

1995-97 WISCONSIN STATE BUDGET

Comparative Summary of Budget Provisions

Enacted as 1995 Acts 27 and 113

Volume II



State of Wisconsin

Legislative Fiscal Bureau

December, 1995

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Madison, Wisconsin**

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STATE AGENCY BUDGET SUMMARIES

**Industry, Labor and Human Relations Through
Wisconsin Technical College System**

INDUSTRY, LABOR AND HUMAN RELATIONS

Budget Summary							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Acts 27 & 113	Acts Change Over Base Year Doubled Amount	Percent
GPR	\$26,155,800	\$257,296,000	\$257,968,400	\$254,090,200	\$253,840,200	\$227,684,400	870.5%
FED	234,512,400	634,764,200	686,461,400	640,533,500	637,108,100	402,595,700	171.7
PR	145,742,600	135,627,700	208,792,100	135,133,500	135,133,500	- 10,609,100	- 7.3
SEG	170,730,200	98,385,300	99,604,900	99,604,900	100,184,000	- 70,546,200	- 41.3
TOTAL	\$577,141,000	\$1,126,073,200	\$1,252,826,800	\$1,129,362,100	\$1,126,265,800	\$549,124,800	95.1%

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	107.75	286.51	309.17	290.01	290.01	182.26
FED	1,133.66	1,444.86	1,500.38	1,453.66	1,450.66	317.00
PR	927.78	674.15	668.27	663.15	663.15	- 264.63
SEG	68.80	6.00	13.50	13.50	13.50	- 55.30
TOTAL	2,237.99	2,411.52	2,491.32	2,420.32	2,417.32	179.33

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 584]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$516,300	0.00	-\$350,000	0.00	\$166,300	0.00
FED	1,505,000	- 13.00	0	0.00	\$1,505,000	- 13.00
PR	1,014,900	- 6.00	0	0.00	1,014,900	- 6.00
SEG	- 460,000	0.00	0	0.00	- 460,000	0.00
Total	\$2,576,200	- 19.00	-\$350,000	0.00	\$2,226,200	- 19.00

Governor: Adjust the base budget for: (a) turnover reduction (-\$118,500 GPR, -\$929,300 FED, -\$857,000 PR and -\$47,300 SEG annually); (b) removal of noncontinuing elements from base (-\$163,200 FED in 1996-97 and -6.0 FED positions in 1995-96 and -13.0 FED positions in 1996-97, -\$690,800 PR

in 1995-96 and -\$840,100 PR in 1996-97 and -6.0 PR positions annually and -\$56,600 SEG annually); (c) full funding of salaries and fringe benefits (\$327,500 GPR, \$1,403,400 FED, \$1,772,500 PR and -\$147,000 SEG annually); (d) full funding of financial services charges (\$1,300 GPR, \$13,400 FED, \$38,900 PR and \$300 SEG annually); (e) risk management costs (-\$4,900 GPR in 1995-96 and -\$4,600 GPR in 1996-97, -\$11,100 FED in 1995-96 and -\$7,300 FED in 1996-97, \$26,900 PR in 1995-96 and \$29,700 PR in 1996-97 and \$10,800 SEG in 1995-96 and \$11,000 SEG in 1996-97); (f) fifth vacation week as cash for certain long-term employees (\$2,900 GPR, \$28,000 FED, \$27,900 PR and \$1,200 SEG annually); and (g) full funding of 1994-95 pay increases (\$49,700 GPR, \$327,800 FED, \$262,300 PR and \$8,500 SEG annually).

Joint Finance/Legislature: Delete \$175,000 GPR annually to reflect one-time funding provided in 1993 Act 16 for a contract with the University of Wisconsin Center on Wisconsin Strategy. (AB 150 inadvertently continued funding in unallotted reserve instead of deleting it as one-time financing.)

2. SCHOOL-TO-WORK GRANT

	Chg. to Base
FED	\$10,680,000

Governor/Legislature: Provide \$4,500,000 in 1995-96 and \$6,180,000 in 1996-97 to expend the federal School-to-Work grant received by the state beginning in October, 1994. The grant was made by the U.S. Departments of Education and Labor under the School-to-Work Opportunities Act of 1994. The federal fiscal year 1995 grant totals \$4,500,000. The grant is expected to continue for four additional years and to total \$6,200,000 in 1996, \$6,700,000 in 1997, \$5,100,000 in 1998 and \$4,400,000 in 1999. Ninety percent of funds would be provided to local programs to: (a) assist local partnerships that operate school-to-work programs such as youth apprenticeship and technical preparation; (b) provide local partnerships with incentive funds based on the number of work-based slots they create and fill in school-to-work programs; (c) provide localities with planning grants to create local partnerships that will participate in school-to-work programs; (d) create an additional three to four career counseling centers; and (e) provide Milwaukee with funds to assist their current school-to-work program. The remaining 10% of funds would be used for state administrative costs incurred by DILHR, the Department of Public Instruction, the Wisconsin Technical College System and the Department of Administration and will be used for 6.0 project positions (2.0 in DILHR, 2.0 in DPI, 1.0 in WTCS and 1.0 in DOA).

3. STAFF REDUCTIONS

Governor/Legislature: Delete \$471,200 FED annually and 25.5 FED positions in 1995-96 and 82.05 FED positions in 1996-97 and \$1,227,800 PR and 28.0 PR positions annually due to implementation of information technology initiatives and changes in workload and funding levels. The deleted positions would include: (a) -\$261,900 PR annually in the Safety and Buildings Division for 8.0 PR positions that were reallocated by the Joint Committee on Finance in its February 8, 1995, meeting under s. 13.10 (the 8.0 PR positions were provided in 1994-95 in 1993 Act 126

	Chg. to Base Funding Positions	
FED	- \$942,400	- 82.05
PR	- 2,455,600	- 28.00
Total	- \$3,398,000	- 110.05

to implement provisions of the contractor compliance law but DILHR plans to implement these provisions through internal staff reallocations); (b) -\$471,200 FED annually and -25.5 FED positions in 1995-96 and -80.8 FED positions in 1996-97 (31.0 permanent and 49.8 project positions) in the Unemployment Compensation Division that would be eliminated due to lower caseloads and implementation of a centralized interactive voice response system for taking continued unemployment compensation claims over the telephone; and (c) -1.25 FED position in 1996-97 and -28.0 PR positions annually in the Jobs, Employment and Training Services (JETS) Division due to analysis of staffing needs, impact of information technology initiatives and the shift in federal program focus to one-stop job centers. Program revenue positions are funded from Safety and Buildings' license, inspection, plan review and permit fees, and JETS contracts with governmental units for provision of employment services. Federal positions are funded from federal unemployment compensation and employment security funds.

4. ELIMINATE DISLOCATED WORKER GPR

	Chg. to Base
GPR	- \$1,000,000

Governor/Legislature: Delete \$500,000 annually to eliminate state funding for assistance to dislocated workers. The program provides employment, retraining and readjustment services to workers who are laid off due to plant closings or mass layoffs. Federal job training partnership act funding would remain, which would equal approximately \$8,534,000 in 1995-96. While federal funds can be used for many of the same purposes as GPR, they cannot be used before an official notice of plant closing or layoff is made, while GPR can be used prior to such notice.

5. CONVERT EMPLOYMENT SERVICES FUNDING

	Chg. to Base Funding Positions	
FED	\$841,000	15.19
PR	- 841,000	- 15.19
Total	\$0	0.00

Governor/Legislature: Transfer \$841,000 and 15.19 positions in 1996-97 from PR to FED. These positions provide employment services to unemployment compensation claimants who are not expected to be recalled to their former jobs. Federal funding would be provided from the Worker Profiling and Reemployment Services Initiative, which is being established by the U.S. Department of Labor as an integrated, comprehensive system involving federal programs such as unemployment insurance, employment services and the Job Training Partnership Act. The current program revenue funding is provided from interest and penalties under the unemployment compensation program.

6. JOBNET INFORMATION TECHNOLOGY EQUIPMENT

	Chg. to Base
FED	\$496,000

Governor/Legislature: Provide \$496,000 in 1995-96 as one-time financing to purchase JOBNET system hardware, software and system development services. JOBNET is a computer-based system that uses automated self-service terminals as the primary means of connecting job seekers and employers. Computer work stations are being

installed in Job Centers and Job Service offices throughout the state and provide job seekers with access to job openings statewide. Funding would be provided through federal employment security funds.

7. RENOVATION OF EMPLOYMENT SECURITY BUILDINGS [LFB Paper 584]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
FED	\$305,000	- \$1,112,000	- \$807,000

Governor: Provide \$214,500 in 1995-96 and \$90,500 in 1996-97 to renovate and remodel employment security buildings that handle functions such as job service and unemployment compensation. Work would include: (a) replacing and upgrading the heating, ventilating and air conditioning systems in the Eau Claire and Menasha buildings; (b) installing elevators in the Eau Claire and Menasha buildings; and (c) moving the entry way of the Superior building to accommodate the widening of an adjacent highway. Funding would be provided from federal employment security funds.

Joint Finance/Legislature: Delete \$609,000 in 1995-96 and \$503,000 in 1996-97 from the amounts provided in the bill to provide a net reduction of \$394,500 in 1995-96 and \$412,500 as follows: (a) provide \$18,000 for the Superior project; (b) delete the Eau Claire (\$504,400) and Menasha (\$482,600) projects because DILHR cancelled the projects; and (c) delete \$62,500 annually that was inadvertently continued in unallotted reserve instead of being deleted as one-time financing.

8. CONVERT INTERAGENCY FUNDING

Governor/Legislature: Transfer \$129,000 and 3.0 positions annually in the Jobs, Employment and Training Services Division from the PR appropriation for interagency contracts that provide employment services for other state agencies (mostly Health and Social Services) to the FED appropriation for federal contracts. The Division has federal contracts to provide employment services related to veterans apprenticeship, National Occupational Information Coordinating Committee and OSHA migrant camp inspections.

	Chg. to Base Funding Positions	
FED	\$258,000	3.00
PR	- 258,000	- 3.00
Total	\$0	0.00

9. UNEMPLOYMENT COMPENSATION NO-FAULT BENEFITS

Governor/Legislature: Provide \$123,000 annually for payments of unemployment compensation no-fault benefits. Funds would provide: (a) \$38,000 annually for benefits payable to persons eligible for unemployment compensation benefits who worked for a nonprofit employer who is determined to not be responsible for the benefit payments; and (b) \$85,000 annually to waive collection or repayment of certain overpayments of unemployment

	Chg. to Base
PR	\$246,000

compensation benefits to employees of state and local governments and nonprofit organizations, when the overpayments were not the fault of the claimant. Funding would be provided from interest and penalties under the unemployment compensation program.

10. WORKER'S COMPENSATION OPTICAL IMAGING

	Chg. to Base
PR	\$721,600

Governor: Provide \$619,900 in 1995-96 and \$101,700 in 1996-97 to implement the second portion of a two-phase optical imaging project to convert worker's compensation claims records to electronic image processing and optical disc storage. The request includes: (a) programming hours, maintenance of the optical imaging hardware and software through a vendor maintenance agreement and installation of computer connections between Madison, Milwaukee and Appleton (\$79,400 in 1995-96 and \$101,700 in 1996-97); and (b) one-time costs for hardware, software, memory upgrades and setups of 54 optical imaging workstations in the three offices (\$540,500 in 1995-96). Program revenue would be provided from the current annual fees collected from all worker's compensation insurance carriers and self-insured employers in the state.

Joint Finance/Legislature: Place the funding in unallotted reserve and direct that it may not be encumbered or expended until 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 the DOA Division of Technology Management; (b) the specific objectives of the optical imaging project; (c) 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 DILHR's ability to process affected records received prior to and during the conversion, and any expected backlogs in processing; (d) an evaluation of the effectiveness of the project activities, if any, to date; (e) 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 (f) the funding requirements for the completion of the imaging project and/or operation of the imaging system in future biennia. Provide 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 the individual agency's project. Direct that DOA shall respond in writing to any concerns raised by either Committee regarding the proposed projects before releasing the funds.

[Act 27 Section: 9130(14t)]

11. WORKER'S COMPENSATION SELF-INSURED EMPLOYERS PROGRAM

	Chg. to Base
PR	\$179,200

Governor/Legislature: Provide \$117,200 in 1995-96 and \$62,000 in 1996-97 to develop an automated database for use in annually determining the financial stability of self-insured employers under the worker's compensation program. Funding would include: (a) one-time costs

in 1995-96 for two personal computers and a printer (\$9,200), programming hours to develop the database (\$28,000) and private consulting financial services (\$30,000); (b) supplies and services costs to purchase consultant services to assist in developing financial criteria used to evaluate employers applying for self-insured status and to monitor the annual financial status of those employers who are determined to be able to participate in the self-insured program (\$50,000 annually beginning in 1995-96); and (c) programming hours to develop enhancements for the database and enhancements (\$12,000 annually beginning in 1996-97).

Program revenue would be provided through fees paid by self-insured employers that would be revised by administrative rule. Currently, employers seeking self-insured status are charged a \$300 flat fee and self-insured employers are charged an annual renewal fee of \$100. These fees generated \$20,500 in 1993-94. The Department is currently in the process of revising an administrative rule in order to eliminate these flat fees and to replace them with a fee based on the number of indemnities paid by self-insured employers which would generate revenue sufficient to cover the program's administrative costs. These costs totalled \$112,000 in 1993-94. The change in fee structure would shift funding of the self-insured employer program from the current annual fees collected from all worker's compensation insurance carriers and self-insured employers in the state to the fees to be promulgated in administrative rule.

12. WORKER'S COMPENSATION COMPUTER SYSTEM

	Chg. to Base
PR	\$147,000

Governor/Legislature: Provide \$84,800 in 1995-96 and \$62,200 in 1996-97 to complete conversion of an outdated minicomputer system to a system of personal computers connected to a local area network that connects staff personal computers. Funding would include: (a) one-time costs to purchase an application servicer that connects personal computers and additional computer memory (\$27,000 in 1995-96); and (b) supplies and services costs for programming hours related to the minicomputer replacement project (\$57,800 in 1995-96 and \$62,200 in 1996-97). Program revenue would be provided from the current annual fees collected from all worker's compensation insurance carriers and self-insured employers in the state.

13. WORKER'S COMPENSATION WORK STATION IMPROVEMENTS

	Chg. to Base
PR	\$50,900

Governor/Legislature: Provide \$50,900 in 1995-96 as one-time financing to purchase furniture and equipment for Worker's Compensation Division staff to prevent work-related injuries and illnesses and for worker's compensation claimants who appear at case hearings. Funding would purchase four work stations, 35 computer table corner pieces, 15 adjustable footrests, 10 drop keyboards, 50 ergonomically correct chairs for staff and 20 ergonomically correct chairs for hearing rooms. Program revenue would be provided from the current annual fees collected from all worker's compensation insurance carriers and self-insured employers in the state.

**14. PETROLEUM ENVIRONMENTAL CLEANUP FUND AWARDS
(PECFA) [Paper 583]**

	Chg. to Base
SEG	\$17,000,000

Governor/Legislature: Provide \$8,500,000 annually to increase awards made through the PECFA program. 1993 Act 416 directed the Department to submit its 1995-97 biennial budget request as if the PECFA awards appropriation was \$8,500,000 more than the \$75,531,700 actually appropriated in 1994-95. Under the bill, \$84,031,700 would be appropriated each year for PECFA awards from the petroleum inspection fund.

**15. CONVERT PETROLEUM ADMINISTRATION
POSITIONS [LFB Paper 584]**

	Chg. to Base	
	Funding	Positions
PR	- \$1,609,600	- 16.40
SEG	<u>1,609,600</u>	<u>16.40</u>
Total	\$0	0.00

Governor: Convert \$804,800 and 16.4 positions annually relating to the petroleum tank inspection program from PR to SEG. The PR appropriation is funded from licensing, inspection, plan review and permit fees and, prior to 1993 Act 16, received revenues from the petroleum inspection fee. The SEG appropriation was created in 1993 Act 16 when PR appropriations funded from the petroleum inspection fee were converted to SEG appropriations funded from the new, segregated petroleum inspection fund. (The Governor's Executive Budget Book also states that program revenue balances related to the petroleum tank inspection program, estimated by DILHR to be \$2,918,200, would be transferred to the petroleum inspection appropriation. However, the bill would have to be amended to accomplish this transfer.)

Joint Finance/Legislature: Transfer program revenue balances related to the petroleum tank inspection program (estimated at \$3,279,900) to the SEG petroleum inspection fund on the effective date of the bill.

[Act 27 Section: 9230(1t)]

16. PETROLEUM INSPECTION FEE COLLECTION [LFB Paper 582]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$65,700	- 2.00	-\$47,300	0.00	-\$113,000	- 2.00

Governor: Delete \$65,700 and 2.0 positions in 1996-97 and transfer the collection of petroleum inspection fees to the Department of Revenue (DOR), effective for fees received as of January 1, 1996. A petroleum inspection fee of 3¢ per gallon is currently collected by DILHR at the point at which petroleum products enter the state. DOR currently collects the motor vehicle fuel tax at petroleum

company terminals. Under the bill, DOR would collect both the motor vehicle fuel tax and petroleum inspection fees. Incumbent DILHR employees would not be transferred to DOR.

Joint Finance/Legislature: Delete the 2.0 positions on December 31, 1995, instead of June 30, 1996 (-\$32,900 in 1995-96) and delete additional supplies associated with the positions (-\$4,800 in 1995-96 and -\$9,600 in 1996-97).

[Act 27 Sections: 978, 1114, 1185, 4474 thru 4480, 4482 thru 4495 and 9348(4)]

17. PECFA PROGRAM HEARINGS

Governor/Legislature: Transfer \$112,500 and 1.0 position annually from FED unemployment compensation funding to SEG petroleum inspection funding. Currently, when site owners or consultants appeal Department decisions related to the PECFA program, attorneys in the Unemployment Compensation Division act as administrative law judges to hear the cases. The transfer of funding would recognize this workload.

	Chg. to Base	
	Funding	Positions
FED	- \$225,000	- 1.00
SEG	<u>225,000</u>	<u>1.00</u>
Total	\$0	0.00

18. PECFA PROGRAM SUPPLIES

Governor/Legislature: Provide \$53,900 annually to fully fund supplies and services costs for certain existing PECFA positions.

	Chg. to Base
SEG	\$107,800

19. PECFA -- ABOVEGROUND TANK ELIGIBILITY

Joint Finance/Legislature: Apply the maximum PECFA award provisions that are currently available for aboveground tanks for costs incurred on or after May 7, 1994, and before July 1, 1998, retroactively to costs incurred on or after August 1, 1987 (the effective date of the program). This would retroactively increase maximum PECFA awards for these tanks from \$195,000 to \$500,000 or \$1,000,000.

[Act 27 Sections: 3680n thru 3680t]

20. PECFA -- COUNTY AS AGENT

Joint Finance/Legislature: Specify that a "person," includes a "county" and any other person who may act as an agent for the owner or operator of a petroleum product storage system or the person owning a home oil tank system in conducting investigations, preparing remedial action plans and conducting remedial action activities if the owner enters into a written agreement authorizing the county to act as the agent. Provide that the county and the owner shall jointly submit the claim for a PECFA award. (The

current PECFA program authorizes an owner to enter into a written agreement with another person under which that other person acts as an agent for the owner or operator or person owning a home oil tank system in conducting the required activities. The person acting as the agent and the owner shall jointly submit the claim for a PECFA award. DILHR and the Legislative Reference Bureau interpret the current definition of a person who may act as an agent to include an individual, business, town, village, city and county.)

[Act 27 Section: 3673p]

21. PECFA - LENDER HOLD HARMLESS PROVISIONS

Joint Finance/Legislature: Create provisions in the PECFA program that would hold lenders harmless for the full amount of otherwise eligible expenses relating to PECFA loans made by a lender either before or after the effective date of the biennial budget act regardless of any willful misconduct, gross negligence or fraud on the part of an owner or operator, the amount of which would be paid to the lender at that point in time that the award would otherwise be issued under the PECFA program, provided that the following conditions are met:

a. For PECFA loans made by a lender after the effective date of the biennial budget act, if DILHR issues a PECFA eligibility letter prior to the initial disbursement of the loan.

b. For PECFA loans made by a lender after the effective date of the biennial budget act, if PECFA claims are filed after the completion of investigation, remediation and operation and maintenance activity. If the PECFA claims are filed after each of these milestones, DILHR shall hold the lender harmless for all loan payments made prior to DILHR notification of the lender of potential willful misconduct, gross negligence, or fraud on the part of the owner.

c. For PECFA loans made by a lender either before or after the effective date of the biennial budget act, the lender shall assign to DILHR collateral pledged by the owner or operator for the sole purpose of securing a PECFA loan in an amount that reflects the ratio of lender payment to the amount of the PECFA loan. Any expenditures made by DILHR under this section shall constitute a non-priority lien upon the contaminated property. Collateral interest under this provision would not include the rights held by lenders to any cause of action arising out of the underlying loan document.

Authorize DILHR to recover any costs from an owner for DILHR payments made to a lender under the hold harmless provision. Direct DILHR to deposit any cost recoveries into the petroleum inspection fund.

[Act 27 Sections: 3683g and 3683m]

22. PETROLEUM LABORATORY EQUIPMENT

	Chg. to Base
SEG	\$269,000

Governor/Legislature: Provide \$269,000 in 1995-96 from petroleum inspection fees to purchase the following vapor pressure and sulfur testing equipment for petroleum inspection laboratories: (a) six sulfur analyzers to test diesel fuels to determine compliance with federally-required reductions in sulfur (\$144,000); and (b) five benzene/oxygenate analyzers to assure consistent testing and grading of fuels to meet federal air quality standards (\$125,000).

23. PETROLEUM LABORATORY CODE COMPLIANCE

	Chg. to Base
SEG	\$200,000

Governor/Legislature: Provide \$200,000 in 1995-96 as one-time funding to correct health and safety code violations in eight DILHR petroleum inspection laboratories. Funding would be provided from the petroleum inspection fund.

24. FUEL TESTING FEES

	Chg. to Base
PR	\$50,000

Governor/Legislature: Provide \$25,000 annually in additional expenditure authority to cover costs of performing petroleum product testing services that are requested by other agencies and the public but are not required under the statutory petroleum inspection program. Authorize the Department to perform such petroleum products tests, to charge fees for such services and to establish a schedule of fees for the services provided. Specify that fee revenues would be used to pay for testing costs, including laboratory supplies and equipment amortization.

[Act 27 Sections: 974, 3648, 3649 and 9430(3)]

25. SAFETY AND BUILDINGS INFORMATION TECHNOLOGY INITIATIVES

	Chg. to Base
PR	\$1,078,100
SEG	359,400
Total	\$1,437,500

Governor/Legislature: Provide \$673,500 PR and \$224,500 SEG in 1995-96 and \$404,600 PR and \$134,900 SEG in 1996-97 to implement the third and fourth years of the Safety and Building Division's information technology four-year strategic plan. The bill would: (a) implement computer applications through an integrated database; (b) connect employees in regional and home offices to the central office database in Madison; (c) centralize scheduling of required plan reviews and inspections; (d) eliminate use of an outdated minicomputer; and (e) convert the Division to using Department standardized hardware and software. Funding would be provided for: (a) programmer and analyst support (\$51,700 PR and \$17,300 SEG in 1995-96 and \$58,200 PR and \$19,500 SEG in 1996-97); (b) supplies and services funding for ongoing information technology maintenance and monthly computer charges (\$44,000 PR and \$14,600 SEG in 1995-96 and \$89,900 PR and \$29,900 SEG in 1996-97); and (c) one-time funding to purchase personal computers, printers,

software, modems and local area network servers (\$577,800 PR and \$192,600 SEG in 1995-96 and \$256,500 PR and \$85,500 SEG in 1996-97). Program revenue would be provided from current licensing, inspection, plan review and permit fees. Segregated revenue would be provided from petroleum inspection fees.

26. PLAN REVIEW AND BUILDING INSPECTION WORKLOAD

Chg. to Base	
PR	\$428,900

Governor/Legislature: Provide \$428,900 in 1995-96 to reduce a backlog in building inspections and commercial building plan reviews by providing: (a) 3,000 hours of overtime for 700 commercial building plan reviews (\$100,500); and (b) 12,740 limited-term employe hours for 3,500 building projects that are waiting for Department inspection (\$328,400). Program revenue would be provided from commercial building plan review and inspection fees.

27. PRIVATE SEWAGE SYSTEM TRAINING

Chg. to Base	
PR	\$50,000

Governor/Legislature: Provide \$25,000 annually for training of county plumbing inspectors who inspect private sewage systems. Program revenue would be provided from plumbing and private sewage system license and plan review fees.

28. CONVERT SAFETY AND BUILDINGS STAFF FUNDING

Chg. to Base Funding Positions		
GPR	- \$1,445,800	0.00
PR	1,318,200	- 1.20
SEG	127,600	1.20
Total	\$0	0.00

Governor/Legislature: Delete \$722,900 GPR annually and provide \$659,100 PR and \$63,800 SEG annually and convert 1.2 PR positions to SEG in the Safety and Building Division. The positions administer programs related to public sector safety and industrial hygiene. Program revenue would be provided from existing licensing, inspection, plan review and permit fees. Segregated revenues are requested from the petroleum inspection fund. (The Joint Committee on Finance deleted 12.6 GPR positions related to this request in its February 8, 1995, meeting under s. 13.10. It also created 4.6 PR positions and reallocated 8.0 existing PR vacant positions within the Division.)

29. VAPOR RECOVERY INSPECTIONS

Chg. to Base Funding Positions		
SEG	\$140,500	1.50

Governor/Legislature: Provide \$64,300 in 1995-96 and \$76,200 in 1996-97 and 1.5 positions, beginning in 1995-96, to inspect stage II vapor recovery equipment designed to reduce the amount of gasoline vapors that are released into the air when vehicles are fueled. Funding would be provided from the petroleum inspection fund.

30. ARSON FUNDING AND FIRE DUES [LFB Paper 626]

Governor: Amend the fire dues distribution appropriation to transfer funds to the Arson Bureau in the Department of Justice to fund arson investigations and related training. Under current law, any insurer doing a fire insurance business in the state must pay fire department dues equal to 2% of the amount of all premiums during the preceding calendar year paid to the company for insurance against loss by fire, including insurance on property exempt from taxation. In addition to this surcharge, fire department dues include 2% of the premiums paid to the state fire fund for the insurance of any public property, other than state property. Revenues are currently used for: (a) support of fire-fighter training programs in the Wisconsin Technical College System; (b) DILHR administration of local fire prevention programs and payments; and (c) distribution of a proportionate share of the remaining revenue to each city, village or town maintaining a fire department that complies with state law, based on the equalized valuation of real property improvements on land within the city, village or town. In 1993-94, DILHR distributed \$6.3 million in fire dues to local fire departments. Under the bill, the distribution would be reduced by \$874,500 annually.

Jt. Finance Chg. to Base	
PR	\$200,000

Joint Finance/Legislature: Provide \$200,000 PR in 1996-97 to fire departments from fire dues revenue (for a total of \$6,300,000 in 1995-96 and \$6,500,000 in 1996-97). Delete fire dues funding for the DOJ Arson Bureau and restore \$787,300 GPR annually for 13 of the current 14.75 DOJ positions (a reduction of \$87,200 GPR and 1.75 GPR positions).

31. EQUAL RIGHTS OFFICERS PAY SURVEY

Governor/Legislature: Provide \$113,300 annually for salary and fringe benefit increases resulting from an equal rights officer classification survey completed by the Department of Employment Relations and implemented in December, 1994, for 37.0 positions. The results of the survey are not included in the base level salary funding established for 1995-97.

Chg. to Base	
GPR	\$226,600

32. EQUAL RIGHTS TRAINING

Governor/Legislature: Provide \$56,800 in 1995-96 and \$58,400 in 1996-97 and 1.0 position annually to provide settlement training and consultation services to equal rights officers and to process new cases.

Chg. to Base Funding Positions		
GPR	\$115,200	1.00

33. MIGRANT CAMP FEES

Governor/Legislature: Delete the current statutory \$25 maximum on the fee for the annual certificate of registration paid by migrant labor contractors and for the annual application for certification of migrant labor camps. DILHR has, by administrative rule, established current fees of \$25 for annual

migrant labor contractors, \$10 for migrant labor camp operators if the application is received by March 31 and \$25 for migrant camp operators if the application is received after March 31.

[Act 27 Sections: 3763 and 3764]

34. DELETE LONG-TERM VACANCIES

Governor/Legislature: Delete \$976,200 FED, \$156,500 PR, 29.61 FED positions and 4.45 PR positions in 1995-96 and \$1,132,800 FED, \$459,200 PR, 33.61 FED positions and 12.45 PR positions in 1996-97 to delete certain positions that have been vacant for more than six months and associated salary and fringe benefits. Deletions would occur in the following programs: (a) equal rights (delete \$59,000 FED and 1.8 FED positions annually); (b) interagency agreements for provision of jobs, employment and training services (delete \$134,300 PR and 3.71 PR positions in 1995-96 and \$437,000 PR and 11.71 PR positions in 1996-97); (c) unemployment compensation administration (delete \$917,200 FED and 27.81 FED positions in 1995-96 and \$1,073,800 FED and 31.81 FED positions in 1996-97); and (d) administrative services (delete \$22,200 PR and 0.74 PR position annually).

Chg. to Base Funding Positions		
FED	- \$2,109,000	- 33.61
PR	- 615,700	- 12.45
Total	- \$2,724,700	- 46.06

35. ADMINISTRATIVE SERVICES PAY PLAN CHARGES

Governor/Legislature: Provide \$26,400 GPR, \$235,300 FED, \$138,900 PR and \$15,100 SEG in 1995-96, and \$54,800 GPR, \$487,000 FED, \$286,700 PR and \$31,200 SEG in 1996-97 to cover increases in charge-backs by the Administrative Services Division to the various agency programs for anticipated 1995-97 pay plan agreements.

Chg. to Base	
GPR	\$81,200
FED	722,300
PR	425,600
SEG	46,300
Total	\$1,275,400

36. COMPUTER NETWORK SERVICE COSTS

Governor/Legislature: Provide \$66,400 GPR, \$19,100 FED, \$207,100 PR and \$91,200 SEG in 1995-96 and \$71,600 GPR, \$21,000 FED, \$228,200 PR and \$97,100 SEG in 1996-97 to support computer network service costs. Funding would be used to provide a personal computer that is connected to a local area network to staff of various programs. Funding would be provided as supplies and services to pay charges in the Administrative Services Division (ASD) for network support, including programming staff time, hardware and software. Funding would be allocated among the following programs and technologies: (a) the Labor and Industry Review Commission would use text management software, bar code scanning and imaging systems (\$1,900 GPR and \$6,500 PR in 1995-96 and \$2,000 GPR and \$6,800 PR in 1996-97); (b) the Equal Rights Division would use information technology to eliminate a case backlog and assist with an increasing caseload (\$66,900 GPR

Chg. to Base	
GPR	\$138,000
FED	40,100
PR	435,300
SEG	188,300
Total	\$801,700

and -\$2,600 FED in 1995-96 and \$71,900 GPR and -\$2,100 FED in 1996-97); (c) the Safety and Buildings Division would develop an integrated database and develop automated systems for plan tracking, plan review and inspection programs (-\$2,400 GPR, \$17,600 FED, \$181,900 PR and \$85,900 SEG in 1995-96 and -\$2,300 GPR, \$18,800 FED, \$195,700 PR and \$91,400 SEG in 1996-97); and (d) the Worker's Compensation Division would use optical imaging to implement electronic reporting for all insurers and self-insured employers (\$4,100 FED, \$18,700 PR and \$5,300 SEG in 1995-96 and \$4,300 FED, \$25,700 PR and \$5,700 SEG in 1996-97).

37. FEES FOR AUXILIARY SERVICES

Chg. to Base	
PR	\$515,000

Governor/Legislature: Provide \$261,200 in 1995-96 and \$253,800 in 1996-97 for activities supported by fees for publications, seminars and employment services. 1991 Act 39 authorized the Department to establish fees, not to exceed actual costs, for publications and seminars for which no fee is otherwise authorized. Services supported by this request include: (a) sponsoring seminars related to labor law, wage rate and worker's compensation; (b) sponsoring statewide conferences related to labor-management, equal rights and apprenticeship; and (c) providing copies of the Worker's Compensation Act, youth apprenticeship curricula, digest of equal rights law and labor market publications.

38. USE OF PUBLICATIONS FEES

Governor/Legislature: Authorize DILHR to use any unanticipated proceeds it receives from a statewide labor and management conference it provides that exceed the actual cost of the conference to provide grants for local labor and management conferences, educational activities and other activities to promote positive relations between labor and management. Under current law, DILHR may charge fees for seminars that do not exceed the actual cost incurred in providing those seminars.

[Act 27 Sections: 3646, 3647 and 9416(1)]

39. GOVERNOR'S COUNCIL ON WORKFORCE EXCELLENCE [LFB Paper 576]

Governor: Create a Governor's Council on Workforce Excellence in DILHR on the effective date of the biennial budget act. Consolidate the oversight and administration of various employment and education programs within the Council.

Council Membership. The Council would have the following 15 members: the Secretaries of DILHR, Administration and Development or their designees; the Superintendent of Public Instruction or the Superintendent's designee; the Director of the Technical College System or the Director's designee; one representative of the public school system; one representative of a four-year postsecondary educational institution; one representative of a technical college district; one representative of a nonprofit, community-

based organization that provides employment training services; three representatives of business and industry, including at least one member of a private industry council; and three representatives of organized labor who are selected from individuals nominated by organized labor. The Governor would appoint members for two-year terms. Initial terms would be staggered so that five public members would be appointed for terms that expire on July 1, 1996, and five public members would be appointed for terms that expire on July 1, 1997. The Governor would appoint the chairperson of the Council.

Council Duties. Direct that the Council oversee the planning, coordination, administration and implementation of various employment and education programs, including: (a) employment and training programs under the federal job training partnership act (JTPA); (b) the federal job opportunities and basic skills program (JOBS); (c) the federal food stamp employment and training program; (d) the federal adult education act; (e) the federal Carl D. Perkins vocational and applied technology education act; (f) the federal school-to-work opportunities act; (g) the state youth apprenticeship program; (h) the federal public employment office system; (i) the national and community service corps; and (j) any other employment and education programs as the Governor assigns to the Council by executive order.

Direct that the Council do all of the following: (a) identify the workforce development needs of the state and recommend goals for meeting those needs and steps to meet those goals; (b) recommend to the Governor a strategic plan for coordinating the provision of services and the allocation of funding and resources under the various employment and education programs; (c) monitor the provision of services and the allocation of funding and resources and evaluate the effectiveness of programs in meeting the state's workforce development needs; (d) recommend the seeking of waivers of federal laws, regulations or policies that impede the effectiveness or coordination of employment and education programs; (e) recommend occupations for the youth apprenticeship program; and (f) recommend statewide skill standards for the school-to-work program.

Other Councils. Direct that the Governor's Council on Workforce Excellence shall assume the current duty of the State Job Training Coordinating Council related to development of the Governor's Coordination and Special Services Plan under JTPA. Eliminate the Youth Apprenticeship Council and transfer its functions to the Governor's Council on Workforce Excellence, including the duty to recommend occupations for the youth apprenticeship program.

Reorganization and Consolidation Requirements. Direct the Council to submit, by January 15, 1996, a plan that terminates other state advisory bodies that are duplicative of the Council or whose duties and responsibilities can be taken over by the Council. Direct that the report be submitted to the Secretary of DOA, the Lieutenant Governor and the Joint Committee on Finance. Direct that if the Secretary of DOA or Lieutenant Governor determines that a council, commission or board should be terminated, the Secretary or Lieutenant Governor shall submit a report to the Joint Committee on Finance by April 15, 1996, that contains proposed legislation providing for such termination effective on July 1, 1996.

Direct the Council to submit, by January 15, 1996, a plan to the Secretary of DOA that reorganizes the boundaries of service delivery areas under JTPA, public employment office districts and any other substate boundaries for the local administration of employment and education programs so that those

boundaries are contiguous with the boundaries of the technical college districts. A substate employment and education boundary could not split a technical college district but could include more than one technical college district.

Joint Finance: Modify the provision as follows:

Increase the number of members from 15 to 17 to include one legislator from the Assembly appointed by the Speaker and one legislator from the Senate appointed by the Majority Leader. Specify that all other members shall be appointed by the Governor and shall serve at the pleasure of the Governor. Specify that the chairperson of the Council shall be appointed by the Governor and shall serve at the pleasure of the Governor. Delete language related to members having two-year terms.

Specify that the Council shall make any recommendations to DILHR, instead of to the Division of Workforce Excellence under AB 150, related to the seeking of waivers of federal laws, regulations or policies that impede the effectiveness or coordination of employment and education programs.

Provide that the Council shall have the following additional duties: (a) review and comment on all proposals for the establishment of new employment and job training programs, including eligibility criteria, in order to ensure that program services are not duplicated unnecessarily; (b) oversee the creation and operation of job centers throughout the state; and (c) develop uniform performance standards that assist in evaluating program effectiveness.

Provide that the Council shall oversee the planning, coordination, administration and implementation of the following employment and job training programs, in addition to the programs specified in AB 150: (a) the Rehabilitation Act of 1973; (b) the Older Americans Act of 1965; (c) the Refugee Act of 1980; (d) the Veterans' Rehabilitation and Education Amendments of 1980; (e) the Servicemans' Readjustment Act; (f) employment tax credit programs administered by state agencies; (g) the Wisconsin Conservation Corps; and (h) grant programs for veterans.

