beginning in 1995-96, to staff and operate two, new 48-bed housing units for boys at EAS and LHS. The amount provided includes only funding for positions (youth counselors and social service supervisors) and ongoing utility costs.

In December, 1994, the State Building Commission approved a total of \$498,000 BR to construct the two, new units. H&SS projects that the units will be ready for occupancy by June, 1995. At its February 8, 1995, meeting under s. 13.10 of the statutes, the Joint Committee on Finance approved a total of \$165,900 in 1994-95 and 32.0 positions, beginning on May 15, 1995, on a one-time basis to staff the new units for the remainder of 1994-95.

**Joint Finance/Legislature:** Modify the Governor's recommendation to delete \$79,300 in 1995-96 and \$78,700 in 1996-97, as follows:

*Staffing.* Provide \$55,700 in 1995-96 and \$56,300 in 1996-97 to support an additional 2.0 youth counselor positions in order to retain the higher staffing level approved for the new units by the Joint Committee on Finance under s. 13.10 of the statutes in February, 1995.

*Utilities.* Reduce funding for ongoing utility costs for the new units by \$135,000 in each year based on reestimated utility cost information provided by engineering staff at H&SS.

[Act 27 Section: 6406]

8. JUVENILE BOOT CAMP [LFB Paper 503]

	Chg. to Base Funding Positions	
PR	\$3,560,600	56.00

**Governor:** Provide \$1,498,200 in 1995-96 and \$2,062,400 in 1996-97 to support 56.0 positions, beginning in 1995-96, to operate a boot camp program for juvenile boys and to contract for aftercare services for youth who complete the boot camp program. Of the total provided, \$351,000 in 1995-96 would fund one-time, start-up costs.

Eliminate the current law requirement that H&SS provide a boot camp program beginning sometime in 1995 for juveniles placed at the JCI's. The funding assumes that the first positions would be hired beginning in September, 1995. H&SS anticipates that the first squad of 40 juveniles would be placed in the boot camp in December, 1995.

Base level funding for the boot camp program is \$624,000. Vacant buildings at Camp Williams in Juneau County will be renovated to house the boot camp program; current law provides \$3,000,000 in general obligation bonding for that purpose.

*Intensive Aftercare Requirement.* Specify that all youth who complete the boot camp program must be placed under aftercare supervision administered by H&SS. Under current law, upon release from a JCI, a youth may be placed on either county or state-provided aftercare supervision for the remainder of the youth's dispositional order. In addition, beginning July 1, 1995, provisions of 1993 Wisconsin Act 385 require a court that places a youth in a JCI to designate either H&SS or a county to provide aftercare supervision upon the youth's release from the institution.

Of the total funding provided, \$35,700 in 1995-96 and \$42,700 in 1996-97 would support 1.0 accountant position, beginning in 1995-96, to oversee a contract with a private agency to provide intensive aftercare supervision for youth who complete the boot camp program; also, \$45,600 in 1995-96 and \$182,500 in 1996-97 would fund the purchase of intensive aftercare services from the contract agency. The aftercare funding assumes that the first group of youth would complete the boot camp program in March, 1996.

**Joint Finance/Legislature:** Specify technical corrections to: (a) transfer \$74,800 in 1995-96 and \$91,100 in 1996-97 and 2.0 positions, beginning in 1995-96, to the boot camp appropriation from the central office appropriation for the Division of Youth Services; and (b) transfer \$81,300 in 1995-96 and \$225,200 in 1996-97 and 1.0 position, beginning in 1995-96, from the boot camp appropriation to the central office of the Division of Youth Services.

[Act 27 Sections: 2461 and 2543 thru 2545m]

**9. ADOLESCENT TREATMENT UNITS AT MENDOTA MENTAL HEALTH INSTITUTE** [LFB Papers 442, 443 and 507]

	Chg. to Base
PR	\$8,260,400

**Governor:** Provide \$2,864,200 in 1995-96 and \$5,396,200 in 1996-97 for the costs of providing mental health services to youth transferred from the JCIs to a new, secure adolescent treatment center at Mendota Mental Health Institute (MMHI). Provide that the mental health treatment costs billed by MMHI to the Division of Youth Services be added to the total costs of caring for youth in the JCIs and integrated into the daily rates charged for a JCI placement. Additional funding provided for youth aids due to the proposed rate increases is reflected in the "Youth Aids Rate Increase" item.

*Current Adolescent Treatment Capacity.* Under current law, there is a 10-bed mental health unit (TRY) for youth from the JCIs. In addition, in late 1993, a 15-bed secure adolescent treatment unit was established in Goodland Hall at MMHI. Ten of the 15 available secure treatment beds for adolescents are reserved for youth from the JCIs.

*Secure Beds for Adolescents Currently Under Construction.* A total of 40 additional secure adolescent treatment beds are currently under construction MMHI and are scheduled to be opened in March, 1996. DOA estimates that the ADP at the JCI's will be reduced by 40 youth in 1995-96 and 50 youth in 1996-97 due to transfers to the various treatment units for juveniles at MMHI.

Operating costs, positions and the recommended funding and access to the new, secure adolescent treatment units are described under "Care and Treatment Facilities."

**Joint Finance/Legislature:** Convert \$2,500,000 and 91.22 positions from GPR to PR to fund costs of Corrections for secure mental health treatment beds in 1996-97. Delete \$3,352,200 GPR in 1996-97 relating to the conversion of funding for secure mental health treatment beds at Mendota Mental Health Institute. In addition, designate that up to 43 beds provided under the secure adolescent treatment unit at Mendota Mental Health Institute be juvenile correctional institution beds, and that treatment costs billed for juveniles by the mental health institutes may not exceed the actual cost of care. Changes to funding are budgeted under the "Transfer of Juvenile Institutions," Item #29.

[Act 27 Sections: 2052p and 2052r]

**10. GIRLS' JUVENILE INSTITUTION STAFFING [LFB Paper 498]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$512,800	10.00	\$1,833,300	26.10	\$2,396,100	36.10

**Governor:** Provide \$152,000 and 6.3 positions, beginning in 1995-96, and \$360,800 and 10.0 positions in 1996-97 (for an increase of 3.7 positions over 1995-96) relating to population increases at Southern Oaks, the secure facility for girls. DOA projects an ADP of 69 girls in 1995-96 and 80 girls in 1996-97 at the institution. This projection represents an increase of 24 girls in 1995-96 and 35 girls in 1996-97 over the currently budgeted average daily population of 45 girls in 1994-95.

**Joint Finance/Legislature:** Reestimate the average daily population at Southern Oaks to 126 girls in 1995-96 and 172 girls in 1996-97 and adjust funding to: (a) provide \$679,000 in 1995-96 and \$921,800 PR in 1996-97 to support an additional 26.5 positions in 1995-96 and 26.1 positions in 1996-97; (b) provide \$30,000 in 1995-96 for the purchase of treatment and educational services for girls; (c) provide \$131,400 in 1995-96 and \$121,100 in 1996-97 to fund increased variable costs associated with the higher populations.

11. JUVENILE CORRECTIONAL HEALTH [LFB Paper 498]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,062,400	0.00	-\$39,000	2.00	\$1,023,400	2.00

**Governor:** Provide \$446,300 in 1995-96 and \$616,100 in 1996-97 for juvenile correctional health services as follows: (a) \$95,000 annually to contract for additional nursing coverage at the new, secure facility for girls; (b) \$259,500 in 1995-96 and \$313,200 in 1996-97 to reflect a base reestimate due to increased populations in 1994-95 and projected inflationary increases in the 1995-97 biennium; and (c) \$91,800 in 1995-96 and \$207,900 in 1996-97 for additional increases in the population served in the 1995-97 biennium.

**Joint Finance/Legislature:** Reduce funding by \$30,000 in 1995-96 and by \$9,000 in 1996-97 for nursing service contracts at Southern Oaks and, instead, authorize 2.0 nurse clinician positions for Southern Oaks, beginning in 1995-96.

12. PROGRAM REVENUE BASE REESTIMATE

	Chg. to Base
PR	\$1,030,000

**Governor/Legislature:** Provide \$508,400 in 1995-96 and \$521,600 in 1996-97 to reflect reestimates of program revenue available to fund expenditures for standard budget adjustments, including: (a) the new, secure juvenile correctional facility for girls (\$181,600 in 1995-96 and \$188,100 in 1996-97); (b) the boot camp program (\$217,900 in 1995-96 and \$219,300 in 1996-97); and (c) the juvenile corrective sanctions program (\$108,900 in 1995-96 and \$114,200 in 1996-97).

13. FUNDING FOR OVERTIME [LFB Paper 499]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
	PR	\$845,900	\$400,000

**Governor:** Provide \$421,600 in 1995-96 and \$424,300 in 1996-97 to fund overtime expenditures for the JCI's and the state aftercare program. H&SS has exceeded the overtime budget for the JCI's each fiscal year since 1991-92. Base funding for overtime at the JCI's is \$237,300. In addition, a recent settlement under the Fair Labor Standards Act requires state aftercare agents to be paid at the rate of time and one-half for all hours worked in excess of 40 hours per week, effective February 5, 1995.

**Joint Finance/Legislature:** Modify the Governor's recommendations to:

- a. Provide an additional \$200,000 in each year for overtime at the juvenile correctional institutions;
- b. Budget and provide overtime funds by juvenile correctional institution, rather than under the Division's central office; and
- c. By October 1, 1995, direct the Division to develop and implement a policy to address the use of scheduled and unscheduled leave, including sick leave, at the juvenile correctional institutions and to submit a report to the appropriate standing committees of the Legislature on this policy.

[Act 27 Section: 9126(22x)]

**14. RECLASSIFICATION OF YOUTH COUNSELORS**

	Chg. to Base
PR	\$254,700

**Governor/Legislature:** Provide \$126,700 in 1995-96 and \$128,000 in 1996-97 to fund increased salary costs for the juvenile corrective sanctions program due to the reclassification of youth counselor 1 positions to youth counselor 3 positions. H&SS and the Department of Employee Relations agreed to reclassify the positions to reflect the increased responsibilities of youth counselors under the corrective sanctions program.

**15. ADMINISTRATIVE STAFF [LFB Paper 503]**

	Chg. to Base Funding Positions
PR	\$148,600 1.50

**Governor:** Provide \$66,800 in 1995-96 and \$81,800 in 1996-97 to support 1.0 deputy superintendent position at LHS and a 0.5 personnel assistant position in the central office, beginning in 1995-96.

**Joint Finance/Legislature:** Transfer \$51,100 in 1995-96 and \$63,400 in 1996-97 and the 1.0 assistant superintendent position from central office to Lincoln Hills School.

**16. NON-SALARY INCREASES FOR JCIS**

	Chg. to Base
PR	\$300,100

**Governor/Legislature:** Provide \$125,100 in 1995-96 and \$175,000 in 1996-97 for non-salary increases at the JCIs as follows: (a) general repair and maintenance (\$20,100 in 1995-96 and \$31,000 in 1996-97); (b) repair and maintenance for the girls' facility (\$30,000 in each year); (c) capital replacement (\$50,000 in each year); (d) transportation for Milwaukee County parents to LHS (\$12,000 in each year); (e) contract with American Indian tribes (\$13,000 in each year); (f) replacement of locks (\$14,000 in 1996-97); and (g) service contract for electrical equipment (\$25,000 in 1996-97).

**17. JUVENILE DATA INFORMATION SYSTEM [LFB Paper 503]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$611,200	-\$9,000	\$602,200

**Governor:** Provide \$383,200 in 1995-96 and \$228,000 in 1996-97 to develop a juvenile client information system to collect data and track juveniles who are in the custody of H&SS. DOA indicates that equipment for the system would be purchased with monies from the new information technology investment fund.

**Joint Finance/Legislature:** Delete \$9,000 in 1995-96 from the funding provided for systems development costs to reflect the expenditure of a portion of boot camp funds provided in the 1993-95 biennium for start-up costs of this system.

**18. COMPUTERS FOR OFFICE OF JUVENILE OFFENDER REVIEW**

	Chg. to Base
PR	\$33,400

**Governor/Legislature:** Provide \$20,200 in 1995-96 and \$13,200 in 1996-97 for computers and printers for the Office of Juvenile Offender Review.

**19. JUVENILE CORRECTIVE SANCTIONS PROGRAM**

	Chg. to Base Funding Positions	
PR	\$2,535,800	16.00

**Governor:** Provide \$1,240,100 in 1995-96 and \$1,295,700 in 1996-97 and 16.0 positions, beginning in 1995-96, to expand the juvenile corrective sanctions program by 45 slots to serve an ADP of 150 juveniles annually. The funding would be used to expand the corrective sanctions program by opening an additional report center in Milwaukee County. In addition, of the total funds requested, \$50,000 annually would be used to implement a restitution component for youth participating in the program in Milwaukee County by paying youths wages for community jobs. Under the Governor's recommendations on the transfer of juvenile institutions to Corrections, this item would be deleted; the change in funding to eliminate this item is budgeted under the transfer of juvenile institutions. (See "H&SS -- Transfer of Juvenile Institutions" and " Corrections -- Juvenile Corrections.")

Current law provides base funding of \$2,258,300 PR for the juvenile corrective sanctions program. The juvenile corrective sanctions program currently operates in Dane, Milwaukee, Outagamie-Winnebago, Racine and Rock Counties. Under the program, youth at a JCI are placed in the community under intensive supervision (including electronic monitoring) provided by H&SS. In addition to intensive supervision, a total of \$5,000 annually is provided for each corrective sanctions slot to purchase community-based services for youth participating in the program.

Current law provides funding and staff to serve an ADP of 105 youth in 1994-95. However, in a request submitted on November 30, 1994, under s. 16.505/16.515 of the statutes for additional funding for the JCI's in 1994-95, H&SS projected that the corrective sanctions program would serve an ADP of 65 youth in 1994-95.

In addition, current law provides \$300,000 GPR in 1994-95 in unallotted reserve in the program supplements appropriation of the Joint Committee on Finance to provide start-up funding, as needed, for additional corrective sanctions slots (over the currently authorized 105 slots) if the JCI populations rise unexpectedly in 1994-95. Current law authorizes the Joint Committee on Finance to increase the ADP which must be served by the juvenile corrective sanctions program under s. 16.505/16.515 of the statutes.

**Joint Finance/Legislature:** Transfer the juvenile corrective sanctions program to Corrections and retain the Governor's recommendation to delete the proposed expansion of the program in the 1995-97 biennium. [See "Transfer of Juvenile Institutions," Item #29 and "Corrections -- Juvenile Corrections."]

**20. CORRECTIVE SANCTIONS APPROPRIATION STRUCTURE [LFB Paper 500]**

**Governor:** Consolidate the program revenue appropriation for the corrective sanctions program with the program revenue appropriation for the JCI's. Under current law, the corrective sanctions appropriation is funded with revenues from daily charges to counties for youth in the juvenile corrective sanctions program; the juvenile correctional appropriation is funded with revenues from daily charges to counties for JCI placements and state aftercare supervision and daily charges to H&SS for JCI placements of violent offenders.

**Joint Finance/Legislature:** Restore the separate, program revenue appropriation for the corrective sanctions program and transfer \$3,125,300 PR in 1995-96 and \$3,146,900 in 1996-97 and 55.0 positions in each year for the corrective sanctions program from the juvenile correctional appropriation to the corrective sanctions appropriation.

[Act 27 Sections: 829, 830, 831m, 2547m and 2547p]

**21. JUVENILE ALTERNATE CARE SERVICES**

	<b>Chg. to Base</b>
PR	\$2,503,500

**Governor:** Provide \$963,500 in 1995-96 and \$1,540,000 in 1996-97 to fund alternate care placements (foster care, treatment foster care, group home and child caring institution placements) which the Division of Youth Services purchases for juveniles upon release from the JCI's. Funding for these services, for which the base budget is \$7,840,300 in 1994-95, is derived from charges to counties under the youth aids program. The increased funding is based on estimated annual increases in the daily rates charged by alternate care providers. In addition, DOA estimates that the following average daily populations will be placed in alternate care each year:



### Average Daily Populations

	Budgeted	<u>Governor's Recommendations</u>	
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Child Caring Institutions (CCIs)	102	123	132
Group Homes	63	44	47
Treatment Foster Homes	4	2	2
Foster Homes	<u>1</u>	<u>6</u>	<u>6</u>
<b>TOTAL</b>	170	175	187

**Joint Finance/Legislature:** Provide an additional \$422,900 in 1995-96 in increased expenditure authority for alternate care services to reflect increases in the daily rates for alternate care facilities and increased alternate care populations. Changes to funding are budgeted under the "Transfer of Juvenile Institutions," Item #29.

#### 22. AUTHORITY OVER JUVENILES ON AFTERCARE SUPERVISION

**Governor/Legislature:** Extend current provisions regarding the right of the Department to protect, train, discipline, treat and confine and the duty of the Department to provide food, shelter, legal services, education and ordinary medical and dental care to any juvenile in a JCI to also apply to juveniles on state aftercare supervision. Similarly, extend those rights and duties to a county department of human or social services to apply to any juvenile on county aftercare supervision.

Under current law, H&SS has the right and duty to protect, train, discipline, treat and confine a juvenile in a JCI and to provide food, shelter, legal services, education and ordinary medical and dental care for the juvenile, subject to the duties and responsibilities of the juvenile's guardian, any residual parental rights and responsibilities and the provisions of any court order.

[Act 27 Section: 2537]

#### 23. DISTRIBUTION OF CAPACITY BUILDING FUNDS [LFB Paper 501]

**Governor:** Modify the statutory language for the capacity building program to:

*Amount of Funding.* Require H&SS to distribute \$2,500,000 GPR in capacity building funds to counties each calendar year, rather than over a six-month period. Current law requires H&SS to distribute \$2,500,000 to eligible counties in the first six months of 1995 for capacity building for early intervention

services for first-time juvenile offenders and for intensive community-based intervention services for seriously chronic juvenile offenders.

*Maintenance of Effort.* Eliminate the requirement that counties expend capacity building funds on new or expanded programs for the target populations, rather than the current requirement to not supplant existing funding (including prior years' capacity building funds) for such programs. Under current law, in order to be eligible to receive capacity building funds, a county must submit a plan to H&SS targeting the funds to appropriate programming and assuring that the county will not use the funds to supplant current funding for juvenile delinquency-related programming.

*Distribution of Funding.* Require H&SS to distribute 33% of the capacity building funds based on each county's proportion of violent Part 1 juvenile offenses as reported under the uniform crime reporting (UCR) system during the most recent two-year period for which the information is available, rather than based on each county's proportion of the number of juveniles taken into custody statewide for alleged Class A or B felonies. Specify that the modifications would take effect on January 1, 1996.

Current law requires H&SS to distribute the funds as follows: (a) 33% based on each county's proportion of the number of juveniles taken into custody statewide for alleged Class A or B felonies during the most recent two-year period for which the information is available; (b) 33% based on each county's proportion of the number of juveniles placed in JCI's statewide during the most recent two-year period for which the information is available; and (c) 34% based on each county's proportion of the total number of Part 1 juvenile offenses reported statewide under the UCR system during the most recent two-year period for which the information is available.

However, because information is not systematically collected on the number of juveniles taken into custody for Class A and B felonies, 33% of the funding provided for the first six months of 1995 was distributed based on each county's proportion of juvenile arrests for Part I violent crimes (murder, forcible rape, robbery and aggravated assault) as reported under the UCR system.

**Joint Finance/Legislature:** Modify the Governor's recommendation to: (a) provide an additional \$1,250,000 GPR in each year of the 1995-97 biennium, for a total of \$3,750,000 GPR annually for the program; (b) rename the capacity building program to be the "community intervention program;" (c) specify that the capacity building funding allocated to counties for the first six months of 1995 may be expended over the entire 1995 calendar year; and (d) substitute "arrests" for "offenses" in the formula for the distribution of capacity building funds to reflect that under the Uniform Crime Reporting system, data on juvenile arrests, but not juvenile offenses, is available. The additional funding for the program is budgeted under the "Transfer of Juvenile Institutions," Item #29.

[Act 27 Sections: 2205m thru 2208m, 9126(26t) and 9426(6)]

**24. YOUTH DIVERSION AODA GRANT [LFB Paper 525]**

Chg. to Base	
GPR	- \$600,000

**Governor:** Delete \$300,000 in each year and repeal the youth diversion alcohol and other drug abuse (AODA) education and treatment appropriation. Under current law, the funding is distributed to the Social Development Commission in Milwaukee County to provide AODA services to juveniles participating in the youth gang diversion program. As under current law, \$250,000 PR from penalty assessment funds would be distributed annually to the Social Development Commission to provide and subcontract for gang diversion services.

**Joint Finance/Legislature:** Provide \$300,000 FED in each year from the federal substance abuse block grant to restore the youth diversion alcohol and other drug abuse education and treatment program. This funding is budgeted under the "Transfer of Juvenile Institutions," Item #29.

[Act 27 Sections: 791m, 828 and 2208p thru 2209r]

**25. INTENSIVE AFTERCARE GRANT PROGRAM**

Chg. to Base	
GPR	- \$400,000

**Governor/Legislature:** Delete \$200,000 annually and repeal the intensive aftercare program. The program provides grants to counties to support intensive aftercare programs for juveniles released from the JCI's or CCI's. Eau Claire, Fond du Lac, Kenosha, Racine, Rock and Waukesha Counties currently receive grants under the program.

[Act 27 Sections: 824 and 2550]

**26. INTENSIVE SUPERVISION GRANT PROGRAM**

Chg. to Base	
GPR	- \$200,000

**Governor/Legislature:** Delete \$100,000 annually and repeal the intensive supervision grant program. The program provides grants to counties to operate intensive supervision programs. Grants of \$25,000 each were awarded to Dane, Manitowoc, Menominee and Rock Counties in 1994-95.

[Act 27 Sections: 825 and 2549m]

**27. INTENSIVE SUPERVISION AS A DELINQUENCY DISPOSITION [LFB Paper 502]**

**Governor:** Eliminate intensive supervision as a dispositional option that a juvenile court may order for a juvenile adjudicated delinquent. In addition, eliminate the authority of a juvenile court to place a juvenile in an intensive supervision program on electronic monitoring.

Under current law, a juvenile court may order a youth adjudicated delinquent into an intensive supervision program. Intensive supervision programs are community-based, non-residential programs characterized by frequent contact between the youth and the probation agent and strict conditions of compliance. Some programs also involved electronic monitoring of participants.

**Joint Finance/Legislature:** Modify the Governor's recommendation to restore: (a) intensive supervision as a dispositional option that a juvenile court may order for a juvenile adjudicated delinquent; and (b) the requirement that H&SS promulgate rules specifying the requirements for an intensive supervision program.

[Act 27 Section: 2549g and 2549r]

**28. USE OF RESTITUTION PAYMENTS AND SURPLUS SALE RECEIPTS**

**Governor/Joint Finance:** Authorize the JCI's to expend revenues from restitution payments for property damaged at the JCI's, the sale of surplus property, including vehicles, from the JCI's and miscellaneous services provided at the JCI's, subject to funding appropriated, for the following: (a) juvenile correctional services; (b) the repair or replacement of property damaged at the JCI's; and (c) the provision of miscellaneous services at the JCI's.

[Act 27 Sections: 829 and 830]

**29. TRANSFER OF JUVENILE INSTITUTIONS [LFB Papers 504 thru 507]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$29,982,200	88.22	-\$74,284,100	- 104.32	-\$104,266,300	- 16.10
FED	0	0.00	- 2,149,200	0.00	- 2,149,200	0.00
PR	<u>- 43,569,800</u>	<u>- 684.92</u>	<u>- 30,442,900</u>	<u>- 434.83</u>	<u>- 74,012,700</u>	<u>- 684.92</u>
Total	<u>-\$73,552,000</u>	<u>- 596.70</u>	<u>-\$107,335,000</u>	<u>- 539.15</u>	<u>-\$180,887,000</u>	<u>- 701.02</u>

**Governor:** Delete \$1,240,100 PR and 16.0 PR positions in 1995-96 and \$29,982,200 GPR and \$42,329,700 PR and 593.7 PR positions in 1996-97. In addition, convert 91.22 positions from PR to GPR and delete 3.0 GPR positions in 1996-97.

In general, the funding and position modifications reflect:

- The transfer of Ethan Allen School (EAS) and Lincoln Hills School (LHS) from H&SS to the Department of Corrections;

- The transfer of the remaining funding and positions from EAS and LHS as well as the provision of additional, new funding and positions to staff a new, secure juvenile correctional institution (JCI) for boys operated by H&SS;
- Statutory changes to the Children's Code, including the elimination of the extended juvenile court jurisdiction and violent offender programs and the replacement of the youthful offender program with a serious juvenile offender program under Corrections;
- Statutory modifications to the youth aids program;
- The elimination of funding and positions for expanding the corrective sanctions program from 105 to 150 slots as recommended by the Governor in this bill; and
- The conversion of funding and positions from PR to GPR for secure mental health treatment beds for juveniles at Mendota Mental Health Institute (MMHI).

Additional information on proposed modifications to the Children's Code and funding and positions for programs transferred to Corrections is provided under "Corrections -- Juvenile Corrections".

#### **Modifications to Funding and Positions**

***GPR Funding and Positions.*** Delete \$35,626,800 GPR in 1996-97 from the Division of Youth Services (DYS) as follows:

- a. \$621,900 GPR in 1996-97 (\$295,300 GPR in base level funding and \$326,600 GPR in increased funding provided in this bill) from the appropriation which funds juvenile correctional services for extended jurisdiction youth over age 19 and waived youth under age 16;
- b. \$1,902,800 GPR in 1996-97 from the debt service appropriation for juvenile correctional facilities;
- c. \$11,194,000 GPR in 1996-97 (\$2,749,200 GPR in base level funding and \$8,444,800 GPR in increased funding provided in this bill) from the violent juvenile offender appropriation; and
- d. \$21,908,100 GPR in 1996-97 from the youth aids appropriation. Related statutory modifications to the youth aids program are discussed below.

The GPR funding deleted from DYS would be used to offset the costs of the serious juvenile offender program in Corrections and the costs of converting the funding from PR to GPR for secure mental health beds for serious juvenile offenders at MMHI.

Delete \$207,600 GPR and 3.0 GPR positions in 1996-97 from the Division of Management Services (DMS). The funding and positions would be transferred to Corrections.

Delete \$4,060,900 PR in 1996-97 and 91.22 PR positions in the Division of Care and Treatment Facilities and, instead, provide \$4,060,900 GPR in 1996-97 and 91.22 GPR positions to convert the funding and positions for the secure treatment beds for juveniles at MMHI from PR to GPR. Provide an additional \$1,791,300 GPR in 1996-97 in new monies for overhead costs related to the treatment units.

**PR Funding and Positions.** Delete \$1,240,100 PR and 16.0 PR positions in 1995-96 and \$51,366,100 PR and 844.1 PR positions in 1996-97 from DYS. Of the total amount deleted:

a. \$21,344,900 PR and 422.75 PR positions in 1996-97 would be deleted from EAS; \$18,313,500 PR and 335.75 PR positions in 1996-97 would be deleted from LHS; and

b. \$1,240,100 PR in 1995-96 and \$1,295,700 PR in 1996-97 and 16.0 PR positions, beginning in 1995-96, would be deleted from the corrective sanctions program. The reduction would eliminate funding for expanding the corrective sanctions program to 150 slots provided by the Governor in this bill; other related statutory modifications to the corrective sanctions program are discussed below.

In addition, provide \$13,175,000 PR in 1996-97 and 251.9 PR positions, beginning in 1996-97, to staff a new secure juvenile school for boys operated by H&SS. Of the total amount provided, \$12,015,000 PR in 1996-97 and 224.4 PR positions would be transferred from EAS and LHS to the new facility. In addition, \$1,160,000 PR in new funding in 1996-97 and 27.5 PR new positions, beginning in 1996-97, would be provided to staff the facility.

Delete \$77,700 PR and 1.5 PR positions in 1996-97 from DMS. The funding and positions would be transferred to Corrections.

#### **Transfer of Juvenile Institutions to Corrections -- Nonstatutory Provisions**

Effective July 1, 1996, or the day after publication, whichever is later, transfer EAS and LHS from H&SS to Corrections.

**Transfer of Positions.** Transfer a total of 582.85 PR and 4.0 GPR positions from DYS and DMS in H&SS to the serious juvenile offender appropriation in Corrections as follows:

- Transfer 580.6 PR positions funded from the juvenile correctional institutions appropriation and the incumbent employees holding these positions from DYS in H&SS to Corrections. Convert the 580.6 positions from PR to GPR;
- Transfer .75 PR position funded from the institutional operations and charges appropriation and the incumbent employee holding this position from DYS in H&SS to Corrections. Convert the .75 position from PR to GPR;

- Transfer 1.0 GPR position funded from the general program operations appropriation and the incumbent employe holding this position from DYS in H&SS to Corrections.
- Transfer 1.5 PR positions funded from the administrative and support services appropriation and the incumbent employes holding these positions from DMS in H&SS to Corrections. Convert the 1.5 positions from PR to GPR; and
- Transfer 3.0 GPR positions funded from the general program operations appropriation and the incumbent employes holding these positions from DMS in H&SS to Corrections.

**Implementation of Transfer of Employes.** Require H&SS and Corrections to jointly determine the employes to be transferred as specified and to jointly develop and implement a plan for the orderly transfer of employes. If there is a dispute between the two departments, require the Secretary of DOA to resolve the dispute and develop a plan for the orderly transfer of employes.

Specify that all employes transferred have all the same rights and status in Corrections under the state employment labor relations and state employment relations statutes as they had in H&SS immediately before transfer. Specify that no employe who has permanent status in class and is transferred under this provision would be required to serve a probationary period.

Upon final determination of the personnel to be transferred to Corrections, if necessary to adjust previously allocated costs in accordance with the transfer of personnel, require the Joint Committee on Finance, by December 31, 1996, to transfer monies between: (a) the GPR appropriations for H&SS and Corrections; (b) the PR appropriations (including PR-S appropriations) for H&SS and Corrections; and (c) the FED appropriations for H&SS and Corrections.

**Transfer of Assets, Liabilities, Property, Contracts, Rules and Orders.** In addition, transfer to Corrections:

- All assets and liabilities and all tangible personal property (including records) of H&SS that are primarily related to EAS and LHS. Require H&SS and Corrections to jointly determine the assets and liabilities and tangible personal property to be transferred and to implement a plan for the orderly transfer thereof. If there is a dispute between the two departments, require the Secretary of DOA to resolve the dispute and develop a plan for the orderly transfer thereof.
- Any matter pending with H&SS that is primarily related to EAS or LHS. Specify that all materials submitted or actions taken by H&SS with respect to the pending matter are considered as having been submitted to or taken by Corrections.
- All contracts entered into by H&SS in effect on July 1, 1996, that are primarily related to EAS and LHS. Specify that such contracts remain in effect. Require H&SS and Corrections to jointly identify these contracts and jointly develop and implement a plan for the orderly

transfer thereof. If there is a dispute between the two departments, require the Secretary of DOA to resolve the dispute and develop a plan for the orderly transfer of contracts.

- Specify that all rules promulgated and all orders issued by H&SS and in effect on July 1, 1996, that are primarily related to EAS and LHS, remain in effect until their specified expiration date or until amended, modified, rescinded or repealed by Corrections.

***Transfer of Custody of Juveniles.*** Effective July 1, 1996, or the day after publication, whichever is later, transfer all persons who are placed at EAS and LHS under the supervision of H&SS to the supervision of Corrections. Require H&SS and Corrections to jointly determine those persons and to jointly develop a plan for the orderly transfer of juveniles placed at EAS and LHS. If there is a dispute between the two departments, require the secretary of DOA to resolve the dispute and develop a plan for the orderly transfer of juveniles.

### **Youth Aids Modifications**

***Reduce Funding for Youth Aids.*** Delete a total of \$21,908,100 GPR in 1996-97 from the youth aids appropriation in 1996-97, as follows:

- Of the total, delete \$5,991,300 GPR in 1996-97 by eliminating the high crime supplement, including the high crime AODA supplement, beginning in 1996-97.
- Delete the remaining \$15,916,800 GPR in 1996-97 from the consolidated youth aids base allocation. The bill does not specify a formula or methodology for reducing county youth aids allocations by \$15,916,800 in 1996-97; nor does it specify how the remaining youth aids funds would be distributed to counties in 1996-97.

The \$21,908,100 GPR would be used to offset the costs of the serious juvenile offender program in Department of Corrections in 1996-97 as well as the conversion of funding and positions from PR to GPR for secure treatment beds at MMHI for serious juvenile offenders in 1996-97.

Of the \$21,908,100 GPR that would be deleted from youth aids in 1996-97, \$12,053,900 GPR would be deleted for JCI services for boys, \$1,500,100 GPR for JCI services for girls, \$5,543,000 GPR for alternate care services, \$1,203,500 GPR for aftercare supervision and \$1,607,600 GPR for secure mental health treatment services.

***Youth Aids Statutory Modifications.*** In addition, modify the statutory provisions for the use, provision and allocation of youth aids funding as follows:

- Repeal the youth aids' high crime supplement, including the high crime AODA supplement, and delete \$5,991,300 GPR, beginning in 1996-97. Under current law, the high crime supplement and the high crime AODA supplement provide a total of \$5,991,300 GPR



annually for distribution to counties that have a combined assaultive and Part 1 juvenile arrest rate that exceeds 3.5%.

- Effective July 1, 1996, or the day after publication, whichever is later, repeal the requirement that the state increase the total youth aids funding available to counties proportionately if the statutory daily rates charged to counties by the state for JCI placements, alternate care placements, aftercare supervision or corrective sanctions supervision increase. In addition, repeal the statutory provisions providing for the allocation to counties of youth aids funding for rate increases.
- Repeal the separate corrective sanctions allocation under youth aids for counties participating in the juvenile corrective sanctions program and consolidate the related funding within the youth aids base allocation in each year.
- Delete the separate other supplemental allocation under youth aids in 1996-97 and consolidate \$200,000 GPR in 1996-97 from the other supplemental allocation within the youth aids base allocation. Under current law, \$200,000 GPR annually in other supplemental youth aids funds are provided to counties that are not eligible for the high crime supplement.
- Repeal the statutory language providing for the allocation of funding for community programs inflationary increases. No funding is provided in the bill during the 1995-97 biennium for community programs increases.
- Prohibit counties from expending youth aids funds to purchase land, construct or maintain county buildings regulated by Corrections, including jails, Huber facilities and houses of corrections. Under current law, counties are prohibited from expending youth aids funds to purchase land, construct or maintain secure juvenile detention centers and other similar county facilities.

The following table summarizes the proposed youth aids allocations and funding levels under the Governor's recommendation.

## Proposed Youth Aids Allocations

<u>Allocation</u>	<u>1994-95</u>	<u>Governor's Recommendation</u>	
		<u>1995-96</u>	<u>1996-97</u>
Base Allocation	\$72,381,000	\$76,060,800	\$65,040,400
Violent Offender Transfer	-2,422,800	0	0
Violent Offender Hold Harmless	324,700	0	0
Community Programs Increase	2,158,900	0	0
Rate Increases	2,568,800	4,538,300	0
Corrective Sanctions	1,536,200	0	0
High Crime Supplement	5,991,300	5,991,300	0
Other Supplemental Funds	200,000	200,000	0
Emergency Funds	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total (All Funds)	\$82,988,100	\$87,040,400	\$65,290,400

As shown above, the proposed youth aids statutory language would authorize H&SS to allocate an amount not to exceed \$87,040,400 in 1995-96 and \$65,290,400 in 1996-97 to counties for youth aids. However, it should be noted that the bill appropriates a total of \$86,920,600 (\$84,471,400 GPR and \$2,449,200 FED) in 1995-96 and \$65,224,800 (\$65,775,600 GPR and \$2,449,200 FED) in 1996-97 for youth aids. Therefore, the funding provided in the bill is insufficient to support the maximum amount of funding that H&SS would be authorized to allocate by \$119,800 GPR in 1995-96 and by \$65,600 GPR in 1996-97.

*1995-96 Youth Aids.* In 1995-96, the consolidated youth aids base allocation of \$76,060,800 under the Governor's recommendation reflects the total of the:

- The 1994-95 base allocation as reduced to reflect the permanent transfer of \$4,845,600 GPR to the violent juvenile offender program required under current law (\$67,535,400 annually);
- The violent offender hold harmless funding (\$649,400 annually); and
- Funding for rate increases (including corrective sanctions) and community programs inflationary increases approved during the 1993-95 biennium (\$7,876,000 annually).

*1996-97 Youth Aids.* In 1996-97, a total of \$65,040,400 GPR in 1996-97 would be provided in the youth aids base allocation following the proposed reduction of \$15,916,800 GPR from the consolidated base youth aids allocation of \$80,957,200 in 1996-97.

In addition to the components listed above for 1995-96, the 1996-97 pre-reduction consolidated base youth aids allocation of \$80,957,200 also includes:

- Funding to offset estimated rate increases in 1996-97 (\$4,696,400); and

- A transfer of \$200,000 GPR in 1996-97 from the other supplemental youth aids allocation.

**Evaluate and Propose Modified Youth Aids Formula.** Require H&SS to evaluate the formula used to allocate youth aids to counties, in light of any change in the number of juveniles placed under the supervision of H&SS as a result of the serious juvenile offender program. Require H&SS to submit to the Secretary of DOA and the Cochairpersons of the Joint Committee on Finance, no later than July 1, 1996, a proposed formula for the allocation of youth aids that reflects that change. Require the Secretary of DOA to evaluate the proposed formula and, if the Secretary approves of that proposed formula, require the Secretary to include the proposed formula as part of the Governor's proposed 1997-99 biennial budget.

**Increase Daily Rates Charged to Counties.** Establish the following statutory daily rates for juvenile correctional services provided or purchased by H&SS that would be charged to counties from counties' youth aids allocations.

**Daily Rates**

	Current Law 1-1-95 thru 6-30-95	Governor's Recommendation			
		7-1-95 thru 12-31-95	1-1-96 thru 6-30-96	7-1-96 thru 12-31-96	1-1-97 thru 6-30-97
JCIs	\$115.68	\$127.98	\$127.98	N.A.	N.A.
Corrective Sanctions	66.75	81.55	81.55	82.11	82.11
Child Caring Institutions	146.07	147.84	153.80	153.87	156.98
Group Homes	101.92	102.44	106.60	106.69	108.86
Treatment Foster Care	64.65	65.94	68.58	68.58	69.95
Regular Foster Care	23.28	22.84	23.80	23.80	24.29
Aftercare Supervision	12.96	13.00	13.00	13.28	13.29

Delete the statutory daily rates for JCIs for 1996-97. Instead, require H&SS to submit to the Secretary of DOA and the Co-chairpersons of the Joint Committee on Finance, no later than January 15, 1996, proposed daily rates for maintaining a juvenile in a JCI for the last six months of 1996 and the first six months of 1997. As under current law, specify that the rates must reflect the average daily cost of maintaining a juvenile in a JCI and may not vary according to the JCI in which the child is placed. Require the Secretary of DOA to evaluate the rates and, if the Secretary approves, require the Secretary of DOA to submit to the Joint Committee on Finance by March 1, 1996, a report containing proposed legislation for providing those rates effective on July 1, 1996.

In addition, require Corrections, rather than H&SS, to promulgate rules establishing rates to charge counties for maintaining a person in an adult correctional institution. Under current law, H&SS is required to promulgate rules establishing rates for maintaining a person in an adult correctional institution.

## Other Statutory Modifications

**Modify Corrective Sanctions Program.** Modify the corrective sanctions program statutory provisions as follows: (a) repeal the corrective sanctions pilot program which operated in 1993-94; (b) eliminate the requirement that the program serve an ADP of 105 children; (c) delete the statutory authority of the Joint Committee on Finance to supplement funding and positions for the corrective sanctions program and increase the ADP which the program must serve under s. 16.505/16.515 or s.13.10 of the statutes; and (d) instead, require the H&SS to provide a corrective sanctions program in not less than three counties, including Milwaukee County.

**Repeal the Division of Youth Services.** Repeal the Division of Youth Services in H&SS. Specify that the Secretary of H&SS or a designee, rather than the administrator of DYS must serve as the chairperson of the Gang Violence Prevention Council. In place of the Division of Youth Services, the Governor's recommendations indicate that a Division of Children's Services would be established in H&SS. The Division of Children's Services would include services and programs for youth adjudicated delinquent that are administered by H&SS, along with additional programs for children which are currently administered by other H&SS divisions.

**Joint Finance/Legislature:** Delete \$2,080,900 GPR and provide \$622,900 PR and \$300,000 FED in 1995-96 and delete \$72,203,200 GPR and 104.32 GPR positions, \$31,065,800 PR and 434.83 PR positions and \$2,449,200 FED in 1996-97.

In general, the funding and position modifications reflect:

- The transfer of the remaining programs and responsibilities of the Division of Youth Services from H&SS to a newly-created Division of Juvenile Corrections in the Department of Corrections, effective July 1, 1996;
- The transfer of additional positions from the Division of Management Services in H&SS to Corrections, effective July 1, 1996;
- The conversion of funding and positions from GPR to PR for secure mental health treatment beds for juveniles at Mendota Mental Health Institute (MMHI) and additional funding reductions related to the secure mental health treatment beds;
- The provision of additional capacity building funding to be distributed to counties, beginning in 1995-96;
- The establishment of a new, sum-certain GPR appropriation to reimburse county costs relating to actions or proceedings involving violations committed by juveniles residing at state juvenile correctional institutions, beginning in 1995-96; and

- The reestimate of funding for youth aids, the violent juvenile offender program extended jurisdiction/waived youth and alternate care in the 1995-97 biennium, and modifications to youth aids, beginning in 1996-97.

### **Modifications to Program Responsibility, Funding and Positions**

*Health and Social Services -- Division of Youth Services.* Transfer the remaining programs and responsibilities of the Division of Youth Services in H&SS to Corrections, as follows:

- Southern Oaks facility for girls
- Aftercare supervision for non-serious/under age 14 juvenile offenders
- Alternate care for non-serious/under age 14 juvenile offenders
- Corrective sanctions program
- Juvenile boot camp program
- SPRITE program
- Office of Juvenile Offender Review
- Health services for non-serious/under age 14 juvenile offenders
- Youth aids program
- Capacity building funding
- All other functions remaining in the Central Office

Specify that the fund source for the facilities and programs would continue to be program revenue. Transfer the appropriation structure from the Division of Youth Services and a total of \$85,770,300 all funds and 283.75 positions, excluding the unclassified division administrator, as follows:

- \$62,505,100 GPR and 10.0 GPR positions in 1996-97;
- \$2,449,200 FED in 1996-97; and
- \$20,816,000 PR and 273.75 PR positions in 1996-97.

*Health and Social Services -- Administrative Positions.* Transfer administrative positions and funding from H&SS to Corrections, including: (a) 1.0 payroll and benefits specialist 3 (\$45,500 GPR); (b) 1.0 budget and policy analyst senior (\$54,200 GPR); (c) 0.5 dietician (\$28,400 GPR); and (d) 1.0 architect (\$50,500 GPR and \$33,600 PR).

*Funding for Secure Mental Health Treatment Beds.* Convert \$2,500,000 and 91.22 positions from GPR to PR to fund costs of Corrections for secure mental health treatment beds in 1996-97. Delete \$3,352,200 GPR in 1996-97, relating to the conversion of funding for secure mental health treatment beds at Mendota Mental Health Institute. In addition, designate that up to 43 beds provided under the secure adolescent treatment unit at Mendota Mental Health Institute be juvenile correctional institution beds.

*Capacity Building Program.* Provide an additional \$1,250,000 GPR in 1995-96 and \$1,250,000 GPR in 1996-97, for a total of \$3,750,000 GPR in each year for capacity building to be distributed to counties and rename the program to be the "community intervention program."

*Reimbursement of County Costs Related to the Prosecution of Juveniles Residing at State Juvenile Correctional Institutions.* Provide \$200,000 GPR in 1995-96 and create a new sum-certain GPR appropriation under H&SS, on the effective date of the bill, for H&SS to reimburse county costs relating to actions or proceedings involving violations committed by juveniles residing at state juvenile correctional institutions. Specify that the following county costs would be reimbursable: (a) investigation costs; (b) court and prosecution costs; and (c) jail costs.

### **Reestimates of Youth Aids and Juvenile Delinquency-Related Costs**

Modify the Governor's recommendations to reestimate youth aids and the costs and daily rates for state services, as follows:

*Youth Aids Reestimate.* Reduce the youth aids funding provided in the bill by \$2,506,600 GPR in 1995-96 and \$4,175,700 GPR in 1996-97 to reflect decreases in the statutory daily rates for juvenile correctional services and a technical correction to accurately reflect the costs of continuing program increases approved in the 1993-95 biennium.

*Violent Juvenile Offender Program.* Reduce funding for the violent juvenile offender program by \$972,400 GPR in 1995-96 due to the decreases in the daily rates for the institutions.

*Extended/Waived Juveniles.* Reduce funding for extended jurisdiction and waived youth by \$51,900 GPR in 1995-96 due to the decreases in the daily rates for the institutions under the reestimate.

*Alternate Care.* Provide an additional \$422,900 PR in 1995-96 in increased expenditure authority for alternate care services to reflect increases in the daily rates for alternate care facilities and increased alternate care populations.

*Modify Daily Rates Charged to Counties.* Establish the following statutory daily rates for juvenile correctional services provided or purchased by H&SS that would be charged to counties from counties' youth aids allocations.

	Current Law	Act 27			
	1-1-95 thru	7-1-95 thru	1-1-96 thru	7-1-96 thru	1-1-97 thru
	<u>6-30-95</u>	<u>12-31-95</u>	<u>6-30-96</u>	<u>12-31-96</u>	<u>6-30-97</u>
JCIs	\$115.68	\$120.73	\$120.73	---	---
Corrective Sanctions	66.75	86.51	86.51	\$82.11	\$82.11
Child Care Institutions	146.07	147.91	153.87	153.98	157.08
Group Homes	101.92	102.53	106.69	106.82	108.98
Treatment Foster Care	64.65	65.94	68.58	68.58	69.95
Regular Foster Care	23.28	22.84	23.80	23.80	24.29
Aftercare Supervision	12.96	12.20	12.20	11.48	11.48

### Youth Aids Modifications in 1996-97

Modify the Governor's recommendations to:

*Restore Funding for Youth Aids.* Restore \$15,916,800 GPR in 1996-97 in the consolidated youth aids base allocation.

*Requirement for a Proposed Formula.* Require: (1) Corrections to evaluate the formula used to allocate youth aids to counties, in light of any change in the number of juveniles placed under the supervision of Corrections as a result of the serious juvenile offender program; (2) Corrections to submit to the Secretary of DOA and the Joint Committee on Finance, no later than July 1, 1996, a proposed formula for the allocation of youth aids that reflects that change; and (3) the Secretary of DOA to evaluate the proposed formula and, if the Secretary approves of that proposed formula, to include the proposed formula as part of the Governor's proposed 1997-99 biennial budget.

*Data Collection.* Specify additional criteria in reviewing the formula and additional data on juvenile offenders which should be collected for that purpose, including:

- (1) The numbers of serious juvenile offenders currently placed in H&SS programs and non-secure residential facilities, such as child-caring institutions;
- (2) Factors that target the need for delinquency-related services, including early intervention and chronic offender services;
- (3) The number of children living in poverty based on U.S. Census data as updated annually;
- (4) Juvenile arrests for Part 1 offenses, including Part 1 violent offenses; and
- (5) Models for cost-sharing between counties and the state.

## **Retain a Separate Allocation for Corrective Sanctions**

Modify the Governor's recommendations to:

- Retain a separate youth aids allocation for corrective sanctions; and
- Specify that Corrections should determine each county's youth aids allocation for corrective sanctions based on the minimum statewide budgeted number of program slots and the number of program slots in each participating county, as specified in an agreement between Corrections and each participating county. Authorize Corrections to transfer youth aids funding for corrective sanctions among counties as necessary based on the number of program slots in each participating county.
- Retain the requirement that Corrections serve an average daily population of 105 youth in the program; and
- Retain the statutory authority of the Joint Committee on Finance to supplement funding and positions for the corrective sanctions program and to increase the ADP which the program must serve under s. 16.505/16.515 or s. 13.10 of the statutes.

## **Clarify the Transfer of Juveniles from H&SS to Corrections**

Specify that effective July 1, 1996, all persons under the supervision or legal custody of H&SS in any facility or program operated, provided or purchased by the Division of Youth Services would be transferred to the supervision of Corrections. Specify that Corrections shall have identical rights and duties with respect to children under the supervision of Corrections as H&SS has under current law.

Additional information on statutory changes to Children's Code, the transfer of programs for juvenile offenders to Corrections and funding and positions for programs transferred to Corrections is provided under "Corrections -- Juvenile Corrections."

[Act 27 Sections: 137, 142, 826, 2026, 2027m, 2164m, 2164p, 2170, 2173m thru 2184m, 2191 thru 2194, 2196 thru 2204m, 2536m, 2546 thru 2548m, 6283, 6283m, 9126(26v), 9226(1x)&(1y) and 9426(25)]

## **30. BEDS IN JUVENILE CORRECTIONAL INSTITUTIONS**

**Joint Finance/Legislature:** Require the Building Commission to submit to the Joint Committee on Finance, for its approval, plans for the construction, reconstruction, remodeling or addition to several projects relating to juvenile correctional facilities. These projects include: (a) the 250 juvenile secured correctional program beds authorized in 1993 Wisconsin Act 377; (b) a juvenile assessment and evaluation center; and (c) a female youth center expansion at the Southern Wisconsin Center for the



Developmentally Disabled. Further, delete \$1,891,700 BR and reduce the proposed capacity expansion of the female youth center by 75 beds, from 150 beds to 75 beds. As a result, \$3,783,300 BR would be provided for the project. The change in bonding for juvenile beds is reflected under "Building Program."

**Veto by Governor [D-7]:** Delete the provision that would have required the Building Commission to submit plans to the Joint Committee on Finance for the Committee's approval.

[Act 27 Sections: 9108(1)(d) and (2g)]

[Act 27 Vetoed Section: 9108 (2g)]

## Supplemental Security Income

### 1. STATE SUPPLEMENTAL SECURITY INCOME (SSI) [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$19,298,200	\$1,276,600	20,574,800

**Governor:** Provide \$12,163,800 in 1995-96 and \$7,134,400 in 1996-97 to fund state supplemental benefits and administrative fees to the federal supplemental security income (SSI) program. The supplemental security income program provides cash benefits to low-income aged, blind and disabled persons who meet certain financial and nonfinancial eligibility criteria.

Under federal law, states have the option of administering their own supplemental benefit payments, or contracting with the Social Security Administration to administer the state supplement. Currently, Wisconsin contracts with the federal Social Security Administration to administer the state benefit payment. Under federal law, the monthly administrative fee for each check issued is: (a) \$3.33 in federal fiscal year 1995; (b) \$5.00 in 1996; and (c) \$5.00, or a rate determined by the Secretary, in 1997 and succeeding years. For Wisconsin, the administrative fee is estimated to be \$3.9 million in 1994-95.

#### **Benefits**

*Maintenance of Effort Payment.* Provide funding for a one-time payment of \$5,873,000 at the end of calendar year 1995 to comply with federal maintenance-of-effort requirements which specify that the state's total supplemental payments for both mandatory and optional beneficiaries in a calendar year must be at least equal to its total expenditures for such payments in the preceding calendar year. State expenditures for SSI were \$128,113,300 in calendar year 1993, \$122,741,600 in 1994 and are estimated

to be \$127,612,000 in 1995, resulting in a combined shortfall of \$5,873,000 in 1994 and 1995 from 1993 expenditure levels. Expenditures were lower in these two years primarily due to slower than anticipated caseload growth.

*Caseload Increase/Benefit Reduction.* Provide \$3,595,400 in 1995-96 and \$4,022,400 in 1996-97 to reflect an increase in the SSI caseload and anticipated benefit payments. The SSI average monthly caseload is projected to increase over the calendar year 1995 level of 111,253 cases by 5,600 cases in 1996 and by an additional 4,200 cases in 1997, for an estimated increase in caseload of 5.0% and 3.6% in each year respectively.