Provide that the powers and duties of the Governor's Council on Workforce Excellence shall not be construed to authorize the imposition of additional mandates on local governments and educational institutions beyond those already specifically prescribed in state and federal law.

Direct the Council to report annually to the Legislature on its activities and to make recommendations regarding employment and training programs to the Legislature and the Governor.

Assembly/Legislature: Provide that the Governor's Council on Workforce Excellence shall oversee the planning, coordination, administration and implementation of any other job training programs for veterans administered by DILHR, in addition to the DILHR veterans job training program specified by Joint Finance.

Veto by Governor [D-20]: Delete the requirement that the Council oversee the planning, coordination, administration and implementation of the Older Americans Act of 1965.

[Act 27 Sections: 163 thru 165, 3695 thru 3699, 3706 thru 3708, 3715, 6252, 7232, 9130(5), 9130(6) and 9430(6)]

[Act 27 Vetoes Section: 3698]

40. WORKFORCE EXCELLENCE DIVISION [LFB Paper 577]

Governor: Change the name and status of the Office of Workforce Excellence to the Division of Workforce Excellence. Increase DILHR's authorized number of unclassified division administrators by one. Expand the Office's duties by specifying that the Division shall, based on the recommendations of the Governor's Council on Workforce Excellence, plan, coordinate, administer and implement DILHR's workforce excellence initiatives, programs, policies and funding, the youth apprenticeship program, school-to-work programs and any other employment and education programs as the Governor assigns to the Council by executive order. Under current law, the Office of Workforce Excellence is responsible for coordinating and implementing DILHR's workforce excellence initiatives, programs and policies.

Specify that the appropriation for the Division of Workforce Excellence general program operations also includes funding for administration of the youth apprenticeship program. Change the name of the youth apprenticeship program appropriation to the youth apprenticeship training grants appropriation and eliminate use of this appropriation for youth apprenticeship program administration. (A technical change would be required to move administrative funding from the youth apprenticeship training grant appropriation to the Division of Workforce Excellence general program operations appropriation).

Eliminate the current biennial appropriation for youth apprenticeship curricula development and transfer those funds (\$105,000 annually) into the Division of Workforce Excellence general program operations annual appropriation. Maintain the requirement that DILHR contract for the development of youth apprenticeship curricula, but eliminate the requirement that the contract be with the Technical College System Board.

Joint Finance/Legislature: Make a technical correction to move \$208,500 GPR in 1995-96 and \$209,200 GPR in 1996-97 with 3.0 GPR positions from the youth apprenticeship training grants appropriation to the program administrative appropriation.

[Act 27 Sections: 144, 967, 968, 970 thru 972, 3700 thru 3705, 3708 thru 3712, 3758, 4036 and 6252]

**41. TRANSFER HEALTH CARE FACILITIES PLAN
REVIEW FUNCTION [LFB Paper 431]**

Chg. to Base Funding Positions		
PR	- \$117,600	- 1.50

Governor: Delete \$50,400 in 1995-96 and \$67,200 in 1996-97 and effective October 1, 1995, transfer 1.5 positions (and the incumbent employees) and health care facilities plan review functions from DILHR to the Department of Health and Social Services (H&SS), including the review of hospital and nursing home construction and remodeling plans for compliance with building code requirements. H&SS currently reviews hospital and nursing home plans for compliance with certain life safety code and physical plant requirements.

Employees transferred from DILHR to H&SS 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 employee who has attained permanent status in class would be required to serve a probationary period.

Joint Finance/Legislature: Delete the incumbent employees instead of transferring them to H&SS.

[Act 27 Sections: 819, 3225, 3246, 3660, 9126(2), 9130(1), 9426(2) and 9430(1)]

42. TRANSFER LABOR AND INDUSTRY REVIEW COMMISSION FUNCTIONS [LFB Paper 320]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$168,600	- 1.50	\$168,600	1.50	\$0	0.00
FED	- 1,653,600	- 23.50	1,653,600	23.50	0	0.00
PR	- 524,900	- 5.00	524,900	5.00	0	0.00
Total	- \$2,347,100	- 30.00	\$2,347,100	30.00	\$0	0.00

Governor: Delete \$168,600 GPR, \$1,653,600 FED, \$524,900 PR, and transfer 1.5 GPR positions, 23.5 FED positions and 5.0 PR positions in 1996-97 to eliminate the Labor and Industry Review Commission (LIRC), effective July 1, 1996. Transfer its functions to a new Employment Commission which is created on the same date. Federal funding for LIRC is provided by employment security and unemployment compensation funds. Program revenue is provided from the annual fees collected from all worker's compensation insurance carriers and self-insured employers in the state.

Transfer the following councils currently located in DILHR and appointed by LIRC to the Employment Commission: Council on Worker's Compensation; Construction Wage Rate Council; Self-Insurers Council; Wisconsin Apprenticeship Council; and Labor Standards Council.

Eliminate the three LIRC unclassified commissioner positions. Direct that any of the three incumbent LIRC commissioners whose terms extend beyond July 1, 1996, will no longer serve as a commissioner of the Employment Commissioner unless he or she is appointed to that Commission as a commissioner. Transfer current classified LIRC employees to the Employment Commission with all the rights and status under state employment relations provisions they had in DILHR immediately before the transfer. Transfer all program assets and liabilities, tangible personal property and pending matters of LIRC and the transferred councils to the Employment Commission. Direct that existing contracts, rules and orders related to LIRC and the transferred councils remain in effect after the program is transferred to the Employment Commission.

Joint Finance/Legislature: Delete provision. Rather, retain the LIRC attachment to DILHR and 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: 9130(1m)]

43. TRANSFER ECONOMIC SUPPORT PROGRAMS [LFB Papers 388 and 466]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Assembly/Leg.</u> <u>(Chg. to JFC)</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>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$225,892,900	99.24	-\$1,112,400	19.16	-\$3,878,200	- 19.16	-\$250,000	0.00	\$220,652,300	99.24
FED	338,089,100	141.26	50,439,300	51.72	- 45,927,900	- 46.72	0	0.00	342,600,500	146.26
PR	6,625,300	6.50	73,863,500	6.12	- 73,613,600	- 6.12	0	0.00	6,875,200	6.50
Total	\$570,607,300	247.00	\$123,190,400	77.00	-\$123,419,700	- 72.00	-\$250,000	0.00	\$570,128,000	252.00

Governor: Provide \$225,892,900 GPR, \$338,089,100 FED and \$6,625,300 PR in 1996-97 to reflect the transfer of certain economic support programs from H&SS to DILHR on July 1, 1996. In addition, transfer 247.0 FTE positions (99.24 GPR, 141.26 FED and 6.50 PR) from H&SS to DILHR and create an additional division administrator in DILHR. The funding amounts include monies transferred from the Division of Economic Support in H&SS and from H&SS's Division of Management Services for administrative support positions.

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.

Nonstatutory Provisions

On July 1, 1996, all assets and liabilities of H&SS (including tangible personal property and records), and all incumbent employees 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.

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.

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 employees 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.

These provisions would take effect on July 1, 1996.

Joint Finance: Modify the Governor's recommendation to:

a. Decrease funding by \$2,739,600 GPR and \$1,143,500 FED and provide \$249,900 PR in 1996-97 to reflect modifications by the Committee to economic support programs that will be transferred to DILHR in 1996-97.

b. Transfer child support and refugee assistance programs and the employment opportunity program from H&SS to DILHR on July 1, 1996. Increase funding and staff in DILHR by \$1,849,900 GPR, \$51,601,500 FED and \$73,613,600 PR and 19.16 GPR, 52.22 FED and 6.12 PR positions in 1996-97 to reflect this transfer. These amounts reflect other modifications to funding for child support enforcement under the bill.

c. Require the Secretary of DOA to submit the proposed reorganization plan for H&SS for consideration by the Joint Committee on Finance after it has been reviewed by the Secretary, no later than May 1, 1996. Permit the Secretary to proceed with the proposal if, within 14 working days of the plan's submittal, the Committee does not schedule a meeting to review the plan. If the Committee does schedule a meeting to take place by June 30, 1996, the Secretary could proceed with the plan only after incorporating any changes made by the Committee at the meeting.

d. Delete \$222,700 GPR in 1996-97 to reflect general budget reductions and \$18,700 FED and 0.5 FED position to reflect general position and funding reductions.

Assembly: Transfer child support enforcement programs from H&SS to DOR, rather than DILHR, on July 1, 1996, along with \$3,878,200 GPR, \$45,927,900 FED and \$73,613,600 PR and 19.16 GPR, 46.72 FED and 6.12 PR positions.

Senate/Legislature: Retain child support enforcement programs in H&SS, along with \$3,878,200 GPR, \$45,927,900 FED and \$73,613,600 PR and 19.16 GPR, 46.72 FED and 6.12 PR positions.

Veto by Governor [D-9 and D-13]: Delete the requirement that the Secretary of DOA submit the proposed reorganization plan for consideration by the Joint Committee on Finance. Delete \$250,000 GPR in 1996-97 for the New Hope project, which assists low-income individuals in the City of Milwaukee to obtain employment and secure support services.

[Act 27 Sections: 16, 45, 47, 285, 286, 806, 814, 818, 835 thru 840, 841 thru 843, 843m thru 843r, 846, 847b, 849, 850, 852, 854, 855, 859 thru 861, 863, 865, 867, 870, 871b, 872b, 873 thru 876, 878, 880 thru 888, 890, 931, 938, 946, 999 thru 1008, 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, 2068, 2070, 2071, 2072, 2074, 2075, 2076 thru 2083, 2086, 2087 thru 2090, 2092, 2093, 2095, 2096, 2101, 2102, 2105, 2106, 2107 thru 2111, 2113 thru 2118, 2119 thru 2121, 2122, 2123, 2124 thru 2127, 2128m, 2134q, 2135 thru 2143, 2146, 2149, 2150, 2153 thru 2157, 2157x, 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, 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, 2872, 2875, 2881 thru 2883, 2885, 2886, 2890 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, 3208 thru 3218, 3220, 3232, 3240, 3243, 3247, 3249, 3262, 3263, 3265, 3271, 3277, 3278, 3287, 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, 7100, 7101, 7102, 7106, 7108, 7108c, 7109, 7115, 7116, 7126, 7142, 7186, 7225, 7241, 7291, 9126(15), 9126(16), 9126(27i) and 9426(14)&(30gbz)]

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.445(3)(dk)) and 9126(16)]

44. TRANSFER VOCATIONAL REHABILITATION FUNCTIONS [LFB Paper 552]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$10,458,500	82.02	\$90,600	0.00	\$10,549,100	82.02
FED	49,800,000	319.41	100,000	0.00	49,900,000	319.41
PR	2,253,800	4.16	0	0.00	2,253,800	4.16
Total	\$62,512,300	405.59	\$190,600	0.00	\$62,702,900	405.59

Governor: Transfer most functions of the Division of Vocational Rehabilitation from the Department of Health and Social Services (H&SS) to DILHR, effective July 1, 1996. Increase DILHR's authorized number of unclassified division administrators by one.

Transfer of Functions. In general, funding and positions which are now provided to administer programs under the Division of Vocational Rehabilitation (DVR) in H&SS would be transferred to DILHR, effective July 1, 1996. Functions transferred to DILHR relate to work rehabilitation. 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.

Transitional Provisions. Effective July 1, 1996, transfer all assets and liabilities of H&SS (including tangible personal property and records), and all incumbent employees 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 employees 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 of the Wisconsin Statutes.

Specify that 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. Specify that no transferred employee 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.

For additional information on the nature and amount of funding and positions transferred, see "H&SS -- Vocational Rehabilitation."

Joint Finance/Legislature: Modify the Governor's recommendation to require the Secretary of DOA to submit the proposed transfer for consideration by the Joint Committee on Finance after the transfer has been reviewed by the Secretary. Permit the Secretary to proceed with the transfer if, within 14 working days of the transfer's submittal, the Committee does not schedule a meeting 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.

Provide \$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.

Direct DILHR to submit a report to the Joint Committee on Finance at the second quarterly meeting in 1997 under s. 13.10 which would include: (a) the extent of the waiting list for vocational rehabilitation services; (b) how DILHR is complying with current statutory provisions to provide services to all persons with a handicap who request vocational rehabilitation services; (c) 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; and (d) 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.

[Act 27 Sections: 113, 895, 896, 898 thru 912, 914, 915, 936, 956, 957, 1009 thru 1014, 1758, 1813, 1947, 1950, 1997, 2014, 2023m, 2025, 2031, 2270, 2271, 2317, 2350, 2408 thru 2417, 2421, 2422, 2997, 3520, 3744, 3745, 9126(17)&(18), 9130(15g) and 9426(15)]

45. TRANSFER ECONOMIC SUPPORT AND VOCATIONAL REHABILITATION ADMINISTRATIVE SUPPORT

Chg. to Base Funding Positions		
PR	\$2,363,000	42.30

Governor/Legislature: Provide \$2,363,000 in 1996-97 to reflect the transfer of 42.3 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. Supplies and services funding would be provided under the economic support program being transferred to pay charge-backs for the position costs (\$1,348,200 GPR, \$530,900 FED and \$483,900 PR). (The administrative positions would provide support to both the economic support and the vocational rehabilitation programs; however, the bill places funding to support these positions under the economic support program.)

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.

[Act 27 Sections: 9126(15) and 9126(17)]

46. TRANSFER NATIONAL AND COMMUNITY SERVICE BOARD FUNCTIONS

	Governor/Leg. (Chg. to Base)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$3,425,400	2.00	-\$3,425,400	- 2.00	\$0	0.00

Governor/Legislature: Provide \$1,712,700 and 2.0 positions annually to transfer the National and Community Service Board from the Department of Administration (DOA) to DILHR on the effective date of the biennial budget act. The Board is attached to DOA for administrative purposes and utilizes federal funds and gifts, grants and bequests to provide assistance to persons who operate service programs that address unmet human, educational, environmental or public safety needs.

Transfer current DOA incumbent employees, program assets and liabilities, tangible personal property and pending matters relating to the Board to DILHR. Direct that existing contracts, rules and orders relating to the transferred programs remain in effect after the transfer. Employees transferred from DOA to DILHR would have all the rights and the same status under state employment relations provisions that they had in DOA 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 [C-4]: Delete the transfer of the Board. 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. However, the Governor is currently authorized to allot federal funds and to create federal positions. 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 Sections: 115 thru 117, 146 thru 148m, 280 thru 282, 1077, 1082, 1083, 9101(1), 9430(2) and 9445(1)]

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

47. TRANSFER WISCONSIN CONSERVATION CORPS BOARD FROM DOA TO DILHR

Governor: Transfer the Wisconsin Conservation Corps Board (WCC) from the Department of Administration (DOA) to DILHR on the effective date of the biennial budget act. The Board is currently attached to DOA for limited administrative purposes, but WCC funding and staff are provided under separate program appropriations.

	Jt. Finance/Leg. Chg. to Base	
	Funding	Positions
GPR	\$2,712,800	3.50
PR	634,000	1.00
SEG	1,226,900	7.50
Total	\$4,573,700	12.00

Transfer current DOA employees who perform duties primarily related to the functions of the Board, as determined by the Secretary of DOA, to DILHR (however, no positions are identified for transfer under the bill). Transfer program assets and liabilities, tangible personal property and pending matters relating to the Board to DILHR. Direct that existing contracts, rules and orders relating to the transferred programs remain in effect after the transfer.

Joint Finance/Legislature: Specify that the transfer of WCC from DOA to DILHR for limited administrative purposes would take place on July 1, 1996, instead of on the effective date of the bill. Shift WCC's appropriation schedule [20.399] to be a separate program under DILHR's appropriation schedule [20.445(6)], effective July 1, 1996. Transfer \$2,712,800 GPR, \$634,000 PR and \$1,226,900 SEG in 1996-97 with 3.5 GPR, 1.0 PR and 7.5 SEG positions. Although the funding would be appropriated under DILHR, the funds would be used for the operations of the WCC.

[Act 27 Sections: 107 thru 111, 239d thru 240, 241r thru 244, 244r thru 245g, 245m thru 247g, 247r, 248r, 249, 250r, 251, 251h, 251r, 252g, 252t, 253r, 254, 255r, 256, 257r, 257x, 258, 259r, 260r, 261r, 262, 264 thru 267, 268r, 268t, 269m, 270r thru 272, 273r thru 276, 277r, 278, 776b, 776d, 776p thru 778b, 778L, 778n, 778q, 778v thru 780m, 781m thru 782u, 1411r, 1948m, 3540, 6399m, 9111(1) and 9411(1z)]

48. TRANSFER SAFETY AND BUILDINGS DIVISION FUNCTION [LFB Paper 585]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$3,674,100	- 2.00	\$119,300	1.00	0	0.00	- \$3,554,800	- 1.00
FED	- 980,100	- 16.50	- 6,000	- 0.05	0	0.00	- 986,100	- 16.55
PR	- 21,595,300	- 217.85	- 742,200	0.31	- 45,000	0.00	- 22,382,500	- 217.54
SEG	- 92,092,700	- 80.90	- 21,400	- 0.26	0	0.00	- 92,114,100	- 81.16
Total	- \$118,342,200	- 317.25	- \$650,300	1.00	- \$45,000	0.00	- \$119,037,500	- 316.25

Governor: Delete \$3,674,100 GPR, \$980,100 FED, \$21,595,300 PR, \$92,092,700 SEG and transfer 2.0 GPR positions, 16.5 FED positions, 217.85 PR positions and 80.9 SEG positions in 1996-97 from DILHR's Safety and Buildings Division, effective July 1, 1996, to DOD. Decrease DILHR's number of authorized unclassified division administrators by one.

The Safety and Buildings Division is currently responsible for administering state laws regulating safety and buildings, including the following: building codes, including the state historic building code; fire safety codes; the safety of workplaces and public buildings; the review and approval of certain building plans (such as commercial and multi-family dwellings), plumbing plans, private sewage system plans and swimming pool plans; the review of plats of subdivisions that will not be served by public sewage systems; the licensing of plumbers and automatic fire sprinkler system fitters; the certification of certain inspectors, including building, plumbing and electrical inspectors; the inspection of certain devices, including boilers, pressure vessels,

elevators, mechanical refrigeration systems and amusement rides; the safe operation of mines and the handling of claims for mining damage; energy efficiency standards for rental units; cigarette smoking in certain buildings; fireworks; grade specifications of petroleum products; petroleum storage tank cleanup (known as the PECFA program, including reimbursement of eligible PECFA expenses); and private sewage system regulation and rehabilitation, including the private sewage system replacement or rehabilitation grant program.

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.

Employees 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 employee who has attained permanent status in class would be required to serve a probationary period. Upon the final determination of the personnel to be transferred to DOD, require the Secretaries of DILHR and DOD to request the Joint Committee on Finance to transfer monies between the GPR, PR and FED appropriations for DILHR and DOD, 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 forth quarterly meeting for 1995 under s. 13.10 of the Statutes.

Joint Finance: Include provision. In addition, 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 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 employees on September 1, 1995, instead of on July 1, 1996. Specify that the DILHR Secretary shall 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 employees 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 employee 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) delete \$200,000 PR 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 (reduce the transfer by \$119,300 GPR and 1.0 GPR position and transfer an additional \$82,300 PR, \$31,000 SEG and \$6,000 FED and 0.69 PR, 0.26 SEG and 0.05 FED position); (c) reduce the transfer by \$37,400 PR and 1.0 PR position to reflect the deletion under general position and funding reductions; and (d) reduce the transfer by \$9,600 SEG to reflect the petroleum inspection fee collection transfer 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 shall supervise and have all programmatic direction of the 8.5 transferred positions related to code development. Specify that the Secretary of DOD shall 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 shall have programmatic direction over the employees and shall have authority to promulgate all rules related to Safety and Buildings Division functions before July 1, 1996. The Governor's partial veto deletes \$542,200 PR and \$11,200 SEG provided to DOD in 1995-96 and restores the positions in DILHR but it does not restore funding to DILHR. The Governor's veto message states that the Governor is requesting DILHR and DOD to establish an interagency memorandum of understanding that will guide the transfer of the Safety and Buildings Division to DOD. Further, 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: See "Development"]

49. TRANSFER RELOCATION ASSISTANCE PROGRAM [LFB Paper 578]

Jt. Finance/Leg. 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 provides individuals that 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 funding or the 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 employee, 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)]

50. REORGANIZATION AND CONSOLIDATION REQUIREMENTS [LFB Paper 579]

Governor: Change the name of the Department of Industry, Labor and Human Relations to the Department of Industry, Labor and Job Development on July 1, 1996.

Direct DILHR to submit, by February 15, 1996, a proposed reorganization plan to the Secretary of DOA that structures the functions and personnel of DILHR beginning July 1, 1996. Direct that DILHR revise the plan by May 15, 1996, to conform to any changes that the Secretary of DOA determines to be necessary.

Increase the number of authorized unclassified division administrator positions by two to reflect: (a) one less administrator when the Safety and Buildings Division is transferred to DOD; (b) one new administrator for the Division of Workforce Excellence; and (c) two new administrators when the Divisions of Economic Support and Vocational Rehabilitation are transferred from H&SS to DILHR.

Joint Finance/Legislature: Delete one unclassified position authorization to provide one unclassified division administrator for each DILHR division (under AB 150 unclassified division administrators would exceed the number of DILHR Divisions by one).

Require the Secretary of DOA to submit the proposed reorganization plan for DILHR for consideration by the Joint Committee on Finance after it has been reviewed by the Secretary, no later than May 1, 1996. Permit the Secretary to proceed with the proposal if, within 14 working days of the plan's submittal, the Committee does not schedule a meeting to review the plan. If the Committee does schedule a meeting to take place no later than June 30, 1996, the Secretary could proceed with the plan only after incorporating any changes made by the Committee at the meeting.

Veto by Governor [D-9]: Delete the requirement that the Secretary of DOA submit the proposed reorganization plan for consideration by the Joint Committee on Finance.

[Act 27 Sections: 105, 6252, 9130(4)&(7) and 9430(5)]

[Act 27 Vetoed Section: 9130(7)]

51. FUNDING FOR SAFETY AND BUILDINGS DIVISION ADMINISTRATOR [LFB Paper 575]

Joint Finance/Legislature: Convert funding for the Safety and Buildings Division Administrator from GPR to 69% PR, 26% SEG and 5% FED to reflect the same funding as other administrative services costs in the Division. Delete \$116,900 GPR in 1995-96 and \$119,300 GPR in 1996-97 and 1.0 GPR position and provide \$80,700 PR in 1995-96 and \$82,300 PR in 1996-97, \$30,400 SEG in 1995-96 and \$31,000 SEG in 1996-97 and \$5,800 FED in 1995-96 and \$6,000 FED in 1996-97 and 0.69 PR, 0.26 SEG and 0.05 FED position.

	Chg. to Base Funding Positions	
GPR	- \$236,200	- 1.00
FED	11,800	0.05
PR	163,000	0.69
SEG	61,400	0.26
Total	\$0	0.00

52. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$14,700 GPR, \$700,200 FED and \$629,400 PR in 1995-96 and in 1996-97 and 0.5 GPR position, 20.7 FED positions and 18.0 PR positions as follows: (a) 0.5 GPR position and 0.8 FED position in the Equal Rights Division; (b) 3.5 FED and 13.0 PR positions in the Jobs, Employment and Training Services Division; (c) 16.4 FED positions in the Unemployment Compensation Division; (d) 4.0 PR positions in the Administrative Services Division; and (e) 1.0 PR position in the Safety and Buildings Division.

	Chg. to Base	
	Funding	Positions
GPR	- \$29,400	- 0.50
FED	- 1,400,400	- 20.70
PR	- 1,258,800	- 18.00
Total	- \$2,688,600	- 39.20

53. ELIMINATE EXECUTIVE ASSISTANT POSITION

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- \$220,000	- 1.00	\$0	1.00	- \$220,000	0.00

Joint Finance: Delete \$110,000 annually and 1.0 position to reflect the elimination of agency executive assistant positions.

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

54. SPECIAL DEATH BENEFITS [LFB Paper 584]

Joint Finance/Legislature: Reestimate the sum-sufficient special death benefits appropriation from \$200,000 to \$444,000 to reflect the five-year average annual expenditure level. Persons who are eligible for the benefit include law enforcement and correctional officers, fire fighters, rescue squad members, national or state guard members and other emergency government personnel who are killed while on active duty or die of accidental injury incurred while performing those duties.

	Chg. to Base
GPR	\$488,000

55. EMPLOYMENT AND JOB TRAINING PROGRAM WAIVERS

Joint Finance/Legislature: Authorize the Secretary of DILHR to grant waivers to limitations placed on the use of state employment and job training funds upon finding the waiver will promote the coordination of employment and job training services.

[Act 27 Sections: 3700 and 3701]

56. TRANSFER SENIOR COMMUNITY SERVICES EMPLOYMENT PROGRAM FROM H&SS TO DILHR

	Jt. Finance/Leg. (Chg. to Base)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$2,010,900	1.00	\$0	- 1.00	\$2,010,900	0.00

Joint Finance/Legislature: Provide \$2,010,900 and 1.0 position to transfer 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. The program provides part-time work experience opportunities in government and non-profit community service organizations for low-income persons age 55 and older.

Require the Secretary of DOA to submit the proposed transfer for consideration by the Joint Committee on Finance after it has been reviewed by the Secretary, no later than May 1, 1996. Permit the Secretary to proceed with the proposal if, within 14 working days of the plan's submittal, the Committee does not schedule a meeting to review the plan. If the Committee does schedule a meeting to take place in June, 1996, the Secretary could proceed with the plan only after incorporating any changes made by the Committee at the meeting.

Veto by Governor [D-20]: Delete the transfer of the program 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 agencies are allowed to expend all federal funds received, modification of the FED appropriations is not required to restore the program to H&SS. The Governor's veto message states that following Congressional action, if the program remains as a work program in the U.S. Department of Labor, the Secretary of H&SS and the Secretary of DILHR will be directed to study the feasibility of transferring this program to DILHR in the next biennium.

[Act 27 Sections: 2330m, 9126(27q) and 9426(26q)]

[Act 27 Vetoed Sections: 2330m, 9126(27q) and 9426(26q)]

57. TRANSFER EMPLOYMENT TRANSIT ASSISTANCE PROGRAM

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG	\$614,400	- \$614,400	\$0

Joint Finance: Transfer responsibility for the employment transit assistance (Job Ride) program from DOT to DILHR effective July 1, 1996. The program provides transportation for unemployed or underemployed job seekers in outlying areas not served by public transportation. The Governor's transportation budget would convert the base funding for the program from federal oil overcharge funds to SEG transportation funds and would restrict eligible applicants to those who provide employment, training or job placement services in counties with populations over 500,000 (Milwaukee County).

Assembly: Transfer \$614,400 SEG in 1996-97 from DOT to DILHR for the program.

Senate/Legislature: Delete Assembly provision.

[Act 27 Sections: 772mm, 772mn, 3526m and 9455(1jbx)]

58. EMPLOYMENT TRANSIT ASSISTANCE PROGRAM (JOB RIDE) (AB 557)

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$614,400	- \$35,300	\$579,100

Governor: Provide \$614,400 in 1996-97 to reflect the transfer of this program from DOT to DILHR, effective July 1, 1996, by Act 27. This funding level reflects the base for this program (\$579,100), which is being converted from FED to SEG, plus the second year of a 3% annual inflationary increase (\$35,300).

Assembly/Legislature: Decrease funding by \$35,300 to delete the proposed 3% inflationary increase.

59. YOUTH APPRENTICESHIP TRAINING GRANTS [LFB Paper 580]

Joint Finance/Legislature: Reduce youth apprenticeship training grant funding by \$120,000 (from \$500,000 to \$380,000) in 1996-97.

	Chg. to Base
GPR	- \$120,000

60. CAREER COUNSELING CENTER PROGRAM [LFB Paper 581]

Joint Finance/Legislature: Reduce career counseling center funding from base funding of \$600,000 GPR by \$400,000 in 1995-96 (\$200,000 GPR would remain), delete GPR funding in 1996-97 and repeal the GPR appropriation on June 30, 1997. Federal funding of \$600,000 in each year would continue. Direct DILHR to submit a plan to the Joint Committee on Finance at its first quarterly meeting in 1996 under s. 13.10 for providing program efficiencies by combining new and existing career counseling centers with job centers.

	Chg. to Base
GPR	- \$1,000,000

Veto by Governor [A-3]: Delete the requirement that DILHR submit a plan to the Joint Committee on Finance for combining new and existing career counseling centers with job centers.

[Act 27 Sections: 969m, 3770, 3770m, 3770p, 9130(14g) and 9430(7j)]

[Act 27 Vetoed Section: 9130(14g)]

61. EMPLOYMENT OF MINORS AS LAB ASSISTANTS

Joint Finance/Legislature: Allow minors age 14 or older to be employed as laboratory assistants under the direct supervision of a mentor by a non-profit community-based organization which provides educational opportunities in medically-related fields. Require an employer employing minors under this provision to comply with federal requirements in 29 CFR 1910.1030 and 10CFR 20.1207.

[Act 27 Section: 3756m]

62. INTERNATIONAL FUEL TAX AGREEMENT [LFB Paper 897]

	Jt. Finance (Chg. to Base)	Senate (Chg. to JFC)	Legislature (Chg. to Sen.)	Net Change
SEG-REV	-\$1,227,000	\$107,000	\$1,120,000	\$0

Joint Finance: Modify provisions in state law regarding the international fuel tax agreement (IFTA) by authorizing the inclusion of all of the cost per gallon related to the petroleum inspection fee in IFTA settlements, effective August 1, 1995. Reduce estimated petroleum inspection fund revenues by \$587,000 in 1995-96 and \$640,000 in 1996-97 to reflect this change.

Senate: Delay the effective date of this provision from August 1, 1995, to October 1, 1995, to coordinate this change with inclusion of the oil company franchise fee if IFTA settlements. Increase estimated petroleum inspection fee revenues by \$107,000 in 1995-96 to reflect this change.

Legislature: Delete provision.

63. INTERNATIONAL FUEL TAX AGREEMENT (AB 557)

	Governor (Chg. to Base)	Assem./Leg. (Chg. to Gov.)	Net Change
SEG-REV	-\$1,013,000	\$53,000	-\$960,000

Governor: Modify provisions in state law regarding the international fuel tax agreement (IFTA) by authorizing the inclusion of all of the cost per gallon related to the petroleum inspection fee in IFTA settlements, effective December 1, 1995. Reduce estimated petroleum inspection fund revenues by \$373,000 in 1995-96 and \$640,000 in 1996-97 to reflect this change.

Assembly/Legislature: Delay the effective date of this provision until January 1, 1996. Increase estimated petroleum inspection fund revenues by \$53,000 in 1995-96 to reflect this change.

[Act 113 Sections: 23, 35, 132 thru 137, 139, 140 and 9455(6)]

64. NITRATE STANDARDS FOR PRIVATE SEWAGE SYSTEMS

Assembly: Repeal the requirement that DNR must approve any state plumbing code rules which set specifications for septic tanks and their installation. Provide that DILHR is not required to take the actions otherwise required by the groundwater law to limit discharges of nitrate from private sewage systems or to implement regulatory responses at sites at which private sewage systems cause the nitrate preventive action limit or enforcement standard to be exceeded. Authorize DILHR to promulgate rules that define design or management criteria for private sewage systems that permit the enforcement standard for nitrate to be attained or exceeded. Under the current groundwater law, DNR establishes enforcement standards for substances that are detected in groundwater and that are of public health or public welfare concern. DNR must also establish a preventive action limit that is equal to a percentage of the enforcement limit. After DNR establishes an enforcement standard for a substance, an agency that regulates a facility, activity or practice that may be the source of that substance in the groundwater is required to promulgate rules that define design and management criteria for that facility, activity or practice to minimize the level of the substance in the groundwater, and if technically and economically feasible, maintain compliance with the preventive action limit.

Senate/Legislature: In addition to the Assembly provisions, provide that DILHR and DOD may not submit proposed administrative rules related to private sewage systems (ILHR 83) to the Legislature before July 1, 1997. This provision would not apply to rules related to fees.

Direct DOD to appoint an advisory committee prior to January 1, 1996, to assist in the drafting of rules related to private sewage systems. Direct that the advisory committee shall include representatives of all of the following areas of interest and expertise: private sewage system users, farmers, land use planners, soil scientists, public health experts, professional engineers who design private sewage systems, plumbers who install private sewage systems, private sewage system pumpers and waste haulers, hydrogeologists, county elected representatives, county private sewage system program administrators, the Wisconsin Towns Association, private sewage system component manufacturers, real estate developers, construction contractors, DNR and H&SS.

Direct DOD, with the assistance of the advisory committee, to study the following and to submit its findings as a result of the study to the Governor and the Legislature prior to July 1, 1997: (a) the effect of

proposed private sewage system rules on, but not limited to, all of the following: (1) public health; (2) surface water and groundwater quality; (3) property values; (4) land development patterns; (5) the affordability of housing; and (6) the long-term maintenance of costs of housing; (b) the capacity of current governmental institutions to provide for management of private sewage systems, including: (1) the status and effectiveness of local zoning and land use controls; (2) the capabilities for review and approval of private sewage system designs; (3) the capabilities for discovering and responding to private sewage system failure; and (4) the capabilities for assuring proper maintenance of private sewage systems; (c) the capacity of consultants and other private sewage system designers to develop effective private sewage system designs; and (d) the likelihood of private sewage system failures and the consequences of such failures.

Veto by Governor [A-2]: Delete provisions that: (a) prohibited DILHR and DOD from submitting proposed administrative rules related to private sewage systems to the Legislature before July 1, 1997; (b) directed DOD to appoint an advisory committee to assist in the drafting of rules related to private sewage systems; (c) specified the membership of the advisory committee; and (d) directed DOD to study several issues related to private sewage systems. The item veto retains changes that: (a) repeal the requirement that DNR must approve any state plumbing code rules which set specifications for septic tanks and their installation; and (b) exempt discharges of nitrates from private sewage systems from the groundwater law preventive action limits or enforcement standards.

[Act 27 Sections: 4205e, 4441c and 9116(3g)]

[Act 27 Vetoes Section: 9116(3g)]

65. MINIMUM WAGE LAW -- LIVING-WAGE

Assembly/Legislature: Modify the minimum wage law to provide that in determining the living-wage, DILHR may consider factors affecting the general economy of the state including the effect of a living-wage increase on: (a) job creation, retention and expansion; (b) on the availability of entry-level jobs; and (c) on regional economic conditions within the state. A living-wage is statutorily defined as compensation sufficient for the employee to maintain his or her welfare. In March, 1995 the Dane County Circuit Court ruled that a DILHR minimum wage determination made under the economic factors contained in this provision did not satisfy the statute.

[Act 27 Section: 3765m]

INFORMATION TECHNOLOGY INVESTMENT FUND

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
SEG	\$0	\$12,355,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	N.A.

FTE Position Summary
There are no authorized positions for the Information Technology Investment Fund.

1. CREATION OF INFORMATION TECHNOLOGY INVESTMENT FUND

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$14,000,000	- \$4,000,000	\$10,000,000
SEG	\$12,355,000	- \$2,355,000	\$10,000,000

Governor: Create a segregated information technology investment fund, using revenues generated from the charging vendor fees and other sources. Provide \$3,107,500 in 1995-96 and \$9,247,500 in 1996-97 to make grants to state agencies for information technology development projects. Information technology is defined as electronic processing, storage and transmission of information including data processing and telecommunications. The fund would be designed as follows:

Revenues. Provide for the following revenues to be deposited to the fund:

- a. *Vendor fees.* Require DOA to charge an annual fee to any person providing materials, supplies, equipment or contractual services to the state having an aggregated annual cost exceeding \$500. Allow DOA to charge a contract administration ("vendor") fee based on different total dollar volumes of sales. Specify that no person may do business with the state unless the fee is paid. Allow the Secretary of DOA

to waive the fee if doing so would enhance competition or the waiver of the fee for a vendor or vendors is in the best interest of the state.

b. *Subscription service fees.* Allow DOA to provide a subscription service containing current information of interest to prospective vendors concerning state procurement opportunities. Require DOA to charge a fee for such a service.

c. *Fee rules.* Require DOA to promulgate emergency rules that become effective no later than February 1, 1996, and which may remain in effect until June 30, 1997, for the vendor and subscription service fees. Specify that DOA shall attempt to ensure that gross revenue to the fund from the two fees totals \$7,000,000 per fiscal year.

d. *Funds transferred from other appropriations.* Allow DOA to transfer monies from any appropriation of any agency, other than a sum sufficient appropriation, to the fund if: (1) the information technology project that is being funded is consistent with the purpose of the appropriation from which the monies are being transferred; and (2) the amount is not greater than the estimated total savings that will accrue to the state as a result of the project, as determined by the Secretary of DOA. Specify that an amount may be transferred in whole or in part as determined by the Secretary of DOA. Require DOA to file a report with the Co-Chairpersons of the Joint Committee on Finance identifying the appropriations from which the transfer was made, the amount being transferred and the purpose of the project for which monies are being transferred. Currently, any transfer of funds between appropriations requires the approval of the full Legislature or Joint Committee on Finance.

e. *Gifts, grants and bequests.* Allow DOA to receive gifts, grants and bequests for information technology development without the approval of the Joint Committee on Finance.

f. *DOA program revenue-service funds.* Allow the Secretary of DOA to reallocate monies from any DOA program revenue-service appropriation (generally monies DOA charges other agencies or its own divisions for services) to the fund during the 1995-97 biennium. Specify that interest is not chargeable to the fund and that reallocated monies will be repaid no later than five years after reallocation.