In addition, reduce the state supplemental SSI benefit by a portion of the increase provided in the federal cost-of-living allowance. On average, benefits would be reduced by \$4.23 per month in 1996 and an additional \$3.77 per month in 1997. In order to reduce state supplemental benefits to SSI recipients, states must comply with federal pass-along provisions which, in Wisconsin, require that total annual expenditures be at least equal to payments in the preceding year. Current base funding for state benefits is \$124,294,400.

**Administrative Fees**

Provide \$2,395,400 in 1995-96 and \$3,112,100 in 1996-97 for administrative fees expended for federal administration of the state supplemental payment. In addition to the one-time, maintenance-of-effort payment, this provision allocates \$300,000 in 1995-96 for federal administration fees to issue the one-time maintenance-of-effort payment. Base funding for SSI administration is \$4,066,300 in 1994-95.

**Joint Finance/Legislature:** Provide \$1,035,000 in 1995-96 and \$241,600 in 1996-97 to reflect a reestimate of benefits and administrative fees, including one-time maintenance of effort payments and ongoing costs, for the state SSI supplement. Of this amount, \$756,500 would be provided in 1995-96 to comply with the state's maintenance of effort requirement for SSI benefits in calendar year 1994. Notification of this shortfall was received from the Social Security Administration in March, 1995.

**2. STATE ADMINISTRATION OF THE STATE SSI SUPPLEMENT AND ELIMINATION OF PAYMENTS TO STATE-ONLY RECIPIENTS [LFB Paper 521]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$11,503,300	\$2,090,800	-\$9,412,500

**Governor:** Delete \$5,397,000 in 1995-96 and \$6,106,300 in 1996-97 to reflect: (a) the conversion from federal to state administration of state SSI supplemental benefits; and (b) the elimination of state SSI supplemental benefits to recipients who receive only a state, and not a federal SSI benefit payment.

In addition, modify the sum sufficient appropriation for administrative fees to allow payment of such costs incurred directly by the Department, as well as to the federal government as under current law. Establish statutory provisions, which are substantially similar to current provisions for benefit reductions, to allow H&SS to submit proposals to eliminate eligibility from the state SSI supplement for certain recipients. As under current law, the proposal would first be submitted to DOA, then to the Joint Committee on Finance and finally to the Governor, for approval. These provisions would be effective beginning January 1, 1996.

Under federal law, states have the option of administering their own supplemental SSI payments, or contracting for administration with the Social Security Administration. State administration also provides greater latitude to states to modify state supplemental benefits than is provided under federal administration.

Under federal administration of the state SSI supplement, the Social Security Administration maintains computer data bases for both federal SSI recipients and state supplemental benefit recipients. Under state administration of the state supplemental payment, the Social Security Administration would continue to process benefit payments for federal SSI recipients; data bases used to process federal payments would be made available to the Department to process the state payment. However, information for state-only recipients would no longer be available from the Social Security Administration.

Under federal law, any earned or other unearned income first reduces the federal SSI benefit and then is applied toward reducing state benefit payments. In general, SSI recipients would receive state-only supplemental payments if: (a) their monthly unearned income (plus a \$20 disregard); or (b) half their earned income (plus a \$65 disregard); or (c) some combination of unearned and half the unearned income (plus the disregards) exceeds the federal SSI benefit level for their living arrangements. For calendar year 1994, the Social Security Administration estimates that, in Wisconsin, 17,038 persons received only state supplemental SSI benefits.

The Governor's recommendation would convert to state administration of the state SSI supplement and discontinue state-only supplemental SSI benefits; the impact of these modifications on caseload, benefit levels and administrative fees follows.

*Benefits.* Delete \$1,704,300 in 1995-96 and provide \$14,800 in 1996-97 to reflect discontinuing the state SSI supplemental benefits for those recipients who receive state-only benefits and providing benefit increases to recipients who receive both state and federal benefits. On average, benefits would be increased by \$13.71 per month in 1996, and an additional \$0.64 per month in 1997. Under federal law, Wisconsin must comply with federal pass-along provisions by maintaining its level of total annual expenditures. Thus, because of the reduced caseload, benefit level increases would be necessary to remain in compliance with federal law.

*Administrative Fees.* Delete \$3,692,700 in 1995-96 and \$6,121,100 in 1996-97 for administrative fees expended for federal administration of the state supplemental payment. Base funding for SSI administration is \$4,066,300 in 1994-95.

**Joint Finance/Legislature:** Modify the Governor's recommendation to:

*Benefits.* Continue to provide state SSI supplemental benefits to recipients who are eligible for a state payment based on Social Security Administration data available immediately prior to January 1, 1996, for recipients who receive state only payments at that time and, in succeeding months, for those recipients who receive state and federal payments and subsequently become eligible for state-only payments. In addition, to reflect the restoration of benefits for state-only recipients, delete the increase in state benefits for other SSI recipients in AB 150. Finally, eliminate the delayed payment of benefits in AB 150 that are required to meet federal maintenance of effort requirements and provide \$1,704,300 in 1995-96 and delete \$14,800 in 1996-97.

*Administration.* Provide an additional \$265,700 GPR in 1995-96 and \$135,600 GPR in 1996-97 for administration of the state supplement for state only recipients. Direct H&SS to develop a cost-effective periodic review and monitoring system, in compliance with federal regulations, and to submit a report on the cost of this system to the Joint Committee on Finance for its meeting under s. 13.10 in September, 1995.

Create a sum certain, GPR appropriation for state administrative costs of the state SSI supplement. In total, provide a \$994,400 GPR in 1995-96 and \$1,206,200 GPR in 1996-97 for state administrative costs related to the state SSI supplement. Of this funding, costs currently budgeted under the federal sum sufficient GPR appropriation for state administration would be transferred to the new appropriation; additional funding provided for state only recipients would also be budgeted in this appropriation. Specify that no funds from the sum sufficient appropriation may be encumbered to pay for federal administrative fees after January 1, 1996.

**Veto by Governor [D-15]:** Eliminate state SSI benefits for those recipients who are not eligible to receive a federal SSI benefit on January 1, 1996, except for those recipients who were eligible for a state supplement on the last date of federal eligibility determination prior to January 1, 1996. Thus, SSI recipients who receive state-only benefits prior to state administration would continue to receive benefits; however, those who become eligible for state-only benefits after January 1, 1996 would not be eligible for state payments.

[Act 27 Sections: 921b, 921c, 922b, 922c, 2846b, 2846c, 2848, 2849 and 9426(17)]

[Act 27 Vetoed Sections: 2846c and 9426(17)(a)]

## Community Services

### 1. COMMUNITY AIDS FUNDING [LFB Papers 525 and 527]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	\$18,490,200	- \$30,870,600	\$0	\$0	-\$12,380,400
FED	20,252,100	814,200	- 650,000	75,000	20,491,300
PR	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
Total	\$39,142,300	- \$30,056,400	- \$650,000	\$75,000	\$8,510,900

**Governor:** Provide \$9,245,100 GPR, \$10,055,500 FED and \$400,000 PR in 1995-96 and \$9,245,100 GPR and \$10,196,600 FED in 1996-97 to reflect the following changes in community aids programs.

#### Changes to Funding

*GPR Funding.* Increase GPR funding by \$9,245,100 annually to reflect: (a) an increase of \$15,435,300 GPR in each year, which is equal to the base funding for the state share of personal care benefits under the medical assistance program; and (b) a reduction of \$6,190,200 GPR in each year from base funding for community aids.

*FED Funding.* Increase federal funding by \$10,055,500 in 1995-96 and \$10,196,600 in 1996-97 to reflect: (a) \$530,600 FED in each year from federal child welfare funds to reflect an anticipated increase in federal funding; (b) \$9,700,000 FED in 1995-96 and \$10,100,000 FED in 1996-97 from federal foster care reimbursement under Title IV-E of the Social Security Act, which is received as reimbursement for a portion of the cost of placing AFDC-eligible children in foster care; (c) delete \$175,100 FED in 1995-96 and \$434,000 FED in 1996-97 from the Social Services Block Grant to reflect a lower projected award level.

*PR Funding.* Provide \$400,000 PR in 1995-96 from the drug abuse program improvement surcharge (DAPIS) on a one-time basis.

With these modifications, adjustments to base funding and the transfer of other federal funds to community aids recommended by the Governor in related items, a total of \$228,044,500 GPR, \$121,488,100 FED and \$400,000 PR in 1995-96 and \$228,044,500 GPR and \$121,927,900 FED in 1996-97 would be provided for community aids in the 1995-97 biennium, as follows.

**Modifications to Community Aids Funding  
Governor's Recommendations**

	1995-96		1996-97	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
<b>Base Level Funding</b>	\$218,869,400	\$110,622,000	\$218,869,400	\$110,622,000
<b>Adjustments to Base</b>				
• Child Care (Title IV-E)*	\$0	-\$4,500,000	\$0	-\$4,500,000
• Child Care*	0	307,100	0	307,100
<b>Program Modifications</b>				
• Medical Assistance Personal Care State Base Funding	\$15,435,300	\$0	\$15,435,300	\$0
• Delete Base GPR Funding	-6,190,200	0	-6,190,200	0
• Social Services Block Grant	0	-175,100	0	-434,000
• Child Welfare	0	530,600	0	530,600
• Federal Foster Care Reimbursement (Title IV-E)	0	9,700,000	0	10,100,000
• Transfer to American Indian Aids*	-70,000	0	-70,000	0
• Alcohol and Substance Abuse Block Grant*	0	1,155,200	0	1,353,200
• Community Mental Health Block Grant*	0	1,027,300	0	1,027,300
• Child Care and Development Block Grant*	0	516,000	0	616,700
• Transfer from Sunset AODA Programs*	0	2,305,000	0	2,305,000
<b>TOTAL -- Community Aids Appropriations</b>	<b>\$228,044,500</b>	<b>\$121,488,100</b>	<b>\$228,044,500</b>	<b>\$121,927,900</b>
Change to 1994-95 Base**	\$9,175,100	\$10,866,100	\$9,175,100	\$11,305,900

\*Funding transferred to community aids from other items; the change to base funding is reflected under the other items.

\*\*In addition to GPR and FED funding, \$400,000 in 1995-96 would be transferred to community aids from the drug abuse improvement surcharge for distribution to counties.

**Joint Finance:** Modify the Governor's recommendations relating to funding for community aids as follows:

*Medical Assistance Personal Care Base State Funding.* Reduce community aids funding by \$15,435,300 in each year to reflect the restoration of personal care services as a medical assistance benefit.

*Federal SABG Funding.* As part of a reestimate of funding available under the federal substance abuse block grant, increase funding for community aids by \$337,100 FED annually.

*Federal Mental Health Funding.* Transfer \$1,027,000 FED annually from community aids to provide funding for specific mental health-related programs. This funding is budgeted under "Mental Health Funding."

*Federal Funding.* Provide \$70,000 FED in each year to correct funding levels to conform with the intent of the Governor's recommended statutory provisions for total funding of community aids in the 1995-97 biennium.

With these modifications, a total of \$212,609,200 GPR, \$120,868,200 FED and \$400,000 PR in 1995-96 and \$212,609,200 GPR and \$121,308,000 FED in 1996-97 would be provided for community aids in the 1995-97 biennium, as follows:

**Modifications to Community Aids Funding  
Joint Committee on Finance**

	<u>1995-96</u>		<u>1996-97</u>	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
<b>Base Level Funding</b>	<b>\$218,869,400</b>	<b>\$110,622,000</b>	<b>\$218,869,400</b>	<b>\$110,622,000</b>
<b>Adjustments to Base</b>				
• Child Care (Title IV-E)	\$0	-\$4,500,000	\$0	-\$4,500,000
• Child Care	0	307,100	0	307,100
<b>Program Modifications</b>				
• Delete Base GPR Funding	-6,190,200	0	-6,190,200	0
• Social Services Block Grant	0	-175,100	0	-434,000
• Child Welfare	0	530,600	0	530,600
• Federal Foster Care Reimbursement (Title IV-E)	0	9,700,000	0	10,100,000
• Transfer to American Indian Aids	-70,000	70,000	-70,000	70,000
• Alcohol and Substance Abuse Block Grant	0	1,492,300	0	1,690,300
• Community Mental Health Block Grant	0	300	0	300
• Child Care and Development Block Grant	0	516,000	0	616,700
• Transfer from Sunset AODA Programs	0	2,305,000	0	2,305,000
<b>TOTAL -- Community Aids Appropriations</b>	<b>\$212,609,200</b>	<b>\$120,868,200</b>	<b>\$212,609,200</b>	<b>\$121,308,000</b>
Change to 1994-95 Base*	-\$6,260,200	\$10,246,200	-\$6,260,200	\$10,686,000

\*In addition to GPR and FED funding, \$400,000 in 1995-96 would be transferred to community aids from the drug abuse improvement surcharge for distribution to counties.

**Assembly:** Modify funding for community aids to:

*Community AODA Program.* Reduce funding by \$250,000 FED annually from the alcohol and substance abuse block grant and, instead, restore base funding for the community alcohol and other drug abuse (AODA) prevention grant program.

*HIV Prevention Grant Program.* Reduce funding by \$75,000 FED annually from the alcohol and substance abuse block grant and, instead, use these funds to support a new grant program to prevent human immunodeficiency virus (HIV) infection. ["H&SS -- Health: HIV Prevention Grant Program."]

**Senate/Legislature:** Restore \$37,500 FED annually to community aids from the substance abuse block grant that would have been allocated to the HIV prevention grant program under the Assembly provisions.

With these modifications, a total of \$212,609,200 GPR, \$120,580,700 FED, and \$400,000 PR in 1995-96 and \$212,609,200 GPR and \$121,020,500 FED in 1996-97 would be provided for community aids as follows:

**Modifications to Community Aids Funding  
Act 27**

	1995-96		1996-97	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
<b>Base Level Funding</b>	<b>\$218,869,400</b>	<b>\$110,622,000</b>	<b>\$218,869,400</b>	<b>\$110,622,000</b>
<b>Adjustments to Base</b>				
• Child Care (Title IV-E)	\$0	-\$4,500,000	\$0	-\$4,500,000
• Child Care	0	307,100	0	307,100
<b>Program Modifications</b>				
• Delete Base GPR Funding	-6,190,200	0	-6,190,200	0
• Social Services Block Grant	0	-175,100	0	-434,000
• Child Welfare	0	530,600	0	530,600
• Federal Foster Care Reimbursement (Title IV-E)	0	9,700,000	0	10,100,000
• Transfer to American Indian Aids	-70,000	70,000	-70,000	70,000
• Alcohol and Substance Abuse Block Grant	0	1,204,800	0	1,402,800
• Community Mental Health Block Grant	0	300	0	300
• Child Care and Development Block Grant	0	516,000	0	616,700
• Transfer from Sunset AODA Programs	0	2,305,000	0	2,305,000
<b>TOTAL -- Community Aids Appropriations</b>	<b>\$212,609,200</b>	<b>\$120,580,700</b>	<b>\$212,609,200</b>	<b>\$121,020,500</b>
Change to 1994-95 Base*	-\$6,260,200	\$9,958,700	-\$6,260,200	\$10,398,500

\*In addition to GPR and FED funding, \$400,000 in 1995-96 would be transferred to community aids from the drug abuse improvement surcharge for distribution to counties.

**2. STATUTORY MODIFICATIONS TO COMMUNITY AIDS [LFB Paper 526]**

**Governor:** Modify statutory provisions related to community aids as follows:

*Restructure Community Aids.* Consolidate community aids into a single, general community aids allocation and three specific, categorical allocations for: (a) the prevention and treatment of substance abuse; (b) community mental health services; and (c) child care services. Repeal statutory provisions which require H&SS to distribute not more than specific amounts of funding for the basic county allocation and the categorical allocations under current law. Specify that, within the limits of federal funding and the amounts appropriated for community aids, the Department be required to distribute not more than the following amounts in each fiscal year of the 1995-97 biennium:



	<u>1995-96</u>	<u>1996-97</u>
General Community Aids	\$319,596,600	\$319,337,700
Prevention and Treatment of Substance Abuse	11,037,600	11,235,600
Community Mental Health Services	3,540,400	3,540,400
Child Care Services	<u>15,828,000</u>	<u>15,928,700</u>
Total	\$350,002,600	\$350,042,400

Under current law, community aids provides counties with a basic county allocation and fifteen separate categorical allocations. From these funds, counties may expend community aids for human services in two broad, statutorily-defined functional areas: (a) social services for low-income persons and juvenile offenders; and (b) services for persons with needs relating to mental illness, alcohol or other drug abuse or developmental disabilities. Budgeted funding for 1994 and estimated funding for calendar year 1995, based on funding currently budgeted for the first six months of 1995, follow.

#### Community Aids -- Calendar Years 1994 and 1995

	<u>1994</u> <u>(Budgeted)</u>	<u>1995*</u> <u>(Estimated)</u>
<b>Basic County Allocation</b>	<b>\$246,743,400</b>	<b>\$254,563,000</b>
<b>Categorical Allocations</b>		
Child care services**	28,048,600	28,114,800
Supportive home care	13,165,600	13,165,600
Children's services allocation	10,598,500	10,744,600
Community support program	1,910,400	1,910,400
Programs for developmentally disabled persons	1,513,000	1,513,000
Services for developmentally disabled persons to reduce waiting lists	1,101,400	1,101,400
Family support program	4,339,800	4,339,800
Alzheimer's support program	1,877,000	1,877,000
AODA block grant	3,283,500	3,283,600
AODA youth treatment	450,000	450,000
AODA expansion (1989 Wisconsin Act 122)	5,440,600	5,440,600
Mental health block grant	2,077,300	2,077,200
Tribal aids	70,000	70,000
Emergencies	250,000	250,000
<b>Subtotal--Categorical Allocations</b>	<b>\$74,125,600</b>	<b>\$74,338,000</b>
 <b>GRAND TOTAL</b>	 <b>\$320,869,000</b>	 <b>\$328,901,000</b>

\*Because the 1994-95 state fiscal year ends June 30, 1995, funds are currently appropriated for the first half of 1995 only. For purposes of comparison, however, the amounts appropriated for January to June, 1995, have been doubled to arrive at estimated amounts for 1995.

\*\*A portion of community aids currently expended for crisis and respite child care is reallocated to a separate allocation beginning in 1994. Under this provision, in 1995, \$7,301,400 is reallocated to a crisis and respite child care allocation from other community aids allocations.

*County Matching Requirement.* Eliminate the current requirement that a county provide matching funds equal to 9.89% of the county's basic allocation and certain categorical allocations, including those for services to children and families, supportive home care, child care services, Alzheimer's family and caregiver support, community support, emergency funds, and alcohol and other drug abuse. Under current law, county matching funds may be provided from county property taxes, federal and state revenue sharing funds or, subject to certain limitations, private donations. In 1994-95, estimated county match expenditures totalled \$33,015,400.

*County Carryover of Community Aids.* Delete the requirement under community aids that if funds are carried over, no more than 25% of unexpended and unencumbered community aids funds may be carried over from a specific allocation. As under current law, the Department would be allowed, if requested, to carry over unexpended or unencumbered community aids funds of up to 3% of the total amount allocated to a county or tribal governing body or nonprofit organization. In 1994, \$1,093,400 was carried forward under community aids carryover provisions.

In addition, prohibit the use of unexpended at-risk, low-income and crisis and respite child care funds for child care start-up, improvement, and expansion grants and eliminate specific provisions related to the carryover of low-income child care funds.

*Required County Budget Reports.* Require that county departments and tribal governing bodies submit their proposed budget expenditures for community aids funds to the Department by October 1 of each year. Require that the proposed budget be submitted on forms developed by the Department and approved by DOA.

*County Performance Standards.* Require the Department to develop and implement performance standards, in consultation with DOA and counties, for all services funded by community aids by July 1, 1996. Repeal current statutory provisions relating to performance standards relating to juvenile justice and mental health services.

**Joint Finance/Legislature:** Modify the Governor's recommendation as follows:

*Categorical Allocations.* Retain separate, categorical allocations within community aids for:

- The family support program (\$4,339,800 GPR annually).
- The Alzheimer's support and caregiver program (\$1,877,000 GPR annually).
- Low-income child care services (\$21,404,100 in 1995-96 and \$21,504,800 in 1996-97).

With the changes to funding and the categorical allocations for community aids, the following amounts would be distributed in the 1995-97 biennium.

**Community Aids Statutory Allocations**  
**Act 27**

	<u>1995-96</u>	<u>1996-97</u>
Basic Community Aids	\$292,368,400	\$292,109,500
Prevention and Treatment of Substance Abuse	11,374,700	11,572,700
Community Mental Health Services	2,513,400	2,513,400
Child Care Services	21,404,100	21,504,800
Family Support Program	4,339,800	4,339,800
Alzheimers Support and Caregiver Program	<u>1,877,000</u>	<u>1,877,000</u>
 Total	 \$333,877,400	 \$333,917,200

*County Matching Requirements.* Delete the Governor's recommendation to repeal the current required county match of 9.89% for the community aids basic county allocation and certain categorical allocations.

*Community Aids Performance Standards.* Specify that any performance standards applied to counties also include a performance evaluation of any private sector human service provider supported by community aids funding.

*Required County Budget Reports.* Delay the date from October 1 to December 1, for required county budget reports under the Governor's recommendation.

*Community Aids Regional Service Delivery.* Direct the Department to study the feasibility of regional-based, rather than county-based, human service delivery systems and include representation in the study from the private sector and human services delivery system. Require the Department to report the results of this feasibility study to the Joint Committee on Finance at the Committee's December, 1996, meeting under the provisions of s. 13.10 of the statutes.

*Data Collection.* Direct H&SS to submit a report to the Secretary of DOA and the Joint Committee on Finance, no later than July 1, 1996, on current data collection efforts for social/human services expenditures and on recommendations to modify data collection to assure that information from counties is available to anticipate budget needs, to evaluate existing and proposed initiatives and to distribute additional funding for community aids in future years based on the outcomes of county spending, rather than on across-the-board adjustments based on historical county allocations.

*Final County Budget.* Specify that the final county budget report required under current law include, at a minimum:

- Uniform definitions of target populations and of programs and services counties provide or purchase using community aids funds;
- Planned expenditures for these programs, separately identified by source of funding (state-distributed funds, county property tax, client and third-party fees and other funds); and
- Estimates of the number of clients to be served under each program the county plans to provide or purchase using community aids funds.

**Veto by Governor [D-16] and [D-18]:** Modify community aids statutory provisions to:

*Performance Standards for Private Sector Service Providers.* Delete the provision that would have required that private sector human service providers which receive community aids funds be evaluated by performance standards.

*Community Aids Regional Service Delivery.* Delete the provision which would have directed the Department to study the feasibility of regional-based, rather than county-based, human services.

*Data Collection.* Delete the provision that would have required the Department to submit a report on community aids data collection efforts and recommendations for obtaining more complete county data to anticipate budget needs, evaluate initiatives and distribute future increases in community aids funding.

*Final County Budget.* Delete the provision which would have required that the final budget currently submitted by counties to H&SS by December 31 of each year for services either directly provided or purchased with community aids funds be submitted on a uniform budget reporting form developed by the Department, including: (a) uniform definitions of target populations, programs and services provided or purchased with community aids funds; (b) planned expenditures for programs and services by fund source; and (c) estimates of the number of clients to which community aids-funded services are provided.

[Act 27 Sections: 2039g, 2039r, 2280 thru 2296m, 2299 thru 2301, 2315, 2316, 2353, 2361 thru 2363, 2367 thru 2371, 3134m, 3250, 3264m, 4018 and 9126(14)]

[Act 27 Vetoed Sections: 2039g, 2039r, 2300, 9126(27t) and (27u)]

**3. COMMUNITY OPTIONS PROGRAM FUNDING (COP)**

	Chg. to Base
GPR	\$18,906,900

**Governor/Legislature:** Increase base funding by \$8,241,600 GPR in 1995-96 and \$10,665,300 GPR in 1996-97 and \$3,464,300 FED in each year for the COP program and the COP medical assistance waiver (COP-W). Federal funding is budgeted under "H&SS--Medical Assistance." For each component, modify funding as follows:

*Cost-to-Continue.* Provide \$5,817,900 GPR and \$3,464,300 FED in each year for existing COP placements to adjust for changes in the federal matching rate for COP-waiver services.

In total, budgeted funding assumes 15,543 placements, of which 9,431 are COP placements and 6,112 are COP-W placements. The additional funding recommended by the Governor assumes costs and placements, which are identical to those budgeted in 1994-95, of:

- \$112 per assessment in each year for 14,275 COP assessments
- \$184 per plan in each year for 9,850 COP plans
- For COP placements created prior to 1993 Wisconsin Act 16, \$459 per month for 8,062 COP placements and \$712 per month for 4,364 COP-W placements
- For COP placements created in 1993 Wisconsin Act 16, \$596 per month for 1,369 COP placements and \$723 per month for 1,748 COP-W placements

Under the statutes, counties receive allocations of funding for COP and COP-W programs, not allocations of placements. If eligible, an individual must first be served under the COP-W program for any costs that may be claimed under medical assistance. Placements are budgeted based on statewide average costs for assessments, case plans and COP and COP-W services. The costs assumed in the Governor's recommendation are based on statewide average costs for 1991. To the extent these costs have changed, a different number of placements, compared to the budgeted amounts, will be served, within the recommended funding level.

*Funding of the MA/COP Transfer.* Provide \$2,423,700 GPR in 1995-96 and \$4,847,400 GPR in 1996-97 to fund the annualized costs of the COP transfer, which was approved by the Joint Committee on Finance at its meeting under s. 13.10 of the statutes on December 5, 1994. At that meeting, the Committee approved the transfer from medical assistance to COP of \$4,847,400 GPR in 1994-95 for calendar year 1995 COP allocations, as required under the provisions of 1993 Wisconsin Act 469.

**4. ELIMINATE TRANSFER TO COP FOR DECREASED NURSING HOME USE [LFB Paper 530]**

**Governor/Legislature:** Delete current statutory provisions, enacted in 1993 Wisconsin Act 469, which establish a potential transfer of funding from the medical assistance (MA) appropriation to the community option program (COP) appropriation if there is a decline in the utilization of nursing home beds by MA recipients between the prior two years.