Information Technology Development Grants. Provide that grants may be made from the fund for the following two purposes:

a. *Information technology projects.* Create a sum sufficient appropriation funded from fee revenues for the provision of grants to state agencies and estimate expenditures of \$2,987,500 in 1995-96 and \$9,127,500 in 1996-97 from the appropriation for information technology grants to state agencies. Create continuing, segregated appropriations for the receipt of monies transferred by the Secretary of DOA to the fund and for the receipt of gifts, grants and bequests.

Allow DOA to provide grants for projects if the projects: (1) permit the effective utilization of information technology; (2) ensure adequate information technology resources for agencies; (3) are consistent with a statewide strategic plan for information technology; and (4) effect cost savings, avoid

future cost increases or enable improved provision of state services. Require agencies receiving grants to annually report to the Secretary of DOA and the Co-Chairpersons of the Joint Committee on Information Policy no later than September 30, regarding the purpose and status of each project. Require that 13 months after the completion of a project, each agency file a report with the Secretary of DOA and the Co-Chairpersons of the Joint Committee on Information Policy describing the purpose of the project and its effect on agency business operations as of the end of the twelve-month period following the project.

Create continuing program revenue appropriations in the following agencies for receipt and expenditure of grants from the investment fund:

- Agriculture, Trade and Consumer Protection
- Banking
- Credit Unions
- Development
- Insurance
- Public Service Commission
- Regulation and Licensing
- Savings and Loan
- Securities
- State Fair Park Board
- Gaming Commission
- Arts Board
- Educational Communications Board
- Higher Educational Aids Board
- State Historical Society
- Public Instruction
- University of Wisconsin
- Technical College Board
- Minnesota-Wisconsin Boundary Area Commission
- Lower Wisconsin State Riverway Board
- Natural Resources
- Tourism and Parks
- Transportation
- Wisconsin Conservation Corps Board
- Corrections
- Employment Relations Commission
- Board on Aging and Long-Term Care
- Child Abuse and Neglect Prevention Board
- Adolescent Pregnancy and Pregnancy Services Board
- Health and Social Services
- Industry, Labor and Human Relations
- Justice
- Military Affairs
- Veterans Affairs
- Cost Containment Commission
- Administration
- Elections Board
- Employment Relations
- Employee Trust Funds
- Ethics Board
- Governor
- Investment Board
- Lieutenant Governor
- Personnel Commission
- Revenue
- Secretary of State
- Treasurer
- Judicial Commission
- Supreme Court
- Legislature
- Building Commission

b. *Distance education projects loan subsidies.* Create a separate annual appropriation from the fund for payment of distance education project loan subsidies. Allow the Board of Commissioners of Public Lands to make state trust fund loans to consortia of school and/or technical college districts for planning, acquiring and operating a distance education network. Define distance education as the use of two-way interactive telecommunications technology designed to provide access to education regardless of the location of the teacher or the student.

Allow DOA to make grants to a school district, technical college district or a consortia of school and/or technical college districts in order to subsidize the first two points of the annual interest costs on state trust fund loans for distance education projects. Specify that the loan for which a subsidization grant is provided may not: (1) be for a term that exceeds five years; and (2) have been made prior to receiving a DOA subsidization grant. Direct that DOA notify the Board when a grant is approved. Require DOA to make grant payments to the Board for the districts, and notify the districts that payment has been made. Specify that districts remain liable for interest that is not paid by DOA. Provide \$120,000 annually for distance education loan subsidization grants.

Provide that school boards and technical college districts may undertake distance education projects, either individually or in association with other school districts, technical college districts and University of Wisconsin System institutions or centers.

Joint Finance/Legislature: Modify the Governor's recommendations relating to the information technology investment fund as follows:

Revenues

a. Provide that the segregated appropriations for the information technology investment fund be annual sum certain appropriations. Adjust the fund's appropriation by adding \$2,012,500 SEG in 1995-96 and deleting \$4,127,500 SEG in 1996-97 to provide a total annual expenditure level of \$5 million. Set the session law revenue target for the vendor fee at \$5,000,000 annually during the 1995-97 biennium.

b. Delete the provision allowing DOA to establish fees by emergency rule. Instead, require DOA to promulgate, through the normal administrative rules process, rules for the information technology investment fund regarding the administration and collection of fee revenues, program management and grant award criteria.

c. Require that the vendor fee apply to all vendors unless specifically exempted by vendor classification in the administrative rules.

d. Delete the provision which would allow DOA to transfer monies from any appropriation of any agency, other than a sum sufficient appropriation, to the IT fund. Instead, create a specific provision under s. 13.101 to allow the Committee to transfer from any agency to the IT fund savings generated by information technology development projects, as documented by DOA.

e. Require that all gifts, grants, and bequests made to the state for the information technology investment fund and any transfer or loan of monies from PR appropriations in DOA to the fund be subject to approval by the Committee under a 14-day passive review process.

Grants

a. Convert all program revenue appropriations in state agencies for receipt of grant monies from information technology investment fund to annual appropriations. Delete from the individual agency appropriations funding for all of the projects as identified in the table below. The actual fiscal effects of these deletions are shown in the summaries of the indicated agencies.

Information Technology Investment Fund Projects Funding

<u>Agency</u>	<u>Projects</u>	<u>Change to AB 150 Funding</u>	
		<u>1995-96</u>	<u>1996-97</u>
Agriculture	Consumer Info	-\$90,000	\$0
Military Affairs	DEG Equipment Backup	-15,000	0
Natural Resources	Boat/Snowmobile/ATV Regis.	-33,800	-90,000
	Telephone Reservation	-90,000	0
	Outdoor Skills Initiative	-90,000	0
Administration	State IT Operations	-431,500	-431,500
Corrections	Distance Education	-70,000	0
	Integrated Learning	0	-200,000
	Records Imaging	-40,000	0
	Scheduling Software	0	-30,000
Development	Interactive Voice	-90,000	0
	WTIC Automation	-96,000	0
Justice	Update Department Network	-354,200	-354,200
Revenue	Milwaukee Refund Inquiry System	-18,900	-18,900
Public Instruction	Voice Response/ FAX Back	-101,000	-24,000
Health and Social Services	IT Services	-190,000	0
Secretary of State	Optical Imaging	0	-198,900
UW System	Distance Education	<u>-400,000</u>	<u>0</u>
TOTAL		-\$2,110,400	-\$1,347,500

b. Delete \$120,000 SEG annually from the fund for distance education grants and eliminate the SEG appropriation and provisions related to distance education grants from the fund.

c. Eliminate information technology development grant appropriations for the following agencies or programs which are primarily PR-funded: Banking, Credit Unions, Insurance, Public Service Commission, Department of Regulation and Licensing, Savings and Loan, Securities, State Fair Park, Gaming Commission, UW-Madison intercollegiate athletics, Child Abuse Neglect and Prevention Board, Division of Emergency Government in DMA, Department of Veterans Affairs' King Home, Department

of Administration departmental activities, Investment Board, and Secretary of State. Also, eliminate the program supplements appropriation for information technology development grants.

d. Create a separate, annual segregated revenue appropriation in DOA for administration of the information technology fund using revenues from the fund.

Grant Award Process

Create a specific grant process award of monies from the fund as follows:

a. Provide that, for 1995-96 information technology development project grant awards only, DOA shall: (1) submit a single s. 16.515 request for increases to agency PR appropriations related to grants from the information technology investment fund; (2) provide that the s. 16.515 request contain a detailed description of the projects being funded, the total cost of the projects, the annual commitments from the fund for the project, and project completion date; and (3) give priority consideration for grant funding to those projects originally allocated funding in AB 150 for fiscal year 1995-96.

b. Provide that effective for grants to be funded beginning in 1996-97, an annual grant award process be established. Require that DOA distribute awards from the fund on an annual grant cycle basis. Require that DOA develop grant criteria, to be submitted, for approval, to the Joint Committee on Information Policy by September 15 of each year. Provide that DOA shall distribute grant applications to state agencies by January 1 of the following year. Require that by March 1, agencies submit any requests for funding from the information technology investment fund to DOA. Specify that DOA make grant awards by May 15, for the following fiscal year. Specify that increases in expenditure authority for individual agency information technology development project appropriations be submitted by the Secretary of DOA under s. 16.515 following completion of the annual award process. Specify that the first awards under the process would occur in May, 1996, for 1996-97 fiscal year funding.

Veto by Governor [C-7, C-9 and E-2]: Delete provisions: (a) applying the vendor fee to highway and building construction, engineering and architectural services; (b) requiring Joint Committee on Finance approval under a 14-day passive review before any funds may be transferred or loaned from any PR appropriation in DOA to the information technology investment fund; and (c) repealing the information technology development appropriation for the Wisconsin Employment Relations Commission (WERC) on July 1, 1996 (as passed by the Legislature the WERC was maintained, but the information technology development appropriation was inadvertently repealed.)

[Act 27 Sections: 14g, 360, 361, 419, 490, 517, 550, 557, 561, 565, 576, 608, 612, 618, 624, 626, 747, 759, 774, 781, 789, 797, 800, 805, 961, 984, 1028, 1030, 1039, 1050o, 1064, 1065, 1066m, 1078, 1079b, 1091, 1095, 1097 thru 1101, 1105, 1117, 1137, 1144, 1146, 1149, 1172, 1176, 1395, 1420, 7095m, 9101(2)&(2li), 9301(4g) and 9459(1)]

[Act 27 Vetoed Sections: 400r, 422, 467, 467m, 798, 1420, 3515m, 3519g, 3519i, 3524m, 9101(2) and 9459(1) as it relates to s. 20.425(1)(ka)]

INSURANCE

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	\$1,880,000	\$1,880,000	\$1,739,000	\$1,739,000	\$1,739,000	- \$141,000	- 7.5%
PR	21,597,400	21,555,100	20,103,400	20,103,400	20,103,400	- 1,494,000	- 6.9
SEG	<u>132,478,400</u>	<u>132,681,600</u>	<u>132,621,600</u>	<u>132,621,600</u>	<u>132,621,600</u>	<u>143,200</u>	<u>0.1</u>
TOTAL	\$155,955,800	\$156,116,700	\$154,464,000	\$154,464,000	\$154,464,000	- \$1,491,800	- 1.0%

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	124.25	129.25	127.25	127.25	127.25	3.00
SEG	<u>14.25</u>	<u>14.25</u>	<u>14.25</u>	<u>14.25</u>	<u>14.25</u>	<u>0.00</u>
TOTAL	138.50	143.50	141.50	141.50	141.50	3.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the agency's base budget annually as follows: (a) -\$110,300 PR for turnover reductions; (b) -\$144,500 PR and -1.0 PR position for removal of noncontinuing elements from the base budget; (c) -\$502,400 PR and \$18,800 SEG for full funding of continuing salaries and fringe benefits; (d) \$800 PR and \$1,400 SEG for State Bureau of Financial Operations charges; (e) \$4,300 SEG for reclassifications; (f) \$18,900 PR for cash payments in lieu of a fifth week of vacation; and (g) \$35,800 PR and \$5,100 SEG for delayed pay adjustments.

	Chg. to Base Funding Positions	
PR	- \$1,403,400	- 1.00
SEG	<u>59,200</u>	<u>0.00</u>
Total	- \$1,344,200	- 1.00

2. INFORMATION TECHNOLOGY SYSTEM DEVELOPMENT

Governor: Provide funding to support information technology (IT) enhancements in OCI as follows: (a) \$35,400 PR in 1995-96 and \$46,500 PR in 1996-97 and 1.0 PR management information specialist position for management of internal application and programming activities and of contracts for

	Chg. to Base Funding Positions	
PR	\$723,000	1.00
SEG	<u>84,000</u>	<u>0.00</u>
Total	\$807,000	1.00

systems design, set-up and applications programming; (b) \$107,600 PR in 1995-96 and \$96,500 PR in 1996-97 for one-time funding for development of data processing applications; (c) \$300,000 PR in 1995-96 for one-time funding for consulting services to evaluate alternative IT systems, technical support, installation of personal computers, purchase of hardware and software, and staff training and system maintenance); (d) \$113,000 PR in 1995-96 and \$24,000 PR in 1996-97 for acquisition and implementation of imaging technology for the complaints and insurance policy form and rate filing functions of the Office, with funding placed in unallotted reserve subject to release by DOA; and (e) \$46,000 SEG in 1995-96 and \$38,000 SEG in 1996-97 for contractual services support for maintenance of and enhancements to the state life insurance funds data system. Place the funding for the imaging technology system in unallotted reserve to be released by DOA.

Joint Finance/Legislature: Provide that the funds placed in unallotted reserve (\$113,000 in 1995-96 and \$24,000 in 1996-97) for the Office's optical imaging technology project may be released 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 imaging project; (c) the schedule for the implementation of the project, including a projection of the effect, during the period of the actual records conversion to the imaging system, on the agency's ability to process affected records received prior to and during the conversion, and any expected backlogs in processing; (d) an evaluation of the effectiveness of the project activities, if any, to date; (e) 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 (f) 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 OCI'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.

[Act 27 Section: 9131(1t)]

3. INCREASED STAFFING FOR SUPERVISION OF THE INSURANCE INDUSTRY

	Chg. to Base Funding Positions	
PR	\$188,100	3.00

Governor/Legislature: Provide funding for additional staff as follows: (a) \$32,700 in 1995-96 and \$35,600 in 1996-97 for 1.0 additional financial examiner position in the Bureau of Financial Analysis and Examinations; (b) \$30,800 in 1995-96 and \$35,600 in 1996-97 for 1.0 insurance examiner position in the Bureau of Market Regulation; and (c) \$25,200 in 1995-96 and \$28,200 in 1996-97 for 1.0 program assistant position to staff OCI's consumer hotline to meet an increase in the number of calls received by the hotline. These amounts include one-time funding of \$13,300 in 1995-96 for remodelling, computers, and office equipment.

4. REPAYMENT OF LOAN FROM LOCAL GOVERNMENT PROPERTY INSURANCE FUND
[LFB Paper 600]

Governor: Provide that, on the effective date of the bill, the Secretary of DOA shall repay to the local government property insurance fund (LGPIF), from the general fund, the outstanding principal balance of the \$10,000,000 loan to the general fund made from the LGPIF under 1991 Wisconsin Act 269. Stipulate that this payment be made without interest and that the payment shall fully discharge the obligation to repay the loan and repeal the current law reference to the loan.

A \$10 million loan to the general fund from balances in the LGPIF was authorized under 1991 Act 269. In addition, Act 269 stipulated that interest accrue on the principal balance at the average rate earned by the state on its deposits in the state investment fund during the period of the loan. Under 1993 Wisconsin Act 16, the repayment schedule was modified to require an initial payment of \$2 million to the LGPIF no later than June 30, 1995, followed by four additional equal installments on an annual basis. This expenditure amount was shown in the condition statement as a transfer from the general fund in 1994-95. Act 16 also required that DOA begin paying the accrued interest on the loan in annual installments no later than June 30, 1996.

On September 6, 1994, an initial payment of \$2 million was made from the general fund to the LGPIF. The intent of the Governor's recommendation is to transfer the remaining \$8 million from the general fund to the LGPIF on the effective date of the budget and to remove the obligation to pay accrued interest on the loan. While the Governor's budget bill does not reflect this transfer, consistent with past budget acts, the available revenues to support this transfer should be shown in the opening general fund balance and the \$8 million transfer should be shown in the condition statement as an expenditure from the general fund. Under the bill, the LGPIF would not receive an estimated \$1.3 million in accrued interest on the loan due through June 30, 1995.

Joint Finance/Legislature: Maintain current law. Include as revenue in the general fund condition statement \$8 million in outstanding principal from the loan and provide \$3,653,300 in 1995-96 and \$2,330,000 in 1996-97 in the general fund condition statement for principal and interest repayments on the loan in 1995-97.

5. TRANSFER MEDIGAP HOTLINE FROM BOARD ON AGING TO OCI [LFB Paper 185]

	<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	\$45,000	2.00	\$107,300	- 2.00	\$152,300	0.00

Governor: Effective January 1, 1996, transfer the medigap hotline from the Board on Aging and Long-Term Care to OCI. The provision involves: (a) the transfer of 2.0 area services specialist positions which currently staff the hotline from the Board to OCI; and (b) the retention in OCI of base level funding for the medigap hotline and reallocation of these amounts (\$53,300 in 1995-96 and \$108,800 in 1996-97)

to salaries, fringe benefits, supplies and services costs, and unallotted reserve funding for projected health insurance cost increases. Currently, PR funds appropriated to OCI under its general program operations appropriation are transferred to the Board for operation of the medigap hotline. This item deletes the transfer of funding to the Board and retains the amounts within OCI, with no net fiscal effect to OCI's budget.

In addition, provide OCI with \$21,400 in 1995-96 and \$23,600 in 1996-97 for full funding for the operations of the medigap hotline. Further, specify that employees, assets, liabilities, tangible personal property, and pending matters which are primarily related to the medigap hotline, as determined by the Secretary of DOA, shall be transferred from the Board to OCI. Specify that the incumbent employees in these positions are transferred and retain all their current benefits and rights. Provide that existing contracts entered into by the Board that are related to the medigap hotline, and rules and orders in effect prior to the transfer from the Board, remain in effect after the transfer.

Delete the requirement that the medigap hotline provide information and counseling about eligibility requirements for medical assistance. Under current law, the medigap hotline 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 provisions which would transfer the medigap hotline from the Board to OCI. In addition, provide \$53,100 in 1995-96 and \$54,200 in 1996-97 in OCI's general program operations appropriation for transfer to the Board for overhead costs related to operation of the hotline.

6. SUPPORTIVE WORK PROGRAM/AFFIRMATIVE ACTION INTERNS

Chg. to Base	
PR	\$15,000

Governor/Legislature: Provide \$7,500 annually for supportive work staffing by handicapped individuals for routine office and clerical tasks and for summer intern positions related to the agency's affirmative action efforts.

7. LISTING FEES FOR COMPANY APPOINTMENTS

Chg. to Base	
GPR-REV	\$283,700
PR-REV	2,553,400

Governor/Legislature: Provide that the maximum annual fee which may be assessed by OCI for insurance agent listings (appointments) be increased from \$5 to \$8 for resident agents and from \$15 to \$24 for non-resident agents, and extend these fees to apply to renewals of appointments. The actual amount of these fees are set by OCI by rule and the fees are billed by OCI to insurers on an annual basis. It is OCI's intent to set the fees at the new increased maximum level. OCI indicates the increased revenues are necessary to ensure adequate funding for the Office, which is program revenue funded, in order to fund budget increases for additional staff and information technology improvements. A total of \$1,418,600 annually in increased revenue is estimated

from this change, of which 10% (\$141,900) would be deposited in the general fund and the remaining 90% (\$1,276,700) would be credited to the agency's operating appropriation.

[Act 27 Sections: 7002 and 7040]

8. LICENSING RENEWAL FEES

Governor/Legislature: Provide for an increase in the fee paid by insurance agents for licensure renewal. Through administrative rules which establish the fees, OCI is expected to increase the biennial amount paid by resident agents from \$10 to an estimated \$15 and the biennial fee paid by non-resident agents from \$30 to an estimated \$37. Total increased fee revenue of \$300,000 in 1995-96 is estimated from these changes. Of this total, 10% (\$30,000) would be deposited in the general fund and the remaining 90% (\$270,000) would be credited to the agency's general operations appropriation to support the agency's operations and enforcement and regulatory activities.

Chg. to Base	
GPR-REV	\$30,000
PR-REV	270,000

9. DUPLICATE LICENSE FEE

Governor/Legislature: Establish a fee of \$5 for each issuance by OCI of a duplicate intermediary's license. A total of \$18,000 annually in increased revenue is estimated from this fee, of which 10% (\$1,800) would be deposited in the general fund and the remaining 90% (\$16,200) would be credited to the agency's operations appropriation.

Chg. to Base	
GPR-REV	\$3,600
PR-REV	32,400

[Act 27 Section: 7001]

10. MISCELLANEOUS FEE INCREASES

Governor/Legislature: Modify statutory fees charged by OCI to finance the agency's operations. Increased revenues of \$234,900 annually from these changes are estimated, of which 10% (\$23,500) would be deposited in the general fund and the remaining 90% (\$211,400) would be credited to the agency's general operating appropriation. The fee increases or new fees are shown in the following table.

Chg. to Base	
GPR-REV	\$47,000
PR-REV	422,800

Fee	Current Law	Act 27
Filing fees prior to initial licensing:		
Domestic and nondomestic insurers	\$100	\$400
Rate service organizations	100	400
Motor clubs	100	400
Fees for issuing certificate of operating authority:		
Domestic and nondomestic insurers	100	400
Rate service organizations	100	400
Motor clubs	100	400
Annual continuation of certificate of operating authority:		
Domestic and nondomestic insurers	25	100
Motor clubs	25	100
Filing of annual statement:		
Domestic and nondomestic insurers	25	100
Rate service organizations	25	100
Motor clubs	25	100
Certification of authenticity, approval, or compliance of annual statements, examination reports, certificates of authority and articles and bylaws:		
First certification of a single document	None	10
Duplicate certification requested together with first	None	5

[Act 27 Sections: 6987 thru 7000 and 7005]

11. FEE FOR SUBSTITUTED SERVICE OF PROCESS

Governor/Legislature: Require each insurer to maintain, in the state, a registered agent for service of process on: (a) the insurer, the agent of which must be a Wisconsin resident; (b) a domestic insurer; or (c) a nondomestic insurer authorized to do business in Wisconsin. Require the name and address of the registered agent to be filed with OCI. Provide that if an insurer fails to maintain an agent for service of process, or if the agent cannot be found, then substituted service of process may be made on the Commissioner, unless the process is brought by the state, in which case substituted service of process may be made on the Secretary of State. Specify that if substituted service of process is made on the Commissioner, litigants must pay a fee of \$10.

Chg. to Base	
GPR-REV	- \$11,700
PR-REV	- 105,300

Current law requires business corporations, nonprofit corporations and limited partnerships to maintain, in Wisconsin, a registered agent for service of process. This requirement does not currently apply to insurers. Rather, service of process in insurance matters is made on the Commissioner of OCI or, in certain cases, on the Secretary of State. The Commissioner or Secretary of State must then send a copy of the process by certified mail to the person served at the person's last known address. Litigants are required to pay OCI a fee of \$5 for each service of process.

Under the bill, service of process would be made directly on the insurer by the insurer's registered agent, unless there is no agent available, in which case substituted service on the Commissioner of OCI is required. Require that, in these instances, OCI assess a fee of \$10 for substituted service of process. Because fewer services of process on the Commissioner are expected, a reduction in fee revenue of \$58,500 annually is estimated. Of this total reduction, 10% (\$5,850 annually) would be reduced GPR-Earned and the remaining 90% (\$52,650) would represent a reduction in program revenue to the agency.

[Act 27 Sections: 7003, 7009, 7011 and 7017]

12. CONTINUING EDUCATION REQUIREMENT FOR INSURANCE INTERMEDIARIES

Governor/Legislature: Authorize OCI to set standards by rule for agent prelicensing education, in addition to continuing education as under current law, and to approve courses or programs that are required to fulfill a prelicensing education requirement or a continuing education requirement as well as organizations that offer such courses or programs. Establish the following fees for such approvals: (1) an amount to be set by the Commissioner, not to exceed \$500, for approval of an organization to offer prelicensing or continuing education courses; (2) an amount to be set by the Commissioner, but not more than \$100 annually, for continuing approval beginning the year after the year in which initial approval is received; and (3) an amount to be set by the Commissioner, not to exceed \$25 per credit hour, for initial approval and/or subsequent modification of each course offered by a prelicensing or continuing education organization. Although increased program revenues and GPR-Earned would be expected from these new fees, no increases are estimated in the budget. Neither is there any increase in the agency's budget for these approval responsibilities.

Require the Commissioner of OCI to reinstate an intermediary's license which has been suspended for failure to comply with OCI's continuing education standards, if the intermediary produces evidence of compliance within 60 days of the date of suspension. Provide that if the intermediary fails to produce such evidence within 60 days, the license is revoked and may only be reinstated if all conditions and requirements of initial licensure are met.

[Act 27 Sections: 7004, 7038 and 7039]

13. OHCI -- HEALTH CARE DELIVERY PERFORMANCE MEASURES [LFB Paper 601]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$150,000	- \$100,000	\$50,000

Governor: Provide \$50,000 in 1995-96 and \$100,000 in 1996-97 for the development and testing of performance measures for health care plans and providers. Funding would be used to contract for the

development of performance measures and for testing the Office of Health Care Information's (OHCI) ability to collect, analyze and utilize data collected as a result of the measures.

Joint Finance/Legislature: Modify the Governor's recommendation by: (a) deleting \$100,000 in 1996-97; and (b) requiring that OHCI submit a report to the Joint Committee on Finance regarding the results of the first phase of the project, which is expected to take approximately a year. In the first phase, OHCI intends to contract with the UW-Madison for an analyst to provide staff support for a process under which selected parties would work on developing performance measures. Provide that, upon submittal of the report on the first phase of the project to the Joint Committee on Finance, OCI may request funding, under s. 16.515 of the statutes, to conduct a demonstration of the feasibility of collecting, analyzing and disseminating information on the agreed-upon performance measures.

[Act 27 Section: 9131(1g)]

14. OHCI -- HEALTH CARE PROVIDER RESOURCE CENTER

Chg. to Base	
PR	\$240,000

Governor/Legislature: Provide \$120,000 annually to hire an outside contractor to conduct surveys of the other 14 health care provider groups (besides hospitals and ambulatory surgery centers) for which OHCI has statutory responsibility to collect, analyze and disseminate health care provider data. The contractor would design, print and mail approximately 90,000 surveys to health care providers, enter survey data, follow up with non-responders, clean up flawed data and produce provider data bases for use by OHCI staff. Existing OHCI staff would then complete summarization of the data and disseminate the information through provider directories.

15. OHCI -- FUNDING FOR HEALTH CARE PROVIDER INFORMATION ACTIVITIES

Governor/Legislature: Provide that OHCI fund the costs of its activities relating to collecting, analyzing, and disseminating health care information on providers other than hospitals and ambulatory surgical centers from OCI's general program operations PR appropriation. Under current law, the OCI operations appropriation is funded from fees assessed insurance companies and agents writing insurance in this state, examination fees, and revenue from the sale of publications. OHCI is currently funded solely from assessments on hospitals and free-standing ambulatory surgical centers. Under the Governor's recommendation, funding recommended for the development of health care provider performance measures and for the health care provider resource center (each described above) is intended to be funded from OCI's general program operations appropriation. However, any other health care information-related costs incurred by OHCI which are attributable to providers other than hospitals or ambulatory surgical centers could be also be charged to this appropriation under this provision. Base level funding for OHCI is \$1,393,500 PR.

[Act 27 Section: 521]

16. OHCI -- HOSPITAL UNIFORM ACCOUNTING SYSTEM [LFB Paper 602]

Governor/Legislature: Repeal the requirement that hospitals use a uniform accounting system. Under 1991 Wisconsin Act 250, OHCI was required to develop a uniform accounting system to be implemented by all hospitals in the state, effective for hospital fiscal years beginning after June 30, 1993. Under 1993 Wisconsin Act 4, the implementation date for the system was delayed to March 31, 1994, and under 1993 Wisconsin Act 16, the date for submission of proposed rules for the system was repealed. OHCI contracted for a proposal to develop a uniform accounting system using \$140,000 GPR released by the Joint Committee on Finance at its October 6, 1993, meeting under s. 13.10 of the statutes. A proposal was finalized by the contractor, Arthur Anderson and Co., in July, 1994. However, the requirement that hospitals use a uniform accounting system has not been implemented.

[Act 27 Section: 4394]

17. HIRSP ASSESSMENTS OF FRATERNALS

Governor/Legislature: Provide that the insurance statutes governing the health insurance risk-sharing plan (HIRSP), including insurer assessments used to partially finance HIRSP, apply to fraternal insurers. Under current law, general statutory provisions relating to service insurance corporations or risk-sharing plans, including HIRSP, do not apply to fraternal unless an individual provision is specifically made applicable to fraternal. A fraternal insurer is an insurer which has no capital stock, operates under a lodge system with a representative form of government, and exists solely for the benefit of its members and their beneficiaries or for any lawful purpose which benefits its members or the public.

[Act 27 Section: 7030]

18. LIFE INSURANCE FUND ACTUARIAL CONSULTATION [LFB Paper 603]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$60,000	- \$60,000	\$0

Governor: Provide \$30,000 in each year in the fund's administrative appropriation for actuarial consulting services for the state life insurance fund. OCI uses the services of a consulting actuary for the completion of the fund's annual financial statement and for the general review of the fund's financial condition.

Joint Finance/Legislature: Include the increase recommended by Governor. Also, delete \$30,000 annually from the fund's specified payments and losses appropriation. The Governor's provision was intended to reflect a shift of funding for actuarial services from the fund's specified payments and losses

appropriation, which is modified under a separate provision. However, in reflecting the transfer, \$30,000 annually was not deleted from the specified payments and losses appropriation.

19. INSURANCE FUNDS APPROPRIATIONS PROVISIONS

Governor/Legislature: Provide that the amounts appropriated under the operations and benefits appropriations of the patients compensation fund, the local government property insurance fund and the state life insurance fund may not be used for expenses related to the administration of those funds. Specify the purposes for which each of the appropriations may be used. Under current law, each fund is comprised of two appropriations: an annual segregated appropriation for administrative expenses and a continuing segregated appropriation for items such as payments of claims, payments to patients under the patients compensation fund, loss adjustment expenses, or payments to SWIB for investments on behalf of each fund. The modifications are intended to limit the types of expenses which may be charged to each fund's continuing appropriation.

[Act 27 Sections: 523 thru 525]

20. MEDICAL ASSISTANCE ASSIGNMENT

Governor/Legislature: Modify the disability insurance (health insurance) statutes regarding the assignment of insurance rights for persons who are receiving medical assistance (MA), general relief (GR) or relief to needy Indian persons (RNIP) to:

- Expand the types of providers for which an assignment may be made to include HMOs under contract with the Department of Health and Social Services (H&SS)--currently, assignments may be made to H&SS and counties; and
- Extend the current requirement that an insured health and disability plans cannot impose different requirements on H&SS than are imposed on other assignees to also include counties and HMOs under contract with H&SS.

Current statutory provisions require that benefits under a disability plan be accessed first before benefits under MA, GR or RNIP are paid; 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: 7042 thru 7044, 7046 and 9326(5)]

21. HIRSP APPROPRIATION REDUCTIONS [LFB Paper 604]

Joint Finance/Legislature: Delete \$800,000 PR annually from the HIRSP premium and deductible subsidy PR appropriation to reflect a reestimate of the cost of subsidies which will be assessed disability insurance companies doing business in this state. In addition, delete \$47,000 GPR in 1995-96 and \$94,000 GPR in 1996-97 from the GPR-funded subsidy appropriation and provide an additional \$47,000 PR in 1995-96 and \$94,000 PR in 1996-97 in the PR-funded subsidy appropriation.

	Chg. to Base
GPR	- \$141,000
PR	- 1,459,000
Total	- \$1,600,000

22. PAYMENT OF FIRE INSURANCE SETTLEMENTS

Assembly/Legislature: Increase, from \$5,000 to \$7,500, the amount a fire insurer is required to withhold from a final settlement payment under specified circumstances. Under current law, a fire insurer is required to withhold from payment a portion of the final settlement of a claim if: (a) the amount of the final settlement exceeds 50% of the total limit of all policy coverage of the property involved in the claim; and (b) the total amount of all insurance covering the property is at least \$5,000. In these circumstances, the portion the insurer is required to withhold is the greater of: (a) 25% of the final settlement; or (b) the lesser of \$5,000 or the limits of the policy coverage of the property. The withholding requirement is intended to provide funding for a first-class city's demolition costs if the property owner fails to raze or repair the property.

Under current law, an insurer is required to deliver notice of the withholding within ten days to: (a) the building inspector of the first-class city; (b) the insured; (c) any mortgagee or lienholder of the property who is named in the insurance policy; and (d) the court in which any judgment of the final settlement may have been entered. The notice must include a statement explaining the purpose of the withheld funds, including that the funds may be released to the insured if: (a) a building inspector has determined that the insured has razed or repaired the property in conformance with building codes, except to the extent that the withheld funds are needed to complete razing or repair, or that all remnants of the property have been removed from the site and the site has been restored to compliance with building and safety standards; or (b) the city has not initiated proceedings, within 90 days of delivery of the notice, related to razing or repair of the property or has not received a release from the insured for the city to retain the withheld funds for its costs of razing or repairing the property. The statement must also explain that the city may retain all or a part of the withheld funds to defray its cost to demolish the property if the city has initiated either of these proceedings within the 90-day time period.

[Act 27 Section: 7041c]

INVESTMENT 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
PR	\$15,084,800	\$17,516,900	\$15,804,000	\$15,804,000	\$15,804,000	\$719,200	4.8%

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	79.50	83.50	82.50	83.50	83.50	4.00

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	\$338,900

Governor/Legislature: Adjust the agency's base budget as follows: (a) turnover reductions (-\$59,300 in 1995-96 and -\$59,400 in 1996-97); (b) full funding of salary costs (\$159,600 in 1995-96 and \$170,500 in 1996-97); (c) full funding of financial services charges (\$3,200 annually); (d) payment of fifth week of vacation as cash (\$18,200 annually); and (e) full funding of delayed pay adjustments (\$40,300 in 1995-96 and \$44,400 in 1996-97).

2. INCREASE PERFORMANCE-BASED BONUS COMPENSATION [LFB Paper 610]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$1,503,700	- \$1,503,700	\$0

Governor: Make the following changes to the Investment Board's performance-based bonus compensation program:

Funding. Provide \$709,400 in 1995-96 and \$794,300 in 1996-97 to increase the salary bonus pool from which annual bonus incentives may be awarded by the Board to its unclassified agency staff when

certain assets under management exceed Board-established investment performance benchmarks. Place these amounts in unallotted reserve for release by the Secretary of DOA under new procedures as described below. In addition, transfer the amounts currently budgeted for bonus pool salary and fringe benefits (\$472,900 in 1995-96 and \$525,500 in 1996-97) and add these funds to the amounts being placed in unallotted reserve. As a result, the total available in unallotted reserve for bonus compensation from new and transferred funds would be \$1,182,300 in 1995-96 and \$1,319,800 in 1996-97.

Maximum Amount of Bonus Compensation. Include statutory language to: (a) increase the total size of the salary bonus pool available to the Board for distribution from 10% of total annual unclassified salaries to 25%; and (b) increase the bonus award allowed for any individual employee from a maximum of 25% of the annual salary of the employee to a maximum of 50%.

Procedure for Distributing Bonus Compensation. Under current law, in awarding bonus compensation for a given period, the Board must consider the performance of funds similar to those for which it has managing authority as well as changes in market indices for the same period. The Board currently has sole authority over the awarding of salary bonuses. Under current Board policies, 50% of the total available bonus pool is available for distribution to employees who work directly on individual investment portfolios if those portfolios have exceeded their respective investment performance benchmarks. The remaining 50% of the bonus pool is distributed only if the Fixed Trust Fund exceeds its specific benchmark, in which case 20% of the total pool is added to the first 50% for distribution to those individuals whose portfolios exceeded their benchmarks. The remaining 30% of the total pool is available for distribution: (a) to any unclassified Board employee whose work contributed to the performance of the Fixed Trust Fund; and (b) to supplement awards to investment staff whose portfolios performed exceptionally well.

The Governor's recommendation would provide that the Board establish the following specific benchmarks based on performance and market indices:

- Performance standards for the funds for which it has managing authority for the same fiscal year;
- Superior performance standards for the funds for which it has managing authority for the same fiscal year; and
- Exceptional performance standards for the funds for which it has managing authority for the same fiscal year.

Include statutory language specifically aligning the performance review periods with state fiscal years.

Require the Board (of which the Secretary of DOA is a statutory member) to notify the Secretary of DOA in writing at the conclusion of each fiscal year of its performance standard for that fiscal year, its standards for superior and exceptional performance and whether it has achieved any of those standards. If the Secretary of DOA receives notification from the Board that it has achieved its performance standard for a fiscal year, the Secretary must authorize expenditure for bonuses of an amount equal to 10% of the annualized salaries of the eligible employees at the beginning of the fiscal year. If the Secretary receives notification that the Board has achieved its standard for superior performance for a fiscal year, the

Secretary must authorize expenditure for bonuses of a further, additional amount specified by the Board which shall be less than 15% of the annualized salaries of the eligible employees. Finally, if the Secretary receives notification that the Board has achieved its standard for exceptional performance for a fiscal year, the Secretary must authorize expenditure for bonuses of a further, additional amount specified by the Board which shall not exceed 15% of the annualized salaries, less any amounts already authorized for superior performance awards. The effect of these procedures is that the maximum bonus pool possible will be 25% of annualized salaries of eligible employees.

Provide that no funds may be expended by the Board for bonus compensation unless the expenditure of those funds has been specifically authorized by the Secretary of DOA.

Joint Finance/Legislature: Delete provision. Instead, include nonstatutory language requiring the Board to submit, to the Joint Committee on Finance, a revised plan for the distribution of performance-based bonus compensation which incorporates any necessary changes required to address any findings raised in a 1995 management audit of the Board and its bonus compensation plan being conducted by the Legislative Audit Bureau. Provide that the Board may not award any bonus compensation applicable to performance in the 1994-95 or 1995-96 fiscal years until the Joint Committee on Finance has approved the revised plan.