Under current law, the Department is required to submit a report to the Joint Committee on Finance by September 1 of each fiscal year that provides information on the utilization of nursing home beds by MA recipients. In addition, if there is a decline in utilization, the Department is required to calculate and

propose a transfer equal to the product of the average daily cost of nursing home care times the decrease in the number of nursing home days provided. The proposed transfer is made unless the Committee schedules a meeting to review the transfer.

[Act 27 Sections: 807, 933 and 2979]

**5. RESTRICTIONS ON THE USE OF COP AND CIP FUNDING FOR CARE IN COMMUNITY-BASED RESIDENTIAL FACILITIES (CBRFs) [LFB Paper 531]**

**Governor:** Establish statutory provisions to:

- Prohibit counties from using more than 25% of funds allocated under the community option program (COP and COP-W), including the medical assistance COP waiver, and the community integration program (CIP II) for services in community-based residential facilities (CBRFs).
- Prohibit counties and aging units from using COP funds for services in a CBRF with more than eight beds except in certain circumstances.
- Prohibit the use of COP and COP-W funds for services in a CBRF unless the county uses a state-designed model contract, or a similar contract which contains all of the required provisions.
- Prohibit a CBRF from admitting a private-pay resident unless the CBRF first obtains financial information and prepares and provides a financial condition statement based on this information.

The specific statutory changes to implement these provisions follow.

*Maximum Allowable Funding for CBRFs under COP and CIP II.* Effective January 1, 1996, establish statutory provisions to:

- a. Require counties, for funding allocated under the COP, COP-W and CIP II programs, to annually establish a maximum total dollar amount of allocated funds which may be spent for the care of persons residing in CBRFs;
- b. Restrict the maximum amount established by counties to be no more than 25% of the total annual county allocation for each of the programs;
- c. Allow a county to request a waiver from the 25% maximum limit from the Department, if the cost of services provided to individuals in CBRFs on January 1, 1996, exceeds 25% of the county's annual allocation;

d. Require that counties deny services to new applicants who will reside in CBRFs if the limit would be exceeded, unless the Department grants an exception to avoid hardship to the person (for the CIP II program, this limitation is imposed only if the new applicant is applying to reside in a CBRF that exceeds four units);

e. Require the Department to provide technical assistance to counties which have reached the maximum, in order to determine alternate methods of responding to persons in group living arrangements;

f. Require the Department to submit to DOA, by October 1, 1995, proposed standards for granting a waiver to the requirement that a county establish a maximum limit below 25% of its total allocation (item (c)), but exempt the Department from promulgating these standards as administrative rules; and

g. Require the Department to submit proposed rules for the granting of a hardship waiver to a new applicant (item (d)) to DOA, by October 1, 1995, and to the Legislative Council by November 1, 1995. Further, require the Department to promulgate emergency rules, without the finding of an emergency, until permanent administrative rules become effective.

*CBRF Size Limitations.* Establish a statutory restriction, effective January 1, 1996, to prohibit counties and aging units from using COP funds for services in a CBRF with more than eight beds unless:

a. An individual is receiving COP-funded services and is residing in a CBRF with more than eight beds on January 1, 1996;

b. The Department approves an exception for a CBRF that consists entirely of independent apartments, each of which has an individual lockable entrance and an individual living area, including a separate kitchen, bathroom, sleeping and living areas, and the resident is either physically disabled or at least 65 years of age; or

c. The Department approves an exception for a CBRF that meets all of the following standards: (1) sufficient responsiveness to individual resident needs; (2) maintenance of approved levels of quality care; (3) cost effectiveness, in comparison with other feasible funding uses; and (4) sufficient consideration of care for residents with dementia or related conditions.

Specify that the Department must establish, by January 1, 1996, the specific standards under item (c) above, but exempt the Department from promulgating these standards as administrative rules and, instead, require the Department to submit, by October 1, 1995, the proposed standards to the DOA for approval.

This new restriction does not apply to COP-W funds, which are subject to different restrictions under current law.

*County Contracts With CBRFs.* Establish statutory provisions to:

- a. Require the Department to develop, by January 1, 1996, a model state-designed CBRF contract for use by counties and aging units for the purchase of long-term community support services under the community options program for persons who reside in CBRFs; and
- b. Prohibit the use of COP or COP-W funds for services at a CBRF unless the county or aging unit uses the model contract developed by the Department or a similar contract which contains all of the provisions of the model contract.

*Required Financial Information and Financial Condition Statement.* Prohibit a CBRF from admitting an individual who intends to pay for services using private funds, unless the CBRF first obtains financial information from the potential resident. Also, require the CBRF to prepare and provide a financial condition statement to the applicant and, if the statement indicates that private resources will be depleted within 24 months, forward that statement to the county.

Specify that the financial statement:

- a. Be pertinent to the individual;
- b. Estimate a date, if any, by which the individual's assets and other private funding sources would be depleted; and
- c. Indicate that public funding may not be available when the individual's private resources are depleted, and describe funding options that may be available to the individual at that time.

In addition, require that the individual waive the right to confidentiality for the provided information to the administrator of the CBRF, the preparer of the financial statement and the county department, when a financial statement must be filed by a CBRF.

**Joint Finance:** Modify the Governor's recommendations to:

*Maximum Allowable Funding for CBRFs under COP and CIP II.* Require the Department to submit to the Governor and the Joint Committee on Finance, rather than the Department of Administration, by October 1, 1995, proposed standards for granting a waiver to the requirement that a county establish a maximum limit below 25% of its total allocation.

*CBRF Size Limitations.* Require that a facility that obtains an exception to the eight-bed size limit by meeting the four standards of sufficient responsiveness to individual resident needs, maintenance of approved levels of quality care, cost effectiveness and sufficient consideration of care for residents with dementia, have no more than 16 beds.



*County Contracts with CBRFs.* Delay the required use of the state-designed model CBRF contract until January 1, 1997. In addition, require the Department to submit to the Governor and the Joint Committee on Finance, by January 1, 1996, the proposed model contract for review and approval.

**Assembly:** Delete the Joint Finance provision that would establish an absolute size limit of 16 beds for a community-based residential facility (CBRF) to be eligible to serve persons in the state-only community options program (COP) and, instead, permit any currently-licensed CBRF with over eight beds to obtain, under certain conditions, a waiver from the Department of Health and Social Services to serve COP recipients. Except for CBRFs which consist entirely of independent apartments, newly-licensed CBRFs with over eight beds would not be eligible to serve COP recipients.

As under the provisions recommended by the Governor: (a) CBRFs with eight or fewer licensed beds or CBRFs which consist entirely of independent apartments would not have to obtain a waiver from the Department to serve COP recipients; and (b) to obtain a waiver, four standards would be required including sufficient responsiveness to individual needs, quality care, cost effectiveness and sufficient consideration for residents with dementia or related conditions.

**Senate/Legislature:** Modify the Assembly provision to allow newly-licensed community-based residential facilities (CBRFs) which have twenty or fewer, but more than eight, licensed beds to obtain a waiver from H&SS to serve COP recipients. Under the Assembly provision, only currently-licensed CBRFs with more than eight beds could obtain a waiver from the Department to serve COP recipients; newly-licensed CBRFs with more than eight beds could not apply for a waiver.

[Act 27 Sections: 2209w, 2211 thru 2217, 2219, 2222, 2227, 2229, 2233, 2247, 2250, 2254, 2261, 3237, 9126(4),(5),(29g)&(29h) and 9326(2)]

## 6. ELIMINATE SUPPLEMENTAL APPROPRIATION FOR CBRF RECEIVERSHIP

**Governor/Legislature:** Eliminate the GPR sum sufficient appropriation that serves as a supplemental source to pay expenses connected with the operation of a community-based residential facility (CBRF) that is placed into receivership by the state. Under current law, the supplemental appropriation serves as a contingency fund in case charges, revenues, and resources of the CBRF are inadequate to pay the costs of services and resources provided by the receiver. Current law imposes liability for the costs of receivership upon the owner of the CBRF; revenues from charges to CBRFs in receivership are deposited in a continuing program revenue appropriation. In prior years, no funding has been budgeted in this appropriation.

[Act 27 Sections: 920 and 3241d]

**7. COP ELIGIBILITY REQUIRES ACCEPTANCE OF MA WAIVER SERVICES [LFB Paper 531]**

**Governor/Legislature:** Extend the current requirement that eligibility for state-funded services under the community options program may not be provided to persons who are eligible for and refuse services under the medical assistance waiver for COP (COP-W), to also include persons who are eligible for and refuse services under the community integration program waivers (CIP IA, CIP IB and CIP II). As under current law, this restriction would not apply to state-funded COP services during the 90-day period in which a MA waiver application is processed. Further, as under current law for COP-W services, specify that a person who is denied COP services for refusing MA-funded waiver services through the community integration programs may not request a hearing to review the denial. All of the CIP programs, as well as COP-W, are funded under MA which provides approximately 60% federal funding of program costs.

[Act 27 Section: 2221]

**8. MODIFICATIONS TO COP PROGRAM [LFB Paper 532]**

**Joint Finance/Legislature:** Modify the community options program to:

	Chg. to Base Funding Positions	
PR-REV	\$420,000	
PR	\$420,000	2.00

1. *Residency Requirement for Non-Medical Assistance COP Services.* Require, beginning on the effective date of the bill, that no application for non-medical assistance services under the COP program be approved unless the applicant has been a resident of the State of Wisconsin for at least six months.

2. *Cap on COP Funding.* Limit COP payments to an individual to:

- a. The average monthly cost of nursing home care, as determined by H&SS, with exceptions for: (1) recipients under age 22; (2) ventilator-dependent individuals; and (3) recipients whose nursing home costs would exceed the cost of providing the individual with care in the community, as determined by the Department.
- b. Specify certain criteria to be used by H&SS in reviewing high-cost cases, including: (1) the actual nursing home costs of a person that would be affected and the extent to which state, or private costs if the person is not MA-eligible, for nursing home care would actually exceed the cost of care provided in the community, resulting in higher overall costs; (2) the availability of a nursing home bed for such a person; and (3) the availability of public funding for institutional care.
- c. Specify that the cap would apply to all COP participants.

3. *Estate Recovery Program for COP Services.* Extend the estate recovery program to regular COP participants beginning January 1, 1996, and: (a) estimate program revenue collections of \$420,000 in 1996-97; (b) provide an \$69,000 PR in 1996-97 to support 2.0 PR positions for estate recovery activities related to COP services; and (c) budget an additional \$351,000 for COP benefits. In addition, specify that all estate recovery collections, net of administrative costs including the salary costs of estate recovery staff, would be allocated to the COP program.

4. *COP Cost Sharing Provisions.* Require that counties impose on COP recipients a cost share percentage of 100% of the amount calculated under the uniform fee system for the recipient's cost sharing. Under current law, counties may impose a cost-sharing percentage of 50% to 100%.

5. *Required COP Data Collection.* Provide \$50,000 GPR in the Joint Committee on Finance program supplements appropriation, to be released by the Committee for COP data collection to enhance efforts to coordinate the delivery and to control the costs of COP services. Require H&SS to submit, for the December, 1995, s. 13.10 meeting of the Joint Committee on Finance, recommendations to expend the additional funding to expand data collection for the COP program. (Funding for COP data collection is budgeted under "Program Supplements.")

Require the Department to survey counties on their needs and priorities for additional data on the COP program. Specify that the Department examine the benefits and costs of collecting the following data:

- Expenditure data by type of service;
- Cost sharing paid by participants;
- Income and asset levels of participants;
- MA card costs by type of service for COP participants;
- The amount and impact of informal support services by family and friends; and
- A more detailed assessment of the participant's level of care needs than is provided by the SNF and ICF distinctions.

Further, specify that the Department produce an annual report summarizing the data collected, both for the state and for individual counties.

6. *Sliding Fee for Assessments and Case Plans.* Allow counties to charge a fee, based on ability to pay, for assessments and case plans under COP concerning an individual's functional abilities, disabilities and need for medical and social long-term community support services. Specify that individuals would be exempted from these fees if federal medical assistance laws or regulations prohibit it. In addition, require the Department of Health and Social Services to develop administrative rules that would establish a sliding fee schedule based on the individual's income and resource level.

Under current law, COP assessment and case plans are provided without charge to individuals who are: (a) in a nursing home; (b) are seeking admission to a nursing home; or (c) are about to be admitted to a nursing home. There is no means test, and any individual who qualifies under one of these categories

would be eligible for a COP-funded assessment; if the assessment indicates that community-based, long-term care is appropriate, a case plan would also be provided.

**Veto by Governor [D-17]:** Modify the provisions adopted by the Legislature, as follows:

*Cap on COP Funding.* Delete the provisions which would have required that the reimbursement limit be applied each month and that the Department use "actual" nursing home costs when applying the exemption from the cap for individuals with nursing home costs in excess of the costs of community care.

*Estate Recovery.* Delete the provision that would have allowed the Department to place a lien on the home of a living COP recipient for the amount of COP services received, but retain the authority to use estate claims to recover for COP services. Under the provisions adopted by the Legislature, extension of estate recovery to COP would have included both claims on estates and application of liens on a living recipient's home, under certain circumstances, if the individual is not expected to return to his or her home. Currently, recipients of nursing home services funded by medical assistance (MA) are subject to both estate claims and liens. Recipients of home and community-based services funded under MA, such as COP-waiver, are subject to estate claims but not to liens.

*Technical Change.* Eliminate a conflict in the effective date to adopt a title change that reflects the expansion of the estate recovery program.

[Act 27 Sections: 818b, 952m, 2220j, 2220k, 2220L, 2223c, 2223m, 2223t, 2226m, 2226n, 2229r, 2231r, 2234m, 2235g, 7065bm, 7190bm, 7190c, 7191bm, 7193bm, 7194bm, 7195bm, 7197bm, 7198bm, 7199bm, 7199c, 7199y, 7200bm, 7206g, 9126(30g), 9326(23x),(24g)&(24h) and 9426(28g)&(28h)]

[Act 27 Vetoed Sections: 2226n, 2229r, 2231r and 9426(28h)]

**9. ASSISTED LIVING INITIATIVE [LFB Paper 533]**

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
PR-REV	\$8,400	-\$8,400	\$0
PR	\$8,400	-\$8,400	\$0

**Governor:** Establish statutory provisions, beginning July 1, 1996, for a new type of long-term care facility, termed an assisted living facility and specify provisions to:

*Definition.* Define an assisted living facility as a place in which at least five adults reside, that entirely consists of independent apartments and that provides no more than 28 hours per week of supportive, personal and nursing services to a resident of the facility. Require that an independent

apartment have an individual, lockable entrance and an individual living area, including a kitchen, bathroom, sleeping and living areas.

*Medical Assistance Provisions.* Provide that an assisted living facility which receives MA reimbursement for services offered by the facility to its residents:

- Restrict MA reimbursement for the services provided to residents only to claims made through MA waiver programs under the community options program (COP-W) or the community integration program (CIP II). Limit the maximum payments under either the COP-W or CIP II programs to 85% of the statewide nursing home medical assistance reimbursement rate. By July 1, annually, require the Department to determine and submit this statewide rate to DOA for approval; DOA would be required to approve the rate prior to its use.

- Be certified by the Department as a provider of medical assistance, prior to receiving MA reimbursement for services offered by the facility.

- Specify that certification: (a) would be for a term not to exceed 12 months; (b) would not be transferable; (c) could be subject to a fee set by the Department outside the administrative rule process; and (d) could be decertified by H&SS for a substantial and intentional violation of laws or rules applicable to such facilities or for the failure to meet the minimum requirements for certification, after written notification of the grounds for decertification and the appeal, if aggrieved, under H&SS rules.

*Administrative Rules.* Require the Department to promulgate rules to: (a) define supportive services, personal services, and nursing services; and (b) establish minimum requirements for certification, application procedures and forms, standards for operation, and procedures for monitoring, revocation and appeal of revocation. Require the proposed rules to be submitted to DOA by December 1, 1995, and, as approved by DOA, to the Legislative Council staff no later than January 1, 1996.

**Joint Finance:** Modify the Governor's recommendation, as follows:

a. *Conversion of Nursing Home or CBRF.* Allow a nursing home or community-based residential facility (CBRF) to convert a separate area, such as a wing or floor, into an assisted living unit.

b. *Regulatory Requirements.* In addition to administrative rules under the Governor's recommendations that would define services and establish minimum requirements for certification, require an assisted living facility to have:

1. A mutually agreed upon written service agreement with each resident that identifies the services to be provided to that resident. Require that the provided services be based on a comprehensive assessment of the individual's needs and preferences;

2. A signed, negotiated risk agreement between the resident and the assisted living provider. Specify that the risk agreement would identify situations which could put the resident at risk and for which the resident understands and accepts responsibility;

3. A fee schedule; and

4. Provisions for sufficient and qualified services to meet the care needs identified in the resident's service agreements, to meet unscheduled care needs, and to provide emergency assistance 24 hours a day.

c. *Definition.* Modify the definition of an assisted living facility to replace the requirement for an "individual separate kitchen" and, instead, require a "kitchen, including a stove."

d. *Exemption of Assisted Living from Nursing Home/CBRF Regulations.* Specify that an assisted living facility could not also be a nursing home or a CBRF.

e. *Prohibit Use of Name.* Prohibit a facility from calling itself an assisted living facility unless it meets the statutory definition of an assisted living facility.

f. *Registration Requirement.* Establish a requirement that if an assisted living facility has not been certified for medical assistance, the facility must be registered with the state.

g. *Medical Assistance Card Services.* Allow residents in assisted living facilities who are not on one of the MA waiver programs, but who are eligible for MA to receive homecare services reimbursed under MA as a card service from certified MA providers.

h. *Medical Assistance Waiver Services.* Modify the limit for public funding of services provided to a resident that is a participant of the COP-W or CIP II waiver program to specify that the 85% limit, based on the statewide rate for MA reimbursement rate for nursing homes be, instead, based on 85% of the statewide MA reimbursement rate for nursing home care only, thereby excluding the cost of room and board.

The impact of this provision would be to reduce the limit by approximately 30% to 35%, depending on how the room and board estimate is calculated. Therefore, fewer MA-waiver recipients would be eligible for MA reimbursement in an assisted living facility. In 1993-94, the statewide average monthly reimbursement rate for skilled and intermediate nursing care was \$1,869 per month; this provision would reduce the monthly limit to \$1,215 to \$1,308.

i. *Sanctions and Penalties for MA-Certified Facilities.* Authorize H&SS, for facilities that are certified for MA, to apply intermediate sanctions and penalties, in addition to the revocation of certification.

j. *Administrative Rules.* Specify that the requirement to promulgate rules for the definition of personal, supportive and nursing care would require the Department to promulgate rules not only for MA certified facilities but for all assisted living facilities.

In addition, establish limits on the total number of residential units approved for operation to 600 units in 1996-97, 900 units in 1997-98, 1,200 units in 1998-99, and 1,500 units in 1999-2000 and thereafter. Specify that an assisted living facility not be built without application to and approval of the Department of Health and Social Services.

If the Department receives applications which, in total, exceed the specified limits, authorize the Department to select proposals based on the following criteria: (a) the geographical distribution of the state's elderly population; (b) whether or not the facility would serve a mix of private pay and publicly-funded residents; (c) whether or not a closure of nursing home beds would result; and (d) whether or not the facility would alleviate a shortage of long-term facilities in the area. Impose an application fee of \$300, and authorize the use of this application fee of \$5,500 PR in 1995-96 and \$2,900 PR in 1996-97 to fund the administrative costs of reviewing these applications.

**Senate/Legislature:** Modify the bill to:

*Conversion of Nursing Home Beds.* Require a nursing home which converts a separate part of its facility to an assisted living facility to reduce its licensed number of nursing home beds by the number of assisted living facility residential units created through the conversion. In addition, specify that the statewide nursing home bed limit be reduced by the number of licensed beds closed as a result of the conversion.

*Wisconsin Veterans Home.* Specify that the Wisconsin Veterans Home at King be exempt from assisted living provisions related to: (a) the conversion of nursing home beds; (b) the overall limitation on the number of units in the state; and (c) the payment of an application fee to construct a unit.

**Veto by Governor [D-19]:** Delete \$5,500 PR in 1995-96 and \$2,900 PR in 1996-97, eliminate all limits on the number of assisted living units and delete related provisions, including: (a) the requirement for application and Department approval to establish an assisted living facility; (b) criteria to choose between applications when applicants exceed specified limits; and (c) the authority to impose an application fee and use the proceeds for administrative costs of review. In addition, delete the requirement that the Department promulgate rules to define what constitutes a "kitchen, including a stove" in an assisted living facility and modify a statutory reference to accomplish the intent that a resident of an assisted living facility would be eligible to receive MA card services from a certified MA provider.

[Act 27 Sections: 817j, 2232, 2255, 2949, 2974b, 3221b,e&g, 3234b, 4387n, 9126(6) and 9426(4)]

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.435(1)(gn)), 817j and 3234b]

## 10. ELDERLY BENEFIT SPECIALIST PROGRAM AND TRIBAL AND COUNTY AGING UNITS

**Governor/Legislature:** Modify current statutory provisions relating to the elderly benefit specialist program and the duties of aging units to:

*Elderly Benefit Specialist Program.* Delete current statutory provisions which include tribal governments as an aging unit under the elderly benefit specialist program.

Under current law, the Department is required to allocate funds appropriated for the elderly benefit specialist program to aging units, which are required to use these funds (or designated federal funds or any other funds) to provide older individuals with the services of benefit specialists or appropriate referrals for assistance. Benefit specialists offer information, advice and assistance related to eligibility for and problems with public benefits and services, health care financing, insurance, housing and other financial and consumer concerns and refer individuals who are in need of legal representation to legal resources. In addition to an aging unit of a tribal government, under current law aging units include: (a) an agency or unit of a county government; or (b) a private, nonprofit corporation.

Although current statutory language includes tribal aging units under the elderly benefit specialist program, tribal aging units do not receive funding under the program.

*Duties of Aging Units.* Specify that the duties of an aging unit to provide older individuals with services of benefit specialists or appropriate referrals of assistance would be met by providing services under the elderly benefit specialist program. Under current law, this requirement is met by providing services that are consistent with the elderly benefit specialist program. Currently, tribal aging units, as well as other aging units are subject to the requirement to provide benefit specialists or appropriate referrals of assistance that are consistent with the elderly benefit program; under the Governor's recommendation, such services would be required only to the extent specified under the elderly benefit specialist program.

[Act 27 Sections: 2331 and 2332]

## 11. SOCIAL SERVICES FUNDING FOR AMERICAN INDIAN TRIBES

**Governor/Legislature:** Transfer \$70,000 GPR in each year from community aids to Indian aids. Funds under Indian aids support the tribal facilitator program which facilitates the delivery of social and mental health services to American Indians. This transfer would fund tribal social and mental health services under a single GPR appropriation.



**12. PROGRAM OPERATIONS SUPPORTED BY THE SOCIAL SERVICES BLOCK GRANT**

Chg. to Base Funding Positions	
FED	- \$466,000 - 9.00

**Governor/Legislature:** Delete \$146,700 and 4.0 positions, beginning in 1995-96, and \$319,300 and an additional 5.0 positions, beginning in 1996-97 (for a total reduction of 9.0 positions in 1996-97), to reflect the impact on program operations of anticipated reductions in federal funding from the Social Services Block Grant (SSBG).

**13. ALCOHOL AND SUBSTANCE ABUSE INITIATIVE [LFB Paper 525]**

Chg. to Base	
FED	\$2,889,400

**Governor/Legislature:** Provide \$1,344,700 in 1995-96 and \$1,544,700 in 1996-97 to reestimate funding from the federal Substance Abuse Block Grant and distribute this funding, as follows:

a. *Community Aids.* Provide \$1,155,200 in 1995-96 and \$1,353,200 in 1996-97 to increase funding for community aids.

b. *Statewide Prevention of Tobacco Sales to Minors.* Provide \$107,500 in each year in unallotted reserve to establish a statewide prevention program to reduce sales of tobacco products to minors. Of this amount, funding would be provided to collect data on retail tobacco outlets to develop lists for random inspections and enforcement by local authorities (\$7,500 annually) and to support law enforcement activities related to illegal purchases of tobacco products by minors (\$100,000 annually).

In federal fiscal year 1994, the SABG award to Wisconsin totals \$19,761,100. Federal law requires states to have a mechanism in place to prevent sales of products to minors. Failure to establish a prevention mechanism may result in a reduction of the state's SABG award of 10% in the first year, 20% in the second year, 30% in the third year and 40% in the fourth and subsequent years. Under federal law, noncompliance by retailers cannot exceed 50% of outlets in the first year, 40% in the second year, 30% in the third year and 20% in the fourth and subsequent years.

c. *State Council on Alcohol and Other Drug Abuse.* Provide \$82,000 in 1995-96 and \$84,000 in 1996-97 to fund 2.0 positions that were created beginning January 1, 1994, but not funded in 1993 Wisconsin Act 210.

**14. MENTAL HEALTH FUNDING [LFB Paper 525]**

Chg. to Base	
GPR	- \$100,000
FED	<u>2,054,600</u>
Total	\$1,954,600

**Governor:** Delete \$50,000 GPR and provide \$1,027,300 FED in each year to reflect adjustments for:

*Community Mental Health Block Grant.* Reestimate anticipated funding to reflect an additional \$1,027,300 FED during each year of the 1995-97 biennium from the federal community mental health block grant. Under the Governor's recommendations, this funding would be distributed under community aids.

*Mental Health Treatment Services.* Reduce funding the Division of Community Services distributes for mental health treatment services by \$50,000 GPR annually.

**Joint Finance/Legislature:** Modify the Governor's recommendation to distribute federal mental health block grant funds of \$1,027,000 FED in each year for specific, mental health-related programs, rather than for community aids. As a result, \$300 FED would be distributed under community aids and the remaining federal funds would be budgeted as follows:

*Children with Severe Emotional Disturbances.* Provide \$240,000 in each year to expand integrated service projects for children with severe emotional disturbances. These projects currently operate in 15 counties and provide mental health case management and community treatment services which enable families to keep severely emotionally disturbed children at home rather than in institutions.

*Consumer and Family Self-Help and Peer Support Programs.* Provide \$180,000 in each year for mental health family support projects, employment projects operated by consumers of mental health services, mental health crisis intervention and drop-in projects and public mental health education activities. These projects are designed to provide alternatives to residential and institutional placements. Currently, federal funding supports such programs in 15 counties; increased funding under the bill would support these activities in six to eight additional counties.