[Act 27 Section: 9132(1g)]

3. INFORMATION TECHNOLOGY INITIATIVES

Governor/Legislature: Provide funding and positions for the following computer and software acquisition costs and information technology initiatives: (a) \$43,100 in 1995-96 and \$53,400 in 1996-97 and 0.5 unclassified position to provide customized computer training software, assistance with workstation configurations and network support, troubleshooting for software applications problems and coordination of consultant-provided generic software training for agency staff; (b) \$96,700 in 1995-96 and \$124,700 in 1996-97 and 1.5 unclassified positions to develop new software applications to assist staff in managing data from the agency's custodial bank and to track investment activities in such areas as real estate, private placements and equities trading; and (c) one-time funding of \$20,000 in 1995-96 for equipment and software to add an agencywide facsimile distribution capability to the agency's computer workstation network.

Chg. to Base Funding Positions		
PR	\$337,900	2.00

4. GLOBAL EQUITIES ANALYST

Governor/Legislature: Provide \$81,300 in 1995-96 and \$102,700 in 1996-97 and authorize 1.0 unclassified position to provide increased analysis capabilities for internally-managed international and domestic equities portfolios.

Chg. to Base Funding Positions		
PR	\$184,000	1.00

5. DOMESTIC EQUITIES TECHNICAL SUPPORT

Governor/Legislature: Provide \$31,100 in 1995-96 and \$36,500 in 1996-97 and 1.0 unclassified position to receive and distribute corporate reports, collect corporate data, track commissions and update electronic information services for internally-managed domestic equities portfolios.

Chg. to Base Funding Positions		
PR	\$67,600	1.00

6. ELIMINATION OF EXECUTIVE ASSISTANT

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$209,200	- 1.00	\$0	1.00	-\$209,200	0.00

Joint Finance: Repeal specific statutory reference to an executive assistant for the Investment Board and delete \$104,600 annually and 1.0 position to reflect the elimination of the agency's executive assistant.

Senate/Legislature: Restore the position authority and specific statutory reference to an executive assistant for the Investment Board but not the associated funding for the position.

JUDICIAL 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	\$352,600	\$357,600	\$357,600	\$357,600	\$357,600	\$5,000	1.4%

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	2.00	2.00	2.00	2.00	2.00	0.00

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
GPR	\$5,000

Governor/Legislature: Provide \$2,500 annually for the following adjustments: (a) full funding of salaries and fringe benefits (\$1,100); (b) State Bureau of Financial Operations charges (\$100); (c) private lease funding (\$800); and (d) delayed pay adjustments (\$500).

2. JUDICIAL COUNCIL STAFF SUPPORT [LFB Paper 615]

Governor/Legislature: Require the Judicial Commission to provide staff services to the Judicial Council and to pay meeting expenses of Council members. The Judicial Council is a 20-member board (21 members under the bill) which provides research, information and advice to the legislative and judicial branches relating to court procedures and operations to simplify procedures and promote effective administration of justice.

[Act 27 Sections: 1143, 1195, 7078 and 7082]

JUDICIAL COUNCIL

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	\$293,600	\$0	\$0	\$0	\$0	- \$293,600 - 100.0%

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	2.00	0.00	0.00	0.00	0.00	- 2.00

1. COUNCIL FUNCTIONS AND MEMBERSHIP

Governor/Legislature: The Judicial Council is a 20-member board which provides research, information and advice to the legislative and judicial branches relating to court procedures and operations to simplify procedures and promote effective administration of justice. In addition to its current duties, the bill would require the Judicial Council to recommend to the Supreme Court, Legislature and Governor any changes in the organization, operation and methods of court operations that would improve the efficiency and effectiveness of the system and result in cost savings.

Currently, the Council is made up of a Supreme Court justice, a Court of Appeals judge, four Circuit Court judges, the Director of State Courts (or designee), the chairpersons of the Senate and Assembly committees dealing with judicial affairs, the Attorney General (or designee), the Revisor of Statutes (or designee), the deans of the University of Wisconsin and Marquette University law schools, the State Public Defender (or designee), the president-elect of the state bar (or designee), three additional members of the state bar and two citizens appointed by the Governor. The bill would increase Council membership to twenty-one and add a District Attorney appointed by the Governor.

[Act 27 Sections: 7080 and 7081]

2. ELIMINATE JUDICIAL COUNCIL STAFF [LFB Paper 615]

Governor/Legislature: Annually, delete base level funding of \$146,800 and the 2.0 positions of the Judicial Council. Rather, provide support functions for the Judicial Council from the existing Judicial Commission staff.

Chg. to Base Funding Positions		
GPR	- \$293,600	- 2.00

[Act 27 Sections: 1143, 1195, 7078 and 7082]

JUSTICE

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	\$68,445,000	\$68,094,000	\$68,137,400	\$68,137,400	\$68,137,400	- \$307,600	- 0.4%
FED	7,628,800	7,106,400	7,355,300	7,355,300	7,355,300	- 273,500	- 3.6
PR	35,844,600	39,587,900	36,600,300	36,600,300	36,386,600	542,000	1.5
SEG	2,559,800	439,200	2,536,200	2,536,200	2,536,200	- 23,600	- 0.9
TOTAL	\$114,478,200	\$115,227,500	\$114,629,200	\$114,629,200	\$114,415,500	- \$62,700	- 0.1%

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	464.50	429.75	414.40	415.40	415.40	- 49.10
FED	10.75	18.75	18.75	18.75	18.75	8.00
PR	90.00	104.50	104.25	104.25	102.25	12.25
SEG	3.00	2.75	2.75	2.75	2.75	- 0.25
TOTAL	568.25	555.75	540.15	541.15	539.15	- 29.10

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Request an adjustment to the base budget for: (a) turnover reduction (-\$497,800 GPR annually); (b) nonrecurring costs (-\$171,600 GPR, -\$298,400 FED and -2.0 FED positions, and -\$202,200 PR and -4.0 PR positions annually); (c) full funding of continuing position salaries and fringe benefits

(\$1,965,400 GPR, \$41,300 FED, \$95,900 PR and -\$15,100 SEG annually); (d) full funding of financial services charges (\$3,800 GPR, \$200 FED, \$2,700 PR and \$200 SEG annually); (e) reclassifications (\$7,000 GPR, \$12,200 PR and \$1,100 SEG in 1995-96 and \$12,000 GPR, \$15,900 PR and \$2,900 SEG in 1996-97); (f) risk management costs (\$68,000 GPR, \$28,600 PR and \$1,400 SEG annually); (g) overtime (\$328,100 GPR, \$18,200 FED, \$60,300 PR and \$8,000 SEG annually); (h) night and weekend differential (\$6,300 GPR, \$100 FED, and \$1,700 PR annually); (i) fifth vacation week as cash for certain long-term employees (\$47,500 GPR and \$4,500 PR in 1995-96 and \$51,300 GPR and \$4,500 PR in 1996-97); (j) full funding of lease costs and directed moves (\$52,400 GPR annually); (k) full funding for 1994-

	Chg. to Base Funding Positions	
GPR	\$4,045,200	0.00
FED	- 474,600	- 2.00
PR	76,300	- 4.00
SEG	2,000	0.00
Total	\$3,648,900	- 6.00

95 pay increases (\$121,400 GPR, \$1,300 FED, \$23,600 PR, and \$1,600 SEG annually) and (I) late full funding (\$87,700 GPR, \$9,000 PR and \$2,900 SEG annually). The GPR funding for continuing position salaries and fringe benefits reflects increases under a collective bargaining agreement with assistant attorneys general and pay increases for other departmental employees.

2. LEGAL SERVICES RESTITUTION AND COST RECOVERY [LFB Paper 620]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$2,521,000	- \$974,100	\$1,546,900

Governor: Create an appropriation for all monies received by the Department in cases relating to medical assistance fraud, unfair trade practices, environmental protection and pollution discharge violations and state and federal antitrust violations to provide restitution to victims of the violation when ordered by the court.

Authorize courts to make awards to the Department for the costs of investigation and the expenses of prosecution, including attorney fees, and an amount reasonably necessary to remedy the harmful effects of violations relating to medical assistance fraud; unfair trade practices; antitrust actions; and environmental pollution and pollution discharge elimination. Awards made for these purposes would be required to be deposited into the general fund. Estimated revenues under the bill from these awards total \$445,000 in 1995-96 and \$1,500,000 in 1996-97.

In addition, federal settlement awards in anti-trust actions, currently awarded to DOJ, but not budgeted by the Legislature, would be required to be deposited into the general fund. Federal settlements are estimated at \$376,000 in 1995-96 and \$200,000 in 1996-97.

Allow the Department of Natural Resources (DNR) to enter into agreements with, and provide payments to, DOJ to assist with the administration of environmental protection law. Currently, these DOJ legal costs are charged directly to a DNR appropriation.

These provisions would first apply to actions pending on the effective date of the budget act. Under current law, courts may make awards to DOJ for the costs of any investigation and monitoring relating to a pollution discharge violation, but not for the costs of other types of investigations or for the costs of prosecutions, including attorney fees. In antitrust actions, a court may award a private party the costs of the suit, including reasonable attorney fees.

Joint Finance: Approve the Governor's recommendations with the following modifications. Reestimate biennial revenue for cost recovery to \$1,718,700, a decrease of \$802,300. State court award estimates are lowered to total \$266,600 in 1995-96 and \$888,500 in 1996-97. Federal settlement revenue is reestimated at \$281,800 annually.

Create a program revenue, annual appropriation to receive state cost recovery and federal settlement awards and require that 10% of the revenues collected be deposited in the appropriation and 90% be deposited to the general fund. Set the expenditure authority in the appropriation at zero. Revenues retained in the appropriation are estimated to be \$54,800 in 1995-96 and \$117,000 in 1996-97, reducing the GPR-earned estimate by \$171,800 in the biennium.

Create a program revenue, continuing appropriation for the portions of settlements and court awards that are required to be used to remedy the harmful effects of violations relating to medical assistance fraud, unfair trade practices and state anti-trust cases. Delete the Governor's provision that would authorize courts to make awards for an amount reasonably necessary to remedy the harmful effects of violations relating to environmental pollution and pollution discharge elimination.

Senate/Legislature: Modify Joint Finance provisions to require that court awards of DOJ costs for investigating and prosecuting violations of state law be for "reasonable and necessary" expenses.

Veto by Governor [C-18]: Delete the provision that would have created a program revenue, continuing appropriation for the portions of settlements and court awards that are required to be used to remedy the harmful effects of violations relating to medical assistance fraud, unfair trade practices and state antitrust cases. While the Governor's veto message indicates that the partial veto would increase revenue to the general fund by \$281,800 annually, the Enrolled Bill already reflected this revenue, which relates to federal settlement awards. As a result of the veto, general fund revenue would increase to the extent that state Courts make awards to remedy harmful effects. However, these amounts cannot be estimated.

[Act 27 Sections: 1014h, 1014m, 1015, 3066, 3608, 4146, 4351 thru 4354, 4381 and 9336(1)]

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.455(1)(gm), 1014m, 3066, 3608, 4146 and 9336(1) (as it relates to s. 20.455(1)(gm))]

3. BANKRUPTCY COLLECTIONS [LFB Paper 620]

Joint Finance/Legislature: Delete \$99,600 GPR and 1.5 GPR positions annually and provide \$171,000 PR and 3.5 PR positions in 1995-96 and \$284,100 PR and 5.5 PR positions in 1996-97 to expand a DOJ bankruptcy initiative. Revenue to the general fund relating to bankruptcy collections is estimated at \$938,000 in 1995-96 and \$1,876,000 in 1996-97. Authorize DOJ to: (a) monitor bankruptcy cases in Wisconsin and other states; (b) notify state agencies affected by bankruptcy cases; and (c) represent the interests of the state in bankruptcy cases and related court proceedings. Program revenue to support the costs of the bankruptcy

Chg. to Base Funding Positions		
GPR-REV	\$2,814,000	
GPR	- \$199,200	- 1.50
PR	<u>455,100</u>	<u>5.50</u>
Total	\$255,900	4.00

initiative would be provided by the State Treasurer deducting an amount equal to DOJ's actual expenses from the revenue collected.

[Act 27 Sections: 1014s and 4454r]

4. TRANSFER TIME SYSTEM MAINFRAME FUNCTIONS [LFB Paper 630]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$0	0.00	\$200,800	2.00	\$200,800	2.00
SEG	- 2,097,000	0.00	2,097,000	0.00	0	0.00
Total	- \$2,097,000	0.00	\$2,297,800	2.00	\$200,800	2.00

Governor: Delete base funding of \$1,048,500 SEG annually (from the Transportation Fund) for mainframe computer payments for the TIME system telecommunications network that links local law enforcement with state and national criminal history records, wanted and missing person information and stolen vehicle information. Transfer the appropriation to DOA to reflect the transfer of TIME system management to the Division of Technology Management. Authorize use of the funding by DOA to make payments necessary to convert the current TIME system to operate at the Division of Technology Management, to operate the system and to provide for other automation of information to enhance traffic law enforcement. Provide that DOJ must administer the TIME system in conjunction with DOA. DOJ would remain responsible for maintaining certain databases accessed by the TIME system, collecting fees from local law enforcement agencies related to the costs of operating the system and providing training and support to these agencies.

Joint Finance/Legislature: Delete the Governor's provision to transfer the TIME system from DOJ to DOA. Restore base funding of \$1,048,500 SEG from the transportation fund under DOJ. Provide \$93,700 PR in 1995-96 and \$107,100 PR in 1996-97 with 2.0 four-year project positions for a TIME system rewrite and development project to meet federal standards. 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. Provide that DOJ would be subject to reporting requirements, consistent with other state agencies, relating to strategic planning. Funding for the positions would be provided from TIME system user fees.

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

5. ARSON BUREAU FUNDING [LFB Paper 626]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$1,749,000	- 14.75	\$1,574,600	13.00	-\$174,400	- 1.75
PR	1,749,000	14.75	- 1,749,000	- 14.75	0	0.00
Total	\$0	0.00	-\$174,400	- 1.75	-\$174,400	- 1.75

Governor: Convert \$874,500 annually and 14.75 Arson Bureau positions from GPR to program revenue. Create an appropriation to receive funds transferred from DILHR's fire dues distribution appropriation for Arson Bureau functions. Program revenue would derive from the current surcharge on fire insurance premiums. Under current law, any insurer doing a fire insurance business in the state must pay fire department dues equal to 2% of the amount of all premiums during the preceding calendar year paid to the company for insurance against loss by fire, including insurance on property exempt from taxation. In addition to this surcharge, fire department dues include 2% of the premiums paid to the state fire fund for the insurance of any public property, other than state property. Revenues are currently used for: (a) support of fire-fighter training programs in the Wisconsin Technical College System; (b) DILHR administration of local fire prevention programs and payments; and (c) distribution of a proportionate share of the remaining revenue to each city, village or town maintaining a fire department that complies with state law, based on the equalized valuation of real property improvements on land within the city, village or town. (A technical correction would be required to implement the Governor's intent.)

Joint Finance/Legislature: Delete the Governor's recommendation. Instead, restore \$787,300 GPR and 13.0 GPR positions annually for the Arson Bureau (\$87,200 GPR and 1.75 positions annually would be deleted).

6. LEGAL SERVICES REDUCTIONS [LFB Paper 627]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$901,300	\$145,000	-\$756,300

Governor: Delete \$144,900 in 1995-96 and \$756,400 in 1996-97 from the legal services general operations appropriation. Require the Department, by October 1, 1995, to report to the Governor and the Joint Committee on Finance recommending how these reductions can be allocated among the Department's general purpose revenue appropriations. The bill does not indicate that approval of the report would be required.

Joint Finance/Legislature: Restore \$145,000 of the reduction in 1996-97. Direct DOJ to submit a request by September 1, 1995, for the allocation of \$144,900 in 1995-96 and \$611,400 in 1996-97 in

remaining reductions among appropriations to the Governor and to the Joint Committee on Finance for its approval under a 14-day passive review process. Require that the request identify the programs, positions and expenditure categories to be eliminated or reduced.

Veto by Governor [C-24]: Delete the language regarding the 14-day passive review process. As a result, the procedures under s. 13.10 of the statutes would apply to the agency's request.

[Act 27 Section: 9136(2)]

[Act 27 Vetoed Section: 9136(2)]

7. ELIMINATE THE PUBLIC INTERVENOR [LFB Paper 621]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly (Chg. to JFC)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$349,100	- 2.00	-\$106,800	- 1.00	\$106,800	1.00	-\$106,800	- 1.00	-\$455,900	- 3.00

Governor: Delete \$116,400 in 1995-96 and \$232,700 in 1996-97 with 2.0 positions to reflect the elimination of the public intervenor effective on the first day of the second month beginning after publication of the budget act. Eliminate the public intervenor advisory committee appointed by the Attorney General. Provide that the public intervenor withdraw from any action in which the public intervenor is a party within 30 days after the effective date of the budget act. Require the public intervenor to submit written notification to DNR and any other state agency withdrawing any pending requests for information within 30 days after the effective date of the budget act. Under current law, the attorney general designates an assistant attorney general as the public intervenor to formally initiate actions and intervene in proceedings before any state agency or any court for the protection of public rights relating to water and other natural resources.

Joint Finance: Delete the Governor's recommendation to eliminate the Public Intervenor and instead, provide \$88,900 in 1995-96 and \$120,700 in 1996-97 and transfer 1.0 attorney position and the incumbent to the Department of Natural Resources to act as the Public Intervenor on the first day of the second month after enactment of the budget. The transferred staff person would retain all employment rights and status existing at the time of transfer. In addition to the two attorneys deleted by the Governor, delete \$54,600 in 1995-96 and \$52,200 in 1996-97 and 1.0 legal secretary position to reflect the elimination of Public Intervenor support staff at DOJ and the transfer of the attorney position. Delete the authority of the Public Intervenor to initiate or participate in any action or proceeding before any court. Require that the Public Intervenor withdraw from any court action in which the Public Intervenor is a party within 30 days after the effective date of the budget act.

Replace the nine-member Public Intervenor advisory committee with an eight-member Public Intervenor Board, attached to DNR, to provide direction and supervision to the Public Intervenor consistent with his or her duties to protect public rights in water and other natural resources. With the approval of the Public Intervenor Board, provide that the Public Intervenor may intervene in administrative proceedings, such as contested case hearings and rule-making proceedings. Provide that members be appointed for 4-year terms expiring on July 1, as follows: (a) two members nominated by the Attorney General and appointed with the advise and consent of the Senate; (b) two members nominated by the Governor and appointed with the advise and consent of the Senate; and (c) one member each appointed by the majority and minority leaders of both houses of the Legislature. Require that the members of the Board have backgrounds in, or demonstrated experience or records relating to, environmental protection or natural resource conservation. Provide that the initial terms of the four members appointed by the Legislature expire on July 1, 1997, and that the initial terms of the remaining members expire on July 1, 1999.

Assembly: Provide \$54,600 in 1995-96 and \$52,200 in 1996-97 and restore 1.0 legal secretary position at DOJ deleted by Joint Finance to reflect the elimination of support staff for the Public Intervenor. In addition, delete the Joint Finance provision of DNR with \$88,900 in 1995-96 and \$120,700 in 1996-97 and 1.0 attorney position to act as the Public Intervenor in administrative procedures and an eight-member Public Intervenor Board. The Assembly action restores the Governor's recommendation to eliminate the Public Intervenor and related authority and eliminate the public intervenor advisory committee.

Senate/Legislature: Delete the Assembly provision. Delete \$54,600 in 1995-96 and \$ 52,200 in 1996-97 and 1.0 legal secretary position at DOJ. Provide \$88,900 in 1995-96 and \$120,700 in 1996-97 and transfer 1.0 attorney position and the incumbent from DOJ to DNR to act as public intervenor. Senate action restores the Joint Finance provision of one attorney in DNR to act as the Public Intervenor in administrative procedures and for an eight-member Public Intervenor Governing Board.

Veto by Governor [B-9]: Delete the provision that the Attorney General nominate two members of the eight-member Public Intervenor Board. Instead, these two members would be nominated by the Governor and with the advice and consent of the Senate, appointed to the Board. Under the veto, the Governor would also directly appoint two other members of the Board without the advice and consent of the Senate.

[Act 27 Sections: 94c, 95, 166c, 439g, 1354r, 4450b thru 4451m, 7149, 9136(1), 9142(9m) and 9436(1)]

[Act 27 Vetoed Sections: 94c and 166c]

8. VICTIM COMPENSATION [LFB Paper 628]

Governor: Provide \$178,000 PR annually and \$178,500 FED in 1995-96 and \$184,700 FED in 1996-97 for compensation to victims of crime.

Program revenue derives from the crime victim and witness assistance

surcharge. Increased federal expenditures authority is based on anticipated funds to be made available for victim compensation. (Technical corrections would be required to implement the Governor's intent.)

Chg. to Base	
FED	\$363,200
PR	356,000
Total	\$719,200

Joint Finance/Legislature: Make technical changes to reflect the transfers intended under the bill by correcting the appropriation language relating to the transfer of surcharge revenues for victim compensation and providing the budgeted increase to the correct appropriation.

[Act 27 Section: 1029]

9. VICTIM RESOURCE CENTER -- TECHNICAL

Governor/Legislature: Provide \$85,000 and 2.0 positions annually to continue funding for staff of the victim resource center.

The positions, including 1.0 social services specialist position and two 0.5 program assistant positions, have been funded under a federal grant and base funding was not established in 1994-95. This technical adjustment provides funding in 1995-97 and converts the positions to program revenue, funded from the federal grant.

Chg. to Base Funding Positions		
PR	\$170,000	2.00

10. INFORMATION TECHNOLOGY DEVELOPMENT PROJECT [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$708,400	- \$708,400	\$0

Governor: Create a program revenue continuing appropriation and provide \$354,200 annually from the DOA information technology investment fund for the purchase and installation of local and wide area networks, personal computers and software to establish an agencywide shared system.

Joint Finance/Legislature: Delete \$354,200 annually for grants from the information technology investment fund. Instead, provide that funding be allocated through an annual request submitted by DOA under s. 16.515 for all agencies. [See "Information Technology Investment Fund".]

[Act 27 Section: 1028]

11. NARCOTICS ENFORCEMENT POSITIONS [LFB Papers 623 and 624]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$355,200	- 15.50	\$30,100	0.00	-\$325,100	- 15.50
FED	- 131,000	10.50	248,900	0.00	117,900	10.50
PR	0	0.00	400,000	5.00	400,000	5.00
Total	-\$486,200	- 5.00	\$679,000	5.00	\$192,800	0.00

Governor: Delete \$177,600 GPR and 15.5 GPR positions annually and delete \$65,500 FED and authorize 10.5 FED positions annually as follows:

Narcotics Enforcement. Delete \$127,600 GPR and 14.25 GPR positions annually and provide \$84,500 FED annually and authorize 14.25 FED positions in 1995-96. (The adjustment in GPR and federal expenditure authority also reflect reestimates of supplies and services and permanent property costs.) Currently, 19.0 narcotics enforcement positions are authorized as GPR positions and are paid through a combination of GPR and federal funds. Administration officials indicate that the conversion of the positions to FED would more accurately reflect the funding for federal anti-drug abuse staff (75% federal and 25% state match).

Narcotics Intelligence. Delete \$50,000 GPR and 1.25 GPR positions and \$150,000 FED and 3.75 FED positions annually currently allocated to an anti-drug tactical intelligence unit. The positions include one supervisor, three program and planning analyst positions and one program assistant position.

Joint Finance/Legislature: Provide \$12,500 GPR and \$127,000 FED in 1995-96 and \$17,600 GPR and \$121,900 FED in 1996-97 to retain \$139,500 annually in supplies and services funding for narcotics enforcement. Provide \$200,000 PR annually and 5.0 PR positions to continue the narcotics enforcement tactical intelligence unit under funding from OJA penalty assessment funds.

[Act 27 Sections: 1087r]

12. AFIS FUNDING AND SEARCH FEE INCREASES [LFB Paper 623]

	Chg. to Base
PR-REV	\$945,400
PR	-\$325,200

Joint Finance/Legislature: Transfer funding for the automated fingerprint identification system (AFIS) from OJA penalty assessment funding to the DOJ criminal history searches and fingerprint identification appropriation. Reduce funding for AFIS by \$162,600 PR annually (to \$330,000 from the search fee appropriation). On October 1, 1995, increase the current \$2 criminal history record check fee for governmental requests to \$5 (requests from nonprofit organizations would remain at \$2), the current \$2 applicant fingerprint check fee to \$10 and the

current \$10 record check fee for all other requests to \$13. The program revenue increase relating to the increased fees is estimated at \$383,300 in 1995-96 and \$562,100 in 1996-97.

[Act 27 Sections: 4457g thru 4457k, 9336(2v) and 9436(2v)]

13. SUPPLY AND PROPERTY REDUCTIONS

Governor/Legislature: Delete \$135,200 in 1995-96 and \$270,600 in 1996-97 through departmentwide, general fund reductions as follows: (a) reduce funds allocated for supplies and services by 2% in 1995-96 (\$119,900) and 4% in 1996-97 (\$239,900); and (b) reduce funds allocated for permanent property by 2% in 1995-96 (\$15,300) and 4% in 1996-97 (\$30,700).

	Chg. to Base
GPR	- \$405,800

14. DRUG-TIP REWARD FUNDS

Governor/Legislature: Delete \$50,000 GPR and \$140,000 FED annually in funds allocated for reward payments for information leading to the arrest and conviction of persons violating anti-drug abuse law in order to bring expenditure authority into line with actual DOJ reward payments. Total funding of \$10,000 annually would be available for rewards.

	Chg. to Base
GPR	- \$100,000
FED	- 280,000
Total	- \$380,000

Further, delete a federal appropriation for drug tip reward programs for local jurisdictions ("crime stopper" programs). The appropriation for this purpose has a sunset date of June 30, 1995. Base funding of \$200,000 FED annually is deleted under standard budget adjustments.

[Act 27 Section: 1025]

15. LIMITED-TERM EMPLOYES [LFB Paper 622]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$311,800	\$258,600	- \$53,200

Governor: Delete base level funding (\$155,900 annually) allocated for hiring limited-term employees relating to legal services (\$129,300); law enforcement services (\$14,200); and management services (\$12,400).

Joint Finance/Legislature: Restore \$129,300 annually in base level funds for LTE law clerks in the Legal Services Division.

16. CRIMINAL HISTORY RECORDS

	Chg. to Base
PR	\$303,700

Governor/Legislature: Provide \$146,600 in 1995-96 and \$157,100 in 1996-97 for the Crime Information Bureau to contract with a private firm for data entry to relieve a backlog in the entry of certain criminal history records. Program revenue is provided from fees charged for criminal history record searches.

17. HANDGUN HOTLINE REVENUE LAPSE [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$249,000	- \$149,000	\$100,000

Governor: Require that \$249,000 from the handgun purchaser record check program revenue appropriation lapse to the general fund on the effective date of the budget act. This transfer would result in an appropriation deficit on June 30, 1996; however, administration officials indicate that a positive balance would be expected on June 30, 1997.

Joint Finance/Legislature: Based on reestimated revenues, require that \$100,000 from the handgun purchaser record check program revenue appropriation lapse to the general fund on the effective date of the budget act.

[Act 27 Section: 9236(1)]

18. HANDGUN HOTLINE COMPUTER SUPPORT

	Chg. to Base Funding Positions
PR	\$53,800 0.50

Governor/Legislature: Provide \$26,900 and 0.5 management information specialist position annually to bring an existing half-time position to full-time. The hotline provides firearms dealers with information relating to mandatory background checks of purchasers of handguns.

19. TELECOMMUNICATIONS POSITIONS FUNDING

	Chg. to Base
PR	\$229,500

Governor/Legislature: Provide \$125,200 in 1995-96 and \$104,300 in 1996-97 to continue funding for a project attorney position and to establish funding for a second project position beginning in 1996-97, authorized under 1993 Act 496, relating to telecommunications regulation. Program revenue derives from assessments paid by telecommunication utilities. No base funding was established for the first position in 1994-95. The first project position is

authorized from August 1, 1994 to July 31, 1996. The second project position is authorized for the period October 1, 1996 to June 30, 1999.

20. ELIMINATE OFFICE OF POLICY ANALYSIS

	<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	-\$222,400	- 4.00	\$0	2.00	-\$222,400	- 2.00

Governor: Delete \$222,400 and 4.0 positions in 1996-97 to reflect elimination of the Department's Office of Policy Analysis. The positions include the office's Director and three program and planning analyst positions.

Joint Finance/Legislature: Restore 2.0 program and planning analyst positions. No additional funding would be provided.

21. WAUSAU CRIME LABORATORY

Governor/Legislature: Provide \$40,100 GPR in 1995-96 and \$45,100 GPR in 1996-97 and authorize 1.0 GPR forensic scientist position in 1995-96 for the photography section at the Wausau Crime Lab. Provide \$4,900 PR in 1995-96 and \$5,500 PR in 1996-97 to adjust grant funding for the salary and fringe benefit costs of a stock clerk at the Wausau Crime Lab. Program revenue is provided from federal anti-drug abuse funding administered by the Office of Justice Assistance.

	<u>Chg. to Base</u>	
	<u>Funding</u>	<u>Positions</u>
GPR	\$85,200	1.00
PR	10,400	0.00
Total	\$95,600	1.00

22. ELIMINATE DRUG BUY FUNDS [LFB Paper 623]

Governor/Legislature: Delete base level funding (\$43,400 annually) in the Division of Narcotics Enforcement for the purchase of illegal drugs in the course of undercover investigations.

	<u>Chg. to Base</u>
GPR	-\$86,800

23. ANTI-DRUG APPROPRIATIONS -- SUNSETS AND REVISIONS

Governor/Legislature: Provide \$26,900 and 1.0 position annually to reflect the conversion of a drug tip hotline position from project to permanent. (An identical

	<u>Chg. to Base</u>	
	<u>Funding</u>	<u>Positions</u>
PR	\$53,800	1.00

amount of funding and 1.0 project position are deleted under standard budget adjustments.) Delete a June 30, 1995, sunset provision under current law for the following: (a) the Department's drug tip hotline program; (b) a GPR appropriation that funds DOJ drug law enforcement programs, certain operating costs of the Wausau Crime Lab and match for federal anti-drug law enforcement funding (also convert the GPR appropriation from sum sufficient to sum certain); and (c) a federal appropriation that also funds DOJ drug law enforcement programs and certain operating costs of the Wausau Crime Lab.

Delete a GPR appropriation and statutory language relating to local law enforcement special drug agents funded through grants to the City of Milwaukee and Milwaukee, Sheboygan and Walworth Counties. Under 1991 Act 269, the grants were reduced over a three-year period and will end on June 30, 1995. Base funding of \$165,600 GPR annually is removed under standard budget adjustments.

[Act 27 Sections: 1016, 1017, 1024, 4456, 4457 and 4461]

24. POSTAL RATE INCREASE

Governor/Legislature: Provide \$3,400 annually for postal rate increases. Program revenue is provided from the law enforcement training fund.

	Chg. to Base
PR	\$6,800

25. INDIAN GAMING ENFORCEMENT

Governor/Legislature: Create an appropriation to receive state Indian gaming revenue and provide expenditure authority for Indian gaming enforcement. Delete \$12,900 SEG (lottery fund) in 1995-96 and \$12,700 SEG in 1996-97 and a 0.25 SEG position in each year.

	Chg. to Base Funding Positions	
PR	\$25,600	0.25
SEG	- 25,600	- 0.25
Total	\$0	0.00

Reduce pari-mutuel racing funds provided for gaming enforcement by \$85,100 PR in 1995-96 and \$86,200 PR in 1996-97 and discontinue funding for 1.0 PR position from this revenue source. Instead, provide \$98,000 PR in 1995-96 and \$98,900 PR in 1996-97 and 1.25 PR positions in each year funded from Indian gaming revenue. Under current law, 5.0 special agent positions are authorized for gaming enforcement and funding is provided from lottery and pari-mutuel racing revenues. These provisions maintain the 5.0 positions and transfer funding for 1.25 positions to the Indian gaming enforcement appropriation to reflect Indian gaming workload (2.75 positions would be funded from the lottery fund and 1.0 from racing).

[Act 27 Sections: 544, 1019 and 6985]

26. ACCOUNTANT POSITION

Governor/Legislature: Convert a 0.5 accountant position from federal to GPR funding in 1995-96. Funding for the position would be provided from the existing general operations appropriation for management services.

	Chg. to Base
GPR	0.50
FED	- 0.50
Total	0.00

27. POSITIONS TRANSFERRED BETWEEN APPROPRIATIONS

Governor/Legislature: Transfer 1.0 GPR program assistant position and related expenditure authority from legal services to management services and 1.0 GPR shipping and mailing clerk position and related expenditure authority from management services to law enforcement services.

28. JOINT FINANCE APPROVAL OF GIFTS AND GRANTS EXPENDITURES

Governor/Legislature: Delete the statutory requirement that the Department may not expend funds received from gifts and grants, proceeds from services, conferences and sales of publications and materials unless the Joint Committee on Finance approves the expenditure. Under current law, expenditures of these funds must be approved under the s. 16.515 process (14-day passive review). Under the bill, only DOA approval would be required.

[Act 27 Section: 1027]

29. AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM -- TECHNICAL

Governor/Legislature: Delete a program revenue appropriation that provided one-time funding in 1992-93 from penalty assessment revenue for the automated fingerprint identification system (AFIS).

[Act 27 Sections: 1020, 1021 and 4460]

30. TRANSFER CONSUMER PROTECTION FUNCTIONS

[LFB Paper 166]

Joint Finance/Legislature: Delete \$1,411,900 and 26.6 positions from DOJ in 1996-97 to reflect the transfer of consumer protection functions from the Department of Justice (DOJ) to the Department of Agriculture, Trade and Consumer Protection (DATCP) on July 1, 1996. Eliminate 12.8 DOJ positions and transfer 13.8 positions, and the incumbents, from DOJ to DATCP. DOJ would retain 9.3 legal services staff. The following table summarizes the position adjustments.

	Chg. to Base Funding Positions
GPR	- \$1,411,900 - 26.60

DOJ Position Modifications

<u>Position Titles</u>	<u>Current</u>	<u>Transferred to DATCP</u>	<u>Retained at DOJ</u>	<u>Eliminated</u>
Administrative Assistant	1.0	---	1.0	---
Administrative Officer	1.0	---	---	1.0
Attorney Supervisor	1.0	---	---	1.0
Attorney	6.8	---	4.8	2.0
Clerical Assistant	2.5	---	---	2.5
Consumer Complaint Supervisor	1.0	1.0	---	---
Consumer Specialist	3.0	3.0	---	---
Data Entry Operator	0.5	---	---	0.5
Legal Assistant	0.5	---	---	0.5
Legal Secretary	3.8	---	1.5	2.3
Program Assistant	6.3	4.8	---	1.5
Public Information Officer 2	0.5	---	---	0.5
Reg Compliance Supervisor	1.0	---	---	1.0
Reg Compliance Investigator	<u>7.0</u>	<u>5.0</u>	<u>2.0</u>	---
Totals	35.9	13.8	9.3	12.8

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 civil forfeitures for violations 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 Representations -- s. 100.18
- 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

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.

[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)]

31. FUNDING ADJUSTMENT FOR DRUG ABATEMENT [LFB Paper 629]

	Chg. to Base
GPR	- \$25,400
PR	- 1,474,600
Total	- \$1,500,000

Joint Finance/Legislature: Delete \$12,700 GPR and \$737,300 PR annually and delete a GPR appropriation for drug abatement teams, local assistance to reflect the transfer of the drug abatement grant to the Office of Justice Assistance. Under current law, DOJ is provided with \$750,000 (\$12,700 GPR and \$737,300 PR) in 1994-95 to provide a grant to the City of Milwaukee for a drug abatement project (to identify, close and sell properties being used for the manufacture or delivery of controlled substances). Program revenue is provided from federal anti-drug abuse funding and state matching funds under OJA. While the bill makes no modifications, administration officials indicate OJA would provide a direct grant of \$750,000 annually to the City of Milwaukee for the project with matching funds provided from penalty assessment revenue. Therefore, the \$12,700 GPR and \$737,300 PR in base funds are no longer required under DOJ.

[Act 27 Sections: 1016m]

32. DISTRICT ATTORNEY COMPUTER NETWORK PROJECT [LFB Paper 631]

	<u>Jt. Finance/Leg.</u> <u>(Chg. to Base)</u>		<u>Veto by Gov.</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>
PR-REV	\$821,000					
PR	\$213,700	2.00	-\$213,700	- 2.00	\$0	0.00

Joint Finance/Legislature: Provide \$53,300 in 1995-96 and \$160,400 in 1996-97 with 2.0 positions for the development and implementation of the District Attorney computer network. Increase the penalty assessment on court fines and forfeitures imposed for violations of state law from 22% to 23% on October 1, 1995, and provide that the revenue from the 1% increase be allocated for the DA computer network project, effective January 1, 1996. Program revenue from the 1% increase is estimated at \$271,000 in 1995-96 and \$550,000 in 1996-97. Reinstate DOT highway safety funds previously awarded to the Department of Justice for equipment costs related to the District Attorney computer network project. The positions authorized under DOJ would be an attorney position to provide oversight of the legal applications of the system and a management information specialist position for system development and maintenance.