*Integrated Community Services.* Provide \$350,000 in each year to counties to assist in relocating individuals with mental illness from institutional or residential care to less restrictive or more cost-effective community settings. Increased funding would be used to assist counties which currently utilize institutional and residential services to, instead, provide community placement and services.

*Mental Health Treatment Provider Training.* Provide \$182,000 in each year to counties to provide training for mental health treatment professionals in new treatment approaches and medications relating to persons with mental illness and children with serious emotional disturbances.

*Community Mental Health Protection and Advocacy Program.* Provide \$75,000 in each year to restore funding that would have been deleted under the Governor's recommendations for community protection and advocacy programs. The community protection and advocacy program provides training to families and consumers regarding mental health treatment rights and other activities designed to improve the protection of rights in community programs. This provision would provide \$75,000 FED

annually for the community protection and advocacy program; base level funding in 1994-95 for this program was \$50,000 GPR. For current funding, see Item #16, below.

[Act 27 Sections: 2309, 2310, 2316m, 2316n, 2316p and 3270m]

**15. TRANSFER OF CONDITIONAL RELEASE PROGRAM**

Chg. to Base Funding Positions		
GPR	- \$6,164,200	- 2.00

**Governor/Legislature:** Delete \$3,082,100 in each year and 2.0 positions, beginning in 1995-96, to reflect the transfer of base level funding for the conditional release program from the Division of Community Services to the Division of Care and Treatment Facilities. The fiscal effect of this transfer and the reestimate of program funding for conditional release services in the 1995-97 biennium is identified under "H&SS--Care and Treatment Facilities."

Under the program, H&SS contracts for treatment, services and case management for persons who are conditionally released to the community from the state mental health institutes after being found not guilty by reason of mental disease or defect. The Wisconsin Supreme Court decision in Rolo v. Goers et. al. held that, the state, rather than counties, is responsible for funding such services.

[Act 27 Sections: 935 and 3260]

**16. COMMUNITY MENTAL HEALTH PROTECTION AND  
ADVOCACY SERVICES APPROPRIATION**

Chg. to Base	
GPR	- \$100,000

**Governor:** Delete \$50,000 in each year to reflect elimination of the appropriation for community mental health and advocacy services. Currently, this appropriation funds statewide advocacy services for the mentally ill through the Community Mental Health Protection and Advocacy Program of the Wisconsin Coalition for Advocacy.

**Joint Finance/Legislature:** Specify that \$75,000 FED from the mental health block grant in each year be budgeted for the community mental health protection and advocacy services program.

[Act 27 Sections: 940 and 3270m]

**17. COMMUNITY AODA PREVENTION GRANTS**

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- \$500,000	\$0	- \$500,000
FED	0	500,000	500,000
Total	- \$500,000	\$500,000	\$0

**Governor/Joint Finance:** Delete \$250,000 in each year to reflect reduced state funding of the community alcohol and other drug abuse (AODA) prevention pilot program. In addition, modify statutory provisions to: (a) increase the current requirement for county matching funds from 9.89% to 50% of grant funding awarded; and (b) delete the designation of the program as a pilot program.

Under the program, H&SS is required to award grant funding of no more than \$500,000 in each fiscal year to up to eight counties which are required to: (a) inform and educate the community about AODA issues; (b) develop and implement community-wide, AODA primary prevention programs; (c) ensure that youth AODA services and primary prevention are available when school is not in session; and (d) develop and implement alternative activities for youth, including recreation and skill development to obtain employment and careers.

In 1994, total funding of \$500,000 was awarded six counties, including Columbia, Menominee, Milwaukee, Sawyer, Vernon, and Washington counties.

**Assembly/Legislature:** Restore base funding of \$250,000 FED annually for community AODA prevention grants. In addition, restore the current requirement that counties provide 9.89% in county matching funds, rather than 50% of the grant funding as under the bill. In place of state funds, this provision restores the community AODA prevention grant program with additional federal revenues anticipated from the alcohol and substance abuse block grant.

[Act 27 Sections: 3268 and 3269]

**18. CONVERT POSITION AND FUNDING FOR AODA PROGRAMS**

	Chg. to Base Funding Positions	
GPR	- \$128,000	0.00
FED	0	- 1.00
PR	0	1.00
Total	- \$128,000	0.00

**Governor/Legislature:** Delete \$63,000 GPR in 1995-96 and \$65,000 GPR in 1996-97 and increase federal funding from the Substance Abuse Block Grant (SABG) by corresponding amounts to support the treatment alternative program (TAP) in the 1995-97 biennium. Additional federal funds from this source would be available to support TAP by converting 1.0 FED social services specialist position, which is currently funded from the SABG, to 1.0 PR position supported from the drug abuse program improvement surcharge.

PR funding used to support the social services specialist position would be made available by deleting funding currently budgeted in H&SS to support, through an interagency agreement, a position in the Department of Employment Relations, which the Governor recommends be eliminated on January 1, 1996. Although H&SS would be responsible for supporting the costs of the DER position through December 31, 1995, no funding is budgeted for this purpose.

**19. ALCOHOL AND OTHER DRUG ABUSE (AODA) GRANT PROGRAMS [LFB Paper 525]**

	<b>Chg. to Base</b>
FED	\$4,610,000

**Governor:** Consolidate base funding currently used to support a variety of alcohol and other drug abuse (AODA) prevention and treatment grant programs administered by the Division of Community Services for programs which are scheduled to sunset on June 30, 1995. GPR funding currently used to support these programs of \$858,200 annually would be used to fund a new program to support AODA treatment and prevention services for minority group members. Federal funding currently used to support these programs of \$2,305,000 annually would be transferred for distribution under the community aids program.

Under current law, the following programs are scheduled to sunset as of June 30, 1995.

a. *Neighborhood Drug and Violence Prevention.* Currently, \$1,200,000 FED is budgeted annually to support programs designed to increase the awareness of problems caused by drugs and to limit violence and abuse of controlled substances in neighborhoods. H&SS is required to allocate grant funds on the basis of the proportion of drug-related arrests in the applying community to the statewide total number of drug-related arrests, although the Department may also consider the need for a minimum level of funding for each grant. In 1994-95, a total of \$500,000 was distributed to the counties of Brown, Eau Claire, Kenosha, LaCrosse Outagamie and Racine, and the Cities of West Allis, Greenfield, and Oak Creek. In the City of Milwaukee, the Social Development Commission received \$700,000 in grant funding.

b. *Multi-Disciplinary Prevention and Treatment for Cocaine Families.* Currently, \$800,000 FED is budgeted annually to support a multi-disciplinary prevention and treatment team in Milwaukee County for cocaine-abusing women and their children. In 1994-95, funds were allocated through this program to the Milwaukee Women's Center (\$422,900) and SAFE Group Services (\$377,100). Each program is required to coordinate its activities with other prevention and treatment programs in Milwaukee County. Residents from other counties may be served by this program.

c. *Women's Treatment Center.* Currently, \$305,000 FED is budgeted annually for the Women's Treatment Center in Milwaukee. This funding is allocated to Meta House as capacity-building funds for establishing specialized services and treatment for pregnant women and mothers with alcohol and drug treatment needs and their children up to the age of five years. This program provides AODA treatment services, parent education, support services for the children of the women who are enrolled in the program, vocational assistance, housing assistance and follow-up services.

d. *New Beginnings*. Currently, \$248,200 GPR is budgeted annually to support New Beginnings, an AODA residential treatment program in Milwaukee. The New Beginnings program is an eight-bed, community-based residential facility for Hispanic individuals which provides culturally-specific AODA treatment and support services.

e. *Career Youth Development Center*. Currently, \$110,000 GPR is budgeted in each year for the Career Youth Development Center in Milwaukee for operation of a minority youth substance abuse treatment program. The program provides: (a) training in early, AODA identification and intervention to school personnel, church representatives, youth agencies and health and law enforcement personnel; (b) AODA assessments and intervention counseling to minority youths; and (c) aftercare programming to minority youths who complete AODA treatment. In addition, funding is budgeted for an AODA prevention program for high school athletes in the Milwaukee Public School system to provide education and referral services to youths and their families.

f. *American Indian Drug Abuse Prevention, Treatment and Education*. Currently, \$500,000 GPR annually is budgeted to provide grants to American Indian tribes or bands for the development of new, drug abuse prevention, treatment and education programs that are culturally specific with respect to American Indians and to supplement existing programs.

Under the Governor's recommendations, base federal funding for these programs identified under (a) through (c) would be distributed under the community aids program.

Base GPR funding for programs identified under (d) through (f) would be used to support a new program for to provide AODA treatment and prevention for minority group members. The Governor's recommendation would specifically define a "minority group member" under this program as a Black, a Hispanic, an American Indian, an Eskimo, and Aleut, a native Hawaiian, an Asian-Indian, or a person of Asian-Pacific origin. The Department would be directed to distribute up to \$858,200 GPR annually for programs to provide AODA treatment and education to minority group members.

**Joint Finance/Legislature:** Provide \$2,305,000 FED in each year to reflect a reestimate of federal funding anticipated from the alcohol and substance abuse block grant. With this funding, restore AODA-related programs scheduled to sunset on June 30, 1995, that would be deleted under the Governor's recommendations and eliminate existing statutory sunset dates for these programs. In addition, eliminate the new minority group AODA program recommended by the Governor and restore GPR funding for existing AODA-related programs.

[Act 27 Sections: 2301m, 2301n, 2301p, 2326m, 2326n, 2333g, h, i, k and L]

## 20. DOMESTIC ABUSE PROGRAM

**Governor/Legislature:** Provide \$40,000 FED in each year and delete \$72,500 PR in 1995-96 and \$62,500 PR in 1996-97 for domestic abuse programs. Increased federal funding reflects an anticipated increase in funding from the family violence prevention and services grant, while reduced program revenue funding reflects an anticipated decline in program revenues from the domestic abuse penalty assessment.

	Chg. to Base
FED	\$80,000
PR	- 135,000
Total	- \$55,000

In addition, modify statutory provisions for:

*Domestic Abuse Program for Alcohol and Other Drug Abuse.* Delete the appropriation and statutory provisions under which the Department is required to distribute not more than \$43,000 GPR annually for AODA counseling, prevention and intervention for domestic abuse victims and their families and, instead, transfer this funding to the domestic abuse grants appropriation. Under current law, the domestic abuse program for AODA is scheduled to sunset on June 30, 1995. Grants for 1995, totalling \$43,000, were provided to: (a) Center Against Domestic Abuse, Douglas County (\$7,264); (b) Menominee County (\$14,528); (c) Lac du Flambeau tribe (\$6,680); and (d) Milwaukee Women's Center (\$14,528).

*Domestic Abuse Grants.* Repeal statutory provisions enacted in 1993 Wisconsin Act 16 that specifically require the Department to award grants for: (a) stabilization funding to organizations that previously received grants of \$249,400 in 1993-94 and \$498,800 in 1994-95; (b) minimum grant awards of \$92,700 in 1993-94 and \$185,500 in 1994-95, including provisions relating to minimum grant awards for rural areas; and (c) grants of \$15,000 in 1993-94 and \$30,000 in 1994-95 for one grant each to a rural and urban area that had not previously received a grant. In addition, modify statutory provisions to: (a) specify that in each fiscal year, rather than in 1994-95, grants of \$95,000 be awarded to organizations for domestic abuse services that are targeted to children; and (b) establish ongoing statutory amounts in each fiscal year equal to the funding required in 1994-95 for a contract for a public assistance reduction and housing specialist (\$20,700) and for education and systems advocacy (\$69,700). By eliminating specific requirements, additional funding would be distributed under existing domestic abuse grant guidelines.

[Act 27 Sections: 939 and 2340 thru 2348]

## 21. EARLY INTERVENTION PROGRAM ("BIRTH TO THREE") FOR INFANTS AND TODDLERS WITH DISABILITIES

**Governor/Legislature:** Provide \$1,000,000 GPR and \$1,697,800 FED in each year for the early intervention program for infants and toddlers with disabilities to reflect reestimated costs of the state's participation in the program, under which multidisciplinary evaluations, individual family service plans and early intervention services are required to be made available to all eligible children and their families. In each year, changes to funding would: (a) support the cost-to-continue of plan development, coordination and services (\$2,637,800); (b) facilitate the coordination of services between counties and tribes by an allocation to the Great Lakes Inter-Tribal

	Chg. to Base
GPR	\$2,000,000
FED	3,395,600
Total	\$5,395,600

Council (\$60,000); and (c) transfer federal funding from program operations to local assistance to support county costs (\$188,000).

In addition, current medical assistance provisions which allow counties to claim federal matching payments for case management services would be extended specifically to Birth to Three program participants who are eligible for MA. (The fiscal effect of this provision is summarized under "H&SS--Medical Assistance.")

## 22. SEVERELY EMOTIONALLY DISTURBED CHILDREN

	Chg. to Base
PR	\$10,849,800

**Governor/Legislature:** Provide \$5,275,200 PR in 1995-96 and \$5,574,600 PR in 1996-97 and modify the manner in which H&SS allocates medical assistance (MA) funds to provide mental health services to children with severe emotional disturbances (SED) as follows.

*Reestimate MA Funding Transferred to the Division of Community Services.* Provide \$5,275,200 PR in 1995-96 and \$5,574,600 PR in 1996-97 to reflect reestimates of the amount of funding that would be transferred from the GPR medical assistance appropriation to the Division of Community Services to provide funding for mental health services to children with SED. In total, \$5,986,900 in 1995-96 and \$6,286,300 in 1996-97 would be budgeted for grants.

*Eliminate the Current Appropriation and Obsolete References for SED Program Funding.* Repeal a sum certain appropriation that provided matching funds to a Robert Wood Johnson Foundation grant for SED children in fiscal year 1993-94 and statutory references to amounts of MA funding transferred to the Division of Community Services to support mental health services to SED youths in a county that received a Robert Wood Johnson Foundation grant (Dane County). Instead, modify current transfer provisions from the medical assistance program to provide statewide, grant eligibility criteria for funding, beginning in the 1995-97 biennium.

*Statewide Grant Eligibility Criteria.* Authorize the H&SS to transfer GPR medical assistance funds to the Division of Community Services to distribute to any county that either: (a) receives a federal grant for community mental health services for children with SED; (b) receives any grant for services to SED children; or (c) meets the statutory requirements for integrated service programs for children with severe disabilities.

As a condition of receiving funds, require each county to submit a plan that specifies the proposed use of funds, including, at the time this funding is terminated, enrollment of children served under the program in a limited service health organization that covers both inpatient and outpatient expenses.

Authorize counties to use grant funds to provide the following services for children with SED: (a) mental health care and treatment in an inpatient facility, other than a juvenile correctional facility; and (b) community mental health services.



Limit the amount of MA funding H&SS could transfer to provide a grant to a county to the estimated state share of MA payments for mental health care and treatment that is provided in inpatient facilities for children with SED who reside in the county. Specify that any funds distributed to counties that are not encumbered before 24 months after June 30 of the fiscal year in which the funds were distributed would lapse to the medical assistance GPR appropriation.

[Act 27 Sections: 932, 953, 2306 thru 2309 and 2311 thru 2314]

**23. KATIE BECKETT ELIGIBILITY DETERMINATIONS**

	Chg. to Base Funding Positions	
FED	\$82,100	0.75

**Governor/Legislature:** Provide \$36,800 in 1995-96 and \$45,300 in 1996-97 and 0.75 positions, beginning in 1995-96, to determine eligibility for medical assistance benefits of disabled children under the Katie Beckett program. Of this amount, \$9,100 in 1995-96 and \$9,800 in 1996-97 would be used for contract services. The Katie Beckett program provides medical assistance coverage, regardless of family income, to certain disabled children age 18 and younger to enable them to live at home rather than in an institution.

**24. LICENSING PROVISIONS FOR FACILITIES [LFB Paper 534]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR-REV	\$570,000		-\$335,300		\$258,100	
FED	\$453,600	0.00	\$0	0.00	\$453,600	0.00
PR	<u>521,800</u>	<u>10.00</u>	<u>- 263,800</u>	<u>0.00</u>	<u>258,000</u>	<u>10.00</u>
Total	\$975,400	10.00	-\$263,800	0.00	\$711,600	10.00

**Governor:** Provide \$194,400 FED and \$131,400 PR in 1995-96 and \$259,200 FED and \$390,400 PR in 1996-97 and 6.0 PR positions, beginning in 1995-96, and 10.0 PR positions in 1996-97 (an increase of 4.0 positions over 1995-96) for facility licensing and automation.

In particular, funding would provide: (a) \$150,000 FED in each year to purchase computer equipment and develop a communication system to improve the existing, centralized database; (b) \$44,400 FED and \$75,000 PR in 1995-96 and \$109,200 FED and \$75,000 PR in 1996-97 for supplies and services and one-time costs; (c) \$56,400 PR and \$315,400 PR in 1996-97 to support 6.0 PR positions in 1995-96 and 10.0 PR positions in 1996-97 for licensing, monitoring and enforcement.

Effective January 1, 1996, increase biennial licensing fees as follows:

Facility	Current Fee	Governor's Recommendation
Day care center licensed to serve nine or more children	\$25 plus \$5 per child	\$25 plus \$10 per child
Adult family homes	None	\$100
Child welfare agency that is licensed to place children in foster homes and group homes	\$200	\$220
Residential care (child care institutions and group homes)	\$75 plus \$10 per child	\$180 plus \$24 per resident
Community-based residential facility (CBRF)*	\$75 plus \$10 per resident	\$180 plus \$24 per resident
Shelter care provider	None	\$180 plus \$24 per resident

\*Current fee is annual; proposed fee is biennial.

Note: The current biennial licensing fee of \$50 for day care centers licensed to serve four to eight children would remain unchanged.

The fee modifications are anticipated to increase program revenues by approximately \$140,000 in 1995-96 and \$430,000 in 1996-97.

In addition, modify statutory provisions for certain facilities to:

*Shelter Care Facilities.* Require that shelter care providers meet minimum requirements, as established by the Department, and pay an initial biennial license fee at least 30 days prior to the opening of the facility to become licensed. Establish a biennial renewal license fee. Create an additional fee of \$5 for each day in which the shelter facility fails to pay the renewal fee by the deadline or fails to pay the initial fee at least 30 days in advance of the opening of the shelter facility.

*Community-Based Residential Facilities.* Beginning January 1, 1996, establish a biennial, rather than an annual, license fee for CBRFs. Require CBRFs, at least 30 days prior to license expiration, to submit a biennial report and application for renewal on forms prescribed by the Department. Currently, an annual report is required at least 120, but not more than 150, days prior to license expiration.

*Adult Family Homes.* Beginning January 1, 1996, establish a biennial license fee for adult family homes. Specify that the fee is payable to the county for county-licensed facilities and to the Department for state-licensed facilities.

*Sanctions and Penalties.* Increase the maximum daily forfeiture from \$50 to \$1,000 for violations of statutes or administrative rules; the current minimum daily forfeiture of \$10 would be retained. Eliminate the requirement that any periodic increase in forfeitures for continued noncompliance be specified in the sanction order and, instead, allow the Department to periodically increase forfeitures for

noncompliance. Specify that the Department may impose a forfeiture on a licensee or other person not only for failure to comply with an order, as under current law, but also for a violation of statutes of rules.

**Joint Finance/Legislature:** Modify the Governor's recommendation to:

*Expenditures.* Delete \$113,800 PR in 1995-96 and \$150,000 PR in 1996-97 including: (a) \$67,000 PR in 1996-97 to integrate current licensing databases with the child care automation project, which was not recommended by the Governor in the bill; and (b) \$113,800 PR in 1995-96 and \$83,000 PR in 1996-97 recommended by the Governor for computer system upgrades.

*Revenues from Licensing Fees.* Reduce program revenues from license fees by \$335,300 (\$110,500 in 1995-96 and \$224,800 in 1996-97) to reflect: (a) reduced expenditures of \$263,800; (b) reestimates of licensing revenues of \$23,300; and (c) \$48,200 to eliminate the additional revenues that would accrue in the program revenue balance for licensing activities under the Governor's recommendation.

In total, increased revenues from licensing fees would be reduced from \$195,300 to \$84,800 in 1995-96 and from \$398,100 to \$173,300 in 1996-97, a reduction of \$335,300 over the biennium compared to the Governor's recommendations. As a result, an additional \$258,000 in program revenues from licensing fees would be generated. With these adjustments, licensing fee increases under the Governor's recommendations would be reduced by 56.5%, resulting in the following fee increases under the Joint Committee on Finance actions:

Facility	Current Fee	Governor's Recommendation	Act 27
Day care center licensed to serve nine or more children	\$25 plus \$5 per child	\$25 plus \$10 per child	\$25 plus \$7 per child
Adult family homes	None	\$100	\$75
Child welfare agency that is licensed to place children in foster homes and group homes	\$200	\$220	\$210
Residential care (child care institutions and group homes)	\$75 plus \$10 per child	\$180 plus \$24 per resident	\$100 plus \$15 per resident
Community-based residential facility (CBRF)*	\$75 plus \$10 per resident	\$180 plus \$24 per resident	\$170 plus \$22 per resident
Shelter care provider	None	\$180 plus \$24 per resident	\$50 plus \$15 per resident

\*Current fee is annual; proposed fee is biennial.

Note: The current biennial licensing fee of \$50 for day care centers licensed to serve four to eight children would remain unchanged.

[Act 27 Sections: 2438 thru 2440, 2583, 2584, 2587, 2598, 2602, 2605 thru 2607, 3227 thru 3231, 3233, 3238m, 3239, 3289 and 9326(22)]

**25. CHILD CARE AND DEVELOPMENT BLOCK GRANT (CCDBG) [LFB Papers 525 and 527]**

	<b>Chg. to Base</b>
FED	\$602,400

**Governor/Legislature:** Provide \$343,900 in 1995-96 and \$258,500 in 1996-97 to reflect anticipated increases in federal funding of the child care development block grant (CCDBG), including: (a) \$516,000 in 1995-96 and \$616,700 in 1996-97 for community aids low-income child care; (b) \$87,900 in 1995-96 and \$105,400 in 1996-97 for quality improvement grants; and (c) a reduction of \$260,000 in 1995-96 and \$463,600 in 1996-97 for start-up and planning grants.

In addition, delete statutory references to funding provided in the 1993-95 biennium and, instead, allocate funding from the CCDBG for each year of the 1995-97 biennium to reflect the additional funding in this provision and in other adjustments, as follows.

		<u>Act 27</u>	
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Community Aids Low-Income Child Care	\$9,250,100	\$9,998,500	\$10,099,200
Grants for Technical Assistance	180,900	190,800	197,700
Day Care Center Licensing	699,000	948,300	1,026,800
Start-up and Expansion Basic and Planning Grants	600,000	430,000	226,400
Resource and Referral Grants	960,000	960,000	960,000
Quality of Care Incentives	1,200,000	1,559,200	1,576,700
Quality Improvement Grants	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
<b>Total</b>	<b>\$13,315,000</b>	<b>\$14,536,800</b>	<b>\$14,536,800</b>

[Act 27 Sections: 2354 and 2357 thru 2360]

**26. CHILD CARE PROVISIONS**

**Governor/Legislature:** Modify statutory provisions related to child care grant programs funded by the child care and development block grant (CCDBG) and the use of unencumbered and unexpended child care funds, as follows.

*Child Care Start-Up and Expansion Grants.* Modify statutory provisions relating to child care start-up and expansion grants to:

Require that the monies received in repayment of child care start-up and expansion grants be used only for child care quality improvement activities, rather than also for child care provider grants, employer-supported child care grants and day care programs for student parents as under current law.

Repeal statutory provisions for: (a) obsolete references to the before-school and after-school day care program; (b) definitions of coordinated family child care start-up effort, the early childhood development program, the employer-supported child care program, the family child care system, and non-profit, tax-exempt corporations.

Require H&SS to award grants for start-up or expansion of child care services from CCDBG funds. Delete current requirements that: (a) the Department award grants equally among Head Start agencies and that the Department attempt to award grants to the highest ranking applicants in each region of the state; (b) specify that head start agencies, group day care centers, family day care centers or other persons may receive child care provider grants, or combined grants; (c) allow the required 25% match for state funds to be provided by a person other than the provider; (d) authorize employer-supported child care grants; (e) authorize day care programs for student parents; (f) require that rules be promulgated for child care start-up and expansion grants; (g) establish county-specific administrative provisions with H&SS review if the county requests to administer grant funding and, instead, allow the Department to contract for the grant application process.

Prohibit the carryover of unexpended and unencumbered child care funds for child care start-up and expansion and, instead, permit the Department to use those funds to provide child care for certain current and former recipients of aid to families with dependent children.

*Child Care Resource and Referral Grants.* Eliminate specific factors that are currently included in the formula to determine the amount of grant funding provided to local agencies under the child care resource and referral grant. In particular, delete factors used in the formula, including: (a) the level of child care resource and referral services provided by the local agency; (b) the number of children in the community served by the local agency; and (c) the percentage of the mothers in the community served by the local agency who work outside the home.

In addition, delete provisions the Department must consider in awarding grants, including: (a) the need for child care resource and referral services in the community in which the applicant serves; (b) the extent to which representatives of the community are involved in planning the applicant's program; (c) the capacity of the applicant to provide effective services. Delete current application requirements which require the applicant to provide information used by the Department to award grants under existing statutory provisions and, instead, require the Department to provide an application procedure for the program.

*Child Care Quality Improvement Grants.* Delete current statutory requirements for: (a) administrative rules; (b) county-specific administrative provisions with H&SS review if the county requests to administer grant funding and, instead, allow the Department to contract for the grant application process; and (c) the award of grants to the highest ranking applicants in each region of the state.

[Act 27 Sections: 925, 926, 930, 951, 952, 2373 thru 2376, 2378 thru 2386, 2388 thru 2396, 2400, 2401, 2402, 3091, 3092 and 9426(7)]

## 27. ELIMINATE PRIORITIES FOR THE USE OF AT-RISK CHILD CARE FUNDS

**Governor/Legislature:** Delete statutory provisions which define the priority by which counties must distribute child care funds to those parents who are at-risk of becoming eligible for AFDC when county funding is insufficient to fund all eligible families. Under current law, if at-risk child care funds are insufficient to fund all eligible families, counties must give priority in distributing funds as follows: (a) first, to working parents who have been AFDC recipients within the past 12 months; (b) second, to working parents who have been AFDC recipients, but not within the past 12 months; and (c) third, to participants in the new hope project, until June 30, 1995.

At-risk child care funds, which are funded jointly by the state and federal governments, are provided to enable families with children under age 13 to work, instead of becoming eligible for AFDC. To qualify, families must have an income which is less than or equal to 75% of the state median income and must not currently receive AFDC.

[Act 27 Sections: 2364 thru 2366]

## 28. FEDERAL CHILD WELFARE FUNDING [LFB Paper 535]

**Governor:** Modify current statutory provisions to eliminate the separate allocations to distribute federal child welfare funds and, instead, consolidate and modify allocation provisions for this funding, as follows.

*Federal Program Operations.* Repeal separate statutory provisions and requirements that the Department expend no more than certain amounts in the 1993-95 biennium for: (a) federal program administration (\$273,700 in 1993-94 and \$281,500 in 1994-95); (b) innovative child welfare projects and services provided or purchased by H&SS (\$185,000 in each year); (c) child abuse and neglect investigations (\$35,000 in each year); and (d) child-at-risk field training to counties (\$50,000 in each year).

Instead, require the Department to expend no more than \$543,700 in each year of the 1995-97 biennium for federal program operations, for the specific purposes formerly provided through separate allocations. Compared to current law, the funding in each year of the 1995-97 biennium is identical to the amount provided in 1993-94, and \$7,800 less than the amount provided in 1994-95.

*Community Social and Mental Health Services.* Repeal separate statutory provisions and requirements that the Department expend no more than certain amounts in the 1993-95 biennium for: (a) funding to counties for child welfare projects, including child abuse and neglect investigation and treatment services (\$1,858,000 in each year) and services to children and families (\$567,300 in each fiscal year); (b) family-based child welfare services (\$831,700 in 1993-94 and \$823,900 in 1994-95); (c) family-based child welfare services, including contract with counties and American Indian tribes to prevent and treat child abuse and neglect (any unanticipated federal child welfare funds received); and (d) services to

American Indians (\$17,500 in federal fiscal year 1993, \$70,000 in federal fiscal year 1994 and \$52,500 in federal fiscal year 1995).

Instead, require the Department to distribute not more than \$3,319,200 in each fiscal year for: (a) child welfare projects; (b) services to children and families; and (c) family-based child welfare services. Specific references to programs for American Indians under current law would be deleted under the Governor's recommendation. Compared to current law, the funding in each year of the 1995-97 biennium is \$7,800 less than the amount distributed in 1993-94 and \$17,500 less than the amount distributed in 1994-95.

**Joint Finance/Legislature:** Specify that \$3,919,800 in each year be distributed from federal child welfare funds, which reflects the anticipated federal funding in each year of the 1995-97 biennium.

[Act 27 Sections: 2625 thru 2632]

## 29. RECOVERY OF COMMUNITY AIDS CHILD CARE OVERPAYMENTS

**Governor/Legislature:** Require H&SS to promptly recover all overpayments for child care subsidies to low-income families under community aids. Under community aids, child care subsidies are provided for: (a) low-income child care for parents who are gainfully employed and who need child care services to work; (b) at-risk child care, which is funded jointly by the state and federal government, for parents who are at-risk of becoming eligible for AFDC and who have income less than or equal to 75% of the state median income and who need child care to work; and (c) crisis and respite child care for parents who need child care services to prevent or remedy child abuse or neglect, to alleviate stress in the family or to preserve the family unit. The Department would be required to promulgate a rule establishing policies and procedures to administer this provision.

[Act 27 Sections: 2372 and 3098]

## 30. ELIMINATE CHILDREN-IN-CRISIS PROGRAM

	Chg. to Base
GPR	- \$250,000

**Governor/Legislature:** Delete \$125,000 in each year to reflect elimination of the children-in-crisis program which provides grants to counties for 24-hour crisis and respite care for abused and neglected children. Under current law, grants may only be awarded to counties that have a high number of substantiated cases of child abuse and neglect. Counties who are awarded this grant are required to provide county matching funds equal to the amount of the grant. The Department is required to award at least two grants annually to counties that apply for funding; in 1995, children-in-crisis grants were awarded to Brown and Milwaukee Counties.

[Act 27 Sections: 945 and 2205]

**31. STATE FOSTER CARE AND ADOPTION SERVICES**

**Governor/Legislature:** Provide \$1,126,900 GPR and \$1,484,800 FED in 1995-96 and \$2,608,700 GPR and \$2,935,600 FED in 1996-97 to reflect a caseload reestimate, projected costs and anticipated federal funding for subsidized adoption placements and alternate living arrangements, such as foster homes, group homes and child caring institutions for those children placed in the Department's custody. Base level funding for this program is \$9,219,000 GPR and \$8,319,700 FED.

	Chg. to Base
GPR	\$3,735,600
FED	<u>4,420,400</u>
Total	\$8,156,000

**32. ADOPTION AND FOSTER CARE ANALYSIS AND REPORTING SYSTEM (AFCARS)**

**Governor/Legislature:** Provide \$77,200 GPR and \$77,100 FED in 1995-96 and \$107,000 GPR and \$107,000 FED in 1996-97 to develop and implement a computer reporting system for the collection and analysis of adoption and foster care data, as required under federal law. Failure to comply with federal requirements may result in estimated penalties of \$630,000 annually, beginning in March, 1998, to be assessed against funding the state receives under Title IV-B of the Social Security Act. Currently, the state receives \$6.0 million annually in child welfare funds under Title IV-B. In addition, if AFCARS is not developed, greater disallowances of federal foster care reimbursement under Title IV-E may occur if the state cannot adequately document expenditures for foster care.

	Chg. to Base
GPR	\$184,200
FED	<u>184,100</u>
Total	\$368,300

**33. FOSTER CARE AND ADOPTION COMPUTER SYSTEM**

**Governor/Legislature:** Provide \$28,700 GPR and \$9,500 FED in 1995-96 and \$93,700 GPR and \$31,200 FED in 1996-97 for computer system enhancements designed to improve the efficiency and capacity of the foster care and adoption system, which issues payments to adoptive and foster parents and medical assistance cards to foster children. System modifications would correct existing errors, provide more complete information to state adoption workers and automate eligibility tracking for foster care payments, adoption assistance and medical assistance cards.

	Chg. to Base
GPR	\$122,400
FED	<u>40,700</u>
Total	\$163,100

**34. REDUCE FUNDING FOR THE GUARDIANSHIP GRANT PROGRAM**

**Governor/Legislature:** Delete \$125,000 in each year to reflect reduced state funding of the guardianship grant program and modify current statutory provisions to require that organizations which receive a grant provide matching funds equal to the amount of the grant awarded. Under current law, the Department is required to distribute guardianship grants to counties or nonprofit agencies, which are required to use the funding to: (a) recruit individuals or organizations to act as

	Chg. to Base
GPR	- \$250,000



guardians for persons determined incompetent; (b) train guardians who are recruited; (c) monitor the performance of guardians who are recruited; and (d) assist guardians in performing their duties. In 1994, grant funding totalling \$250,000 was awarded to nonprofit organizations in Brown, Kenosha, Milwaukee, and Shawano counties.

[Act 27 Section: 2352]

**35. FOSTER AND GROUP HOME LIABILITY INSURANCE**

	Chg. to Base
GPR	- \$55,800

**Governor/Legislature:** Delete \$27,900 in each year to reflect a reestimate of the anticipated funding needed for foster and group home liability insurance.

**36. LIMIT STATE REIMBURSEMENT FOR FOSTER CARE PROVIDED BY NONLEGALLY RESPONSIBLE RELATIVES**

**Governor/Legislature:** Limit total payments made to any county, for the reimbursement of costs of foster care provided by nonlegally responsible relatives in any calendar year, to the amount for which the county was reimbursed for such costs incurred in calendar year 1994. Currently, counties are reimbursed for these costs from a GPR sum sufficient appropriation. Under the Governor's recommendations, if a county incurs, in any calendar year, costs for foster care provided by nonlegally responsible relatives in excess of such costs incurred in 1994, the county would be required to fund the difference in costs from community aids foster care or other fund sources.

[Act 27 Sections: 848 and 889]

**37. CONSOLIDATE GRANT APPROPRIATIONS**

**Governor/Legislature:** Modify and consolidate appropriations for grant programs, as follows:

*African-American Foster Parent Recruitment.* Repeal both the GPR African-American foster parent recruitment appropriation and the federal aid African-American foster parent recruitment appropriation. Instead, provide that the current funding of \$37,500 GPR annually for foster parent recruitment would be distributed from the GPR grants for community programs appropriation. Specify that H&SS may distribute not more than \$37,500 GPR in each fiscal year as grants to private, non-profit organizations to recruit African-American foster parents. In addition, transfer \$37,500 FED annually to the federal program local assistance appropriation and require H&SS, if it receives any federal matching funds for foster care maintenance and adoption assistance payments as a match to the GPR grants for the recruitment of African-American foster parents, to distribute the monies received to private, non-profit organizations for the recruitment of African-American foster parents.

*Adolescent Services.* Repeal the GPR adolescent services appropriation and consolidate the \$350,000 GPR annually provided for that purpose in the programs for adolescents and adolescent parents appropriation. As under current law, require H&SS to distribute \$250,000 GPR annually to Milwaukee County for an adolescent resource center and \$50,000 GPR annually to two minority-operated organizations in Milwaukee County to provide services related to the development of adolescent parenting skills. With the Governor's recommendation, grants for adolescent self-sufficiency and pregnancy prevention programs, adolescent services and adolescent choices projects would be funded from the same appropriation.

[Act 27 Sections: 943, 947, 949, 958, 960, 2304, 2405, 2600 and 2601]

**38. MAXIMUM NUMBER OF LONG-TERM FOSTER CARE PLACEMENTS**

**Governor/Legislature:** Delete statutory references to specific federal fiscal years in the 1993-95 biennium and, instead, provide that in each federal fiscal year no more than 2,200 children be in foster care or treatment foster care longer than 24 months. This level, which is identical to the number in federal fiscal years 1995 and 1996, is required to be incorporated in state law as a condition of receiving federal funding.

[Act 27 Section: 2029]

**39. CONTRACT FOR ADOPTION SEARCH PROGRAM**

**Governor/Legislature:** Delete 2.75 FED and 0.50 PR positions, beginning in 1995-96, and allow the Department to contract with county departments of human or social services or a licensed child welfare agency to administer the adoption search program. Modify statutory provisions to provide access to medical information and identifying information about parents to the agency under contract, in addition to the Department as under current law. The adoption search program assists persons over the age of 18 whose birth rights have been terminated in locating birth parents to obtain original birth certificates, or genetic or other medical information, while maintaining the anonymity of the birth parents. Fees for this service, which are based on the ability to pay, may not exceed \$150 or \$100 per birth parent, without the consent of the requester.

	Chg. to Base
FED	- 2.75
PR	- 0.50
Total	- 3.25

[Act 27 Sections: 2495 thru 2521 and 9426(23)]

**40. ELIMINATE ALZHEIMER'S TRAINING AND INFORMATION GRANT**

Chg. to Base	
GPR	- \$400,000

**Governor/Legislature:** Delete \$200,000 in each year to reflect elimination of the Alzheimer's disease training and information grant. Under this program, H&SS is required to award a grant to a private, nonprofit organization that is required to: (a) provide training and technical assistance to county staff or other providers who serve persons with Alzheimer's disease; (b) develop training materials; and (c) collect and distribute information and coordinate public awareness activities related to Alzheimer's disease. Currently, the grant is awarded to the Wisconsin Alzheimer's Training and Information Center in southeast Wisconsin.

[Act 27 Sections: 934, 2333 and 4369]

**41. ELIMINATE ELDER ABUSE AWARENESS CAMPAIGN**

Chg. to Base	
GPR	- \$50,000

**Governor/Legislature:** Delete \$25,000 in each year to reflect elimination of the statutory requirement that the Department conduct a statewide campaign to increase the general public's awareness of the problem of elder abuse. Current law requires that the campaign be conducted by use of mass media communication, including public service announcements, and by development, printing and distribution of informational brochures and posters.

[Act 27 Sections: 919 and 2335]

**42. REDUCE FUNDING TO THE COUNCIL ON PHYSICAL DISABILITIES**

Chg. to Base	
GPR	- \$5,000

**Governor/Legislature:** Delete \$2,500 in each year to reflect a reduction in funding for the operating costs of the Council on Physical Disabilities. In addition, modify current statutory provisions to reduce from \$12,000 to \$10,000 the amount the Department is required to allocate in each year for the operation of the Council on Physical Disabilities. Among the duties of the Council, which is required to meet at least four times annually, are requirements to: (a) develop, approve and modify state plans for services to physically disabled persons; (b) collect and disseminate information concerning program funding, clients or services for physically disabled persons; (c) make recommendations for legislation regarding funding, programs, and policies relating to physically disabled persons; and (d) encourage public understanding of the needs of and issues concerning physically disabled persons. With this change, \$9,500 would be appropriated in each year of the 1995-97 biennium for the Council on Physical Disabilities.

[Act 27 Section: 2269]

**43. STATE HOMELESS SERVICES FUNDING**

Chg. to Base	
GPR	- \$30,000

**Governor/Legislature:** Delete \$15,000 in each year to reflect a reduction in state funding required as a match to federal homeless grant funds. With this change, \$60,000 would be appropriated in each year of the 1995-97 biennium as the state match to federal funding for homeless services.

**44. FEDERAL REVENUES REESTIMATES**

Chg. to Base Funding Positions		
GPR	- \$12,300	0.00
FED	<u>23,997,100</u>	<u>2.00</u>
Total	\$23,984,800	2.00

**Governor/Legislature:** Delete \$7,500 GPR and provide \$10,749,500 FED in 1995-96 and delete \$4,800 GPR and provide \$13,247,600 FED in 1996-97 and 2.0 FED positions, beginning in 1995-96, to reflect reestimates of federal revenue available for programs administered by the Division of Community Services. Among the items included are increased funding for: (a) aging program aids (\$4,258,600 in 1995-96 and \$5,428,300 in 1996-97); (b) federal program local assistance (\$2,311,700 in 1995-96 and \$3,304,800 in 1996-97); federal project aids (\$1,478,900 in 1995-96 and \$1,809,200 in 1996-97); and (d) federal program aids (\$1,080,000 annually).

**45. PROGRAM REVENUE REESTIMATES**

Chg. to Base	
PR	\$4,068,700

**Governor/Legislature:** Provide \$2,087,300 in 1995-96 and \$1,981,400 in 1996-97 to reflect reestimates of program revenue available for programs administered by the Division of Community Services. Among the major items included are increased funding for: (a) interagency and intra-agency local assistance (\$1,720,900 annually); (b) gifts and grants (\$535,500 in 1995-96 and \$421,100 in 1996-97) and alcohol and other drug abuse initiatives (\$190,600 in 1995-96 and \$193,700 in 1996-97). Funding budgeted for grants to independent living centers would be decreased by \$588,800 annually.

**46. HUMAN SERVICES REPORTING SYSTEM (HSRS)**

Chg. to Base	
GPR	\$263,300
FED	<u>42,600</u>
Total	\$305,900

**Governor/Legislature:** Provide \$5,400 GPR and \$9,100 FED in 1995-96 and \$257,900 GPR and \$33,500 FED in 1996-97 for modifications to the human services reporting system (HSRS) which are designed to increase its efficiency and capacity and to comply with federal reporting requirements. HSRS collects, stores, and reports information from counties and other local agencies on several human services programs, including programs relating to mental health, alcohol and other drug abuse, child abuse and neglect, foster care and adoption, juvenile delinquents and status offenders, and developmental disabilities. System modifications would include: (a) general maintenance; (b) conversion of existing hierarchical databases to relational databases; (c) conversion to a four-character year to accommodate the change of century; (d)

expansion to supplemental security income data collection and reporting; and (e) revision of the current database design to correct errors.

**47. ELIMINATE SELECTED GPR POSITIONS**

Chg. to Base Funding Positions		
GPR	- \$271,800	- 3.25

**Governor/Legislature:** Delete \$116,400 in 1995-96 and \$155,400 in 1996-97 and 3.25 positions beginning in 1995-96 to reflect elimination of: (a) the internal budget and contract positions in the Bureau of Mental Health; (b) the emergency government position in the Bureau of Regional Offices; and (c) the Controlled Substance Board position in the Bureau of Substance Abuse.

**48. CERTIFICATION STAFFING AND EQUIPMENT**

Chg. to Base Funding Positions		
PR	\$230,800	2.00

**Governor/Legislature:** Provide \$118,200 in 1995-96 and \$112,600 in 1996-97 and 2.0 project positions, beginning in 1995-96, for additional staff, computer equipment, and travel costs related to the certification of mental health and substance abuse treatment facilities.

**49. UPDATE REFERENCES TO FUNDING FOR EPILEPSY GRANTS AND SUPPORTED EMPLOYMENT OPPORTUNITIES [LFB Paper 535]**

**Governor:** Delete references to funding provided in the 1993-95 biennium for supported employment opportunities for severely disabled persons and grants to agencies that provide services to persons with epilepsy, and their families. Instead, direct H&SS to distribute \$60,000 in each fiscal year for the supported employment opportunities program and \$75,000 in each fiscal year for epilepsy service grants. Currently, funding for these programs is budgeted on a calendar year basis. In CY 1994, \$60,000 was budgeted for supported employment opportunities and \$150,000 was budgeted for epilepsy service grants.

**Joint Finance/Legislature:** Correct the statutory reference to direct that \$150,000 in each fiscal year be distributed for epilepsy grants, which reflects a fiscal year, rather than a six-month funding level for these grants.

[Act 27 Sections: 2302m and 2303m]

**50. FUNDING TRANSFERRED TO SUPPORT INDEPENDENT LIVING CENTERS**

**Governor/Legislature:** Repeal a provision that requires H&SS to transfer \$41,400 GPR annually from amounts budgeted for the Division of Vocational Rehabilitation Services to purchase vocational

rehabilitation and other independent living services to handicapped persons to fund grants for independent living centers for the severely disabled. In addition, reduce from \$372,900 to \$200,000 the amount of federal funds that are transferred annually to fund grants for independent living centers, and delete a provision that permits the transfer only if the transfer is authorized by the federal government.

Under current law, H&SS is required to transfer a total of \$414,300 (\$41,400 GPR and \$372,900 FED) annually to a program revenue appropriation used to support grants to independent living centers. Federal funds are transferred only with the approval of the federal government, and GPR funds are transferred only if the federal funding is transferred for this purpose. The effect of the Governor's recommendation is to reduce the total annual amount transferred to the program revenue appropriation by \$214,300 annually.

[Act 27 Sections: 897, 913, 955 and 2349]

#### **51. REVOLVING LOAN FUND FOR GROUP HOMES**

**Governor/Legislature:** Increase the size of a group home to no fewer than six individuals, in order to qualify for a two-year loan of up to \$4,000 to establish a program to provide housing for persons recovering from alcohol and other drug abuse. Under current law, group homes must provide housing for no fewer than four individuals to qualify for a loan from the revolving fund.

[Act 27 Section: 2351]

#### **52. CERTIFICATION OF TREATMENT FACILITIES**

**Governor/Legislature:** Replace current provisions which authorize H&SS to determine if an outpatient facility that provides treatment to persons with alcohol and other drug abuse (AODA), mental health or developmental disabilities meets certain standards to, instead, authorize inpatient and outpatient treatment facilities to apply to H&SS for certification to receive reimbursement for: (a) medical day treatment, mental health and AODA services funded by medical assistance; (b) any service funded by community aids; and (c) services provided for nervous and mental disorders and AODA as a mandated insurance benefit. Specify that the facility used to provide mandated insurance coverage be certified by H&SS. Modify the provision which requires H&SS to charge a fee for determinations to, instead, require an annual fee for each certification.

[Act 27 Sections: 3251 and 7047]

**53. DEPARTMENTAL REVIEW OF COUNTY CONTRACTS**

**Governor/Legislature:** Modify statutory provisions to authorize, rather than require, H&SS to review county contracts for care and services, including those entered into by county departments of social services, human services, community programs and developmental disability services.

[Act 27 Sections: 2050, 2073 and 2104]

**54. TRANSFER OF CHILDREN'S SERVICES**

**Governor/Legislature:** Delete \$6,275,000 FED and 36.55 FED positions in 1996-97 and provide \$6,456,300 PR and 36.55 PR positions in 1996-97. In general, the funding and positions reflect the transfer within H&SS on July 1, 1996, of the following: (a) domestic abuse programs from the Division of Community Services (DCS) to the Division of Health; and (b) certain programs serving children from the Division of Community Services to a new Division of Children's Programs.

	Chg. to Base Funding Positions	
FED	- \$6,275,000	- 36.55
PR	<u>6,456,300</u>	<u>36.55</u>
Total	\$181,300	0.00

**Transfer to and Funding for Division of Health.** Provide \$3,580,800 GPR, \$259,800 PR and \$340,000 FED and 1.58 FED positions in 1996-97 in the Division of Health. Of the total funding provided in 1996-97: (a) \$3,580,800 GPR in 1996-97 would be provided to reflect the transfer of the current appropriation for domestic abuse grants from DCS; (b) \$210,000 PR in 1996-97 would be provided to reflect the transfer of the current appropriation for domestic abuse assessment grants from DCS; (c) \$340,000 FED and 0.58 FED positions in 1996-97 would be transferred from the federal project operations appropriation in DCS; and (d) \$49,800 PR and 1.0 PR position would be provided in the interagency and intra-agency programs appropriation in the Division of Health.

**Transfer to Division of Children's Programs.** Transfer the funding and positions for the following programs.

**GPR Funding and Positions.** Provide \$18,972,400 GPR and 7.5 GPR positions in 1996-97 to reflect the transfer of the following appropriations from DCS to the Division of Children's Programs, effective July 1, 1996:

- \$11,827,700 GPR for state foster care and adoption services;
- \$4,709,200 GPR for early intervention services for infants and toddlers with disabilities (the Birth to Three program);
- \$1,482,100 GPR for the consolidated appropriation for programs for adolescents and adolescent parents, including for adolescent parent services (\$582,100 GPR), adolescent services (\$350,000 GPR) and adolescent pregnancy prevention services (\$550,000 GPR);

- \$620,100 GPR and 7.5 GPR positions from the general program operations appropriation in DCS to the general program operations appropriation in the Division of Children's Programs;

- \$140,000 GPR for state adoption information exchange and the state adoption center;
- \$133,300 GPR for integrated services program for children with severe disabilities; and
- \$60,000 GPR for foster, treatment foster and family-operated group home insurance.

*Federal Funding and Positions.* Provide \$31,238,600 FED and 36.25 FED positions in 1996-97 to reflect the transfer of the following appropriations from DCS to the Division of Children's Programs, effective July 1, 1996:

- \$11,255,300 FED for state foster care and adoption services;
- \$9,008,600 FED for federal program local assistance;
- \$4,202,600 FED for federal project aids;
- \$2,385,800 FED and 19.0 FED positions for state foster and adoption operations;
- \$1,593,300 FED for drug free schools;
- \$987,900 FED and 8.0 FED positions for federal project operations;
- \$870,500 FED and 4.0 FED positions for child welfare operations;
- \$476,000 FED and 5.25 FED positions for federal program operations; and
- \$458,600 FED for the child welfare runaway program.

*PR Funding and Positions.* Provide \$6,491,400 PR and 1.0 PR position in 1996-97 to reflect the transfer of the following appropriations from DCS to the Division of Children's Programs, effective July 1, 1996:

- \$6,286,300 PR for severely emotionally disturbed children;
- \$150,000 PR for state child care program operations; and
- \$55,100 PR and 1.0 PR position for searches for birth parents, adoption record information and foreign adoptions.



**Additional PR Positions and Funding for the Division of Children's Programs.** In addition, provide \$6,386,000 PR and 36.05 PR positions in 1996-97 for the Division of Children's Programs for interagency and intra-agency programs, aids and local assistance.

**Division of Community Services.** Delete \$22,553,200 GPR and 7.5 GPR positions, \$37,853,600 FED and 73.38 FED positions and \$6,680,900 PR and 1.5 PR positions in 1996-97 from DCS. Of the total amount, \$22,553,200 GPR and 7.5 GPR positions, \$31,578,600 FED and 36.83 FED positions and \$6,680,900 PR and 1.5 PR positions would be transferred within H&SS from DCS to the Division of Health and the Division of Children's Programs, effective July 1, 1996.

In addition, a total of \$6,275,000 FED and 36.55 FED positions would be converted to PR and transferred to support a portion of the additional \$6,386,000 PR and 36.05 PR in 1996-97 provided in interagency and inter-agency programs, aids and local assistance appropriations in the Division of Children's Services and the \$49,800 PR and 1.0 PR position in 1996-97 provided in the interagency and intra-agency programs appropriation in the Division of Health under the bill.

**Other Statutory Modifications.** Effective July 1, 1996, repeal statutory provisions which: (a) allow a juvenile court to request the services of H&SS for cases with special needs that cannot adequately be provided by the county; and (b) require H&SS to provide such services only to the extent that youth aids does not apply and the county provides funds to H&SS equal to the net cost that H&SS will incur for providing the services. Repeal the related PR appropriation in DCS for services for children outside departmental custody. No funding would be provided in the appropriation in the 1995-97 biennium.

Effective July 1, 1996, repeal the child care startup and expansion grant repayments appropriation in DCS.

[Act 27 Sections: 808, 916, 918m, 927 thru 929, 937, 938, 941, 942m, 948, 950, 952, 954, 959m, 2298, 2310, 2318, 2337, 2339, 2355, 2356, 2387, 2397 thru 2399, 2403, 2404, 2406, 2407, 2429, 2531, 2533m, 2567b, 2588 thru 2593, 2624, 2633, 3267, 7256 and 9426(18)]

## **55. RENAME HEARING IMPAIRED FUNCTIONS**

**Joint Finance/Legislature:** Modify statutory provisions to rename: (a) the Council for the Hearing Impaired as the Council for the Deaf and Hard-of-Hearing; and (b) the Office of the Hearing Impaired as the Office of the Deaf and Hard-of-Hearing.