Veto by Governor [C-19]: Delete \$53,300 in 1995-96 and \$160,400 in 1996-97 and 2.0 positions for the DA computer network project and the reinstatement of DOT highway safety funds to the Department of Justice for the project. The partial veto retains the 1% increase in the penalty assessment, but deletes the allocation of this revenue for a DA computer network project. Under the veto, the current law distribution of penalty assessment revenue would be maintained. The Governor indicates in the veto message that the Bureau of Judicial Information Systems in DOA will develop and maintain a DA computer network.

[Act 27 Sections: 1014e, 4460bp thru 4460e, 4460f thru 4460v, 9155(1g), 9336(2g) and 9436(3g)&(3h)]

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.455(1)(g)), 1014e, 4460bp thru 4460g, 4460v, 9155(1g), 9426(19t) (as it relates to s. 165.87(1)(bn)) and 9436(3h) (as it relates to s. 20.455(1)(g) and s. 165.87(1)(bd))]

33. ELIMINATE 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	-\$203,000	- 1.00	\$0	1.00	-\$203,000	0.00

Joint Finance: Delete \$101,500 and 1.0 position annually to reflect the elimination of all state agency executive assistant positions. The deleted funding represents the salary and fringe benefit costs associated with the DOJ executive assistant position.

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

34. GENERAL POSITION AND FUNDING REDUCTION

Joint Finance/Legislature: Delete \$9,300 annually and 0.25 position from the Office of Crime Victim Services.

Chg. to Base Funding Positions		
GPR	- \$18,600	- 0.25

LEGISLATURE

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	\$98,215,000	\$98,875,600	\$93,519,800	\$95,943,900	\$95,943,900	- \$2,271,100	- 2.3%
PR	<u>2,698,000</u>	<u>2,722,200</u>	<u>2,722,200</u>	<u>2,722,200</u>	<u>2,722,200</u>	<u>24,200</u>	<u>0.9</u>
TOTAL	\$100,913,000	\$98,597,800	\$96,242,000	\$98,666,100	\$98,666,100	- \$2,246,900	- 2.2 %

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	801.17	801.17	802.17	802.17	802.17	1.00
PR	<u>21.80</u>	<u>21.80</u>	<u>21.80</u>	<u>21.80</u>	<u>21.80</u>	<u>0.00</u>
TOTAL	822.97	822.97	823.97	823.97	823.97	1.00

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 638]

Governor: Adjust the base as follows: (a) turnover reduction (-\$77,500 GPR annually); (b) removal of noncontinuing elements from the base (-\$303,000 GPR and -3.0 GPR positions in 1995-96 and -\$481,300 GPR, -\$158,500 PR and -3.0 GPR and -2.0 PR positions in 1996-97); (c) full funding of salary costs (\$1,173,100 GPR and -\$66,100 PR annually); (d) full funding of financial services charges (\$200 GPR and \$100 PR annually); (e) reclassifications (\$5,900 GPR and 26,900 PR in 1995-96 and \$5,900 GPR and 46,800 PR in 1996-97); (f) risk management costs (\$1,600 GPR annually); (g) overtime (\$88,500 GPR in 1995-96 and \$93,600 GPR in 1996-97); (h) night and weekend differential salary costs (\$1,200 GPR annually); (i) fifth week of vacation as cash (\$28,100 GPR in 1995-96 and \$31,200 GPR in 1996-97); (j) full funding of lease costs (\$7,700 GPR and \$2,100 PR annually); and (k) full funding of delayed pay increases (\$355,400 GPR and \$8,200 PR annually).

	Chg. to Base Funding Positions	
GPR	\$2,392,300	- 3.00
PR	<u>- 196,200</u>	<u>- 2.00</u>
Total	\$2,196,100	- 5.00

As part of the adjustments to remove noncontinuing elements from the base, \$217,500 GPR annually of one-time financing budgeted to the Assembly has not been removed. The reduction has instead been inadvertently included as a reduction to the budget of the Senate.

Joint Finance/Legislature: Delete one-time financing of \$217,500 GPR annually from base level funding for the Assembly and restore \$217,500 GPR annually to the Senate to correct the inadvertent inclusion of this reduction in the budget for the Senate.

2. BASE LEVEL REDUCTIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	- \$4,848,200	- \$2,424,100	\$2,424,100	- \$4,848,200

Governor: Reduce the Legislature's budget by a total of \$2,424,100 annually as follows:

Legislative Sum Sufficient Appropriations. Reestimate the Legislature's sum sufficient appropriations relating to the enactment of state laws by -\$1,809,500 annually to reflect an overall base level reduction to those appropriations of approximately 5%. The reestimates of Assembly and Senate operations are exactly 5% of the base level funding for each and are applied to salary and fringe benefits amounts. The reestimate of the legislative documents sum sufficient appropriation is applied to supplies and services amounts and represents a reduction of slightly more than 5% of the base to compensate for the fact that some legislative sum sufficient and sum certain appropriations [Commission on Uniform State Laws, Retirement Actuarial Studies, Legislative Council Contingent Expenses, Memberships in National Organization and NCSL Meeting] were not reduced.

The sum sufficient reduction reestimates are as follows:

<u>Appropriation</u>	<u>1995-96</u>	<u>1996-97</u>
Assembly	-\$918,700	-\$918,700
Senate	-595,700	-595,700
Legislative Documents	<u>-295,100</u>	<u>-295,100</u>
Total	-\$1,809,500	-\$1,809,500

Legislative Service Agency Appropriations. Reduce the Legislature's sum certain service agency appropriations by a total of \$614,600 annually to reflect an overall base level reduction to those appropriations of 5%. The reductions are applied to salary and fringe benefits amounts and are as follows:

<u>Appropriation</u>	<u>1995-96</u>	<u>1996-97</u>
Legislative Audit Bureau	-\$182,700	-\$182,700
Legislative Council	-112,300	-112,300
Legislative Data Processing	-42,100	-42,100
Legislative Fiscal Bureau	-105,000	-105,000
Legislative Reference Bureau	-137,600	-137,600
Retirement Committees	-8,900	-8,900
Revisor of Statutes Bureau	<u>-26,000</u>	<u>-26,000</u>
Total	-\$614,600	-\$614,600

Joint Finance: Reduce the Legislature's budget by an additional \$614,600 in 1995-96 and \$1,809,500 in 1996-97 as follows:

Legislative Sum Sufficient Appropriations. Reestimate legislative sum sufficient appropriations relating to the enactment of state laws by an additional -\$1,809,500 in 1996-97 to provide a total base level reduction in that fiscal year of 10%. The specific additional reductions are:

<u>Appropriation</u>	<u>1996-97 Additional Reductions</u>
Assembly	-\$918,700
Senate	-595,700
Legislative Documents	<u>-295,100</u>
Total	-\$1,809,500

Legislative Service Agency Appropriations. Reduce the Legislature's sum certain service agency appropriations by an additional \$614,600 in 1995-96 to provide a total base level reduction in that fiscal year of 10%. The specific additional reductions are as follows:

<u>Appropriation</u>	<u>1995-96 Additional Reductions</u>
Legislative Audit Bureau	-\$182,700
Legislative Council	-112,300
Legislative Data Processing	-42,100
Legislative Fiscal Bureau	-105,000
Legislative Reference Bureau	-137,600
Retirement Committees	-8,900
Revisor of Statutes Bureau	<u>-26,000</u>
Total	-\$614,600

Senate/Legislature: Delete Joint Finance provision, and maintain the reductions at 5% per year as recommended by the Governor.

3. LEGISLATIVE DOCUMENTS APPROPRIATION ADJUSTMENTS [LFB Papers 635 and 636]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	- \$114,500	\$6,000	- \$108,500
GPR	- \$100,500	\$0	- \$100,500

Governor: Documents Cost Adjustments. Reestimate the legislative documents sum sufficient appropriation to reflect the following cost adjustments associated with the preparation and distribution of legislative documents: (a) increases of \$524,800 in 1995-96 and \$513,500 in 1996-97 to reflect the projected costs of master lease payments during the biennium for the Legislature's new bill drafting system (Text 2000); (b) decreases of \$706,900 in 1995-96 and \$997,500 in 1996-97 to reflect operational and procedural savings realized by having DOA Copy Centers assume virtually all of the printing of output from the Legislature's Text 2000 system; and (c) increases of \$271,500 in 1995-96 and \$294,100 in 1996-97 for unspecified legislative documents supplies and services costs.

Documents Revenue Adjustments. The budget bill does not include GPR-Earned estimates of \$22,000 in 1995-96 and \$92,500 in 1996-97 which are expected from the sale of subscriptions to legislative documents (\$19,000 in 1995-96 and \$89,500 in 1996-97) and from LRB document copying revenues (\$3,000 annually).

Joint Finance/Legislature: Documents Revenue Adjustments. Include GPR-Earned estimates of \$3,000 annually from Legislative Reference Bureau document copying revenues.

Revised Subscription Fee. Delete current law statutory provisions which establish a subscription fee for receiving legislative documents (weekly bulletins, bills and amendments, slip laws, daily journals, committee hearing schedules and daily calendars) at a level equivalent to 20% of the actual printing costs of such materials as determined by the LRB and DOA. Provide instead that a statutory fixed fee of \$500 apply for the full subscription service effective January 1, 1997, and stipulate that the sum of the fees for each portion of the full subscription service not be less than \$500. Direct the Chief of the LRB to: (a) recommend to the Joint Committee on Legislative Organization a fee schedule for subscriptions to less than the full service; and (b) biennially review the statutory rate and make recommendations to the Joint Committee on Legislative Organization by December 1 of each odd-numbered year for any changes in that rate. The fiscal effect of the GPR-Earned estimates associated with the subscription revenues from the current subscription service fees and the increased fees commencing January 1, 1997, are shown under "DOA -- Agency Services" since DOA collects the fees.

[Act 27 Sections: 41m, 42m, 1755m, 1755n, 9137(2v) and 9337(1v)]

**4. OFFICE OF DATA PROCESSING -- TECHNICAL STAFF
CONTINUATION**

Chg. to Base Funding Positions		
GPR	\$199,300	3.00

Governor/Legislature: Provide \$85,500 in 1995-96 and \$113,800 in 1996-97 and authorize 3.0 project positions to continue data processing technical staff support for the Office of Data Processing in connection with the current implementation of the Legislature's new bill drafting system (Text 2000). This would allow continuation of 3.0 management information specialist two-year project positions initially authorized for this purpose by the 1993-95 biennial budget for an additional two years.

5. INCREASED DUES PAYMENTS

Chg. to Base	
GPR	\$28,400

Governor/Legislature: Provide for increased state dues payments of:
(a) \$3,700 in 1995-96 and \$7,400 in 1996-97 for the National Conference of State Legislatures (NCSL); (b) \$4,700 in 1995-96 and \$9,600 in 1996-97 for the Council of State Governments (CSG); (c) \$1,000 annually for the National Conference of Insurance Legislators (COIL); and (d) \$500 annually for the National Association of Administrative Rules Review. Budgeted 1994-95 dues levels are \$104,300 for NCSL, \$91,700 for CSG, \$6,000 for the State and Local Legal Center, \$1,000 for the National Committee on Uniform Traffic Laws and Ordinances, \$1,000 for COIL and \$0 for the National Association of Administrative Rules Review. Under this recommendation, total estimated expenditures from this appropriation are \$213,900 in 1995-96 and \$222,500 in 1996-97.

6. LEGISLATIVE AUDIT BUREAU [LFB Paper 638]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$7,300	0.00	\$61,000	1.00	\$68,300	1.00
PR	220,400	2.00	0	0.00	220,400	2.00
Total	\$227,700	2.00	\$61,000	1.00	\$288,700	3.00

Governor: Increase the LAB's budget as follows:

Travel and Training. Provide \$2,900 GPR in 1995-96 and \$4,400 GPR in 1996-97 for increased travel and training costs due to inflation. The Governor's budget book indicates that this item was not approved. However, the bill includes these amounts in the agency's appropriation. The intended denial of this request was instead inadvertently included as a reduction to the appropriation for the Revisor of Statutes.

Actuarial Audit of the WRS. Provide \$60,000 PR in 1995-96 to permit the agency to contract for an actuarial audit of the Wisconsin Retirement System (WRS). Under current law, an independent actuarial

audit of the WRS is required every five years. The PR funding would come from an assessment against the segregated funds budget of the Department of Employee Trust Funds.

Completion of Learnfare Program Evaluation. Provide \$160,400 PR and authorize 2.0 PR project positions to enable the LAB to complete an audit of the Learnfare program in H&SS. Three-year project positions and associated funding during the 1993-95 fiscal biennium were originally authorized for this purpose under ss. 16.515/16.505(2) procedures in June 1993. This would allow continuation of the positions for one additional year. The PR funding would come from an assessment against the GPR and FED funds budgeted in H&SS for the program.

Joint Finance/Legislature: Make the following changes to the Governor's provisions:

Travel and Training. Delete \$2,900 GPR in 1995-96 and \$4,400 GPR in 1996-97 to reflect the Governor's original intent to deny increased travel and training costs due to inflation.

Municipal Best Practices Reviews. Add a provision directing the State Auditor to undertake periodic reviews to: (a) examine the procedures and practices used by municipalities to deliver local government services; (b) determine the methods of local government service delivery; (c) identify variations in costs and effectiveness of such services; and (d) recommend practices to save money or provide more effective service delivery. Provide \$29,300 GPR in 1995-96 and \$39,000 GPR in 1996-97 and 1.0 four-year project legislative auditor position for this purpose.

Provide that the State Auditor shall establish a five-member advisory council to advise the State Auditor on the selection of municipal procedures and practices for review. Stipulate that the State Auditor shall have the sole authority to determine the frequency, scope and subject of any such reviews. Provide that the State Auditor shall select the members of the Council as follows: (a) two members chosen from among six names submitted by the Wisconsin Counties Association; (b) one member chosen from among three names submitted by the League of Wisconsin Municipalities; (c) one member chosen from among three names submitted by the Wisconsin Alliance of Cities; and (d) one member chosen from among three names submitted by the Wisconsin Towns Association. Specify that these provisions would be repealed effective July 1, 1999.

Audit of the Medical Relief Bloc Grant Program. Add a provision requesting the Joint Legislative Audit Committee to direct the LAB to conduct a financial and performance evaluation of the Medical Relief Block Grant (MRBG) program, if a grant is awarded for calendar year 1996. Require the LAB to file its report by December 31, 1997, and to consider the following matters 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 I 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; and (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.

Audit of UW Hospitals and Clinics Authority Operations. Add a provision to require that prior to the renegotiations of either the lease or affiliation agreement for any UW Hospitals and Clinics Authority that is created, the LAB conduct a program review of the Authority's operations and report its findings to the Joint Legislative Audit Committee.

Audit of the Milwaukee Parental Choice Program. Add provision requesting the Joint Legislative Audit Committee to direct the LAB to conduct a financial and performance evaluation of the Milwaukee Parental Choice Program and to file its report with the Legislature by January 15, 2000.

[Act 27 Sections: 44m, 47m, 47n, 4008s, 9137(1g) and 9437(1t)]

7. LEGISLATIVE COUNCIL [LFB Paper 637]

Chg. to Base	
GPR	- \$1,000

Governor: Adjust the appropriations of the Legislative Council as follows:

Legislative Council Contingent Fund Adjustment. The Governor's budget book indicates that \$1,000 of base level funding is deleted in 1995-96 from the agency's separate contingent fund appropriation for costs associated with the pre-session conference for new legislators. However, the bill does not include such a reduction in this appropriation. Rather, a comparable base level reduction was instead made in the general program operations appropriation for the Legislative Council.

The reduction in the contingent fund appropriation was originally requested since expenditures for the pre-session conference are minimal during the 1995-96 fiscal year. Most of the costs associated with the next pre-session conference, scheduled for January 1997, will occur in the 1996-97 fiscal year.

Base Reduction. Delete \$1,000 in 1995-96 as an unspecified base level reduction to the Legislative Council's general program operations appropriation. This represents the requested reduction in the contingent fund adjustment described above.

Joint Finance/Legislature: Restore \$1,000 in 1995-96 to the Legislative Council general program operations appropriation to reverse the inadvertent deletion of amounts for the pre-session conference for new legislators. Delete \$1,700 annually from the Legislative Council contingent expenses appropriation, repeal that appropriation and repeal the requirement that a statement of expenditures from the contingent expenses appropriation be reported to each Legislature. Provide \$1,200 annually to the Legislative Council general program operations appropriation and include statutory language stipulating that the Legislative Council shall sponsor a conference to acquaint new legislators or legislators-elect with

legislative procedures following each general election. Specify that the expenses of the conference may be paid from the Legislative Council general program operations appropriation.

[Act 27 Sections: 41g, 41h and 1149m]

8. LEGISLATIVE REFERENCE BUREAU [LFB Paper 638]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$2,400	\$2,400	\$0

Governor: Delete \$1,200 annually for expenses related to unspecified supplies and services costs. The Legislative Reference Bureau did not request any supplies and services funding increase for the agency. It appears that this reduction is the supplies and services reduction which the Governor's budget book indicates was recommended for the Revisor of Statutes Bureau. The reduction was instead applied as a reduction to the Legislative Reference Bureau's appropriation.

Joint Finance/Legislature: Restore \$1,200 annually for supplies and services expenses to correct the inadvertent inclusion of this reduction in the budget of the LRB.

9. REVISOR OF STATUTES [LFB Paper 638]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$5,900	\$5,900	\$0

Governor: Adjust the budget of the Revisor of Statutes as follows:

Supplies and Services. Provide \$1,200 annually for increased computer training and travel expenses and for the purchase of other states' statutes and administrative codes. The Governor's budget book indicates that this item was not approved. However, the bill includes these amounts in the agency's appropriation. The denial of the \$1,200 annually was instead inadvertently included as a reduction to the budget of the Legislative Reference Bureau.

Dues and Travel. Delete \$500 annually for expenses related to unspecified dues payments and travel costs. The Revisor did not make any dues and travel related funding increase request for the agency. It appears that this reduction is the travel expense reduction which the Governor's budget book indicates was recommended for the separate Commission on Uniform State Laws. The reduction was instead applied to the Revisor's budget.

Travel and Training. Delete \$2,900 in 1995-96 and \$4,400 in 1996-97 for expenses related to unspecified travel and training cost increases. The Revisor did not originally make any travel and training funding increase request for the agency. This reduction is the travel and training expense increase denial which the Governor's budget book indicates was recommended for the Legislative Audit Bureau. The reduction has instead been inadvertently included as a reduction to the Revisor's appropriation.

Joint Finance/Legislature: Adjust the supplies and services budget for the Revisor of Statutes to conform the agency's total supplies and services funding levels with the Governor's original intent as follows: (a) delete \$1,200 annually for computer training and administrative code purchases which had been recommended in the agency's budget but which the Governor had intended to deny; and (b) add \$3,400 in 1995-96 and \$4,900 in 1996-97 to restore amounts intended to be deleted from other agencies' budgets but inadvertently included in the Revisor's budget.

10. RETIREMENT RESEARCH COMMITTEE

Governor/Legislature: Delete \$6,500 annually to reflect the elimination of one-time funding for an office computer and associated permanent property.

	Chg. to Base
GPR	- \$13,000

11. COMMISSION ON UNIFORM STATE LAWS [LFB Paper 638]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$4,300	- \$1,000	\$3,300

Governor: Provide: (a) \$1,100 in 1995-96 and \$2,200 in 1996-97 for increased annual state dues payments for the Commission on Uniform State Laws; and (b) \$500 annually for increased travel expenses required for state delegates' attendance at the National Conference of the Commission on Uniform State Laws. The budgeted 1994-95 dues level for the Commission is \$20,200.

The Governor's budget book indicates that the Governor recommends providing only the amounts for Commission dues increases and not the amounts requested for increased travel expenses. However, the bill includes the amounts for both under the Commission on Uniform State Laws. The denial of the \$500 annually was instead inadvertently applied as a reduction to the budget of the Revisor of Statutes.

Joint Finance/Legislature: Delete \$500 annually to reflect the Governor's original intent to deny increased travel expense amounts for state delegates' attendance at the National Conference of the Commission on Uniform State Laws.

12. OFFICE OF DATA PROCESSING -- POSITION TRANSFERS

Joint Finance/Legislature: Transfer \$66,900 GPR annually and 2.0 GPR positions associated with data processing activities currently budgeted under the Assembly to the Office of the Data Processing appropriation.

13. JOINT COMMITTEE ON INFORMATION POLICY

Joint Finance/Legislature: Modify current law related to the Joint Committee on Information Policy to: (a) establish the Joint Committee as a joint standing committee of the Legislature; and (b) remove the public members from the Joint Committee; and (c) amend the Joint Committee's current powers and duties as follows: (1) include responsibility for review of state and local government information technology systems and plans, as well as information management practices and policies, including such system's effectiveness and the provision of public access to records maintained on such systems; and (2) authorize the Joint Committee to direct the UW Board of Regents to prepare reports related to the duties of the Joint Committee to assure consistency with the IT strategic planning requirements.

[Act 27 Sections: 31g, 31h, 31i, 31j, 32m, 33g, 33h and 1762w]

14. APPROVAL OF FEDERAL BLOCK GRANTS

Joint Finance/Legislature: Modify current law to provide that no federal block grants may be allocated by the Governor nor expended by any state agency without the prior approval of the Joint Committee on Finance.

Veto by Governor [C-2]. Delete provision.

[Act 27 Vetoed Sections: 16g and 303m]

15. LEGISLATIVE INTERIM ALLOWANCES

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$68,200	\$68,200	\$0

Assembly: Repeal the statute authorizing the payment of interim allowances to members of the Legislature for postage and clerical assistance during months when the Legislature is in session three days or less. For Representatives, the interim allowance is \$25 per month and for Senators, the interim allowance is \$75 per month. Estimated savings from the repeal of interim allowances are \$24,200 GPR annually for the Assembly and \$9,900 GPR annually for the Senate.

Senate/Legislature: Delete provision eliminating allowances and restore \$24,200 GPR annually to the Assembly and \$9,900 GPR annually to the Senate. Instead, include language providing that interim allowances for members of the Assembly shall be paid only if the payment of such allowances is approved by the Speaker of the Assembly and that interim allowances for members of the Senate shall be paid only if the payment of such allowances is approved by the Senate Majority Leader. Although no budget reductions are made, if Assembly interim allowances were not paid, savings of \$24,200 GPR would be estimated and if Senate interim allowances were not paid, savings of \$9,900 GPR annually would be estimated.

[Act 27 Sections: 16q, 17f and 9337(2t)]

16. AUTHORITY TO MODIFY AMOUNT OF LEGISLATIVE PER DIEM PAYMENTS

Legislature: Provide that, beginning with the effective date of the biennial budget act through June 30, 1997, the Speaker of the Assembly and the President of the Senate may adjust the maximum allowance for legislative in-session expenses ("per diems"), but only if: (a) the maximum allowance set by the Speaker or the President does not exceed the maximum allowance approved by the Joint Committee on Employment Relations (the current maximum rate is \$75.00 per day); and (b) the Speaker or the President provides at least 30 days' written notice of any such change to members of the respective house affected by the change. Specify that, during this period, if the Speaker or the President adjusts the maximum allowance for legislative expenses, members of the house affected by the adjustment may not receive an allowance greater than the amount established by the Speaker or the President. Clarify that, notwithstanding the previous filing of an affidavit with DOA of the need for establishing a temporary residence in Madison and certifying the amount of the allowance to be received, a member may file a new affidavit which shall remain effective through June 30, 1997, following any reduction by the Speaker or the President in the maximum legislative expense allowance that may be claimed. [The 1995-97 Compensation Plan for classified and certain unclassified employees, including executive salary group employees and elected officials, contains a provision permitting the Speaker and the President to determine the amount of legislative expense allowances provided that such allowances not exceed \$75.00 per day and at least 30 days' advance notice is provided prior to any such adjustment. This provision creates the necessary statutory authorization.]

[Act 27 Section: 9137(3g)]

LIEUTENANT GOVERNOR

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	\$912,000	\$1,042,000	\$777,500	\$929,800	\$929,800	\$17,800	2.0%

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	8.00	9.00	7.00	8.00	8.00	0.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Annually, adjust the Office's base budget as follows: (a) removal of noncontinuing elements from the base (-\$19,900); (b) full funding of salary costs (\$48,100); (c) full funding of financial services charges (\$100); (d) risk management costs (\$200); and (e) full funding of delayed pay adjustments (\$2,800).

	Chg. to Base
GPR	\$62,600

2. BASE LEVEL REDUCTIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	-\$44,800	-\$22,400	\$22,400	-\$44,800

Governor: Reduce the Office's budget for salaries by \$16,800 annually and fringe benefits by \$5,600 annually. This equals a base level reduction of 5%.

Joint Finance: Reduce the Office's budget for salaries by an additional \$16,800 in 1996-97 and for fringe benefits by an additional \$5,600 in 1996-97 to provide a total base level reduction of 10% in that fiscal year.

Senate/Legislature: Delete Joint Finance provision, thereby increasing the Office's budget by \$22,400 in 1996-97 to provide a total base level reduction in that fiscal year of 5% rather than 10%.

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

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Assembly/Leg.</u> <u>(Chg. to JFC)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$112,200	1.00	- \$84,100	- 1.00	- \$28,100	0.00	\$0	0.00

Governor: Provide \$56,100 annually and authorize 1.0, two-year unclassified project position to assist the Lieutenant Governor in a review of certain state bodies for possible elimination.

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.

According to the Governor's budget documents, the following 170 statutory councils, boards or commissions (currently under the indicated agencies) would be subject to sunset review:

CONSTITUTIONAL OFFICES AND INTERSTATE BODIES

Governor

Disability Board
Wisconsin Sesquicentennial Commission
State Council on Alcohol and Other Drug Abuse
Midwest Interstate Low-Level Radioactive
Waste Commission
Minnesota-Wisconsin Boundary Area Commission
Mississippi River Parkway Commission
Midwestern Higher Education Commission

Secretary of State

Uniform Commercial Code Statewide Lien
System Council

Other

Great Lakes Compact Commission

DEPARTMENTS

Administration

Tax Appeals Commission
Claims Board
Depository Selection Board
Public Records and Forms Board
State Capitol and Executive Residence Board
Arts Board
Board on Aging and Long-Term Care
Waste Facility Siting Board
Land Information Board
Wisconsin Conservation Corps Board
Office of Justice Assistance
State Use Board
Kickapoo Valley Governing Board
National and Community Service Board
Council on Small Business, Veteran-Owned
Business and Minority Business Opportunities
Acid Deposition Research Council
Low-Level Radioactive Waste Council
Women's Council
Certification Standards Review Council
Council on State-Local Relations
Council on Information Technology

Agricultural, Trade and Consumer Protection

Animal Health and Disease Research Board
Land and Water Conservation Board
Farm Mediation and Arbitration Board
Animal Health and Disease Research Council
Agricultural Chemical Cleanup Council
Fertilizer Research Council

Corrections

Parole Commission
Prison Industries Board

Development

Development Finance Board
Minority Business Development Board
Rural Economic Development Board
Hazardous Pollution Prevention Board
Council on Tourism
Council on Main Street Programs
Rural Health Development Council
Small Business Environmental Council

Employee Trust Funds

Group Insurance Board
Retirement Boards
Deferred Compensation Board

Employment Relations

Council on Affirmative Action

Health and Social Services

Pesticide Review Board
Controlled Substances Board
Board on Hunger
Child Abuse and Neglect Prevention Board
Adolescent Pregnancy Prevention Service Board
Emergency Medical Services Board
Council on Mental Health
Council on Blindness
Council on Physical Disabilities
Council for the Hearing Impaired
Council on Developmental Disabilities
Radiation Protection Council
Council on Domestic Abuse
Council on Food Protection Practices
Council on American Indian Health
Gang Violence Prevention Council

Industry, Labor and Human Relations

Equal Rights Council
Council on Unemployment Compensation
Council on Workers' Compensation
Council on Child Labor
Dwelling Code Council
Contractor Financial Responsibility Council
Council on Migrant Labor
Construction Wage Rate Council
Fire Prevention Council
Self-Insurers Council
Wisconsin Apprenticeship Council
Labor Standards Council
Plumbers Council
Automatic Fire Sprinkler System Contractors
and Journeymen Council
Labor and Management Council
Petroleum Storage Environmental Cleanup Council
Multifamily Dwelling Code Council

Justice

Law Enforcements Standards Board
University and Crime Laboratories Cooperation
Council
Crime Victims Council

Military Affairs

State Emergency Response Board

Natural Resources

Wisconsin Waterways Commission
Lake Superior Commercial Fishing Board
Fox River Management Commission
Lower Wisconsin State Riverway Board
Natural Areas Preservation Council
Snowmobile Recreation Council
Inland Lakes Protection and Rehabilitation Council
Off-the-Road Vehicle Council
Metallic Mining Council
Groundwater Coordinating Council
Milwaukee River Revitalization Council
State Trails Council
Aquatic Nuisance Control Council
Non-Metallic Mining Council

Public Instruction

American Indian Language and Culture Education
Board
School District Boundary Appeal Board
Environmental Education Board
Council on the Education of the Blind

Governor's Council on Business and Education
Partnerships
Council on Instructional Telecommunications
Council on Exceptional Education
Council on Library and Network Development
Council on Suicide Prevention

Regulation and Licensing

Accounting Examining Board
Examining Board of Architects, Landscape
Architects, Professional Geologists, Engineers,
Designers and Land Surveyors
Auctioneer Board
Chiropractic Examining Board
Dentistry Examining Board
Hearing and Speech Examining Board
Medical Examining Board
Examining Board of Social Workers, Marriage and
Family Therapists and Professional Counselors
Board of Nursing
Nursing Home Administrator Examining Board
Optometry Examining Board
Pharmacy Examining Board
Psychology Examining Board
Real Estate Appraisers Board
Real Estate Board
Veterinary Examining Board
Funeral Directors Examining Board
Barbering and Cosmetology Examining Board
Physical Therapists Affiliated Credentialing Board
Dieticians Affiliated Credentialing Board
Podiatrists Examining Council
Occupational Therapists Examining Council
Respiratory Care Practitioners Examining Council
Council on Physician Assistants
Examining Council of Registered Nurses
Examining Council of Licensed Practical Nurses
Council on Speech-Language Pathology and
Audiology
Council on Real Estate Curriculum and
Examinations

Revenue

Investment and Local Impact Fund Board
Badger Board

Transportation

Rustic Roads Board
Council on Traffic Law Enforcement
Council on Aeronautics
Council on Highway Safety
Council on Uniformity of Traffic Citations and
Complaints

Veterans Affairs

Council on Veterans Programs

INDEPENDENT AGENCIES

Banking

- Banking Review Board
- Consumer Credit Review Board

Educational Communications Board

- Council on Public Radio
- Council on Public Television

Employment Relations Commission

- Council on Municipal Collective Bargaining

Credit Unions

- Credit Union Review Board

Elections Board

- Board of State Canvassers
- Elections Advisory Council

Gaming Commission

- Council on Charitable Gaming

Higher Educational Aids Board

- Council on Financial Aids

Historical Society

- Burial Sites Preservation Board
- Historic Preservation Review Board
- Historic Markers Council
- Submerged Cultural Resources Council

Insurance Commissioner

- Small Employer Insurance Board
- Board on Health Care Information
- Office of Health Care Information

Savings and Loan

- Savings and Loan Review Board
- Savings Bank Review Board

University of Wisconsin System

- Laboratory of Hygiene Board
- Pharmacy Internship Board

Wisconsin Technical College System

- Telecommunications Retraining Board
- Council on Fire Service Training Programs

Joint Finance: 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 modified listing [see below] of 144 executive branch councils, commissions, boards and offices which must submit to the Lieutenant Governor by October 1, 1995, a report on the 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 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 of the 144 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.

Delete \$28,000 in 1995-96 and \$56,100 in 1996-97 and 1.0 unclassified project position to reflect funding and position authority for this sunset review process only until January 1, 1996.

Finally, include statutory language specifying that the period of existence of any advisory body established at the direction of agency heads under s. 15.04(1)(c) of the statutes expires at the end of each term of a Governor, unless the appointing authority establishes an earlier termination date.

The following are statutory councils, boards or commissions (currently under the indicated agencies) that would be required to be included in the Lieutenant Governor's sunset legislation:

CONSTITUTIONAL OFFICES

Governor

Disability Board
Wisconsin Sesquicentennial Commission
State Council on Alcohol and Other Drug Abuse
Midwest Interstate Low-Level Radioactive
Waste Commission
Mississippi River Parkway Commission
Midwestern Higher Education Commission

National and Community Service Board
Council on Small Business, Veteran-Owned
Business and Minority Business Opportunities
Housing Council
Acid Deposition Research Council
Low-Level Radioactive Waste Council
Women's Council
Certification Standards Review Council
Council on State-Local Relations
Council on Information Technology

Secretary of State

UCC Statewide Lien System Council

Independent Agencies Attached to DOA:

- Board on Aging and Long-Term Care
- Wisconsin Conservation Corps Board
- Tax Appeals Commission

INTERSTATE BODIES

Great Lakes Compact Commission
Minnesota-Wisconsin Boundary Area Commission

Agricultural, Trade and Consumer Protection

Animal Health and Disease Research Board
Land and Water Conservation Board
Farm Mediation and Arbitration Board
Animal Health and Disease Research Council
Agricultural Chemical Cleanup Council
Fertilizer Research Council

DEPARTMENTS

Administration

Claims Board
Depository Selection Board
Public Records and Forms Board
State Capitol and Executive Residence Board
Waste Facility Siting Board
Land Information Board
Office of Justice Assistance
Recycling Market Development Board
State Use Board
Kickapoo Valley Governing Board

Corrections

Parole Commission
Prison Industries Board

Development

Development Finance Board
Minority Business Development Board

Rural Economic Development Board
Hazardous Pollution Prevention Board
Council on Tourism
Council on Main Street Programs
Rural Health Development Council
Small Business Environmental Council

Employee Trust Funds

Group Insurance Board
Teachers Retirement Board
Wisconsin Retirement Board
Deferred Compensation Board

Employment Relations

Council on Affirmative Action

Health and Social Services

Pesticide Review Board
Controlled Substances Board
Board on Hunger
Emergency Medical Services Board
Council on Mental Health
Council on Blindness
Council on Physical Disabilities
Council for the Hearing Impaired
Council on Developmental Disabilities
Radiation Protection Council
Council on Domestic Abuse
Council on Food Protection Practices
Council on American Indian Health
Gang Violence Prevention Council

Independent Agencies Attached to H&SS:

- Child Abuse and Neglect Prevention Board
- Adolescent Pregnancy Prevention Service Board

Industry, Labor and Human Relations

Equal Rights Council
Council on Unemployment Compensation
Council on Workers' Compensation
Council on Child Labor
Dwelling Code Council
Contractor Financial Responsibility Council
Council on Migrant Labor
Construction Wage Rate Council
Fire Prevention Council
Self-Insurers Council
Wisconsin Apprenticeship Council
Labor Standards Council
Plumbers Council

Automatic Fire Sprinkler System Contractors
and Journeymen Council
Labor and Management Council
Petroleum Storage Environmental Cleanup Council
Multifamily Dwelling Code Council
Youth Apprenticeship Council

Justice

Law Enforcement Standards Board
University and Crime Laboratories Cooperation
Council
Crime Victims Council

Military Affairs

State Emergency Response Board

Natural Resources

Wisconsin Waterways Commission
Lake Superior Commercial Fishing Board
Fox River Management Commission
Lower Wisconsin State Riverway Board
Natural Areas Preservation Council
Snowmobile Recreation Council
Inland Lakes Protection and Rehabilitation Council
Off-the-Road Vehicle Council
Metallic Mining Council
Groundwater Coordinating Council
Milwaukee River Revitalization Council
State Trails Council
Aquatic Nuisance Control Council
Non-Metallic Mining Council

Public Instruction

American Indian Language & Culture Education
Board
School District Boundary Appeal Board
Environmental Education Board
Council on the Education of the Blind
Governor's Council on Business and Education
Partnerships
Council on Instructional Telecommunications
Council on Exceptional Education
Council on Library and Network Development
Council on Suicide Prevention

Revenue

Investment and Local Impact Fund Board
Badger Board

Transportation

Rustic Roads Board
Council on Traffic Law Enforcement

Council on Aeronautics
Council on Highway Safety
Council on Uniformity of Traffic Citations and
Complaints

Veterans Affairs
Council on Veterans Programs

INDEPENDENT AGENCIES

Banking
Banking Review Board
Consumer Credit Review Board

Educational Communications Board
Council on Public Radio
Council on Public Television

Employment Relations Commission
Council on Municipal Collective Bargaining

Credit Unions
Credit Union Review Board

Elections Board
Board of State Canvassers
Elections Advisory Council

Gaming Commission
Council on Charitable Gaming

Higher Educational Aids Board
Council on Financial Aids

Historical Society
Burial Sites Preservation Board
Historic Preservation Review Board
Historic Markers Council
Submerged Cultural Resources Council

Insurance Commissioner
Small Employer Insurance Board
Board on Health Care Information
Office of Health Care Information

Savings and Loan
Savings and Loan Review Board
Savings Bank Review Board

University of Wisconsin System
Laboratory of Hygiene Board
Pharmacy Internship Board

Wisconsin Technical College System
Telecommunications Retraining Board
Council on Fire Service Training Programs

Assembly: Modify provision by deleting \$28,100 in 1995-96 to reflect the elimination of 1.0 unclassified project position authorized through December 31, 1995. The position had been provided to assist the Office with a sunset review of 144 executive branch councils, commissions, boards and offices.