[Act 27 Section: 139m]

**56. INTOXICATED DRIVER PROGRAM**

	Chg. to Base
PR-REV	\$2,000,000
PR	\$2,000,000

**Joint Finance/Legislature:** Modify statutory provisions for the intoxicated driver program (IDP) to:

a. Increase the amount of the intoxicated driver surcharge by \$50 from \$250 to \$300 and establish a separate account for these revenues to provide supplemental funds to counties which experience costs in excess of revenues for the treatment of IDP clients (\$1,000,000 PR annually). Require that funds be completely utilized each year within the limits of the account to adequately fund those counties which demonstrate costs in excess of revenues;

b. Include non-payment of treatment costs (as determined under ability-to-pay provisions) by the offender as justification for determining non-compliance; and

c. Include statutory language to authorize the courts to report non-compliance to the Department of Transportation (DOT) for defendants who do not pay the surcharge and suspend their operators' license until the amount is paid.

Under current law, persons convicted of operating a motor vehicle while intoxicated (OWI) are assessed a \$250 driver improvement surcharge. Of the revenue collected from the surcharge, 85% is transferred to the county human services department or Chapter 51 board for AODA services for drivers. The remaining 15% of OWI surcharge collections is forwarded to the state to support the state Laboratory of Hygiene of the University of Wisconsin, the Services for Drivers program at the Department of Public Instruction and crime victims compensation services at the Department of Justice.

[Act 27 Sections: 950m, 2032m, 6412cnj, 6412cnk, 6412cnL, 6416c, 6416d, 6416e, 6416g, 7141bg, 7141bh and 9326(25g)]

**57. COMMUNITY SERVICES PILOT PROJECT**

**Joint Finance/Legislature:** Establish a pilot project to create a separate community services allocation for the Red Cliff Band of Lake Superior Chippewas. Under this pilot program, the Red Cliff Band of Lake Superior Chippewas would directly negotiate contracts with H&SS to provide certain social services. Specific programs, services, and funding levels which would be included in this pilot program would be determined through negotiations with the Department. As a condition of the contract, require the Red Cliff Band to contract for an independent evaluation of the pilot project. Specify that the pilot project would apply only to services for tribal members who reside within the boundaries of the reservation and would sunset on June 30, 1997.

Currently, the Department acts as the financial agent between the funding source (state or federal government) and the counties through state-county contracts. These contracts establish broad guidelines which counties are required to follow, including defining state and federal regulations, expenditure levels,

and reporting requirements. Counties, in turn, establish purchaser service contracts with service providers which specify detailed terms of the contracts, including the rates at which services will be provided.

Under this pilot program, the Red Cliff Band of Lake Superior Chippewas would develop contracts directly with the Department (comparable to the state-county contract) which would establish the guidelines the tribe would be required to follow. The Red Cliff Band would be responsible for providing or contracting with service providers to obtain services for tribal members residing on the reservation.

[Act 27 Section: 9126(26j)]

## **58. CHILD WELFARE SERVICES**

**Joint Finance/Legislature:** Direct the Department of Health and Social Services to submit to the Governor and Legislature, no later than April 1, 1996, a proposal to transfer the authority and duty to provide child welfare services in any county with a population of 500,000 or more (Milwaukee County) from the county to the Department. In particular, require that the proposal:

a. Provide an implementation plan for the Department to provide and/or contract for child welfare services in the county beginning January 1, 1998; and

b. Consider all funds expended from state and federal revenues, the county tax levy and any other sources of revenue for child welfare services in the county, as determined by the Department.

In addition, specify that funding for child welfare services in the county for calendar years 1996 and 1997 be no less in each year than the amount expended for child welfare services in the county from state and federal funds and county tax levy and other sources of revenue in calendar year 1995, as determined by the Department.

Milwaukee County would be the only county affected by this provision. Compared to the Governor's recommendation, the provision would not increase state costs for child welfare programs; however, Milwaukee County would be required to maintain the level of expenditures for child welfare services in 1996 and 1997 at the level expended in 1995.

[Act 27 Section: 9126(27g)]

**59. DOMESTIC ABUSE INCOME TAX CHECK-OFF**

	<b>Jt. Finance/Leg. (Chg. to Base)</b>	<b>Veto (Chg. to Leg.)</b>	<b>Net Change</b>
PR-REV	\$340,000	- \$340,000	\$0
PR	\$320,000	- \$320,000	\$0

**Joint Finance/Legislature:** Create a check-off for donations on the individual income tax form, effective for tax year 1995, that would provide funding for a domestic abuse statewide public awareness and prevention campaign program and estimate revenues of \$340,000 in 1996-97. Create a PR appropriation of \$320,000 PR in 1996-97 to receive and expend revenues. Structure the check-off in a manner similar to the existing endangered resources check-off with respect to administration, conditions and the deduction for administrative and data processing costs. Modify the existing PR appropriation to the Department of Revenue that receives funding for the administrative and data processing costs of the endangered resources check-off to also apply to the domestic abuse program check-off. A portion of the revenues generated from the domestic abuse check-off program would be placed in this PR account for one-time system changes and ongoing administration; \$20,000 annually would be allocated for administrative costs. Costs for administration are budgeted under the "Department of Revenue."

**Veto by Governor [E-11]:** Delete provision.

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.435(1)(hk) and 20.566(1)(hp), 817m, 1113m, 2345j, 3395e and 9348(4q)]

**60. CONSOLIDATION OF ALCOHOL AND OTHER DRUG ABUSE PROGRAMS**

**Joint Finance/Legislature:** Direct the Department to conduct a feasibility study of consolidating all alcohol and other drug abuse (AODA) programs administered by state agencies into a single, statewide program to reduce administrative expenses. Require that the Department submit the results of the study to the Governor and the Legislature no later than January 1, 1996.

**Veto by Governor [D-18]:** Delete provision.

[Act 27 Vetoed Section: 9126(28g)]

**61. JOB TRAINING FOR PERSONS WITH MENTAL ILLNESS**

**Joint Finance/Legislature:** Allow unencumbered and unexpended grant funding for the medical assistance certification of community support programs (CSPs) to be carried over and used as the state match for federal funding under the vocational rehabilitation program for supported employment services operated under the Division of Community Services for persons with mental illness. In addition, delete references to funding provided for supported employment in 1994-95, and instead, direct H&SS to distribute \$60,000 (all funds) for the program.

Funding of \$89,100 GPR in 1993-94 and \$186,900 GPR in 1994-95 was provided in 1993 Wisconsin Act 445 to assist non-certified CSPs in becoming certified as medical assistance providers. Under the bill, the 1994-95 base level funding of \$186,900 GPR would be provided in each year of the 1995-97 biennium for such MA certification. This provision would allow unexpended and unencumbered funds provided in a fiscal year for MA certification of CSPs to be carried over and used as the state match for vocational rehabilitation services for persons with mental illness in the following fiscal year.

[Act 27 Sections: 932m, 935m and 2302m]

**62. TRANSFER SENIOR COMMUNITY SERVICES EMPLOYMENT PROGRAM FROM H&SS TO DILHR**

	<u>Jt. Finance/Leg.</u> <u>(Chg. to Base)</u>		<u>Veto</u> <u>(Chg. to Leg.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
FED	-\$2,010,900	- 1.00	\$0	1.00	-\$2,010,900	0.00

**Joint Finance/Legislature:** Delete \$2,010,900 and 1.0 position in 1996-97 to reflect the transfer of the senior community services employment program from H&SS to DILHR on July 1, 1996. Specify that the employee transferred from H&SS to DILHR would have all the rights and status that the position had in H&SS immediately before the transfer and, if the incumbent has attained permanent status in class, would not be required to serve a probationary period. Require the Secretary of DOA, after reviewing the transfer, to submit the proposed transfer, including any suggested modifications, to the Joint Committee on Finance by June 1, 1996. Permit the Secretary to proceed with the transfer, as modified by the Secretary, if, within 14 working days of the transfer's submittal, the Committee has not scheduled a meeting to review the transfer. If the Committee does schedule a meeting, the transfer may not take effect unless the Committee approves the action. The program provides part-time work experience opportunities in government and non-profit community service organizations for low-income persons age 55 and older.

**Veto by Governor [D-20]:** Delete the transfer of the Senior Community Services Employment program to DILHR and restore 1.0 FED position and the program to H&SS. The veto does not alter the

FED appropriations for DILHR and H&SS; however, since state agencies are allowed to expend all federal funds received, modification of the FED appropriations is not required to restore the program to H&SS.

[Act 27 Vetoed Sections: 2330m, 9126(27q) and 9426(26q)]

## Vocational Rehabilitation

### 1. VOCATIONAL REHABILITATION SERVICES

**Governor/Legislature:** Provide \$64,100 FED and \$20,300 PR in 1995-96 and \$1,623,900 FED and \$443,700 PR in 1996-97 and 1.58 FED and 0.42 PR positions, beginning in 1995-96, to reflect a reestimate of anticipated federal funding and the required state match for vocational rehabilitation services. Additional federal funds reflect anticipated growth in support available under Title I-B of the Rehabilitation Act. Federal funding supports 79% of program costs; the remaining 21% is funded by a required state match. Program revenue funding, which is used as the state match, reflects anticipated growth in third-party costs, such as cooperative agreements with state, local and nonprofit human services programs which incur costs in serving individuals eligible for vocational services.

	Chg. to Base Funding Positions	
FED	\$1,688,000	1.58
PR	<u>464,000</u>	<u>0.42</u>
Total	\$2,152,000	2.00

### 2. CONVERT STATE MATCH FOR THE VOCATIONAL REHABILITATION SERVICES GRANT [LFB Paper 550]

**Governor:** Convert \$500,000 in each year from GPR to PR to reflect the use of third party payments, rather than state funds, for a portion of the required match for the federal vocational rehabilitation services grant.

	Chg. to Base
GPR	-\$1,000,000
PR	<u>1,000,000</u>
Total	\$0

**Joint Finance/Legislature:** Direct H&SS at the June, 1996, meeting and DILHR at the June, 1997, meeting to report to the Joint Committee on Finance under s. 13.10, on: (a) the extent of the waiting list for vocational rehabilitation services; (b) the amount of third-party funding that will be available as the match to federal funds in that federal fiscal year, including the source of the third-party funds; (c) if additional funding is necessary to fully capture available federal funds, the sources of funding that could be reallocated within the Department's budget to maximize federal funding; and (d) how the Department is complying with current statutory provisions to provide services to all persons with a handicap who request vocational rehabilitation.

**Veto by Governor [D-18]:** Delete the provision requiring the Department to report information regarding vocational rehabilitation waiting lists and the extent to which the state maximizes federal

matching funds. (An identical report requirement by DILHR after the transfer of vocational rehabilitation services to DILHR in 1995-97 was not vetoed.)

[Act 27 Section: 9130(15g)]

[Act 27 Vetoed Section: 9126(17m)]

**3. BUSINESS ENTERPRISE PROGRAM EXPANSION**

**Governor/Legislature:** Provide \$77,600 FED and \$71,600 PR in 1995-96 and \$140,100 FED and \$72,800 PR in 1996-97 to expand the business enterprise program from 36 to 45 sites over the next five years. The program allows visually impaired persons to establish cafeterias and operate vending machines in state offices.

	Chg. to Base
FED	\$217,700
PR	<u>144,400</u>
Total	\$362,100

**4. HOME-BASED ENTERPRISE PROGRAM AND STATE-FUNDED HOMECRAFT CLIENTS [LFB Paper 551]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$181,200	-\$18,800	-\$200,000
FED	0	200,000	200,000
PR	<u>0</u>	<u>200,000</u>	<u>200,000</u>
Total	-\$181,200	\$381,200	\$200,000

**Governor:** Delete \$90,600 in each year to reflect the elimination of the homecraft portion of the home-based enterprise program for clients who participated in the program prior to July 2, 1983. In addition, modify the home-based enterprise program to permit, rather than require, the Department to provide services, including vocational training, craft instruction and a supervised business initiatives program for severely handicapped individuals who are eligible for vocational rehabilitation services. Currently, the home-based enterprise program is supported, in part, by a federal grant. Homecraft clients in the program prior to June 2, 1983, are not eligible for federal funding and, thus, are funded solely with state funds.

**Joint Finance/Legislature:** Restore \$90,600 GPR in each year of the biennium to provide marketing and distribution services for homecraft clients who have completed their training and, thus, no longer qualify for federal Title I-B funding for vocational rehabilitation services. In addition, delete \$100,000 GPR and provide an additional \$100,000 FED and \$100,000 PR in each year to convert a portion of the funding for independent living centers from GPR to unallocated federal funds.

Modify current statutory provisions to: (a) establish specific categorical allocations for the homecraft program under state Title I-B operations and program aids; (b) require the Department to purchase or

provide for the purchase of supplies needed by any homecraft client from wholesale distributors; (c) authorize homecraft teachers, where appropriate, to transport homecraft goods to stores or other distribution centers; (d) authorize homecraft teachers, where appropriate, to develop additional markets for homecraft products; and (e) direct the Department to transport raw materials to homecraft clients as well as finished products to the stores or other points of sale. In addition, delete the provision of the bill that would permit, rather than require, H&SS to provide services under the home-based enterprise program.

**Veto by Governor [D-21]:** Delete the provisions which would have:

a. Services. Required H&SS in 1995-96 and DILHR in 1996-97 to purchase or provide for the purchase of craft supplies from wholesale distributors and authorize homecraft teachers to transport finished products to stores or distribution centers, transport raw materials to clients and develop additional markets for homecraft products. Instead, the budget veto message indicates that H&SS in 1995-96 and DILHR in 1996-97 will be directed to provide these services, whenever feasible, under federal eligibility requirements for vocational services.

b. Funding. Allowed funding to be expended for capital equipment. Instead, limit expenditures of these funds to marketing and distribution of homecraft products.

[Act 27 Sections: 2419c, 2419d and 9426(15)]

[Act 27 Vetoed Sections: 2418f, 2418g, 2418h, 2418i and 2419c]

## 5. INDEPENDENT LIVING CENTERS

	Chg. to Base
PR	- \$86,200

**Governor/Legislature:** Delete \$43,100 in each year to eliminate the transfer of funding within the Department for independent living centers. In addition, transfer \$105,900 GPR and responsibility for the program from the Division of Vocational Rehabilitation to the Division of Community Services. Under the Governor's recommendation, funding would be consolidated within a single division; the transfer would not reduce base funding. Independent living centers, which are located throughout the state, provide information, referral, advocacy, public education, and client services to individuals with severe disabilities. Currently, three centers receive federal funding; five centers are funded by GPR.

## 6. CONVERT FUNDING FOR INDEPENDENT LIVING CENTERS

	Chg. to Base
GPR	- \$400,000
FED	400,000
PR	400,000
Total	\$400,000

**Governor/Legislature:** Delete \$200,000 GPR and provide \$200,000 FED and \$200,000 PR in each year to convert a portion of the funding for independent living centers from GPR to unallocated federal funds, which are deposited in the appropriation as program revenue.



**7. CONTRACT FOR SERVICES TO INJURED HISPANIC WORKERS**

Chg. to Base	
GPR	- \$104,800

**Governor/Legislature:** Delete \$52,400 in each year to reflect the elimination of the requirement that the Department allocate funding annually for a contract to an organization to provide services to Hispanic workers who have been injured in industrial accidents. Under current law, services must include: (a) group support and self-help activities; (b) counseling; (c) advocacy on behalf of workers to obtain appropriate services; (d) interpreter services; (e) outreach; and (f) assistance in maximizing the use of public programs, including state vocational rehabilitation, worker compensation, unemployment compensation and federal social security disability. The contract is awarded on the basis of competitive bids. Currently, Vocational Rehabilitation for Hispanics in Milwaukee County receives funding through the contract.

[Act 27 Section: 2420]

**8. FEDERAL REVENUE REESTIMATES**

Chg. to Base	
FED	\$3,006,700

**Governor/Legislature:** Provide \$1,143,100 in 1995-96 and \$1,863,600 in 1996-97 to reflect reestimates of federal revenue available in the 1995-97 biennium for programs administered by the Division of Vocational Rehabilitation. This item includes increased funding for: (a) disability determination aids (\$1,300,000 in 1995-96 and \$1,775,000 in 1996-97); (b) federal project operations (\$244,400 in 1995-96 and \$288,700 in 1996-97); (c) federal program operations (\$111,700 in 1995-96 and \$100,000 in 1996-97); state operations for disability determinations (\$74,800 in 1995-96 and \$241,400 in 1996-97); and federal program aids (\$4,100 in 1995-96 and \$19,600 in 1996-97). Reduced funding is provided for federal project aids (-\$591,900 in 1995-96 and -\$561,100 in 1996-97).

**9. PROGRAM REVENUE REESTIMATES**

Chg. to Base Funding Positions		
PR	- \$146,800	1.00

**Governor/Legislature:** Reduce funding by \$73,400 annually and provide 1.0 position, beginning in 1995-96, to reflect reestimates of program revenue available to support programs administered by the Division of Vocational Rehabilitation.

First, the bill would increase funding by \$65,000 annually to support 1.0 position under a program designed to help high school students with disabilities make the transition from school to work. The program revenue increase reflects the amount of federal funding received by the Department of Public Instruction that would be transferred to H&SS to support this position.

In addition, the bill would reduce funding for interpreter services for hearing-impaired persons by \$138,400 annually.

**10. NONVOCATIONAL PROGRAM FUNDING**

**Governor/Legislature:** Transfer \$11,600 GPR in each year of the biennium from state operations to aids to individuals and organizations to reflect changes in program demand. Affected appropriations include programs for the hearing impaired, accommodations for disabled employees, home-based enterprises and staff training.

**11. TRANSFER THE DIVISION OF VOCATIONAL REHABILITATION TO THE DEPARTMENT OF INDUSTRY, LABOR AND HUMAN RELATIONS [LFB Paper 552]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov.)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	-\$10,459,900	- 82.01	-\$90,600	0.00	-\$10,550,500	- 82.01
FED	- 49,800,000	- 331.62	- 100,000	0.00	- 49,900,000	- 331.62
PR	- 1,374,000	8.05	0	0.00	- 1,374,000	8.05
Total	-\$61,633,900	- 405.58	-\$190,600	0.00	-\$61,824,500	- 405.58

**Governor:** Delete \$10,459,900 GPR and 82.01 GPR positions, \$49,800,000 FED and 331.62 FED positions and \$1,374,000 PR in 1996-97. In addition, provide 8.05 PR positions in 1996-97. In general, the funding and positions reflect the transfer of programs from the Division of Vocational Rehabilitation (DVR) in H&SS to the Department of Industry, Labor, and Human Relations (DILHR) and to the Division of Community Services (DCS) in H&SS, effective July 1, 1996. H&SS would continue to be responsible for supplemental security disability determinations, administration of nonvocational services for the hearing and visually impaired and receipt of revenues from the operation of cafeterias and vending machines under the business enterprise program.

**Modifications to Funding and Positions**

***GPR Funding and Positions***

- a. Delete \$4,588,900 GPR and 82.01 GPR positions from DVR for general program operations as part of the transfer of responsibilities to DILHR.
- b. Delete \$5,850,100 GPR from DVR for state program aids. In addition, transfer \$77,700 GPR to DCS.
- c. Transfer \$80,000 GPR from DVR to DCS for telecommunications aids for the hearing impaired.
- d. Delete \$20,900 GPR from DVR for principal repayment and interest, which would be funded under DILHR.

### ***FED Funding and Positions***

- a. Transfer \$12,176,400 FED and 223.6 FED positions from DVR to DCS to fund SSI state disability determinations through community aids operations. Total funding and positions for this purpose would remain the same after the transfer;
- b. Transfer \$6,275,000 FED from DVR disability determination aids to DCS for foster care and adoption assistance in community aids.
- c. Delete \$18,212,400 FED and 314.25 FED positions from DVR and provide \$18,212,400 FED and 305.04 FED positions for federal Title I-B operations in DILHR.
- d. Delete \$949,100 FED and 11.87 FED positions from DVR and provide \$949,100 FED and 10.87 FED positions to DILHR for federal program operations. This transfer would result in a net decrease of 1.00 FED position.
- e. Delete \$1,335,700 FED and 5.50 FED positions from DVR and provide \$1,335,700 FED and 3.50 FED positions to DILHR for project operations. This transfer would result in a net decrease of 2.00 FED positions.
- f. Delete \$660,600 FED from DVR and provide \$660,600 to DILHR for federal project aids.
- g. Delete \$27,942,500 FED from DVR and provide \$27,942,500 FED to DILHR for federal Title I-B project aids.
- h. Delete \$699,700 FED from DVR and provide \$699,700 FED to DILHR for federal program aids.

### ***PR Funding and Positions***

- a. Delete \$22,000 PR and 0.42 PR positions from DVR and provide \$22,000 PR and 0.42 PR positions to DILHR for operations of contractual services.
- b. Delete \$4,500 PR from DVR and provide \$4,500 PR to DILHR for supported employment videos and publications.
- c. Delete \$1,662,000 PR from DVR and provide \$1,662,000 to DILHR for contractual aids.
- d. Delete \$123,500 PR and 0.96 PR positions from DVR and provide \$123,500 PR and 0.74 PR positions to DILHR for the supervised business enterprise program under Title I-B. This transfer would result in a net decrease of 0.22 PR positions.

- e. Delete \$188,100 PR and 0.7 PR position from DVR for enterprises and services for the blind and visually impaired and provide \$188,100 PR to DILHR for federal Title I-B operations. This transfer would result in a net decrease of 0.7 PR position.
- f. Delete \$22,700 PR from DVR and provide \$22,700 to DILHR for rehabilitative teaching aids.
- g. Transfer \$40,000 PR from DVR to DCS community aids operations for interpreter services for the hearing impaired.
- h. Delete \$10,100 PR from DVR and provide \$10,100 PR to DILHR for gifts and grants.
- i. Delete \$160,900 PR and 3.0 PR positions from DVR and provide \$160,900 PR and 3.0 PR positions to DILHR for interagency and intra-agency programs.
- j. Delete \$60,000 PR from DVR and provide \$60,000 PR to DILHR for interagency and intra-agency aids.
- k. Provide \$821,400 PR and 13.13 PR positions to DCS for interagency and intra-agency program operations.
- L. Provide \$22,700 PR to DCS for rehabilitative teaching aids, resulting in a net increase of \$22,700 PR.
- m. Provide \$35,700 PR to DCS for interagency and intra-agency program aids, resulting in a net increase of \$35,700 PR.

### **Statutory Modifications**

Require that all monies from charges on the net proceeds from the operation of cafeterias and vending machines from the supervised business enterprise program be transferred from DILHR to DCS for rehabilitative and teaching aids and supervised business enterprise. Repeal DVR appropriations for federal project operations, federal project aids, federal program operations, federal program--local assistance and gifts and grants. Create an appropriation within DCS for the blind and visually impaired. Require that money transferred from rehabilitation teaching aids within DILHR be used for rehabilitation teaching program for blind and visually-impaired individuals. Require DILHR to transfer up to \$200,000 to the Independent Living Centers in DCS. Delete the requirement that DILHR notify H&SS concerning all reports it receives of injuries to employers that may handicap the person injured.

## Transfer of DVR -- Nonstatutory Provisions

Effective July 1, 1996, transfer all assets and liabilities of H&SS (including tangible personal property and records), and all incumbent employes holding positions in H&SS, that are primarily related to the administration of vocational rehabilitation services, as determined by the Secretary of DOA, to DILHR. However, specify that assets and liabilities of H&SS (including tangible personal property and records) and those incumbent employes primarily related to nonvocational services for the hearing and visually impaired would remain in H&SS.

Upon the final determination of the personnel to be transferred to DILHR, require the Secretaries of H&SS and DILHR to request the Joint Committee on Finance to transfer monies between the GPR, PR and FED appropriations for H&SS and DILHR, if necessary to adjust previously allocated costs in accordance with the transfer of personnel. Require that the request be submitted for consideration at the Committee's fourth quarterly meeting for 1995 under s. 13.10.

Specify that employes transferred from H&SS to DILHR would have all the rights and the same status under state employment relations provisions that they had in H&SS immediately before the transfer. Specify that no transferred employe who has attained permanent status in class would be required to serve a probationary period.

Specify that all contracts entered into by H&SS or DVR that are in effect on July 1, 1996, and that are primarily related to vocational rehabilitation services (excluding those contracts primarily related to nonvocational services for the hearing and visually impaired which would remain in H&SS) would remain in effect and be transferred to DILHR. Require DILHR to carry out any such contractual obligations until modified or rescinded to the extent allowed under the contracts.

Also, specify that all rules promulgated and orders issued by H&SS that are in effect on July 1, 1996, and that are primarily related to vocational rehabilitation services (excluding rules and orders primarily related to nonvocational services for the hearing and visually impaired which would remain in effect until amended or repealed by H&SS) would remain in effect until their specified expiration date or until amended, repealed, modified or rescinded by DILHR.

Transfer any matter pending with H&SS on July 1, 1996, that is primarily related to vocational rehabilitation services (excluding matters primarily related to nonvocational services for the hearing and visually impaired which would remain in H&SS) to DILHR. Specify that any materials submitted to or actions taken by H&SS with respect to such matters would be considered as having been submitted to or taken by DILHR.

Require the member serving on the State Use Board as a representative of DVR to continue to serve until a successor is appointed and qualifies.

## Effective Date

These provisions would take effect on July 1, 1996.

**Joint Finance/Legislature:** Modify the Governor's recommendation to require the Secretary of DOA, after reviewing the transfer, to submit the proposed transfer, including any suggested modifications, to the Joint Committee on Finance by June 1, 1996. Permit the Secretary to proceed with the transfer, as modified by the Secretary, if, within 14 working days of the transfer's submittal, the Committee has not scheduled a meeting to take place in June, 1996, to review the transfer. If the Committee does schedule a meeting to review the transfer, the transfer may not take effect unless the Committee approves the action.

In addition, delete \$90,600 GPR and \$100,000 FED in 1996-97 to reflect the transfer of funding for the homecraft program from H&SS to DILHR.

[Act 27 Sections: 113, 895, 896, 898 thru 912, 914, 915, 936, 956, 957, 1009 thru 1014, 1160, 1758, 1813, 1947, 1950, 1997, 2014, 2023m, 2025, 2031, 2270, 2271, 2317, 2350, 2408 thru 2417, 2421, 2422, 2997, 3520, 3744, 3745, 9126(17), 9126(18), 9130(15g) and 9426(15)]

## HIGHER EDUCATIONAL AIDS BOARD

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$103,773,000	\$52,026,100	\$51,094,900	\$51,257,600	\$51,257,600	-\$52,515,400	- 50.6%
FED	3,594,200	1,797,100	1,797,100	1,797,100	1,797,100	- 1,797,100	- 50.0
PR	2,000	1,000	1,000	1,000	1,000	- 1,000	- 50.0
SEG	<u>680,200</u>	<u>184,800</u>	<u>184,800</u>	<u>184,800</u>	<u>184,800</u>	<u>- 495,400</u>	<u>- 72.8</u>
<b>TOTAL</b>	<b>\$108,049,400</b>	<b>\$54,009,000</b>	<b>\$53,077,800</b>	<b>\$53,240,500</b>	<b>\$53,240,500</b>	<b>- \$54,808,900</b>	<b>- 50.7%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change Over 1994-95 Base
GPR	11.00	0.00	0.00	0.00	0.00	- 11.00
SEG	<u>4.10</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>- 4.10</u>
<b>TOTAL</b>	<b>15.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>- 15.10</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Annually, adjust the base budget for (a) full funding of salaries and fringe benefits (-\$9,800 GPR and -\$62,700 SEG); (b) delayed pay adjustments (\$3,300 GPR and \$700 SEG); and (c) a technical correction (1.75 FED positions).

<b>Chg. to Base Funding Positions</b>		
GPR	- \$13,000	0.00
FED	0	1.75
SEG	<u>- 124,000</u>	<u>0.00</u>
<b>Total</b>	<b>- \$137,000</b>	<b>1.75</b>

2. **ACADEMIC EXCELLENCE SCHOLARSHIP PROGRAM** [LFB Paper 556]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$1,180,200	- \$451,500	\$728,700

**Governor:** Provide an additional \$443,000 in 1995-96 and \$737,200 in 1996-97 for the academic excellence higher education scholarship program. Total funding would increase from \$2,630,600 in 1994-95 to \$3,073,600 (16.8%) in 1995-96 and \$3,367,800 (9.6%) in 1996-97.

Establish the maximum amount for a scholarship of \$3,000 per academic year. Under current law, the scholarship covers full tuition and fees at a UW or Wisconsin Technical College institution, or an amount equal to the UW-Madison tuition and fees for students attending private institutions in Wisconsin. Half of the scholarship is funded by the state, while the other half is matched by the institution. For 1994-95, the total value of the scholarship ranges from \$2,160 to \$2,771, depending upon the institution attended.

In addition, change the name of the program to the Governor's Academic Excellence Higher Education Scholarship Program.

**Joint Finance/Legislature:** Modify the Governor's recommendation by establishing a maximum scholarship amount of \$2,250 per academic year which would first apply to the freshmen class in the 1996-97 academic year; delete \$194,800 in 1996-97 to reflect this change. (This provision would not affect students receiving their initial scholarships in the 1995-96 academic year or earlier.) In addition, reduce funding by \$100,000 in 1995-96 and \$156,700 in 1996-97 as a reestimate of program costs. Further, delete the provision changing the name of the program.

[Act 27 Sections: 1912, 1913, 1914 and 1916]

3. **TECHNICAL COLLEGE MINORITY STUDENT GRANT PROGRAM** [LFB Paper 557]

	Governor (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$405,200	\$242,700	- \$162,500

**Governor:** Begin the elimination of the technical college minority student grant program by prohibiting any new students from participating in this program, effective with the 1995-96 academic year. Reduce funding by \$158,100 in 1995-96 and \$247,100 in 1996-97 over the base level of \$288,100. Grants for continuing students would be funded at \$130,000 in 1995-96 and \$41,000 in 1996-97. This program provides grants to second-year minority students enrolled full-time at a Wisconsin Technical College. Awards are based on financial need with a maximum grant of \$2,500 per year. Funds are



allocated to the technical colleges based on their enrollments of minority students. For 1994-95, 243 students have been awarded, to date, \$270,000 in grants. (Under AB 150, a parallel program for minority students attending private colleges would be continued at its base funding level of \$572,100 GPR.)

**Joint Finance:** Delete the provision which would begin the elimination of the technical college minority student grant program. Instead, create one financial aid program for resident minority undergraduates (except freshmen) who attend either a private, non-profit institution or a technical college in Wisconsin. Funding for the combined program would consist of: (a) the amount provided in AB 150 for the technical college program (\$130,000 in 1995-96 and \$41,000 in 1996-97); and (b) the amount provided for the private college minority student grant program (\$572,100 annually). Total funding (\$702,100 in 1995-96 and \$613,100 in 1996-97) would be divided equally between technical college students and private college students. Awards would be based on financial need with a maximum grant of \$2,500 annually.

**Senate/Legislature:** Modify the Joint Finance provision to include statutory language and provide an additional \$162,700 in 1995-96 and \$80,000 in 1996-97 to ensure that private college students receiving grants in 1994-95 would not have their grant amounts reduced in the 1995-97 biennium. Under Act 27, funding for the program would be as follows:

	<u>1994-95</u>	<u>Act 27</u>	
		<u>1995-96</u>	<u>1996-97</u>
Private Colleges	\$572,100	\$513,750	\$386,550
Technical Colleges	<u>288,000</u>	<u>351,050</u>	<u>306,550</u>
Total	\$860,200	\$864,800	\$693,100

[Act 27 Sections: 558q, 558r, 1934g, 1934m and 9127(1et)]

#### 4. INDEPENDENT STUDENT GRANT PROGRAM [LFB Paper 559]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$172,000	\$172,000	\$0

**Governor:** Begin the elimination of the independent student grant program by prohibiting any new students from participating in this program, effective with the 1995-96 academic year. Reduce funding by \$65,000 in 1995-96 and \$107,000 in 1996-97 over the base level of \$200,000. Grants for continuing students would be funded at \$135,000 in 1995-96 and \$93,000 in 1996-97. This program provides grants of up to \$4,000 per year for up to three years to resident upperclassmen who are currently recipients of aid to families with dependent children (AFDC). Awards are based on financial need and may contain a supplement for child care costs. In 1993-94, \$190,000 was expended on 155 students.

**Joint Finance/Legislature:** Delete provision.

**5. NURSING STUDENT STIPEND LOAN PROGRAM [LFB Paper 560]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR	- \$163,000	- \$208,000	- \$371,000

**Governor:** Begin the elimination of the nursing student stipend loan program by prohibiting any new students from participating in the program, effective with the 1995-96 academic year. Reduce funding by \$47,000 in 1995-96 and \$116,000 in 1996-97 over the base level of \$333,000. Loans for continuing students would be funded at \$286,000 in 1995-96 and \$217,000 in 1996-97. This program provides forgivable loans of up to \$2,500 per year for upperclassmen enrolled in an eligible Wisconsin institution's nursing program. Awards are based on financial need and may be forgiven at a rate of \$1,000 for each year of employment as a registered nurse in a Wisconsin hospital, nursing home or public health agency. In 1993-94, 237 students received a total of \$323,400 in stipend loans.

**Joint Finance/Legislature:** Delete an additional \$91,000 in 1995-96 and \$117,000 in 1996-97 to reflect a reestimate of expected expenditures for continuing students.

[Act 27 Sections: 1891, 1892 and 9427(2)]

**6. MINORITY TEACHER LOAN PROGRAM [LFB Paper 558]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov.)</b>	<b>Net Change</b>
GPR	- \$50,000	\$100,000	\$50,000

**Governor:** Begin the elimination of the minority teacher loan program by prohibiting any new students from participating in this program, effective with the 1995-96 academic year. Reduce funding by \$20,000 in 1995-96 and \$30,000 in 1996-97 over the base level of \$50,000. Loans for continuing students would be funded at \$30,000 in 1995-96 and \$20,000 in 1996-97. This program provides forgivable loans to minority undergraduates attending private colleges who agree to teach in a Wisconsin school district with a minority student population of at least 29% or in a school district participating in the interdistrict pupil transfer (Chapter 220) program. The loans may be forgiven at 25% for each year the recipient teaches in an eligible school district. In 1993-94, a total of \$36,250 was expended for 15 students. (Under AB 150, a parallel program within the UW System would be continued at its base funding level of \$100,000 GPR).

**Joint Finance/Legislature:** Delete provision. Reduce funding for the HEAB minority teacher loan program by \$20,000 in 1995-96 and \$30,000 in 1996-97. Change the appropriation from a sum sufficient to an annual (sum certain) appropriation and expand eligibility to include UW students. Repeal the UW System's minority teacher loan program in 1996-97 and transfer its funding (\$100,000 in 1996-97) to a newly combined program under the Department of Education, resulting in total funding of \$120,000. Require that funds under the combined program be distributed directly to UW and private institutions based on past participation and the number of eligible students.

[Act 27 Sections: 558m, 612m, 1772m, 1893m, 1894m, 1897 and 9427(1)]

**7. ADMINISTRATIVE BUDGET REDUCTIONS [LFB Paper 561]**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$46,400	- 1.25	-\$50,600	0.00	-\$97,000	- 1.25
SEG	- 209,200	- 2.60	0	0.00	-\$209,200	- 2.60
Total	-\$255,600	- 3.85	-\$50,600	0.00	-\$306,200	- 3.85

**Governor:** Reduce the agency's administrative budget by deleting: (a) 0.25 GPR position in 1995-96 (-\$6,800 GPR) and 1.25 GPR positions in 1996-97 (-\$39,600); and (b) 2.0 SEG positions in 1995-96 (-\$93,300 SEG) and 2.6 SEG positions in 1996-97 (-\$115,900 SEG). All of the eliminated positions would be program assistants, except for 0.75 SEG management information systems analyst.

**Joint Finance/Legislature:** Delete \$25,300 annually to reflect the replacement of the Director of the Division of Programs and Policy with a lower-paying position.

**8. INDIAN STUDENT ASSISTANCE GRANTS**

	Chg. to Base
GPR	-\$1,559,800

**Joint Finance/Legislature:** Modify the Indian student assistance grant program by decreasing the state's maximum annual grant from \$2,200 to \$1,100. Delete \$779,900 annually to reflect this change. In addition, allow federally-recognized American Indian tribes or bands to provide matching funds and create a PR continuing appropriation for these funds. The total maximum grant (all funds) would be \$2,200. This program provides grants, based on financial need, to resident Native American undergraduate or graduate students attending college in Wisconsin. Under the Governor's recommendation, the program would be maintained at its base funding level of \$1,559,700 annually.

[Act 27 Sections: 559m, 1887e and 1887g]

9. ELIMINATION OF HIGHER EDUCATIONAL AIDS BOARD [LFB Paper 762]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Senate/Leg.</u> <u>(Chg. to JFC)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$52,077,500	- 9.75	\$1,066,700	0.00	-\$80,000	0.00	-\$51,090,800	- 9.75
FED	- 1,797,100	- 1.75	0	0.00	0	0.00	- 1,797,100	- 1.75
PR	- 1,000	0.00	0	0.00	0	0.00	- 1,000	0.00
SEG	- 162,200	- 1.50	0	0.00	0	0.00	- 162,200	- 1.50
Total	-\$54,037,800	- 13.00	\$1,066,700	0.00	-\$80,000	0.00	-\$53,051,100	- 13.00

**Governor:** Effective July 1, 1996, eliminate the 19-member Higher Educational Aids Board (HEAB) and transfer the agency's functions to the new Department of Education (DOE). Under current law, the Board is a part-time, independent policy-making body with responsibility for oversight of the state's student financial aid system for Wisconsin residents attending institutions of higher education in the state.

Under the bill, DOE would administer a total of \$52,565,600 GPR (including \$1,167,000 for the Marquette Dental School), \$1,795,100 FED and \$1,000 PR appropriated in 1996-97 for the various student aid programs, which are currently under HEAB. In addition, delete funding related to HEAB administrative staff in 1996-97 (-\$678,900 GPR and -9.75 GPR positions, -\$2,000 FED and -1.75 FED position and -\$162,200 SEG and -1.5 SEG positions). Further, repeal the positions of Executive Secretary and Deputy Secretary of HEAB. A total of 10.0 positions (8.5 GPR and 1.5 SEG) would be transferred to DOE. (NOTE: The remaining 1.0 FTE position not transferred is associated with a federal contract which has not yet been renewed for 1995-96.)

**Joint Finance:** Adjust the amount of funding to be transferred to DOE to reflect the Committee's recommendations on programs currently administered by HEAB.

**Senate/Legislature:** Adjust the amount of funding to be transferred to DOE to reflect the Senate's and Legislature's recommendations on programs currently administered by HEAB.

[Act 27 Sections: Shown under "Public Instruction"]

## HISTORICAL SOCIETY

<b>Budget Summary</b>							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	Act 27 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$19,890,800	\$19,856,300	\$20,224,000	\$20,224,000	\$20,224,000	\$333,200	1.7%
FED	1,682,600	1,889,200	1,889,200	1,889,200	1,889,200	206,600	12.3
PR	6,314,600	8,963,900	7,933,900	7,933,900	7,933,900	1,619,300	25.6
SEG	<u>788,200</u>	<u>903,800</u>	<u>903,800</u>	<u>903,800</u>	<u>903,800</u>	<u>115,600</u>	<u>14.7</u>
<b>TOTAL</b>	<b>\$28,676,200</b>	<b>\$31,613,200</b>	<b>\$30,950,900</b>	<b>\$30,950,900</b>	<b>\$30,950,900</b>	<b>\$2,274,700</b>	<b>7.9%</b>

<b>FTE Position Summary</b>						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 27	Act 27 Change
						Over 1994-95 Base
GPR	146.18	143.10	145.35	145.35	145.35	- 0.83
FED	6.85	5.85	5.85	5.85	5.85	- 1.00
PR	21.55	26.55	22.55	22.55	22.55	1.00
SEG	<u>2.50</u>	<u>3.25</u>	<u>3.25</u>	<u>3.25</u>	<u>3.25</u>	<u>0.75</u>
<b>TOTAL</b>	<b>177.08</b>	<b>178.75</b>	<b>177.00</b>	<b>177.00</b>	<b>177.00</b>	<b>- 0.08</b>

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the agency's base for: (a) removal of noncontinuing items (-\$31,000 GPR in 1995-96 and -\$67,800 GPR and -1.0 GPR position in 1996-97; and -\$16,400 FED and -0.5 FED position in 1996-97); (b) full funding of salaries and fringe benefits (\$225,500 GPR and -0.08 GPR position, -\$32,600 FED and -0.5 FED position, \$150,500 PR and \$9,300 SEG annually); (c) full funding of financial services charges (\$2,500 GPR annually); (d) position reclassifications (\$8,800 GPR annually); (e) risk management (\$800 GPR annually); (f) overtime (\$5,700 GPR annually); (g) night and weekend differential (\$4,800 GPR annually); (h) fifth week vacation as cash (\$6,300 GPR annually); and (i) delayed pay adjustments (\$24,700 GPR, \$1,100 FED and \$1,800 PR annually).

	<b>Chg. to Base Funding Positions</b>	
GPR	\$459,400	- 1.08
FED	- 79,400	- 1.00
PR	304,600	0.00
SEG	<u>18,600</u>	<u>0.00</u>
<b>Total</b>	<b>\$703,200</b>	<b>- 2.08</b>

2. HISTORICAL SOCIETY LIBRARY [LFB Paper 565]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$420,000	0.00	\$825,000	4.00	\$405,000	4.00
PR	1,055,000	4.00	-1,030,000	-4.00	25,000	0.00
Total	\$635,000	4.00	-\$205,000	0.00	\$430,000	4.00

**Governor:** Decrease funding for library services by \$210,000 GPR annually. Increase expenditure and position authority by \$515,000 PR-S in 1995-96, \$540,000 PR-S in 1996-97 and 4.0 PR-S positions annually in the Archives and Library Services Division's appropriation for funds received from other state agencies.

Provide that in each year of the 1995-97 biennium, \$515,000 GPR would be transferred from the UW System's budget to the Division's PR-S appropriation. Beginning in 1997-98, require the UW System to annually transfer from its GPR budget an amount equal to the greater of: (a) 33% of the acquisitions and operations costs of the Historical Society library in the prior fiscal year, as determined by the Secretary of DOA; or (b) \$515,000, adjusted for inflation since the beginning of fiscal year 1996-97, unless the two agencies agree to a higher amount.

Permit the agency to collect fees for the use of the Society's main library (a technical correction to the bill would be necessary to explicitly provide this authority). Provide an exemption from the fee for Historical Society members, UW System faculty and academic staff, UW students or any other person exempted by rule.

Change the Archives and Library Services Division's PR appropriation for admissions and sales from an annual to a continuing appropriation. In addition, transfer \$140,000 PR annually to this appropriation from the Division's gifts and grants appropriation to properly account for funds received as reimbursement for materials loaned to other libraries.

**Joint Finance/Legislature:** Delete the provision requiring an annual transfer of funds from the UW System's GPR budget to the Historical Society. Instead, provide \$200,000 GPR in 1995-96 and \$205,000 GPR in 1996-97 and 4.0 GPR project positions annually for the Society to fund a four-year archives appraisal project. In addition, restore \$210,000 GPR annually in base funding for library services.

Require the Society, prior to collecting fees for the use of its main library, to submit to the Joint Committee on Finance a fee schedule including the fee to be charged to different categories of persons and identifying any person exempted, by rule, from the fee. Provide that the fee schedule would be implemented if the Joint Committee on Finance approves the report, or does not schedule a meeting for the purpose of reviewing the report within 14 days after receipt of the report. Require the Society to take action on a continuing basis to raise funds from private sources for the operation of its main library.

[Act 27 Sections: 564, 1984 and 1986]

**3. HISTORIC SITES ADMISSION FEES**

	Chg. to Base
GPR	- \$100,000

**Governor:** Repeal the requirement that by January 1, 1995, the Board of Curators of the Historical Society charge specific fees, set by statute, for admission to the historic sites which are owned and operated by the Society (excluding First Capitol for which no admission fee is charged). In addition, repeal the provision which prohibits the Board from collecting admission fees for school groups. Consequently, the Board would have the authority to set and alter admission fees without legislative approval. Further, reduce GPR funding for the sites by a total of \$50,000 annually which would be allocated as follows: Stonefield Village, \$3,100; Pendarvis/First Capitol, \$3,600; Villa Louis, \$6,300; Old Wade House, \$6,000; Madeline Island, \$1,800; and Old World Wisconsin, \$29,200.

1993 Act 437, which established the two provisions that would be repealed by this bill, also transferred \$210,000 from PR to GPR in 1994-95 because the statutory schedule would result in lower admission fees than those charged by the Society during the 1994 visitor season. Under the Governor's proposal, the Society would retain \$160,000 GPR of the \$210,000 GPR provided to offset the loss in fee revenue.

**Joint Finance/Legislature:** Delete the provisions which would repeal the admission fee requirements established in 1993 Act 437. Include the reduction of \$50,000 GPR annually to reflect 1995 Act 3 (Senate Bill 40) which not only repealed the Act 437 fee requirements, but also reduced funding for the historic sites by \$50,000 GPR in 1994-95.

**4. UTILITIES REESTIMATE [LFB Paper 567]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$135,300	- \$134,200	\$1,100

**Governor:** Reestimate the cost of fuel and utilities by \$65,100 in 1995-96 and \$70,200 in 1996-97.

**Joint Finance/Legislature:** Decrease funding by \$67,100 annually to reestimate fuel and utility costs for the agency.

**5. DEBT SERVICE REESTIMATE**

	Chg. to Base
GPR	\$101,000
PR	5,100
Total	\$106,100

**Governor/Legislature:** Reestimate debt service costs by \$53,400 GPR and \$2,500 PR in 1995-96 and \$47,600 GPR and \$2,600 PR in 1996-97.

6. UNDERWATER ARCHAEOLOGY COORDINATOR [LFB Paper 566]

Chg. to Base Funding Positions		
GPR	- \$96,600	- 1.00

**Governor:** Delete \$48,300 annually and 1.0 underwater archaeology coordinator position. (A technical correction would be required to delete the position from the proper appropriation.)

**Joint Finance/Legislature:** Delete the position from the proper appropriation.

7. PROJECT POSITION [LFB Paper 566]

Chg. to Base Funding Positions		
GPR	- \$79,100	- 1.00

**Governor/Legislature:** Delete \$52,800 in 1995-96 and \$26,300 in 1996-97 and 1.0 project position, beginning July 1, 1995. The four-year project position (currently scheduled to expire on December 31, 1996) essentially serves as an executive assistant to the Director of the Society (although the agency is not authorized such a position). The remaining funds for the position in 1996-97 (\$26,500) would be removed as a standard budget adjustment.

8. BURNETT COUNTY MUSEUM [LFB Paper 566]

Chg. to Base	
GPR	- \$50,000

**Governor/Legislature:** Delete \$25,000 annually to eliminate support for school programs at the Burnett County Museum. Under 1991 Act 261, this amount was provided, beginning in 1991-92, for the presentation of school programs relating to the interaction of Chippewa and European cultures in the St. Croix River area during the fur trading period.

9. OLD WADE HOUSE STATE PARK

Chg. to Base	
GPR	\$15,500

**Governor/Legislature:** Require the Department of Natural Resources to transfer title to Old Wade House State Park, including the Wesley W. Jung Carriage Museum, to the Society, effective July 1, 1996. Provide \$15,500 in 1996-97 for maintenance costs related to the property. The property is located in the Town of Greenbush in Sheboygan County.

[Act 27 Sections: 1992, 9142(1) and 9428(1)]



**10. HISTORIC SITES POSITIONS**

**Governor/Legislature:** Provide \$14,500 PR and \$14,500 SEG annually to fund an additional 0.75 PR program assistant position and 0.75 SEG facilities repair worker position at the Madeline Island historic site. In addition, transfer \$20,300 GPR and two 0.25 GPR positions (a facilities repair worker and a senior curator) from the Division of Historic Sites general program operations appropriation to the Pendarvis and First Capitol appropriation.

Chg. to Base Funding Positions		
PR	\$29,000	0.75
SEG	<u>29,000</u>	<u>0.75</u>
Total	\$58,000	1.50

**11. PROGRAM REVENUE, GIFT AND ENDOWMENT REESTIMATES**

**Governor/Legislature:** Increase expenditure authority by \$618,700 PR and \$34,000 SEG annually to reflect estimated revenue from sales and admissions at the historic sites (\$375,000 PR), income from endowments (\$34,000 SEG) and revenue from other state agencies (\$243,700 PR). In addition, reduce funding from gifts and grants by \$110,000 PR annually.

Chg. to Base	
PR	\$1,017,400
SEG	<u>68,000</u>
Total	\$1,085,400

**12. FEDERAL REVENUE REESTIMATES**

**Governor/Legislature:** Reestimate federal revenues to reflect increases in Historic Preservation Fund grants (\$83,000 annually) and indirect cost reimbursements (\$60,000 annually).

Chg. to Base	
FED	\$286,000

**13. INTRA-AGENCY SERVICES**

**Governor/Legislature:** Increase expenditure authority by \$112,200 PR-S annually to properly account for charges within the agency for copier and car fleet use. In addition, transfer two 0.5 FTE financial clerk positions (\$27,600 annually) in the Administrative Services Division from PR to PR-S to reflect that these positions are also funded through internal chargebacks. Further, provide \$6,900 PR-S and 0.25 PR-S position annually to increase one of the financial clerks to a 0.75 FTE position.

Chg. to Base Funding Positions		
PR	\$238,200	0.25

**14. UNALLOCATED BUDGET REDUCTIONS [LFB Paper 566]**

**Joint Finance/Legislature:** Reduce the Society's base budget by \$49,000 in 1995-96 and \$250,700 in 1996-97. Require the Society to submit a report by September 1, 1995, to the Joint Committee on Finance recommending how the reductions would be allocated among its GPR appropriations for state operations. Provide that the recommendations would be subject to the Committee's approval under a 14-day passive review process.

Chg. to Base	
GPR	- \$299,700

**Veto by Governor [A-17]:** Delete the provision relating to the report. However, the veto does not alter the amounts of the reductions which would be allocated proportionally among the agency's six general program operations appropriations.

[Act 27 Vetoed Section: 9128(1x)]

**15. WISCONSIN SESQUICENTENNIAL COMMISSION**

	<b>Jt. Finance/Leg. (Chg. to Base)</b>	<b>Veto (Chg. to JFC)</b>	<b>Net Change</b>
GPR	\$150,000	\$0	\$150,000
GPR-Lapse	\$0	\$150,000	\$150,000

**Joint Finance:** Effective July 1, 1995, transfer the attachment of the Wisconsin Sesquicentennial Commission from the Office of the Governor to the Historical Society. Create an annual, sum certain appropriation for the operations of the Commission and provide \$150,000 GPR in 1995-96 only. Allow the Commission to accept gifts, grants or bequests. Specify that any expenditures made by the Commission would be subject to approval by the Director of the Historical Society. The Commission is a 21-member body responsible for planning activities associated with the 150th anniversary of Wisconsin's admission as a state.

**Assembly/Legislature:** Modify the provision by making additional changes to the composition, powers and duties of the Wisconsin Sesquicentennial Commission. (For further information, see "Governor.")

**Veto by Governor [C-17]:** Delete the provision which transfers the attachment of the Commission from the Office of the Governor to the Historical Society. However, the veto does not delete the appropriation created within the Society's budget for the operations of the Commission nor funding provided (\$150,000 GPR in 1995-96 only). The Governor's veto message states that this appropriation, as well as changes made to the composition, powers and duties of the Commission, will not be operative as a result of the partial veto and that he will support follow-up legislation to accomplish their intent. Without such legislation, the GPR funding amounts will lapse to the general fund at the end of the 1995-96 fiscal year. (For further information, see "Governor.")

[Act 27 Sections: Shown under "Governor"]

[Act 27 Vetoed Sections: Shown under "Governor"]

**16. GENERAL POSITION AND FUNDING REDUCTIONS**

**Joint Finance/Legislature:** Delete \$86,700 GPR and 1.75 GPR positions annually.

	<b>Chg. to Base Funding Positions</b>	
GPR	-\$173,400	- 1.75