Senate/Legislature: Further modify provision by deleting the Council on Municipal Collective Bargaining, attached administratively to the Employment Relations Commission, from the bodies subject to review by the Lieutenant Governor. Under separate action (see Employment Relations Commission), the Council on Municipal Collective Bargaining would be repealed on the general effective date of the biennial budget act.

Veto by Governor [C-20 and C-22]: 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.

In addition, delete provisions specifying that the period of existence of any advisory body established at the direction of agency heads under s. 15.04(1)(c) of the statutes expire at the end of each term of a Governor, unless the appointing authority establishes an earlier termination date.

[Act 27 Section: 3934, 5239, 6923h and 9159(6f)]

[Act 27 Vetoed Sections: 77m, 77n, 77p, 1762z, 1775hi, 3849m, 3873m, 3934, 5239, 5239m, 6611m, 6923g, 6923h, 9159(6f) and 9459(8f)]

4. ELIMINATION OF EXECUTIVE ASSISTANT

Joint Finance/Legislature: Delete \$79,000 and 1.0 position annually to reflect the elimination of the Office's executive assistant position.

Chg. to Base Funding Positions		
GPR	- \$158,000	- 1.00

5. ADMINISTRATIVE ASSISTANT POSITION

Assembly/Legislature: Provide \$79,000 annually and authorize 1.0 unclassified administrative assistant position for the Office of the Lieutenant Governor.

Chg. to Base Funding Positions		
GPR	\$158,000	1.00

LOWER WISCONSIN STATE RIVERWAY 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	\$206,600	\$58,400	\$58,400	\$58,400	\$58,400	- \$148,200	- 71.7%
SEG	0	154,800	154,800	154,800	154,800	154,800	N.A.
TOTAL	\$206,600	\$213,200	\$213,200	\$213,200	\$213,200	\$6,600	3.2%

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	2.00	0.00	0.00	0.00	0.00	- 2.00
SEG	0.00	2.00	2.00	2.00	2.00	2.00
TOTAL	2.00	2.00	2.00	2.00	2.00	0.00

1. STANDARD BUDGET ADJUSTMENTS

Chg. to Base	
GPR	\$8,600

Governor/Legislature: Provide annual base budget adjustments for:
 (a) full funding of salaries and fringe benefits (\$3,700); (b) full funding of financial services charges (\$100); (c) risk management costs (\$100); and (d) full funding of 1994-95 delayed pay plan adjustments (\$400).

2. FUNDING SHIFT TO THE CONSERVATION FUND

Governor/Legislature: Shift \$77,400 annually in base funding and 2.0 positions from GPR to the water resources account of the conservation fund.

Chg. to Base Funding Positions		
GPR	- \$154,800	- 2.00
SEG	154,800	2.00
Total	\$0	0.00

3. SUPPLIES AND SERVICES REDUCTION

Governor/Legislature: Decrease funding by \$1,000 annually for supplies and services. The remaining supplies and services funding would total \$29,200 annually.

Chg. to Base	
GPR	- \$2,000

4. LWSR TRANSFER FROM DNR TO TOURISM [LFB Paper 890]

Joint Finance: Transfer the attachment of the Lower Wisconsin State Riverway (LWSR) Board for limited administrative purposes from the Department of Natural Resources (DNR) to the proposed Department of Tourism, effective July 1, 1996. Transfer employees, assets and liabilities, tangible personal property and contracts primarily related to the functions of the LWSR Board (as determined by the DOA Secretary) from DNR to Tourism.

Senate/Legislature: Change the effective date of the transfer to January 1, 1996.

[Act 27 Sections: 166m, 1674m, 9139(1g) and 9439(1)]

MARQUETTE DENTAL SCHOOL

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	\$2,334,000	\$2,334,000	\$2,334,000	\$2,334,000	\$2,334,000	\$0	0.0%

FTE Position Summary
Due to the private status of the school, the state does not control positions or nonstate monies received by the Marquette Dental School.

1. DENTAL EDUCATION CONTRACT

Governor/Legislature: Effective July 1, 1996, transfer the responsibility for administering the state's contract with Marquette University for dental education from the Higher Educational Aids Board (which would be eliminated) to the new Department of Education. Included in the transfer would be the state's capitation program for the Dental School.

[Act 27 Sections: 558, 1943, 1944, 9127(1) and 9427(1)]

MEDICAL COLLEGE OF WISCONSIN

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	\$16,762,200	\$16,160,700	\$16,218,800	\$16,218,800	\$16,218,800	- \$543,400	- 3.2%

FTE Position Summary

The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.

1. CAPITATION PROGRAM [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$320,900	\$40,400	- \$280,500

Governor: Reduce capitation funding by \$107,000 (-2.5%) in 1995-96 and \$213,900 (-5.0%) in 1996-97 over the base level of \$4,278,600. Under current law, the state pays \$10,091 for each state resident enrolled as a full-time medical student. If state funding is not sufficient to pay the full capitation amount for each eligible student, the amount is prorated. In addition, modify the statutes as follows:

a. *Capitation Limit.* Revise the maximum number of resident students funded through capitation to be the total number of students enrolled at the Medical College multiplied by 0.56, not to exceed 416 students plus up to eight students who have not graduated with their entering class. Under current law, the limit is the total number of students enrolled in each class multiplied by 0.56, not to exceed 104 students per class.

b. *Tuition for Resident Students Not Covered by Capitation.* Permit the Medical College to charge nonresident tuition to those resident students for whom capitation payments are not made to MCW. Under current law, the Medical College must waive the portion of nonresident tuition covered by capitation for all resident students, even those above the capitation limit.

Joint Finance: Provide an additional \$40,400 GPR in 1996-97. Delete provision which would allow capitation funding for eight additional students who have not graduated with their entering class. In addition, provide that a student would be eligible for capitation payments only during a period of four consecutive academic years.

Require that, beginning with students entering in the fall of 1996, the amount of the capitation payment made to MCW for each state resident enrolled as a full-time medical student be based on financial need, up to a maximum of \$10,091. Require the Higher Educational Aids Board to submit administrative rules to the Legislative Council staff, no later than January 1, 1996, that establish standards and methods for determining financial need, including a methodology for determining the expected contribution of parents and students.

Assembly/Legislature: Delete Joint Finance provisions which would: (a) limit a student's eligibility for capitation payments to a period of four consecutive academic years; and (b) require that, beginning with students entering in the fall of 1996, the capitation payment be based on financial need.

[Act 27 Sections: 566, 1851j and 1852]

2. FAMILY PRACTICE RESIDENCY PROGRAM [LFB Paper 656]

Governor/Legislature: Reduce funding for MCW's family practice residence program by \$84,000 (-2.5%) in 1995-96 and \$167,900 (-5.0%) in 1996-97 over the base level of \$3,357,900.

	Chg. to Base
GPR	- \$251,900

3. AREA HEALTH EDUCATION CENTERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$17,700	\$17,700	\$0

Governor: Reduce funding for the state match for the area health education centers (AHEC) program from its base level of \$235,000 by \$5,900 in 1995-96 (to \$229,100) and \$11,800 in 1996-97 (to \$223,200). MCW and the UW-Madison Medical School have received a three-year renewal of a federal grant to continue developing a statewide AHEC System to improve health care access in underserved communities. The grant requires a minimum 25% match through non-federal funds which amounts to \$364,300 in 1995-96 and \$367,500 in 1996-97 at each medical school. (The Executive Budget Book does not indicate a specific reduction for the UW's portion of the AHEC program which also equals \$235,000 in base funding.)

Joint Finance/Legislature: Delete provision.

4. DEBT SERVICE REESTIMATE

Governor/Legislature: Reestimate debt service costs by -\$40,600 in 1995-96 and \$29,600 in 1996-97 over the base level of \$509,600.

Chg. to Base	
GPR	- \$11,000

MILITARY AFFAIRS

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	\$22,486,800	\$23,054,200	\$22,153,900	\$22,458,000	\$22,458,000	- \$28,800	- 0.1%
FED	27,349,200	27,465,100	27,383,300	27,383,300	27,383,300	34,100	0.1
PR	6,036,200	6,059,300	6,436,600	6,436,600	6,436,600	400,400	6.6
SEG	<u>5,632,200</u>	<u>5,826,400</u>	<u>5,826,400</u>	<u>5,826,400</u>	<u>5,826,400</u>	<u>194,200</u>	<u>3.4</u>
TOTAL	\$61,504,400	\$62,405,000	\$61,800,200	\$62,104,300	\$62,104,300	\$599,900	1.0%

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	115.46	107.21	104.83	105.83	105.83	- 9.63
FED	213.68	202.31	200.81	200.81	200.81	- 12.87
PR	25.50	25.50	25.50	25.50	25.50	0.00
SEG	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>0.00</u>
TOTAL	356.14	336.52	332.64	333.64	333.64	- 22.50

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget for (a) turnover reduction (-\$85,100 GPR and -\$136,100 FED annually); (b) non-recurring costs (-\$171,400 FED in 1995-96 and -\$317,500 FED in 1996-97 and -8.0 FED positions annually); (c) full funding of salary and fringe benefit costs (-\$21,700 GPR, -\$240,200 FED, -\$38,400 PR and \$5,200 SEG annually); (d) overtime (\$25,700 GPR, \$256,800 FED, \$37,400 PR and \$900 SEG annually); (e) night and weekend wage differentials (\$1,000 GPR, \$65,400 FED and \$700 PR annually); (f) fifth week vacation as cash (\$12,100 GPR, \$8,500 FED, and \$1,900 PR annually); (g) full funding of Bureau of Finance charges (\$5,500 GPR and \$4,000 PR annually); (h) risk management premium costs (\$32,700 GPR, \$58,300 FED, \$3,400 PR and \$200 SEG annually); (i) reclassifications (\$700 GPR, \$6,700 FED and \$5,800 PR annually); and (j) full funding of delayed pay adjustments (\$24,000 GPR, \$30,400 FED, \$5,900 PR and \$600 SEG annually).

	Chg. to Base Funding Positions	
GPR	- \$10,200	0.00
FED	-389,300	- 8.00
PR	41,400	0.00
SEG	<u>13,800</u>	<u>0.00</u>
Total	- \$344,300	- 8.00

2. NATIONAL GUARD TUITION GRANT PROGRAM [LFB Paper 660]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	\$495,200	-\$681,100	\$578,000	-\$273,900	\$118,200
PR	0	300,000	0	0	300,000
Total	\$495,200	-\$381,100	\$578,000	-\$273,900	\$418,200

Governor:

a. *Program funding.* Increase funding for the national guard tuition grant program by \$228,000 GPR in 1995-96 and \$267,200 GPR in 1996-97 to provide for approximately 4,600 grants annually. Convert the GPR appropriation for the program from annual to continuing. Reduce the grant maximum from 50% of tuition to 40%. Currently, grants may be paid to reimburse guard members for 50% of the actual cost of tuition at a higher education institution not to exceed a maximum amount equal to 50% of resident undergraduate tuition at the UW-Madison for a comparable academic load. Under the bill, the maximum reimbursement would be 40% of the UW-Madison resident undergraduate tuition. A total of \$1,134,700 was available for grants in 1994-95. However, that funding was depleted in February, 1995, and the Department has announced that there will be a moratorium on the provision of grants for the spring semester.

b. *Additional One-time Funding.* Authorize DMA to sell the national guard armory located in Whitefish Bay in Milwaukee County. Create a program revenue continuing appropriation to be funded from the proceeds of the sale of the armory. Provide that the new appropriation be used to supplement the 40% national guard tuition grants funded by the GPR appropriation by up to an additional 10% of the actual tuition cost not to exceed a total reimbursement amount equal to 50% of the resident undergraduate tuition at UW-Madison. Provide that all GPR funds must be encumbered before any PR funds may be encumbered. No expenditure amounts from this PR appropriation are estimated in the bill. However, DMA has estimated that as much as \$300,000 might be received from the net proceeds of the sale of the armory. Under the bill, this would be a one-time source of supplementary funding for the program.

c. *Other Statutory Changes.* Provide that applications for grants must be submitted within 90 days after the completion date of the course (currently six months from the completion date of the course). Require signed certification by the applicant and school of the grades awarded for courses for which reimbursement is requested. Specify that appropriated funding is to be used only for grants for courses completed in the fiscal year in which the funding was appropriated.

Joint Finance:

a. Delete \$104,700 GPR in 1995-96 and \$29,800 GPR in 1996-97 and provide that the tuition reimbursement rate be set at 45% (not to exceed 45% of resident, undergraduate tuition at the University of Wisconsin-Madison).

b. Delete the separate PR tuition grant appropriation for the proceeds of the sale of the Whitefish Bay Armory and change the current GPR appropriation to a two-line, sum sufficient appropriation. Provide estimated applied receipts of \$300,000 in 1995-96 in the second line of the appropriation to reflect net proceeds receipts from the sale of the Whitefish Bay Armory to be used for tuition grants and reduce GPR funding by \$300,000 in 1995-96. Specify that, in addition to the Whitefish Bay Armory, the Department may sell any other properties that it determines are no longer needed for military purposes and that the proceeds of these sales would be credited to the PR appropriation. The net GPR appropriated in any fiscal year would be the GPR level needed to fund tuition grants at 45% less the proceeds from any sales. Create a separate PR continuing appropriation for receipt of any property sales and estimate expenditures at \$300,000 PR.

c. Delete the provision that grants awarded in a fiscal year may not exceed the amount appropriated for that fiscal year. Further, eliminate the provision that would require certification of the grades awarded for courses for which reimbursement is sought.

d. Delete \$118,600 GPR in 1995-96 and \$128,000 GPR in 1996-97 and eliminate tuition reimbursement eligibility for officers and graduate courses.

Assembly: Provide \$278,000 in 1995-96 and \$300,000 in 1996-97 to retain grant reimbursement at the current 50% of actual tuition costs and restore eligibility for officers and graduate level courses.

Senate/Legislature: Delete \$131,700 in 1995-96 and \$142,200 in 1996-97 and eliminate eligibility for officers and graduate courses. In addition, retain the appropriation as a sum certain annual appropriation.

Veto by Governor [C-21]: Delete the Department's authority to sell any other properties that it determined are no longer needed for military purposes and to apply any net proceeds from such sales to the new PR appropriation as an offset to GPR funding for the tuition grant program. The partial veto does not affect the use of net proceeds from the sale of the Whitefish Bay Armory to offset GPR funding for the tuition grant program. As a result of the partial veto, the net proceeds from the sale of other surplus military properties will continue to be credited to the Department's general program operations appropriations, as provided under current law.

[Act 27 Sections: 466g, 466j, 473, 1033, 1034p, 1219i, 1219j, 1219t, 1220t, 1221, 1223, 9141(2b) and 9341(2)]

[Act 27 Vetoed Sections: 1029r and 1219j]

3. DEBT SERVICE REESTIMATE

	Chg. to Base
GPR	\$598,500

Governor/Legislature: Provide \$228,200 in 1994-95 and \$370,300 in 1996-97 for the increased cost of debt service payments.

4. FUEL AND UTILITY REESTIMATE

Governor/Legislature: Provide \$47,200 in 1995-96 and \$84,100 in 1996-97 for increased fuel and utility costs.

Chg. to Base	
GPR	\$131,300

5. STATE HEADQUARTERS STAFF REDUCTIONS

Governor/Legislature:

a. *Reduce State Headquarters Staff.* Delete, in 1996-97, \$274,500 GPR and 6.0 unidentified positions in the Department's state headquarters in Madison currently staffed with 40.5 FTE;

b. *Shift Attorney Position Funding.* Annually, delete \$34,300 GPR and reallocate \$34,300 PR to shift 50% (0.50 FTE) of an attorney position from GPR funding to funding from the SARA program which receives revenues from fees assessed on fixed facilities storing hazardous materials. The shift in funding is recommended to reflect the amount of the attorney's workload performed for the State Emergency Response Board which is funded by SARA monies. The \$34,300 PR is reallocated from supplies and services funding to salary and fringe benefits.

c. *Delete Technical Support Staff.* Delete \$25,500 PR annually and 0.50 PR microcomputer support staff position that is currently funded from SARA funds. This position is deleted to free up PR funds for the attorney position funding conversion above.

Chg. to Base Funding Positions		
GPR	- \$343,100	- 6.50
PR	- 51,000	0.00
Total	- \$394,100	- 6.50

6. DIVISION OF EMERGENCY GOVERNMENT LEASE SAVINGS

Governor/Legislature: Reduce the Division of Emergency Government's (DEG) general program operations appropriation by \$45,300 annually to reflect funding no longer needed for space rental. The Division relocated to the new DMA State Headquarters in March, 1994.

Chg. to Base	
GPR	- \$90,600

7. JANITORIAL SERVICES

Governor/Legislature: Delete \$30,700 GPR and \$9,100 FED annually and 4.63 FTE positions (1.63 GPR and 3.0 FED) to reflect reduced janitorial costs as a result of savings from contracting for custodial services. Under this recommendation, funding is provided for the contracts as a supplies and services expense and salary and fringe benefits funding for 4.63 vacant positions is deleted.

Chg. to Base Funding Positions		
GPR	- \$61,400	- 1.63
FED	- 18,200	- 3.00
Total	- \$79,600	- 4.63

8. OCCUPANCY OF NEW FACILITIES

Governor/Legislature: Adjust the Department's budget for the occupancy of new national guard facilities as follows: (a) provide \$5,500 GPR annually for a new armory in Sussex; (b) provide \$1,700 GPR and \$27,000 FED in 1995-96 and \$6,900 GPR and \$107,900 FED in 1996-97 for an expanded combined support maintenance shop at Camp Williams in Juneau County; (c) provide \$325,700 FED annually for a heavy equipment maintenance shop and a new military academy center at Fort McCoy in Monroe County; and (d) delete \$38,400 GPR and \$32,000 FED annually to reflect reductions in leasing expenses due to the opening or expansion of these facilities.

Chg. to Base	
GPR	- \$57,200
FED	<u>722,300</u>
Total	\$665,100

9. NATIONAL GUARD FACILITIES CONSOLIDATION

Governor/Legislature: *Organizational Maintenance Shops.* Delete \$9,600 GPR and \$28,800 FED annually to reflect the consolidation of the operations of four organizational maintenance shops into facilities at Camp Williams and the Sussex armory.

Currently, DMA operates 13 organizational maintenance shops around the state for which the state pays 25% of operational costs only (the federal government funds the staff and remaining costs).

Chg. to Base Funding Positions		
GPR	- \$28,000	- 0.125
FED	<u>- 84,000</u>	<u>- 0.375</u>
Total	- \$112,000	- 0.500

Logistical Support Facility. Delete, in 1996-97, \$8,800 GPR and \$26,400 FED and 0.5 position (0.125 GPR and 0.375 FED) to reflect the closure of a logistical support facility in Madison and consolidation of its operations into facilities currently under construction at Camp Williams. The logistical support facility repairs parts for the 32nd Brigade.

10. DISSOLUTION OF FEDERAL AUDIT ALLOWANCE RESERVE

Governor/Legislature: Eliminate the reserve for audit disallowances and use the unallotted balance in the reserve for one-time expenditures. Provide, in 1995-96, one-time expenditures of: (a) \$15,000 FED to replace a pick-up truck at Camp Williams; (b) \$30,000 FED for an anticipated assessment change from the City of Madison for improvements to the street that provides access to the new state headquarters; and (c) \$67,100 FED for maintenance costs. In addition, delete: (a) \$67,100 GPR in 1995-96 from the repair and maintenance appropriation as a one-time offset; and (b) \$113,500 FED annually to reflect elimination of the reserve from the base budget. The federal audit allowance appropriation was created in the 1980's due to delays in obtaining federal reimbursement for state expenditures which resulted in significant deficits in the DMA's federal aid appropriation. As of June 30, 1994, the appropriation had a balance of \$112,100.

Chg. to Base	
GPR	- \$67,100
FED	<u>- 114,900</u>
Total	- \$182,000

11. INCREASED FUNDING FOR PETROLEUM MARKETING FACILITY FEE EXEMPTION

	Chg. to Base
PR	- \$302,000
SEG	<u>302,000</u>
Total	\$0

Governor/Legislature: Provide \$237,000 SEG in 1995-96 and \$65,000 SEG in 1996-97 to increase the funds transferred from the petroleum inspection fund for grants to counties for hazardous materials planning and equipment (emergency planning grants). Delete \$237,000 PR in 1995-96 and \$65,000 PR in 1996-97 to reflect a corresponding decrease in the amount of program revenue funds used for emergency planning grants. The increase would be used to offset revenue lost from exempting petroleum marketing facilities (primarily gas stations) from fees on facilities storing hazardous materials. These facilities were exempted from the fee in the 1991-93 biennial budget at which time it was estimated that such an exemption would result in lost revenue of \$400,700 annually and this amount was transferred from the petroleum inspection fund to offset the projected revenue loss. DMA now estimates that the exemption results in total lost annual revenue of \$465,700. The increases above are for a one-time transfer of \$172,000 SEG in 1995-96 to recover revenue shortfalls in prior years and annual transfers of \$65,000 SEG to cover costs associated with the current exemption.

12. BILLETING SERVICES FUNDING

	Chg. to Base
PR	\$235,800

Governor/Legislature: Provide \$117,900 annually for housing services at a new facility for the military academy at Fort McCoy. Base level funding is \$88,400. Currently, DMA has approximately 20 rooms for short-term housing units to soldiers. Soldiers can stay for a nightly fee of \$5 which covers maid and linen services (\$2 additional per night if the soldier's stay is not for official business). The Department is opening up a new facility which will include 113 single sleeping rooms at a charge of \$10 or \$12 per night (depending whether the visit is official) for maid and linen services, and 108 double rooms for which there will be no charge and no maid and linen services. The new facility is expected to open in July or August, 1995, replacing the services at the old facility.

13. EMERGENCY GOVERNMENT INFORMATION TECHNOLOGY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$15,000	- \$15,000	\$0

Governor: Provide \$15,000 in 1995-96 from the information technology investment fund in a new continuing appropriation for the purchase and installation of backup disaster recovery equipment and improved physical security measures for the Division's emergency response information technology functions.

Joint Finance/Legislature: Delete provision.

14. ELIMINATE FRIEND IN THE SKY PROGRAM

Chg. to Base	
SEG	- \$121,600

Governor/Legislature: Eliminate the Friend in the Sky Program which provides helicopter rescue assistance for traffic accidents during the major summer holiday periods. Base funding is \$60,800 SEG annually from the transportation fund. In the past, the National Guard provided four helicopters and flight crews, and counties provided trained personnel for immediate patient care. However, no services have been provided since May, 1994, where Dane County Emergency Management indicated it would not provide medical support for the program due to liability and patient care considerations. DMA states that the UW Hospital "Med-Flight" program and other air ambulance programs have supplanted the need for the program.

[Act 27 Sections: 1032 and 1413]

15. MISCELLANEOUS PROGRAM REVENUE FUNDING ADJUSTMENTS [LFB Paper 661]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$83,900	\$92,300	\$176,200

Governor: Make the following program revenue appropriation adjustments: (a) provide \$50,000 annually for supplies and services which are now centrally purchased for the recently co-located Adjutant General's Office and Division of Emergency Government and then charged to the respective funding sources; (b) delete \$94,700 in 1995-96 and \$75,600 in 1996-97 to reflect reduced funding for contracts with utilities for the radiological emergency planning program (under the program utilities contract with DEG to develop emergency response plans for nuclear power plants); (c) provide \$35,000 annually to sponsor the annual Governor's Conference on Emergency Management; and (d) provide \$42,100 annually to adjust grants to county local emergency planning committees to maintain grants at a level of two-thirds of total state expenditures for the program.

Joint Finance/Legislature: Restore \$56,600 PR in 1995-96 and \$35,700 PR in 1996-97 to fully fund the approved contracts for the radiological emergency planning program and reflect actual contracted amounts.

16. NATIONAL GUARD DONATIONS

Governor/Legislature: Create a program revenue appropriation for expenditure of revenues received from gifts, grants and bequests. Provide that DMA would be able to use the revenue received for the purposes for which the grants or donations are made.

[Act 27 Section: 1031]

17. ELIMINATE 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	-\$156,400	- 1.00	\$0	1.00	-\$156,400	0.00

Joint Finance: Delete \$78,200 annually and 1.0 executive assistant position.

Senate/Legislature: Restore the position authority but not the associated funding for the agency's executive assistant position.

18. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$31,400 GPR and \$40,900 PR annually and 1.38 GPR positions and 1.50 PR positions.

	<u>Chg. to Base</u>	
	<u>Funding</u>	<u>Positions</u>
GPR	-\$62,800	- 1.38
FED	- 81,800	- 1.50
Total	-\$144,600	- 2.88

MINNESOTA-WISCONSIN BOUNDARY AREA 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	\$259,800	\$136,700	\$136,700	\$136,700	\$136,700	- \$123,100	- 47.4%
PR	0	180,000	180,000	180,000	180,000	180,000	N.A.
SEG	0	143,200	163,200	163,200	163,200	163,200	N.A.
TOTAL	\$259,800	\$459,900	\$479,900	\$479,900	\$479,900	\$220,100	84.7%

FTE Position Summary
There are no authorized positions for the Minnesota-Wisconsin Boundary Area Commission.

1. PROGRAM REVENUE REESTIMATE

Governor/Legislature: Estimate an increase of \$90,000 annually as follows: (a) \$53,900 for projects on the St. Croix River; (b) \$31,000 for projects related to the control of zebra mussels; and (c) \$5,100 for monitoring of the Mississippi River. Current base funding for the Commission's PR gifts and grants appropriation is zero.

Chg. to Base	
PR	\$180,000

2. FUNDING SHIFT TO THE CONSERVATION FUND

Governor/Legislature: Transfer \$51,800 annually in base funding from GPR to the water resources account of the conservation fund.

Chg. to Base	
GPR	- \$103,600
SEG	103,600
Total	\$0

3. ST. CROIX RIVER STEWARDSHIP PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$20,000	\$20,000	\$40,000

Governor: Provide \$10,000 annually from the water resources account of the conservation fund to continue the St. Croix River stewardship program. The program's mission is to involve landowners and local governments in a broad-based effort to support river stewardship. The program also studies how the St. Croix River watershed has been impacted by development.

Joint Finance/Legislature: Provide an additional \$10,000 annually from the water resources account to increase funding provided for the St. Croix River stewardship program.

4. SUPPLIES AND SERVICES REDUCTION

	Chg. to Base
GPR	- \$19,500

Governor: Decrease base funding for supplies and services by \$6,500 in 1995-96 and \$13,000 in 1996-97.

Joint Finance/Legislature: Shift \$3,300 of the reduction from 1996-97 to 1995-96 in order to provide similar reductions in each year.

5. SALARY AND FRINGE BENEFIT COSTS

	Chg. to Base
SEG	\$13,800

Governor/Legislature: Provide \$6,900 annually from the water resources account of the conservation fund for contracted salary and fringe benefit costs.

6. PROGRAM SUPPORT

	Chg. to Base
SEG	\$5,800

Governor/Legislature: Provide \$2,900 annually from the water resources account of the conservation fund as follows: (a) \$1,400 for a three-year copier lease-to-purchase agreement; (b) \$1,000 to serve as a key source of information and recommendations for members of Congress on St. Croix and Mississippi River issues; and (c) \$500 for increased postage costs.

MISCELLANEOUS APPROPRIATIONS

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	\$72,831,200	\$80,717,900	\$95,473,300	\$95,687,900	\$95,687,900	\$22,856,700	31.4%
SEG	<u>25,278,600</u>	<u>26,405,800</u>	<u>27,937,900</u>	<u>26,148,700</u>	<u>26,148,700</u>	<u>870,100</u>	<u>3.4</u>
TOTAL	\$98,109,800	\$107,123,700	\$123,411,200	\$121,836,600	\$121,836,600	\$23,726,800	24.2%

FTE Position Summary

There are no positions authorized for Miscellaneous Appropriations.

1. OPERATING NOTE INTEREST COST ESTIMATE

	Chg. to Base
GPR	\$3,500,000

Governor/Legislature: Increase funding by \$1,000,000 in 1995-96 and \$2,500,000 in 1996-97 for estimated interest costs on operating notes. With this increase, total funding would be \$8,000,000 in 1995-96 and \$9,500,000 in 1996-97. DOA indicates issuances will be \$250 million in 1995-96 and \$350 million 1996-97.

2. MINNESOTA-WISCONSIN INCOME TAX RECIPROCITY PAYMENTS

	Chg. to Base
GPR	\$5,000,000

Governor/Legislature: Provide \$2,100,000 in 1995-96 and \$2,900,000 in 1996-97 to reflect estimated Minnesota-Wisconsin income tax reciprocity payments under current law. Total funding after these adjustments would be \$28,000,000 in 1995-96 and \$28,800,000 in 1996-97.

3. MINNESOTA-WISCONSIN RECIPROCITY BENCH MARK [LFB Paper 670]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	\$214,600	- \$214,600	\$214,600	\$214,600

Governor: Provide \$87,400 in 1995-96 and \$127,200 in 1996-97 for an income tax bench mark study, to update the formula for determining the reciprocity payment. This funding would be utilized by the Department of Revenue for the study.

Joint Finance: Delete provision.

Senate/Legislature: Restore Governor's provision.

4. REESTIMATE OF INTEREST ON OVERPAYMENT OF INDIVIDUAL INCOME TAXES

	Chg. to Base
GPR	\$300,000

Governor/Legislature: Provide \$100,000 in 1995-96 and \$200,000 in 1996-97 for estimated interest paid on the overpayment of income taxes. Total funding would be \$300,000 in 1995-96 and \$400,000 in 1996-97.

5. DELETION OF ONE-TIME FUNDING TO THE WISCONSIN ADVANCED TELECOMMUNICATIONS FOUNDATION

	Chg. to Base
GPR	- \$1,000,000

Governor/Legislature: Delete \$500,000 annually to reflect elimination from the base of one-time funding provided to the Wisconsin Advanced Telecommunication Foundation by 1993 Wisconsin Act 496. The appropriation is repealed on June 30, 1995, and base level funding must be deleted. The funds constitute a state contribution to the Foundation. Under current law, these amounts may not be released from the appropriation without the approval of the Joint Committee on Finance following a determination that the Foundation has received direct contributions to its endowment fund from telecommunications providers totaling at least \$1,000,000.

6. CAPITOL OFFICE RELOCATION EXPENSES

	Chg. to Base
GPR	\$399,600

Governor/Legislature: Reestimate the State Capitol offices relocation sum sufficient appropriation by \$265,700 in 1995-96 and \$133,900 in 1996-97 to reflect scheduled lease cost increases, estimated utility cost increases and costs associated with returning the Assembly to the Capitol upon completion of the West Wing renovation project and moving the Senate from the Capitol in advance of the South Wing renovation project. The base level for the appropriation is \$1,862,700 annually.

7. GREAT LAKES PROTECTION FUND

Chg. to Base	
GPR	- \$469,400

Governor/Legislature: Eliminate base funding of \$234,700 annually to reflect that the state's contribution to the Great Lakes protection fund has been fulfilled. The fund uses interest earnings from contributions for: (a) direct grants for the improvement of the Great Lakes water quality; (b) grants to member states (Wisconsin, Michigan, Illinois, New York, Minnesota, Pennsylvania and Ohio) for Great Lakes programs; and (c) administrative costs.

8. ELECTION CAMPAIGN FUND REESTIMATE

Chg. to Base	
GPR	- \$59,200

Governor/Legislature: Reestimate expenditure from the one dollar income tax check-off for the election campaign fund by -\$25,000 in 1995-96 and -\$34,200 in 1996-97 to reflect estimated check-off revenues. Total budgeted revenues would be \$340,000 in 1995-96 and \$330,800 in 1996-97. Actual check-off revenues in 1993-94 totalled \$359,662.

9. ELECTION CAMPAIGN FUND TAX FORM CHECKOFF

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$186,800	\$186,800	\$0

Assembly: Delete \$186,800 in 1996-97 to reflect modifications to tax filer designations for the Wisconsin Election Campaign Fund (WECF). This amount includes: (a) the deletion of \$330,800 as a result of the repeal of current law provisions permitting a tax filer to designate on his or her return that \$1 be transferred from the general fund to the WECF; and (b) the provision of \$144,000 to reflect the substitution for the \$1 checkoff of a mechanism for the voluntary additional payment of any amount on the tax filer's form. A complete description of these modifications is provided under the "Elections Board."

Senate/Legislature: Delete provision.

10. TRANSFERS TO THE CONSERVATION FUND [LFB Paper 716]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
GPR	\$1,100	\$0	\$0	\$0	\$0	\$1,100
SEG	<u>1,127,200</u>	<u>1,532,100</u>	<u>- 1,234,400</u>	<u>1,244,600</u>	<u>- 1,799,400</u>	<u>\$870,100</u>
Total	\$1,128,300	\$1,532,100	- \$1,234,400	\$1,244,600	- \$1,799,400	\$871,200

Governor: Adjust the following transfers to the conservation fund: (a) \$100 GPR in 1995-96 and \$1,000 GPR in 1996-97 reflect adjustments in GPR reimbursements of estimated debt service for SEG-supported outdoor recreation and preservation land acquisition activities; (b) \$307,300 SEG in 1995-96 and \$419,500 SEG in 1996-97 from the transportation fund, to reflect an increase in the funds provided under the snowmobile gas tax formula; (c) \$21,000 SEG in 1995-96 and \$255,000 SEG in 1996-97 from the transportation fund, to reflect an increase in the funds provided under the motorboat gas tax formula; and (d) \$50,400 SEG in 1995-96 and \$74,000 SEG in 1996-97 from the transportation fund, to reflect an increase in the funds provided under the all-terrain vehicle gas tax formula.

Joint Finance: Reestimate the gas tax formula transfers from the transportation fund to the conservation fund as follows: (a) -\$35,600 SEG in 1995-96 and \$405,300 SEG in 1996-97 under the snowmobile formula; (b) -\$86,300 SEG in 1995-96 and \$1,150,800 SEG in 1996-97 under the motorboat formula; and (c) \$19,900 SEG in 1995-96 and \$78,000 SEG in 1996-97 under the ATV formula. These changes reflect the actual motor fuel tax rate of 23.4 cents per gallon on April 1, 1995, the proposed increase to 26.9 cents per gallon on August 1, 1995, under the transportation budget and a further increase to 27.2 cents per gallon on April 1, 1996, under the statutory indexing provisions.

Assembly: Decrease the estimated gas tax formula transfers from the transportation fund to the conservation fund in 1996-97 as follows: (a) -\$351,100 SEG under the snowmobile formula; (b) -\$838,300 SEG under the motorboat formula; and (c) -\$45,000 SEG under the ATV formula. These changes reflect projected increases in the motor fuel tax rate due to the deletion of the consumption factor from the indexing formula (0.4 cents per gallon on April 1, 1996) and the creation of an adjustment to replace federal highway aid decreases (0.8 cents per gallon on December 1, 1995) and the deletion of the proposed 3.5 cents per gallon increase on August 1, 1995.

Senate: Increase the estimated gas tax transfers from the transportation fund to the conservation fund in 1996-97 as follows: (a) \$353,700 SEG under the snowmobile formula; (b) \$845,600 SEG under the motorboat formula; and (c) \$45,300 SEG under the ATV formula. These changes reflect the modification of the current formulas under which these transfers are made to include revenues attributable to the proposed oil company franchise fee, the deletion of the proposed change to the indexing formula and the deletion of the proposed adjustment to replace federal highway aid decreases.

Legislature: Decrease the estimated gas tax formula transfers from the transportation fund to the conservation fund in 1996-97 as follows: (a) -\$457,800 SEG under the snowmobile formula; (b) -\$1,283,000 SEG under the motorboat formula; and (c) -\$58,600 SEG under the ATV formula. These

changes reflect the deletion of the proposed oil company franchise fee. Total revenues to be transferred to the various conservation fund accounts are estimated as follows: (a) \$2,944,900 SEG in 1995-96 and \$3,042,800 SEG in 1996-97 to the snowmobile account; (b) \$8,442,600 SEG in 1995-96 and \$8,638,000 SEG in 1996-97 to the water resources account; and (c) \$366,400 SEG in 1995-96 and \$389,800 SEG in 1996-97 to the all-terrain vehicle trail aids account.

11. TRANSFERS TO THE CONSERVATION FUND (AB 557)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assem./Leg. (Chg. to JFC)	Net Change
SEG	\$1,970,700	-\$559,600	-\$1,411,100	\$0

Governor: Increase estimated transfers from the transportation fund to the conservation fund by \$1,970,700 in 1996-97 as follows: (a) \$1,549,000 under the motorboat formula; (b) \$357,600 under the snowmobile formula; and (c) \$64,100 under the all-terrain vehicle formula. These changes reflect revenues attributable to the proposed oil company franchise fee and projected increases in the motor fuel tax rate due to the proposed suspension of the consumption factor from the motor fuel tax indexing formula.

Direct the Secretary of the Department of Administration and the Joint Committee on Finance to increase the amounts in the appropriation schedule by \$1,165,400 in 1995-96 and \$2,020,700 in 1996-97. Those amounts should be changed to reflect the reestimated amounts reported above. The bill will not increase transfers in 1995-96.

Joint Finance: Decrease estimated transfers from the transportation fund to the conservation fund by \$559,600 in 1996-97 as follows to reflect the substitution of a 2.9 cents per gallon motor fuel tax increase for the proposed 3.5% oil company franchise fee: (a) -\$455,600 under the motorboat formula; (b) -\$88,200 under the snowmobile formula; and (c) -\$15,800 under the all-terrain vehicle formula. Modify the nonstatutory provision related to reestimating these transfers in the Chapter 20 appropriations schedule to reflect these changes.

Assembly/Legislature: Decrease estimated transfers from the transportation fund to the conservation fund by \$1,411,100 in 1996-97 as follows to reflect the elimination of the proposed 2.9 cents per gallon motor fuel tax increase: (a) -\$1,093,400 under the motorboat formula; (b) -\$269,400 under the snowmobile formula; and (c) -\$48,300 under the all-terrain vehicle formula. Delete the nonstatutory provision related to reestimating these transfers in the Chapter 20 appropriations schedule to reflect these changes.

12. CANCELLED DRAFTS ACCOUNT [LFB Paper 672]

Joint Finance/Legislature: Increase GPR-Earned for 1995-96 from \$720,000 to \$1,020,000, to reflect anticipated one-time monies from checks that were not cashed by the payee and that have been unclaimed for six years.

Chg. to Base	
GPR-REV	\$300,000

**13. OPERATING NOTE ISSUANCE EXPENSE REESTIMATE
[LFB Paper 671]**

Joint Finance/Legislature: Delete \$15,000 annually for operating note issuance expenses, which would reduce funding from \$125,000 to \$110,000.

Chg. to Base	
GPR	- \$30,000

14. STATE CAPITOL RENOVATION AND RESTORATION

Joint Finance/Legislature: Provide \$15,000,000 in 1995-96 to fund renovation and restoration of the south wing of the State Capitol.

Chg. to Base	
GPR	\$15,000,000

[Act 27 Section: 1154e]

NATURAL RESOURCES

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	\$352,097,000	\$334,988,600	\$334,804,700	\$334,320,600	\$334,320,600	- \$17,776,400	- 5.0%
FED	83,208,000	73,239,200	77,027,600	77,027,600	77,027,600	- 6,180,400	- 7.4
PR	47,931,200	42,710,800	48,053,400	48,053,400	48,053,400	122,200	0.3
SEG	<u>391,665,600</u>	<u>364,696,600</u>	<u>370,762,200</u>	<u>370,731,300</u>	<u>370,731,300</u>	<u>- 20,934,300</u>	<u>- 5.3</u>
TOTAL	\$874,901,800	\$815,635,200	\$830,647,900	\$830,132,900	\$830,132,900	- \$44,768,900	- 5.1%
BR		\$1,600,000	- \$18,000,000	- \$18,000,000	- \$18,000,000		

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	596.33	458.31	520.28	521.28	521.28	- 75.05
FED	568.30	429.30	473.05	473.05	473.05	- 95.25
PR	254.89	236.39	231.14	231.14	231.14	- 23.75
SEG	<u>1,694.56</u>	<u>1,534.45</u>	<u>1,656.75</u>	<u>1,655.75</u>	<u>1,655.75</u>	<u>- 38.81</u>
TOTAL	3,114.08	2,658.45	2,881.22	2,881.22	2,881.22	- 232.86

Departmentwide and Administrative Services

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Request adjustments to the base budget for: (a) turnover reduction (-\$667,200 GPR, -\$55,100 FED, -\$137,300 PR and -\$1,461,700 SEG annually); (b) removal of noncontinuing elements from base (-\$228,600 GPR, -\$1,154,300 FED, -\$392,900 PR and -\$13,033,200 SEG in 1995-96; -\$268,500 GPR, -\$1,988,200

FED, -\$881,600 PR and -\$13,113,300 SEG in 1996-97; -3.5 GPR positions, -31.75 FED positions, -5.0 PR positions and -0.5 SEG positions in 1995-96; and -3.5 GPR positions, -47.75 FED positions, -11.0 PR

	Chg. to Base Funding Positions	
GPR	\$889,900	- 3.50
FED	- 2,365,900	- 47.75
PR	- 340,800	- 11.00
SEG	<u>- 21,826,500</u>	<u>- 2.50</u>
Total	- \$23,643,300	- 64.75

positions and -2.5 SEG positions in 1996-97); (c) full funding of salaries and fringe benefits (\$727,400 GPR, \$378,900 FED, \$515,600 PR and \$335,500 SEG annually); (d) full funding of financial services charges (\$41,600 SEG annually); (e) reclassifications of staff positions (\$2,100 GPR, \$31,900 PR and \$33,500 SEG in 1995-96 and \$2,100 GPR, \$61,200 PR and \$48,900 SEG in 1996-97); (f) risk management costs (\$79,500 SEG annually); (g) overtime pay (\$227,100 GPR and \$1,913,000 SEG annually); (h) fifth vacation week as cash (\$46,500 GPR, \$1,100 FED, \$1,600 PR and \$85,900 SEG annually); (i) full funding of lease costs (\$4,000 GPR, \$2,000 FED and \$2,800 SEG annually); (j) full funding of 1994-95 delayed pay increase (\$224,300 GPR, \$20,700 FED, \$40,400 PR and \$602,700 SEG annually); and (k) full funding of late pay adjustments (\$129,300 GPR, \$40,700 FED and \$519,500 SEG annually).

2. YOUTH AND EDUCATION PROGRAMS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$1,383,800	- 4.00	\$0	0.00	- \$1,383,800	- 4.00
PR	0	0.00	80,000	1.00	80,000	1.00
SEG	- 1,433,200	- 5.50	660,600	5.50	- 772,600	0.00
Total	- \$2,817,000	- 9.50	\$740,600	6.50	- \$2,076,400	- 3.00

Governor: Delete \$691,900 GPR and 4.0 GPR positions and \$716,600 SEG and 5.5 SEG positions annually to eliminate base funding for the following: (a) MacKenzie Environmental Education Center; (b) youth conservation camps; (c) youth outdoors program; (d) minority internship program; and (e) Chippewa youth employment program. DNR would retain \$20,000 SEG annually for education programs. Delete the authority for DNR to develop and conduct conservation work projects and to establish and operate youth conservation camps.

Joint Finance/Legislature: Provide \$300,900 and 6.0 positions annually for the MacKenzie Environmental Center funded as follows: (a) \$130,500 SEG and 2.0 SEG positions from the environmental fund; (b) \$130,400 SEG and 3.0 SEG positions from the conservation fund; and (c) \$40,000 PR and 1.0 PR position from program user fees. In addition, provide \$69,400 and 0.5 position annually for the minority internship program funded as follows: (a) \$34,700 SEG and 0.5 SEG position from the environmental fund; and (b) \$34,700 SEG from the conservation fund. Create an annual appropriation for educational programs funded from the environmental fund. Create an annual appropriation for educational activities at the MacKenzie Center funded from fees collected for the use of the Center.

[Act 27 Sections: 713, 714, 716, 717, 737m, 737r, 1256, 1257, 1356, 6260 and 6261]

3. DISTRICT AND CENTRAL OFFICE ADMINISTRATIVE POSITIONS

Governor/Legislature: Delete \$718,600 GPR and 8.0 GPR positions annually and \$400,000 SEG and 5.0 SEG positions in 1995-96 and \$488,400 SEG and 6.0 SEG positions in 1996-97 to reduce district and central office administrative positions. Provide that DNR would identify the specific positions to be eliminated.

Chg. to Base Funding Positions		
GPR	- \$1,437,200	- 8.00
SEG	- 888,400	- 6.00
Total	- \$2,325,600	- 14.00

4. DEBT SERVICE REESTIMATE

Governor/Legislature: Estimate a decrease of \$748,900 GPR and \$27,800 SEG in 1995-96 and a decrease of \$1,123,400 GPR and an increase of \$203,400 SEG in 1996-97 for changes in funding principal repayment and interest. SEG funding is provided from the conservation fund.

Chg. to Base		
GPR	- \$1,872,300	
SEG	175,600	
Total	- \$1,696,700	

5. BUREAU OF INFORMATION AND EDUCATION POSITIONS

Governor/Legislature: Delete \$333,400 GPR and 5.0 GPR positions annually and \$300,100 SEG and 6.0 SEG positions in 1995-96 and \$340,800 SEG and 7.0 SEG positions in 1996-97 to reduce positions in the Bureau of Information and Education. Provide that DNR would identify the specific positions to be eliminated.

Chg. to Base Funding Positions		
GPR	- \$666,800	- 5.00
SEG	- 640,900	- 7.00
Total	- \$1,307,700	- 12.00

6. FEDERAL INDIRECT FUNDING OFFSET

Governor/Legislature: Delete \$657,900 FED in 1995-96 and \$1,091,400 FED in 1996-97 to reduce federal indirect expenditure authority to reflect anticipated federal revenues (federal indirect funding is provided for general administrative costs). Provide \$300,000 SEG annually to partially offset the effect of this reduction, as follows: (a) \$140,000 from the conservation fund; (b) \$100,000 from the environmental fund; and (c) \$60,000 from the recycling fund.

Chg. to Base		
FED	- \$1,749,300	
SEG	600,000	
Total	- \$1,149,300	

7. PROGRAM REVENUE REESTIMATES

Governor/Legislature: Provide \$459,500 in 1995-96 and \$549,800 in 1996-97 to reflect the following: (a) \$310,300 annually from the Department of Transportation for environmental analyses and reviews; (b) \$266,300 in 1995-96 and

Chg. to Base	
PR	\$1,009,300

\$356,600 in 1996-97 to adjust resource management expenditure authority to reflect actual prior year expenditures and estimated revenues; (c) -\$228,100 annually to reflect a reduction in revenues from asbestos abatement permit exemption fees; (d) \$81,000 annually for grants from the Coastal Zone and Federal Emergency Management Agency community assistance programs and salary adjustments; and (e) \$30,000 annually for copying services from open records requests.

8. ADMINISTRATIVE FUNDING TRANSFERS

Governor/Legislature: Delete \$435,400 GPR and \$214,600 SEG annually and provide \$150,000 PR annually from air pollutant emission fees charged to stationary sources to reflect the allocation of central administrative services, such as clerical, accounting, personnel and purchasing, to each program. The SEG funding reflects the following adjustments: (a) -\$396,100 in 1995-96 and -\$476,300 in 1996-97 from the conservation fund; (b) -\$339,300 in 1995-96 and -\$359,100 in 1996-97 from the environmental fund; (c) \$320,800 annually from the petroleum inspection fund; (d) \$100,000 in 1995-96 and \$200,000 in 1996-97 from the clean water fund; and (e) \$100,000 annually from the recycling fund. The recycling fund increase is the result of deleting \$500,000 annually for statewide recycling education and providing \$600,000 annually for DNR rent costs. Create an annual appropriation from the clean water fund for DNR general administration.

	Chg. to Base
GPR	- \$870,800
PR	300,000
SEG	- 429,200
Total	- \$1,000,000

[Act 27 Sections: 748 and 1414]

9. FEDERAL REVENUE REESTIMATES

Governor/Legislature: Provide \$324,100 in 1995-96 and \$605,800 in 1996-97 and delete 0.5 position annually, as follows: (a) \$1,342,500 in 1995-96 and \$1,555,900 in 1996-97 for resource management; (b) \$1,591,000 in 1995-96 and \$1,659,300 in 1996-97 and delete 1.0 project position and provide 0.5 permanent position annually for environmental quality; (c) -\$24,400 annually for enforcement; and (d) -\$2,585,000 annually for local support.

	Chg. to Base Funding Positions
FED	\$929,900 - 0.50

10. AIDS IN LIEU OF TAXES

Governor/Legislature: Delete \$312,100 GPR and provide \$106,500 SEG (conservation fund) in 1995-96 and delete \$192,100 GPR and provide \$81,500 SEG (conservation fund) in 1996-97 to reestimate aids in lieu of taxes payments. These payments are made to local taxing jurisdictions to replace the property tax revenue lost on property that DNR acquires. DNR appropriations for aids in lieu of taxes payments would total \$2,275,000 in 1995-96 and \$2,370,000 in 1996-97.

	Chg. to Base
GPR	- \$504,200
SEG	188,000
Total	- \$316,200

11. COPY CENTER

Governor/Legislature: Provide \$180,100 SEG in 1995-96 and \$120,100 SEG in 1996-97 and \$6,800 PR (from air pollutant emission fees charged to stationary sources) annually for increased copying expenses. SEG funding would be provided as follows: (a) \$117,200 in 1995-96 and \$77,200 in 1996-97 from the conservation fund; (b) \$59,900 in 1995-96 and \$39,900 in 1996-97 from the environmental fund; and (c) \$3,000 annually from the clean water fund.

Chg. to Base	
PR	\$13,600
SEG	<u>300,200</u>
Total	\$313,800

12. POSTAGE INCREASES

Governor/Legislature: Provide \$92,700 SEG, \$42,500 GPR and \$3,900 PR (from air pollutant emission fees charged to stationary sources) annually for increased postage costs. Annual SEG funding would be provided as follows: (a) \$66,000 from the conservation fund; (b) \$25,000 from the environmental fund; (c) \$1,100 from the recycling fund; and (d) \$600 from the clean water fund.

Chg. to Base	
GPR	\$85,000
PR	7,800
SEG	<u>185,400</u>
Total	\$278,200

13. WISMART IMPLEMENTATION

Governor/Legislature: Provide \$122,800 in 1995-96 and \$152,200 in 1996-97 and 3.0 positions annually to begin the process of transferring DNR's current financial and payroll information systems to DOA's WISMART accounting system. Place the funds in unallotted reserve, as follows: (a) \$61,400 in 1995-96 and \$76,100 in 1996-97 and 2.0 positions annually from the conservation fund; and (b) \$61,400 in 1995-96 and \$76,100 in 1996-97 and 1.0 position annually from the environmental fund. The funds would be released by DOA.

Chg. to Base Funding Positions		
SEG	\$275,000	3.00

14. GENERAL ADMINISTRATIVE SUPPORT

Governor/Legislature: Delete \$30,400 and 1.0 position in 1995-96 and \$216,800 and 5.8 positions in 1996-97 as follows: (a) -\$30,400 and -1.0 position in 1995-96 and -\$112,900 and -3.8 positions in 1996-97 from the document design and support section; (b) -\$60,600 and -1.0 position in 1996-97 to eliminate the supervisor for DNR's central office information desk; and (c) -\$43,300 and -1.0 position in 1996-97 to eliminate a vacant position.

Chg. to Base Funding Positions		
GPR	-\$247,200	- 5.80

15. PROPERTY MANAGEMENT SUPPORT AND PREVENTIVE MAINTENANCE

Chg. to Base Funding Positions		
PR	- \$182,000	- 2.00

Governor/Legislature: Delete \$91,000 PR and 1.0 PR permanent and 1.0 PR project position annually. Convert 1.0 PR archaeologist and 1.0 SEG space planner project positions to permanent status. Reallocate a vacant drafter position in property management to provide computer-assisted design database management and assistance. Transfer \$125,000 SEG annually from acquisition and development base funds to supplies and services to allow DNR to increase preventive maintenance projects funded from the conservation fund.

16. HUMAN RESOURCES DATABASE DEVELOPMENT

Chg. to Base	
SEG	\$114,000

Governor/Legislature: Provide \$57,000 annually to begin implementation of DNR's human resources database by acquiring hardware and software and funding the initial operations. Place the funds in unallotted reserve, as follows: (a) \$28,500 annually from the conservation fund; and (b) \$28,500 annually from the environmental fund. Specify that the funds would be released from unallotted reserve following a review by DOA and the Department of Employment Relations of DNR's plan for implementing the personnel system.

17. FIRE INSURANCE AND PAYMENTS

Chg. to Base	
GPR	- \$86,800

Governor/Legislature: Delete \$43,400 annually to reflect lower DNR fire insurance premiums and a reduction in actual payments to municipalities for fire fighting services.

18. BUREAU OF PROPERTY MANAGEMENT POSITION

Chg. to Base Funding Positions		
SEG	- \$80,800	- 1.00

Governor/Legislature: Delete \$80,800 and 1.0 position in 1996-97 from the conservation fund to eliminate a design engineer position.

19. BUREAU OF INFORMATION MANAGEMENT

Chg. to Base	
GPR	- \$27,000
SEG	- 41,000
Total	- \$68,000

Governor/Legislature: Delete \$13,500 GPR and \$20,500 SEG annually to reduce supplies and services funding.

20. BUREAU OF FINANCE REDUCTIONS

Chg. to Base	
GPR	- \$60,100

Governor/Legislature: Delete \$25,800 in 1995-96 and \$34,300 in 1996-97 to reduce funding for permanent property, travel and training.

21. SEGREGATED REVENUE REESTIMATES [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	- \$32,800	- \$326,800	- \$359,600

Governor: Delete \$16,400 annually to reflect the following revenue reestimates: (a) \$69,300 for Wisconsin waterfowl stamp sales; (b) \$30,500 for Great Lakes trout and salmon license and stamp sales; (c) \$25,000 for expanded sales of shirts, maps and pamphlets; (d) -\$65,600 for inland waters trout stamp sales; (e) -\$42,300 for voluntary payments to the endangered resources program; (f) -\$30,200 for voluntary contributions for lake research; and (g) -\$3,100 for pheasant stamp sales.

Joint Finance/Legislature: Delete \$163,500 in 1995-96 and \$163,300 in 1996-97 to reflect the following revenue reestimates: (a) -\$154,100 in 1995-96 and -\$153,900 in 1996-97 for Wisconsin waterfowl stamp sales; and (b) -\$9,400 annually for Great Lakes trout and salmon stamps and the two-day Great Lakes sports fishing license. These reestimates reflect the deletion of the proposed changes to hunting and fishing fees (summarized under "DNR -- Fish, Wildlife and Endangered Resources").

22. BUREAU OF PERSONNEL AND HUMAN RESOURCES

Chg. to Base Funding Positions		
GPR	- \$30,000	1.00

Governor/Legislature: Delete \$30,000 and 1.0 position in 1996-97 to eliminate a clerical position. The position's functions would be fulfilled by increased utilization of voice mail and personal computers and by reassigning other positions.

23. DISTRICT BUILDINGS AND OPERATIONS

Chg. to Base	
SEG	\$8,000

Governor/Legislature: Provide \$4,000 annually from the conservation fund for increased security contract costs at DNR's southeast district office in Milwaukee. Transfer \$46,100 SEG annually from rent funding to operational costs for DNR's north central district office in Wisconsin Rapids.

24. BUREAU OF PROPERTY MANAGEMENT EQUIPMENT

Governor/Legislature: Delete \$1,500 in 1995-96 and \$3,000 in 1996-97 to reduce equipment purchases in the land acquisition section.

Chg. to Base	
GPR	- \$4,500

25. PREVENTIVE MAINTENANCE

Governor/Legislature: Shift \$71,000 in 1995-96 and \$142,000 in 1996-97 from GPR to the conservation fund for preventive maintenance of DNR facilities.

Chg. to Base	
GPR	- \$213,000
SEG	<u>213,000</u>
Total	\$0

26. PROGRAM TRANSFERS

Governor/Legislature: Delete \$40,700 PR and 1.0 PR position annually and provide \$40,700 SEG and 1.0 SEG position annually to reflect a series of proposed transfers between programs and funding sources. The transfers would affect the following programs: (a) \$103,500 GPR and -\$43,000 SEG and 2.0 GPR and -1.2 SEG positions annually for resource management; (b) -\$137,500 GPR and \$75,000 SEG and -1.5 GPR positions annually for environmental quality; (c) \$49,500 GPR and -\$2,400 SEG annually for enforcement; (d) -\$53,900 SEG and 0.5 SEG position annually for local support; and (e) -\$15,500 GPR, \$65,000 SEG and -\$40,700 PR and -0.5 GPR, 1.7 SEG and -1.0 PR positions annually for administrative services.

Chg. to Base		
	Funding	Positions
PR	- \$81,400	- 1.00
SEG	<u>81,400</u>	<u>1.00</u>
Total	\$0	0.00

27. FINANCE PROGRAM SUPPORT

Governor/Legislature: Shift \$17,600 and 0.5 position annually from federal funds to the recycling fund. Convert this position and an additional 0.5 FED position from project to permanent status for increased workload in processing timesheets and purchasing.

Chg. to Base		
	Funding	Positions
FED	- \$35,200	- 0.50
SEG	<u>35,200</u>	<u>0.50</u>
Total	\$0	0.00

28. LOCAL SUPPORT AND DEBT SERVICE APPROPRIATION REORGANIZATION

Governor/Legislature: Reorganize DNR's local aids and debt service appropriation structure to eliminate the local support program (program 4) and create the following programs: (a) conservation aids (program 5); (b) environmental aids (program 6); and (c) debt service (program 7). The reorganization would have no net fiscal impact. Repeal current appropriations for administration of the municipal clean drinking water grant program (conservation fund SEG), Fox River management and maintenance (gifts and grants PR and transportation fund SEG), a Menomonee River conservation project (GPR) and restoration and maintenance of the Seth Peterson cottage at Mirror Lake State Park (conservation fund

SEG). The base funding level for all of these appropriations is zero. Delete statutory provisions related to these repealed appropriations. Create a program revenue appropriation to fund expenditures for facilities, materials and services related to environmental local support programs. Revenues from state agencies for these services would be deposited in this appropriation.

[Act 27 Sections: 15, 484, 635, 637, 641, 642, 657, 660 thru 672, 675, 676, 679 thru 713, 715, 716, 718 thru 737, 738, 740, 741, 745, 746, 750, 751, 1237, 1241, 1243, 1254, 1258, 1323g, 1350, 1351, 1402, 1403, 1411, 1414, 1506, 1528 thru 1534, 1615, 1655, 1656, 1657, 1697, 1701, 3349, 3351, 3475, 3489, 3491, 3550, 3551, 4209, 4298, 4300, 4429, 4430, 4431, 6419, 6420, 6421, 6430 and 6435]

29. TAXES AND ASSESSMENTS

Governor/Legislature: Modify the conservation fund appropriation used to pay taxes and assessments that are or may become a lien on property acquired "prior to the date of conveyance to the state" to refer instead to property "under the control of the Department." Create a new appropriation from the environmental fund to pay taxes or assessments that are or may become a lien on property under the control of DNR.

[Act 27 Sections: 638 and 743]

30. ATLAS OF DNR LANDS

Governor/Legislature: Create a continuing appropriation from the conservation fund to be used for expenses associated with maintaining DNR facilities and the production of maps and other customer services. Credit all revenue received from the sale of atlases of DNR lands to this appropriation. Under current law, if DNR produces and sells such an atlas, the proceeds would be credited to an appropriation that is used for publications and promotional, educational and informational activities.

[Act 27 Sections: 634 and 744]

31. ENVIRONMENTAL EDUCATION FEES

Governor/Legislature: Allow DNR to charge the participants in a DNR environmental education program a fee. Specify that the fee may not exceed the costs of conducting the program. This fee would apply to programs such as Project WILD, Project Learning Tree and Project WET (water education for teachers) that conduct workshops for teachers, which are designed to help teachers incorporate environmental education into their courses.

[Act 27 Sections: 1355 and 1356]

32. GEOGRAPHIC INFORMATION SYSTEMS APPROPRIATION [LFB Paper 675]

Governor: Create a continuing program revenue appropriation to provide facilities, support services or materials related to geographic information systems (GIS) to DNR or other state agencies. Credit all revenue received from entities other than DNR or other state agencies for providing GIS services to this appropriation. A similar appropriation exists under current law to administer revenue received from state agencies.

Joint Finance/Legislature: Specify that the new appropriation would be used by DNR to provide facilities, support services or materials related to GIS to entities other than DNR or other state agencies. This provision would align the revenue source with the services funded by that revenue.

[Act 27 Section: 749]

33. FIELD DISTRICT DIRECTORS [LFB Paper 676]

Governor: Authorize the secretary of any department to appoint a director for each district or area office. Convert the employment status of the directors of each DNR field district from the classified to the unclassified service. Specify that these changes would take effect on January 1, 1996. Under current law, DNR has established six field districts, each of which is headed by a director in the classified service. Under the bill, if DNR changes the number of field districts (this would need the approval of the Governor), the number of unclassified district directors it could appoint would also change.

Joint Finance/Legislature: Delete the authority of the DNR Secretary to appoint field district directors under the unclassified service. Restore the employment status of the DNR field district directors to the classified service. Specify that the secretary of any department could appoint a director of a district or area office under the classified service.

[Act 27 Section: 81]

34. CONVERT AGENCY FROM BOARD TO CABINET STATUS [LFB Paper 677]

Governor: Delete the Natural Resources Board on the effective date of the biennial budget act. Transfer the direction and supervision of DNR from the Board to the DNR Secretary. Provide for the Secretary, who is now appointed by the Board and serves at its pleasure, to be appointed by the Governor, with the advice and consent of the Senate, and to serve at the pleasure of the Governor. Authorize the Governor to remove the incumbent Secretary.

Transfer current duties and responsibilities of the Board to the DNR Secretary or the Department. Authorize the Secretary, as opposed to the Board, to make appointments to councils attached to the Department. Require groups to submit reports to the Secretary, as opposed to the Board. Direct the

Conservation Congress to advise the Secretary, instead of the Board. Require the Department to coordinate interagency activities, as opposed to the Board.

Require the Secretary or Department to approve certain activities now approved by the Board. Examples include: (a) the Board would no longer approve the Secretary's emergency order that a person causing air pollution immediately discontinue the emission of air contaminants; (b) the Department, instead of the Board, would submit the DNR budget request to DOA; (c) the Secretary, instead of the Board, would make certain determinations related to expenditures under the Warren Knowles-Gaylord Nelson stewardship program; and (d) approval of snowmobile trails that qualify for state snowmobile aids would be made by the Secretary instead of the Board.

Create a Natural Resources Council in DNR to advise the Department. The bill does not specify duties of the Council.

The Council would consist of seven members appointed for six-year terms. At least three members would be required to be from the territory north, and at least three members would be required to be from the territory south, of a line running east and west through the south limits of the City of Stevens Point. No person could be appointed to or remain a member of the Council who is a permit holder or who receives, or has during the previous two years received, a significant portion of his or her income directly or indirectly from permit holders or applicants for permits issued by DNR. (State or local governments would not be included in the definition of permit holders or applicants for permits.) These provisions are identical to those currently applying to the Board.

The initial membership of the Council would consist of the members of the Natural Resources Board whose terms have not expired as of the effective date of the biennial budget act. Any Board member transferred to membership on the Council would serve on the Council until July 1 in the year in which his or her term as a Board member would have expired. Thereafter, members would be appointed by the Governor.

Joint Finance/Legislature: Retain the current Natural Resources Board and its duties, except that the Board would not appoint the DNR Secretary. Require the Governor to appoint, with the advice and consent of the Senate, the DNR Secretary to serve at the pleasure of the Governor.

[Act 27 Sections: 79h, 79r and 437]

35. WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP PROGRAM [LFB Paper 202]

	Chg. to Base
BR	- \$19,000,000

Joint Finance: Decrease the current authorization of \$250 million in general obligation bonding for the stewardship program to \$231 million to reflect the current level of bonding expenditures authorized from 1990-91 through 1999-2000. The statutes allocate \$23.1 million of general obligation bonding authority annually for the stewardship program. It is anticipated that DNR

will also allocate \$1.9 million annually of federal land acquisition funds. In total, DNR would spend \$25 million per year for the stewardship program. Under current law, \$19 million of bonding authority would remain at the end of the ten-year period. This provision would eliminate this \$19 million of bonding authority.

Specify that DNR may not expend or encumber stewardship program funds that would exceed \$250,000 per project unless the Department receives the approval of the Joint Committee on Finance under a passive review process similar to that used under s. 16.505/16.515. Specify that this review process would be effective beginning on December 31, 1995.

Reduce the 1995-96 stewardship allocation of \$23.1 million in bonding authority by \$10.8 million, so that a total of \$12.3 million in bonding would be available during 1995-96 for the stewardship program. Reduce each stewardship component, based on the current stewardship component percentages, within the \$23.1 million annual funding amount.

Extend the July 1, 1996, deadline for the use of \$3 million in stewardship funds for the Monona Terrace project to July 1, 1998. Under current law, if these funds are not expended by July 1, 1996, DNR is directed to use the funds for land acquisition and urban rivers grants. DOA, Madison and the construction management firm have signed a contract for a total project cost of \$67.1 million. A substantial project completion date of July 4, 1997, has been determined.

Assembly/Legislature: Restore the 1995-96 stewardship bonding allocation from \$12.3 million to \$23.1 million.

<u>Component</u>	<u>Joint Finance</u>	<u>Act 27</u>	<u>Percentage of Annual Allocation</u>
General Land Acquisition	\$3,567,000	\$6,700,000	29.0%
General Property Development	1,869,600	3,500,000	15.2
Local Park Aids	1,193,100	2,250,000	9.7
Lower Wisconsin State Riverway	1,070,100	2,000,000	8.7
Urban Rivers	1,008,600*	1,900,000*	8.2
Habitat Areas	799,500	1,500,000	6.5
Natural Areas Acquisition	799,500	1,500,000	6.5
Stream Bank Protection	528,900	1,000,000	4.3
Trails	528,900	1,000,000	4.3
Urban Green Spaces	393,600	750,000	3.2
Natural Areas Heritage Program	270,600	500,000	2.2
Ice Age Trail	270,600	500,000	2.2
TOTAL	\$12,300,000	\$23,100,000	100.0%

*This includes \$1,000,000 for the Frank Lloyd Wright Monona Terrace project.

[Act 27 Sections: 1165am, 1264r, 1266d and 1323j]

36. USE OF STEWARDSHIP PROGRAM FUNDS FOR GOLF COURSES

Assembly/Legislature: Prohibit DNR from expending stewardship funds for the acquisition or development of land by a county or other local unit of government or political subdivision if the land involved would be acquired by condemnation.

Prohibit DNR from expending stewardship funds for the acquisition of land for golf courses or for the development of golf courses. Specify that this provision would not apply to the expenditure of funds approved under an application that was made before April 1, 1995, and that was approved by DNR before April 10, 1995.

Allow any local unit of government that has submitted an application under the stewardship program before May 1, 1995, for the acquisition of land for a golf course to be able to submit an application for stewardship funds for the acquisition of land for other purposes within 30 days after the effective date of the budget act. Specify that this application would be considered to have been submitted before May 1, 1995.

[Act 27 Sections: 1262qm, 9142(11z) and 9342(11z)]

37. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$263,800 FED and 7.0 FED positions, \$95,000 PR and 2.25 PR position and \$573,000 SEG and 17.76 SEG positions annually.

	Chg. to Base Funding Positions	
FED	- \$527,600	- 7.00
PR	- 190,000	- 2.25
SEG	- 1,146,000	- 17.76
Total	- \$1,863,600	- 27.01

38. EXECUTIVE ASSISTANT

	Jt. Finance (Chg. to Base) Funding Positions		Senate/Leg. (Chg. to JFC) Funding Positions		Net Change Funding Positions	
GPR	- \$241,400	- 1.00	\$0	1.00	- \$241,400	0.00

Joint Finance: Delete \$120,700 and 1.0 position annually to delete the salary and fringe benefit funding for DNR's executive assistant position. Repeal the statutory provisions authorizing the appointment of agency executive assistants.

Senate/Legislature: Restore the position authority but not the associated funding for the agency's executive assistant position.

39. PUBLIC INTERVENOR TRANSFER

	<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>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$209,600	1.00	- \$209,600	- 1.00	\$209,600	1.00	\$209,600	1.00

Joint Finance: Provide \$88,900 in 1995-96 and \$120,700 in 1996-97 with 1.0 public intervenor (attorney) position transferred from DOJ to DNR on the first day of the second month after publication of the budget. Two additional positions (an attorney and a support position) and all public intervenor authority would be deleted in DOJ. The remaining public intervenor position in DNR would retain the authority to intervene in rule-making and other administrative proceedings, at the direction of the eight-member Public Intervenor Board and consistent with the duty to protect public rights in water and other natural resources, but not to file or intervene in court actions.

Assembly: Delete \$88,900 in 1995-96 and \$120,700 in 1996-97 and 1.0 attorney position in the Department of Natural Resources to eliminate the public intervenor and all related authority.

Senate/Legislature: Delete the Assembly provision and restore the Joint Finance provision of one attorney in DNR to act as the Public Intervenor in administrative proceedings and for an eight-member Public Intervenor Governing Board.

Veto by Governor [B-9]: Delete the appointment of two Public Intervenor Board members by the Attorney General. Instead, these members would be appointed by the Governor. (Under the enrolled bill, the Governor and Attorney General would each have appointed two members and legislative leadership would appoint four members.)

[Act 27 Sections: See DOJ]

40. WILLOW FLOWAGE

Joint Finance/Legislature: Exempt DNR from the current land acquisition procedures in order to allow DNR to purchase lands and exchange them for the Willow Flowage and surrounding lands in Oneida County. Authorize DNR to expend a level of funds equal to the amount of funds that have not been expended, encumbered or committed before July 1, 1996, from the Lower Wisconsin State Riverway (LWSR) component of the Warren Knowles-Gaylord Nelson stewardship program for the purchase or exchange of land for the Willow Flowage and surrounding lands in Oneida County.

Direct the Board of Commissioners of Public Lands to sell for cash, at fair market value as determined by independent appraisal contracted by DNR, any of its lands identified by DNR as necessary to be exchanged for the Willow Flowage and surrounding lands in Oneida County. Direct the Board of Commissioners to conclude the sale of such lands within 90 days after the determination of fair market

value. Specify that this directive between the Board of Commissioners of Public Lands and DNR does not apply after June 30, 1999.

[Act 27 Section: 1323m]

41. STATE FAIR PARK BOARD LEASE AND TRANSFER

Joint Finance/Legislature: Direct DNR and the State Fair Park Board to develop a memorandum of understanding that would terminate the lease under which the DNR leases from the Board real property located at the State Fair Park. Require the memorandum of understanding to be submitted by January 1, 1996, for approval by the Joint Committee on Finance under a passive review process similar to that used under s. 16.505/16.515. Upon approval by the Committee, the lease would be terminated. Direct DNR, upon termination of the lease, to transfer to the State Fair Park Board without receipt of any consideration from the Board all of DNR's buildings, appurtenances, fixtures, exhibits and other structures and facilities that are located on the property at the State Fair Park.

Direct that the State Fair Park Board could not alter or renovate any building, appurtenance, fixture, exhibit or other structure or facility at the State Fair Park that was owned by DNR on the effective date of the budget act without the permission of DNR. Allow the Board to provide routine maintenance without DNR's permission. Direct the State Fair Park Board to allow DNR access to and use of the buildings, appurtenances, fixtures, exhibits and other structures and facilities (that are owned by DNR on the effective date of the budget act), so that DNR would be able to prepare, display and dismantle exhibits during events that occur at State Fair Park.

Require the memorandum of understanding to include terms and conditions that would be followed by the Department and the Board in implementing the directives of this provision. Require the memorandum of understanding to include language that would allow DNR and the Board to address any other issues that could arise from the termination of the lease and from the use of the property by the Department after the lease has been terminated.

Veto by Governor [B-14]: Delete the requirement that the Joint Committee on Finance receive and approve the memorandum of understanding. The Governor's veto message requests the Secretary of the Department of Administration to ensure that the memorandum of understanding complies with the requirements established in the act.

[Act 27 Sections: 1965g, 1965L and 9152(1t)]

[Act 27 Vetoed Section: 9152(1t)]

**42. LOWER WISCONSIN STATE RIVERWAY
COORDINATOR**

Chg. to Base Funding Positions		
SEG	- \$140,600	- 1.00

Assembly/Legislature: Delete \$70,300 and 1.0 position annually from the conservation fund to eliminate DNR's coordinator position for the Lower Wisconsin State Riverway.

43. VIDEOTAPING FUNCTIONS

	Assembly (Chg. to Base)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$472,000	0.00	\$472,000	0.00	\$0	0.00
SEG	- 177,600	- 2.00	177,600	2.00	0	0.00
Total	-\$649,600	- 2.00	\$649,600	2.00	\$0	0.00

Assembly: Delete \$324,800 and 2.0 positions annually to eliminate the videotaping functions of DNR, as follows: (a) -\$236,000 PR for fees charged by DNR for videotaping services; (b) -\$50,000 SEG and -1.0 SEG position from the conservation fund; and (c) -\$38,800 SEG and -1.0 SEG position from the recycling fund. Direct DNR to transfer to DOA the equipment used by DNR in performing videotaping functions for public information and education purposes. Direct DOA to sell or otherwise dispose of the video equipment before June 30, 1997. Specify that any revenue from the sale or disposal of the equipment would be deposited in the general fund.

Senate/Legislature: Delete provision.

Parks and Forests

1. STATE PARK VEHICLE ADMISSION FEES [LFB Paper 685]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$1,245,000	- \$342,300	\$902,700

Governor: Increase the following vehicle admission fees, effective on the effective date of the budget act. Estimate that these changes will increase revenues by \$415,000 in 1995-96 and \$830,000 in 1996-97.

	Current <u>Fee</u>	Act 27 <u>Fee</u>	<u>Change</u>	
			<u>Amount</u>	<u>Percent</u>
Resident				
Annual	\$15.00	\$18.00	\$3.00	20.0%
Additional Annual	7.50	9.00	1.50	20.0
Daily Auto	4.00	5.00	1.00	25.0
Daily Bus	8.00	10.00	2.00	25.0
Senior Annual	6.50	9.00	2.50	38.5
Senior Daily	2.00	3.00	1.00	50.0
Nonresident				
Annual	24.00	25.00	1.00	4.2
Additional Annual	12.00	12.50	0.50	4.2
Daily Auto	6.00	7.00	1.00	16.7
Daily Bus	12.00	14.00	2.00	16.7

Joint Finance/Legislature: Provide that the fee modifications would take effect on January 1, 1996. Reduce the estimated revenues to the parks account of the conservation fund by \$124,300 in 1995-96 and \$218,000 in 1996-97 to reflect the delayed effective date and more recent data. Delete the statutory reference related to the equivalent GPR and SEG expenditure authority for the parks and recreation program.

[Act 27 Sections: 629m, 1471 thru 1473, 1475, 1478, 1479 and 9442(8p)]

2. FOREST CROPLANDS CONVERSIONS TO MANAGED FOREST LANDS [LFB Paper 686]

	Chg. to Base
SEG	\$1,003,100

Governor: Provide \$496,200 in 1995-96 and \$506,900 in 1996-97 from the forestry account of the conservation fund to implement the forest croplands conversion program created in 1993 Act 131. The funds would be used for the following: (a) \$385,000 annually for private forester contracts; (b) \$22,200 annually for limited-term employee (LTE) program assistance; (c) \$19,700 annually for LTE contract management; and (d) \$69,300 in 1995-96 and \$80,000 in 1996-97 for register of deed payments. Act 131 allows the conversion of land from the forest croplands program to the managed forest land program. Create a continuing appropriation from the conservation fund to pay recording fees to the register of deeds. Specify that fees collected by DNR under the managed forest land program would be credited to this appropriation (these fees are currently deposited in the conservation fund without being earmarked). Direct DNR to pay recording costs from the conservation fund if insufficient funds exist in the new appropriation.

Joint Finance/Legislature: Transfer \$69,300 in 1995-96 and \$80,000 in 1996-97 from the forestry program's general operations appropriation to the proposed appropriation for register of deeds payments. The amounts in the bill are an estimate of what DNR would collect for payment of the recording costs at the register of deeds offices.

[Act 27 Sections: 627, 3486 thru 3488, 3490, 3492 and 3493]

3. WCC PARKS AND FORESTRY PROJECTS [LFB Paper 975]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	- \$900,000	\$1,050,000	\$150,000

Governor: Delete \$450,000 annually from the parks account (\$225,000) and the forestry account (\$225,000) of the conservation fund. Transfer these funds to the Wisconsin Conservation Corps (WCC). DNR would sponsor one WCC crew per DNR district for park and forest recreation area maintenance and operations.

Joint Finance/Legislature: Provide \$450,000 annually from the parks account (\$225,000) and forestry account (\$225,000) to restore the parks and forests properties maintenance and operations funding. Provide \$75,000 annually from the fish and wildlife account to contract with WCC for habitat projects.

4. REPORTABLE FIRE ACCOUNT FUNDS

	Chg. to Base
SEG	\$400,000

Governor/Legislature: Provide \$200,000 annually from the forestry account of the conservation fund to provide additional funds to hire emergency fire fighters, pay local fire departments for fire suppression, rent heavy equipment and operators and purchase other items necessary to suppress wildfires. Currently, DNR is budgeted \$92,000 annually in base funds for these costs.

5. NORTHERN WISCONSIN FORESTRY PRACTICES

	Chg. to Base
SEG	\$360,000

Governor/Legislature: Provide \$180,000 annually from the forestry account of the conservation fund to compare managed forest communities with unmanaged (old-growth) forest communities. The comparison would be used to develop forest management practices that maintain biodiversity, which could be added to future forest master plans.

6. STATE PARKS POSITIONS

Chg. to Base Funding Positions		
GPR	- \$315,000	- 6.00

Governor/Legislature: Delete \$105,000 and 3.0 positions in 1995-96 and \$210,000 and 6.0 positions in 1996-97 as follows: (a) -\$70,000 annually and -1.0 position each from the Lake Michigan district and the central office; (b) -\$35,000 annually and -0.25 position from Perrot State Park and -0.75 position from Pattison State Park; and (c) -\$105,000 in 1996-97 and -1.0 position each from Peninsula State Park, Lake Wissota State Park and the central office.

7. FORESTRY BIOTIC INVENTORY

Chg. to Base	
SEG	\$245,600

Governor/Legislature: Provide \$122,800 annually from the forestry account of the conservation fund to establish an ongoing inventory process on the state forests. DNR would use the inventory data to develop new master plans, beginning with the Northern Highland-American Legion and Brule River state forests.

8. COUNTY FOREST WILDLIFE HABITAT DEVELOPMENT

Chg. to Base	
SEG	\$230,000

Governor: Provide \$115,000 annually from the forestry account of the conservation fund to fund a proposed increase in county forest wildlife aids from 5¢ per acre to 10¢ per acre. Under current law, counties can receive a maximum of 5¢ for each acre of county forest approved by DNR as part of a wildlife habitat development plan. If there are unallocated funds on March 31, counties may receive an additional 5¢ per acre. Increase both the base and supplemental payments to 10¢ per acre. Change the following phrases under this program: (a) "game and nongame species" to "wildlife"; and (b) "natural environment" to "habitat and the overall health and diversity of native plant and animal communities." Direct counties to maintain a nonlapsing wildlife management account for deposit of the wildlife aids payments. Allow DNR to require repayment of wildlife aids if the unencumbered balance in this account exceeds the sum of the allocations received by the county for the previous three years. Retain DNR's authority to require repayment of aids if it determines the unencumbered balance exceeds the amount necessary for wildlife management. Allow the ten-year county forest plan to include an application for wildlife habitat aids and specify that this would be considered an annual application for these aids during that ten-year period. Establish a January 1, 1996, effective date for these changes.

Change the appropriations for county forest wildlife habitat aids and county fish and game project aids from annual to continuing appropriations.

Joint Finance/Legislature: Include provision, but modify the phrase "wildlife, its habitat and the overall health and diversity of native plant and animal communities" to "wildlife and the natural environment" under the wildlife habitat development program.

[Act 27 Sections: 665, 674, 1240, 1242, 1244 thru 1253, 1527 and 9442(1)]

9. TROUT LAKE HEADQUARTERS REMEDIATION

Governor/Legislature: Provide \$115,000 annually from the forestry account of the conservation fund for operational costs related to the environmental remediation of a leaking underground storage tank at the Trout Lake forestry headquarters.

Chg. to Base	
SEG	\$230,000

10. CAMPGROUND RESERVATION SYSTEM [LFB Papers 595 and 686]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$90,000	- \$90,000	\$0
SEG	9,000	0	9,000
Total	\$99,000	- \$90,000	\$9,000

Governor: Provide \$90,000 PR in 1995-96 and \$9,000 SEG in 1996-97 (split-funded from the parks and forestry accounts of the conservation fund) to install an interactive voice response system to manage telephone reservations for the various parks and forest properties. The PR funds would be provided from the proposed DOA information technology fund. Change the date DNR is allowed to accept campground reservations from the first working day after January 1 to January 10.

Joint Finance/Legislature: Delete \$90,000 PR in 1995-96 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 s. 16.515 request for all agencies, submitted by DOA. [See "Information Technology Investment Fund."]

Specify that DNR would have the option to delay until January 15 the processing of a campground reservation application if it was submitted prior to January 10. This would retain an option for DNR that would otherwise be deleted under AB 150 due to the date change.

Require DNR to process those applications received beginning on January 10 and ending on January 15 in order according to the date on which they were made and those on the same day by random selection. This would restore a procedure DNR currently uses for applications received beginning from the first working day after January 1 of each year to January 7.

[Act 27 Sections: 1494 thru 1500]

11. PARKS AND SOUTHERN FORESTS VISITOR SERVICES

Chg. to Base	
SEG	\$90,600

Governor/Legislature: Provide \$39,500 annually from the parks account of the conservation fund and \$5,800 annually from the forestry account of the conservation fund for the following annual costs: (a) \$18,000 for utilities; (b) \$18,000 for computer maintenance; (c) \$5,800 for solid waste collection; and (d) \$3,500 for an increase in the Aztalan State Park operations contract.

12. JUNIOR RANGER AND WISCONSIN EXPLORER PROGRAMS

Chg. to Base	
PR	\$60,000

Governor/Legislature: Provide \$30,000 annually to continue funding of the Junior Ranger and Wisconsin Explorer programs. These programs have been funded for the previous nine years by a private grant, which will no longer be available. The PR funds would be generated by selling the programs' workbooks for \$1, instead of providing them free.

13. NORTHERN FOREST OPERATIONS

Chg. to Base	
SEG	\$56,600

Governor/Legislature: Provide \$28,300 annually from the forestry account of the conservation fund for annual operational cost increases at northern state forest properties, as follows: (a) \$10,000 for naturalist support; (b) \$6,300 for maintenance of camp sites for the disabled; (c) \$6,300 for wilderness canoe camp site maintenance; (d) \$3,900 for water supply testing; and (e) \$1,800 for sanitary dump stations.

14. MANAGED FOREST PROGRAM AID PAYMENTS [LFB Paper 686]

Chg. to Base	
SEG	\$53,400

Governor: Provide \$15,100 in 1995-96 and \$38,300 in 1996-97 from the forestry account of the conservation fund to increase the aid payments to counties with 40,000 acres or more enrolled in the forest croplands or managed forest land programs. Under current law, these counties split \$1.25 million annually in proportion to the acreage enrolled in each county. The Executive Budget Book indicates that this funding was intended for an appropriation that makes payments to municipalities for land in the forest croplands and managed forest land programs and in county forests.

Joint Finance/Legislature: Transfer \$15,100 in 1995-96 and \$38,300 in 1996-97 from the appropriation for aid payments to counties with 40,000 acres or more enrolled in the forest croplands or managed forest land programs to the appropriation for payments to municipalities for land in the forest croplands and managed forest land programs and in county forests.

15. PARKS AND SOUTHERN FOREST NEW FACILITIES

	Chg. to Base
SEG	\$43,200

Governor/Legislature: Provide \$16,800 annually from the parks account of the conservation fund and \$4,800 annually from the forestry account of the conservation fund to operate the following new facilities: (a) \$13,800 for toilet and shower buildings at Blue Mound, Copper Falls, Mirror Lake, Peninsula, Potawatomi and Wildcat Mountain State Parks; (b) \$2,400 for expanded campgrounds at the Bong Recreation Area and Buckhorn State Park; (c) \$2,300 for the cabin for the disabled at the Southern Kettle Moraine State Forest; (d) \$2,100 for a visitor contact booth at Peninsula State Park; and (e) \$1,000 for trailer dump stations at Potawatomi State Park and Point Beach State Forest.

16. OLD WADE HOUSE STATE PARK TRANSFER

	Chg. to Base
GPR	- \$31,000

Governor/Legislature: Delete \$15,500 annually to discontinue DNR funding for the maintenance of the Old Wade House State Park. Direct DNR to transfer the title of the Old Wade House State Park, including the Wesley W. Jung Carriage Museum, to the State Historical Society on July 1, 1996.

[Act 27 Sections: 1992, 9142(1) and 9428(1)]

17. FORESTRY PROGRAM SUPPORT

	Chg. to Base
SEG	\$22,000

Governor/Legislature: Provide \$11,000 annually from the forestry account of the conservation fund for data processing costs in the Bureau of Forestry.

18. SOUTHERN FORESTS PROPERTY OPERATIONS

	Chg. to Base
SEG	\$11,200

Governor/Legislature: Provide \$5,600 annually from the forestry account of the conservation fund to increase funding for fencing, signing and LTE staff at the Loew Lake Unit of the Southern Kettle Moraine State Forest.

19. LIABILITY OF VEHICLE OWNERS FOR PARK STICKER VIOLATIONS

Governor/Legislature: Create a presumption that the owner of a vehicle is liable for an admission sticker violation if DNR cannot locate the operator of the vehicle and the vehicle is parked without a valid admission sticker in an area requiring a sticker. Provide that service of the citation may be made by certified mail addressed to the vehicle owner's last-known address. Specify that the owner cannot be convicted of this violation if the actual operator has been convicted. Establish the following defenses to

imposing liability on the vehicle owner: (a) that the vehicle has been reported stolen; (b) that the owner gives DNR the name and address of the actual operator and sufficient information to show that probable cause does not exist to believe that the owner was also the operator; (c) that the owner of a leased vehicle gives DNR the name, address and driver's license number of the person leasing the vehicle; and (d) that a motor vehicle dealer gives DNR the name, address and driver's license number of a person taking a vehicle for a trial run. Currently, only the vehicle operator is liable for park sticker violations.

[Act 27 Section: 1509m]

20. FOREST FIRE PAYMENTS

Governor/Legislature: Create two continuing appropriations, one for payments received by DNR for assisting other states in fighting forest fires and the other for payments received from the federal government for fighting forest fires. Limit the use of these funds to forest fire fighting activities. Specify that if the sum of the unencumbered balances in these appropriations exceeds \$500,000 at the close of a fiscal year, the excess amount would lapse to the conservation fund. Provide that the lapse would first come from the appropriation for payments from other states, with any further lapse that would be required coming from the appropriation for payments from the federal government.

[Act 27 Sections: 628, 647 and 1428]

21. TRANSFER STATE PARKS TO DEPARTMENT OF TOURISM AND PARKS [LFB Paper 890]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$6,389,200	- 84.47	\$6,389,200	84.47	\$0	0.00
FED	- 591,900	- 15.25	591,900	15.25	0	0.00
PR	- 134,700	0.00	134,700	0.00	0	0.00
SEG	- 9,357,900	- 129.31	9,357,900	129.31	0	0.00
Total	-\$16,473,700	- 229.03	\$16,473,700	229.03	\$0	0.00

Governor: Delete \$6,389,200 GPR and 84.47 GPR positions, \$591,900 FED and 15.25 FED positions, \$134,700 PR and \$9,357,900 SEG and 129.31 SEG positions in 1996-97 and transfer this funding and these positions to the proposed Department of Tourism and Parks (DTAP). Make the following modifications to reflect the transfer of state parks and related recreational facilities from DNR to DTAP:

Transfer of Functions. Transfer the following functions from DNR to DTAP: (a) responsibility for the acquisition, development, maintenance and administration of state parks, southern state forests, state recreation areas, the Ice Age Trail (including state ice age trail dedication), other state trails and roadside

parks; (b) the State Trails Council; (c) regulation of bicycle use on trails in state parks or the Kettle Moraine State Forest; (d) authority for joint development of the state farm and craft museum at Nelson Dewey State Park with the State Historical Society; and (e) approval of areas in southeast Wisconsin for use of forestry mill tax funds earmarked for that region. Allow DNR to continue to conduct environmental clean-up activities on land under the control of DTAP.

Create authority for DNR to acquire, develop, operate and maintain natural resource management areas. Define these as areas that provide multiple natural resource values, including scenic, environmental, recreational or other natural values. Allow DNR to name an area after a predominant natural feature within the area.

Appropriation Changes. Make the following modifications to DNR's appropriation structure: (a) repeal the GPR appropriation for state parks and recreation areas and the PR appropriation for state trails gifts and grants (transfer the unencumbered balance in this PR appropriation to DTAP's PR gifts and grants appropriation); (b) transfer the PR appropriation for Ice Age Trail gifts and grants to DTAP; (c) modify the SEG appropriation from the recycling fund for recycling activities in state parks and forests to exclude state parks and southern state forests; (d) modify the GPR appropriation for resource maintenance and development to remove state parks, southern state forests and the Ice Age Trail, add state natural resource management areas and delete the earmarks for historic sites and Heritage Hill State Park; (e) amend the SEG appropriation for taxes and assessments to include payment for property under the control of DTAP; (f) limit the SEG appropriations for snowmobile trails and all-terrain vehicle projects to trails and projects outside the state park system; and (g) modify the GPR appropriation for resource acquisition and development debt service to exclude debt service related to the development of the Ice Age Trail (this appropriation would continue to pay the debt service for state parks, southern state forests and other state trails).

Create the following DTAP appropriations: (a) GPR and SEG appropriations for state park general program operations; (b) SEG appropriations for snowmobile trails and all-terrain vehicle projects in the state park system; (c) a SEG appropriation from the recycling fund for recycling activities in the state park system; (d) a GPR appropriation for Ice Age Trail development debt service; (e) a GPR appropriation for state park system maintenance and development (this includes earmarks for historic sites and Heritage Hill State Park, but is not funded in the bill); (f) GPR and SEG appropriations for DTAP administration; and (g) PR and FED appropriations to allow the expenditure of funds received from outside sources, including gifts and grants.

Stewardship Program. Establish joint responsibilities for DNR and DTAP in administering this program as follows: (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, including establishing criteria and approving grants (DTAP would prepare eligibility lists). Specify that the DOA Secretary would resolve any disputes between DNR and DTAP.

Specify that DTAP would determine grant recipients and amounts for Ice Age Trail grants to nonprofit conservation organizations and would administer associated contracts. Provide that DTAP would determine how DNR would spend stewardship funds for development of other state trails and matching grants for these trails.

Snowmobile and All-Terrain Vehicle Trails. Require DTAP to develop and maintain snowmobile trails, areas and bridges in the state park system and to prescribe routes, sizes and specifications for these. Specify that DTAP cannot receive basic trail aid money from DNR, but must instead use the DTAP snowmobile appropriation for these purposes. Specify that lapses from the DTAP appropriation would revert to the snowmobile account in the conservation fund. Provide that DTAP is eligible for supplemental trail aids from the relevant DNR appropriation, subject to the existing criteria for county and DNR trails. Continue to allow counties to use their trail aids to enter into agreements with DNR to use land owned or leased by DTAP for snowmobile trails.

Allow DTAP to designate corridors through land it owns or controls for all-terrain vehicle (ATV) trails. Require DTAP to administer, develop and maintain the ATV trails in the state park system. Allow DTAP to spend funds from its ATV appropriation for this purpose.

Other Fiscal Provisions. Specify that collections of DTAP would be deposited in the conservation fund. Modify the treatment of proceeds from the sale of state land no longer needed for conservation purposes to earmark proceeds from sales of land under the control of DTAP for purchasing other land for the state park system. Currently, proceeds from these sales can be used for purchasing land for several DNR programs.

Modify payments in lieu of taxes provisions to reflect ownership of land by both DNR and DTAP and the creation of natural resources management areas. Payments for DTAP land would continue to be made from DNR appropriations.

Require DNR and DTAP to annually do the following for the state park, forest and riverway road program (funded from a transportation fund appropriation under DNR): (a) certify eligible roads; (b) establish a priority ranking system; and (c) select projects to receive aid. Specify that the DOA Secretary would resolve any disputes between DNR and DTAP.

Powers and Duties of DTAP. Create powers and duties for DTAP similar to those currently in existence for DNR regarding the following: (a) accepting gifts, grants, bequests and devises; (b) accepting donations of buildings, facilities and structures; (c) accounting for funds from donations; (d) extending or consolidating property boundaries by acquiring land; (e) acquiring land to construct a road to access state park system land; (f) granting easements or leases (these must have the restrictions necessary to protect land for the purposes for which it was acquired); (g) acquiring conservation easements and rights in property; (h) prohibiting the performance of any act on land held for sale that would diminish its sale value; and (i) designating park system trails and features and conducting semiannual inspections of them.

Provisions Applying to Both DNR and DTAP. Modify the following provisions to reflect the existence of both DNR and DTAP: (a) gubernatorial approval of land acquisitions; (b) leasing land to local governments for spectator sports; (c) leasing state park and forest land; (c) management of land in the Lower Wisconsin State Riverway; (d) eligibility for recreational boating project aids; (e) procedure for condemning land; (f) collection of fees by the State Historical Society for admission to historic buildings or sites; (g) entering leases or contracts with counties; (h) perpetuation of survey landmarks; (i) exemption for controlling noxious weeds; (j) receipt of notices regarding laying out of local highways; and (k) selecting state forest land for correctional farms.

Interagency Relations with DTAP. Establish the following requirements for DTAP relative to other state agencies: (a) the DTAP Secretary would serve as a liaison representative to the Wisconsin Conservation Corps Board; (b) the DTAP Secretary would serve on the Submerged Cultural Resources Council; (c) DTAP would have to cooperate with county rural planning committees; and (d) DTAP would have to furnish the Governor any document or record upon the Governor's request.

Establish the following requirements for other state agencies relative to DTAP: (a) DNR would be required to cooperate with DTAP; (b) DNR Secretary would have to consult with DTAP Secretary in carrying out duties and powers under the outdoor recreation program; (c) DOJ would have to provide all legal services required by DTAP; (d) DOT would have to give notice to DTAP regarding the six-year highway improvement plan and any changes or discontinuances in the state trunk highway system; (e) the Snowmobile Recreational Council would have to provide its recommendations to DTAP; and (f) the Natural Areas Preservation Council would advise DTAP.

State Park System. Define the state park system as including state parks, southern state forests, state trails, the Ice Age Trail, state recreation areas and roadside parks. Extend the following current statutes applying to state parks to the state park system: (a) classifying areas, establishing boundaries and planning for development; (b) entering into agreements on subjects of concern or benefit; (c) granting concessions or franchises; (d) leasing parts or parcels; (e) granting easements; (f) naming of areas; (g) establishing services and conveniences, installing facilities and making reasonable charges; (h) promulgating rules to govern visitor conduct; (i) designating parking areas and regulating vehicle use; (j) making surveys and conducting investigations of potential sites; (k) taking any other action considered advisable for administration, development, maintenance or protection; (l) transferring land to municipalities; (m) granting powers to state park managers; (n) penalties for destroying property; and (o) discontinuing or relocating highways.

State Park Rangers. Require DTAP to enforce all the laws it administers for the state park system. Specify that the people it appoints to do this shall be known as state park rangers, who would be subject to state employment relations law. Provide that park rangers would receive 240 hours of law enforcement training. Provide for assistance by sheriffs and other police officers. Specify the form of the commission and identification for park rangers. Establish penalties for resisting or falsely impersonating a state park ranger. These provisions are all modeled on current DNR statutes and provisions for conservation wardens.

Add references to state park rangers to the following sections of the statutes: (a) enforcement of all-terrain vehicle, snowmobile and boating laws; (b) enforcement of laws in the Lower Wisconsin State Riverway; (c) cutting or transporting of evergreens; (d) definition of authorized emergency vehicles; (e) impoundment of unregistered or abandoned vehicles; (f) municipal citation procedure; and (g) immunity from liability for people drawing blood at the request of a law enforcement officer. Exclude state park rangers from the definition of law enforcement officer in the chapter on crimes against animals. These provisions are identical to those for conservation wardens.

Vehicle Admissions. Specify that DTAP would designate vehicle admission areas (those requiring a sticker) in state parks, southern state forests, state recreation areas and roadside parks and that DNR would designate these areas in other state forests. Provide that an admission sticker issued by either agency would be valid in areas designated by both agencies. Require both agencies to issue daily, annual and half-price annual (for second vehicles owned by the same household) stickers. Allow both agencies to waive admission fees for areas that they designate. These provisions mirror current law, but reflect that there would be two agencies administering properties currently covered by the existing admission stickers.

Campgrounds. Specify that DTAP and DNR would each classify campgrounds under their control for the purposes of collecting campground fees. Modify the following current law provisions to reflect the existence of two agencies operating campgrounds: (a) determining residency; (b) waiving fees; (c) charging special or additional fees; (d) collecting increased camping fees for certain facilities; and (e) establishing a reservation system and processing reservations.

Transitional Provisions. Specify that assets and liabilities, incumbent employees, tangible personal property, contracts, administrative rules, orders and pending matters primarily related to the functions of DNR's Bureau of Parks and Recreation, as determined by the DOA Secretary, would be transferred from DNR to DTAP. Require the DOA Secretary to determine which DNR employees holding positions related to general administration and program support would be transferred to DTAP. Specify that the secretaries of DNR and DTAP would have to submit a request to the Joint Committee on Finance under s. 13.10 by December, 1996, to adjust their appropriations if necessary to reflect the actual personnel transferred. Provide that all employees transferred from DNR to DTAP would have the same rights and status as they had in DNR.

Specify that tangible personal property and contracts primarily related to the functions of the State Trails Council, as determined by the DOA Secretary, would be transferred from DNR to DTAP.

Effective Date. Specify that all of these provisions would take effect on July 1, 1996.

Joint Finance/Legislature: Delete provision.

22. TRANSFER STAFF TO DEPARTMENT OF TOURISM [LFB Paper 890]

	<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	-\$968,000	- 18.50	-\$484,100	0.00	-\$1,452,100	- 18.50
SEG	219,400	4.00	109,700	0.00	329,100	4.00
Total	-\$748,600	- 14.50	-\$374,400	0.00	-\$1,123,000	- 14.50

Joint Finance: Delete \$968,000 GPR and 18.5 GPR positions and \$52,700 SEG and 1.0 SEG position in 1996-97 to reflect a transfer of funding and positions from DNR to the Department of Tourism for general administration and program operations. The transfer would be comprised of the following: (a) -\$673,900 GPR and -11.5 GPR for administrative services; (b) -\$151,200 GPR and -3.0 GPR positions for parks and recreation; (c) -\$63,700 GPR and -2.0 GPR positions for environmental quality (wastewater); (d) -\$48,800 GPR and -1.0 GPR position for aids administration; (e) -\$30,400 GPR and -1.0 GPR position for law enforcement; (f) -\$43,700 SEG and -1.0 SEG position for administrative services from the conservation fund; and (g) -\$9,000 SEG (split-funded from the parks and forestry accounts) for parks and southern forests.

Provide \$272,100 SEG and 5.0 SEG positions in 1996-97 to partially restore reduced program funding as follows: (a) \$165,700 and 3.0 positions for parks and recreation from the parks account; and (b) \$106,400 and 2.0 positions for administrative services from the conservation fund.

Direct DNR and the Division/Department of Tourism, beginning in 1995-96, to work jointly to establish an automated campground reservation system.

Senate/Legislature: Create the proposed Department of Tourism on January 1, 1996, rather than July 1, 1996. Delete \$484,100 GPR and 18.5 GPR positions and \$26,400 SEG and 1.0 SEG position in 1995-96 to reflect a transfer of funding and positions from DNR to the Department of Tourism for general administration and program operations. The transfer would be comprised of the following: (a) -\$337,000 GPR and -11.5 GPR for administrative services; (b) -\$75,600 GPR and -3.0 GPR positions for parks and recreation; (c) -\$31,900 GPR and -2.0 GPR positions for environmental quality (wastewater); (d) -\$24,400 GPR and -1.0 GPR position for aids administration; (e) -\$15,200 GPR and -1.0 GPR position for law enforcement; (f) -\$21,900 SEG and -1.0 SEG position for administrative services from the conservation fund; (g) -\$2,300 SEG from the forestry account for southern forests; and (h) -\$2,200 SEG from the parks account for parks.

Provide \$136,100 SEG and 5.0 SEG positions in 1995-96 to partially restore reduced program funding as follows: (a) \$82,900 and 3.0 positions for parks and recreation from the parks account; and (b) \$53,200 and 2.0 positions for administrative services from the conservation fund.

[Act 27 Sections: 1501m, 1501r and 9416(2)]

23. LAKE STATES WOOD UTILIZATION CONSORTIUM

Chg. to Base	
SEG	\$400,000

Joint Finance/Legislature: Provide \$200,000 annually for research, development and demonstration grants to enhance the forest products industry in Wisconsin and other states. Fund this increase as follows: (a) \$100,000 from the forestry account of the conservation fund; and (b) \$100,000 by reducing the Recycling Market Development Board's financial assistance appropriation funded from the recycling fund. Place these funds in unallotted reserve. The funds would be released upon approval of a plan submitted jointly by DNR and the Department of Development (DOD) to the Joint Committee on Finance under a passive review process similar to that used under s. 16.505/16.515.

Specify that the plan must do all of the following: (a) define the duties and responsibilities of the lake states wood utilization consortium; (b) establish an implementation committee that could include one or more representatives from DNR, DOD and the forest products industry; (c) specify eligibility requirements for the grants and criteria for awarding the grants, including how the grants would be distributed to each state participating in the consortium; (d) require matching funds or in-kind contributions by industrial recipients of the grants; (e) require the implementation committee to identify an organization that could administer and award the grants and oversee the grant program; (f) require the consortium to actively pursue funding commitments from Michigan and Minnesota of \$200,000 annually from each state for three years; and (g) require the consortium to actively pursue federal and other funding sources. Create two DNR continuing appropriations and repeal the appropriations on June 30, 1998.

[Act 27 Sections: 737c, 737e, 739m, 739r, 1430m and 9442(8x)]

24. TRANSFER CERTAIN PUBLIC LANDS MANAGEMENT FUNCTIONS [LFB Paper 880]

Chg. to Base Funding Positions		
PR	- \$285,400	- 3.00

Joint Finance/Legislature: Delete \$142,700 annually and 3.0 forester positions, beginning July 1, 1995, to reflect the transfer of positions and funding associated with managing public lands owned by DOA's Division of Trust Lands and Investments to the Office of the State Treasurer. A complete description of this modification is provided under "State Treasurer."

[Act 27 Section: 9142(13p)]

25. HERITAGE STATE PARKS AND FORESTS TRUST FUND

Joint Finance/Legislature: Create a heritage state parks and forests nonlapsible trust fund for the operations and maintenance of state parks, southern state forests and state recreation areas. Direct that the following would be deposited to the fund: (a) gifts or other contributions made to the fund; (b) monies received from the sale of utility easements located in the state park system (which includes state parks, southern state forests and state recreation areas); and (c) all monies received from the rental of real

property or equipment that is part of the state park system. Allow DNR to convert any noncash gift or contribution into cash for deposit into the fund.

Direct DNR to establish a grant program under which a qualified "friends" group could receive a grant equal to 50% of the amount of matching funds that are provided by the "friends" group. Require that the matching funds and grant could only be used for the operation and maintenance of the specific state park, southern state forest or state recreation area. Direct DNR to spend no more than \$30,000 in each fiscal year for grants to a particular "friends" group. Require qualified "friends" groups to establish an endowment fund for the benefit of a specific state park, southern state forest or state recreation area and to enter into a written agreement with DNR. Require that a "friends" group could only use the interest generated by the endowment fund for purposes of providing matching funds for the grant. Direct DNR to promulgate rules to establish criteria to be used in determining which "friends" groups and which activities related to the operations or maintenance of the state park system could be eligible for the matching grants.

Direct DNR to annually (on or before January 1) review all applications received during the previous year and provide approved grants from a new sum sufficient appropriation from the heritage state parks and forests trust fund. If insufficient funds are available, direct DNR to prorate all available funds among the grant applicants in proportion to the approved grant amounts. Beginning in 1996-97, allow DNR to use any funds not encumbered or expended for grants for the operation and maintenance of the state park system.

Specify that these provisions would take effect on July 1, 1996.

Veto by Governor [B-11]: Delete the provision directing that all monies received from the rental of real property or equipment that is part of the state park system be deposited to the trust fund.

[Act 27 Sections: 629p, 1394m, 1401, 1405e, 1510b, 1510m, 3300m, 6307m and 9442(12x)]

[Act 27 Vetoes Section: 1405e]

Fish, Wildlife and Endangered Resources

1. HUNTING AND FISHING LICENSE FEES [LFB Paper 700]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$11,600,000	- \$11,600,000	\$0

Governor: Modify hunting and fishing license fees as shown in the following table. The proposed fees include the imposition of a \$5 wildlife damage surcharge on the conservation patron license (no current surcharge) and a \$2 surcharge on the sports license (a \$1 current surcharge). The fee changes would be effective on the following dates: (a) immediately for resident and nonresident deer and archer licenses (duplicates included) and the changes in the wildlife damage surcharges; (b) July 1, 1996, for commercial fishing licenses; and (c) January 1, 1996, for all other licenses and stamps. Estimate that these changes would increase conservation fund revenues by \$4.3 million in 1995-96 and \$7.3 million in 1996-97.

Hunting and Fishing License Fees

	Current Fee	Proposed Fee	Change			Current Fee	Proposed Fee	Change	
			Amount	%				Amount	%
Resident Hunting					Other Hunting				
Conservation Patron	\$100.75	\$120.00	\$19.25	19.1%	Duplicate Patron or Sports:				
Sports License	38.00	45.00	7.00	18.4	With Deer Tag	7.25	11.00	3.75	51.7
Deer	18.00	22.00	4.00	22.2	Without Deer Tag	5.00	8.00	3.00	60.0
Archer	18.00	22.00	4.00	22.2	Duplicate Deer	7.25	11.00	3.75	51.7
Bear Harvest Permit	30.00	40.00	10.00	33.3	Duplicate Archer	5.00	8.00	3.00	60.0
Bear Pursuit (Hunting)	6.75	12.00	5.25	77.8	Dupl. Archer & Deer Tag	7.25	11.00	3.75	51.7
Small Game	12.00	14.00	2.00	16.7	Dupl. Bear Harvest Permit	13.00	20.00	7.00	53.8
Senior Small Game	5.00	8.00	3.00	60.0	Dupl. Hunting--All Others	5.00	7.00	2.00	40.0
Wild Turkey	8.00	12.00	4.00	50.0					
Trapping	15.00	18.00	3.00	20.0	Hunting Stamps				
					Pheasant	\$7.25	\$7.00	-\$0.25	-3.4
Nonresident Hunting					Waterfowl	5.25	7.00	1.75	33.3
Deer	120.00	130.00	10.00	8.3	Wild Turkey	5.25	3.00	-2.25	-42.9
Archer	120.00	130.00	10.00	8.3					
Bear Harvest Permit	120.00	150.00	30.00	25.0	Resident Fishing				
Bear Pursuit (Hunting)	21.75	50.00	28.25	129.9	Annual	12.00	15.00	3.00	25.0
Annual Small Game	70.00	75.00	5.00	7.1	Husband and Wife	20.00	25.00	5.00	25.0
Five Day Small Game	40.00	45.00	5.00	12.5	Senior Annual	5.00	7.00	2.00	40.0
Wild Turkey	50.00	60.00	10.00	20.0	Youth Annual	5.00	7.00	2.00	40.0
Furbearing Animal	140.00	150.00	10.00	7.1					

	Current	Proposed	Change	
	Fee	Fee	Amount	%
Nonresident Fishing				
Individual:				
Annual	28.00	30.00	2.00	7.1
Fifteen Day	18.00	23.00	5.00	27.8
Four Day	13.00	15.00	2.00	15.4
Family:				
Annual	48.00	55.00	7.00	14.6
Fifteen Day	28.00	30.00	2.00	7.1

	Current	Proposed	Change	
	Fee	Fee	Amount	%
Other Fishing				
Two Day Great Lakes	8.00	9.00	1.00	12.5
Duplicate Fishing	5.00	7.00	2.00	40.0
Fishing Stamps				
Inland Waters Trout	7.25	7.00	-0.25	-3.4
Great Lakes Trout & Salmon	7.25	7.00	-0.25	-3.4
Commercial Licenses				
Resident Great Lakes	750.00	950.00	200.00	26.7
Nonresident Great Lakes	5,600.00	7,100.00	1,500.00	26.8

Joint Finance/Legislature: Delete provision. Specify that DNR must submit a plan to the Joint Committee on Finance by September 1, 1995, that reduces expenditures from the fish and wildlife account of the conservation fund during 1995-97 so that they do not exceed available fish and wildlife account revenues. Provide for a passive review of this plan by the Committee similar to that used under s. 16.505/16.515.

Veto by Governor [B-10]: Delete the requirement that an expenditure reduction plan be submitted to, or reviewed by, Joint Finance.

[Act 27 Vetoed Section: 9142(10h)]

2. DISABLED PERSON FISHING LICENSE

Chg. to Base	
SEG-REV	\$234,500

Governor/Legislature: Create a resident disabled person annual fishing license on the effective date of the budget act. Set the fee for this license at \$7 (compared to \$12 for an adult resident annual fishing license under current law). Under current law, DNR issues a permanent disabled person fishing license, at no fee, to disabled residents who apply and are eligible. The license remains in effect as long as the person remains disabled. Specify that any permanent disabled person license issued prior to the effective date of the budget act would expire on March 31, 1996. Estimate that these changes would increase conservation fund revenues by \$78,200 in 1995-96 and \$156,300 in 1996-97.

[Act 27 Sections: 1560, 1610, 1617 and 9342(1)]

3. YOUTH SMALL GAME LICENSE

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

Governor/Legislature: Establish a reduced-fee resident small game license for youths aged 12 through 17, effective January 1, 1996. Youths currently pay the same license fee as adults. Set the fee for this license at \$8 (compared to \$12 for an

adult resident small game license under current law). Estimate that this would reduce conservation fund revenues by \$100,000 in 1996-97.

[Act 27 Sections: 1538m, 1571, 1594m thru 1601m and 9442(4m)]

4. BONUS DEER HUNTING PERMITS [LFB Paper 701]

Governor: Create a \$3 nonrefundable processing fee for an application for a bonus deer hunting permit, effective with permits issued on the effective date of the budget act. This is the same fee that currently applies to an application for a hunter's choice deer hunting permit. A bonus deer hunting permit costs \$12 for residents and \$20 for nonresidents and allows the holder to kill an additional deer of the sex or type specified on the permit.

Joint Finance/Legislature: Limit the proposed application fee to only those hunters who have not already paid a hunter's choice permit application fee. Charge the application fee only for the first bonus deer permit issued to the same hunter.

[Act 27 Sections: 1536m thru 1537m, 1593g, 1593r and 9342(3g)]

5. NONRESIDENT SPORTS AND CONSERVATION PATRON LICENSES

Governor/Legislature: Create nonresident sports and conservation patron licenses, effective April 1, 1996. Set the fees for these licenses at \$224 and \$524, respectively. Specify that the nonresident sports license would grant the holder the privileges extended under the nonresident small game, fishing and deer licenses (these total \$218 under current law). Specify that the nonresident conservation patron license would grant the holder the privileges extended under the nonresident small game, deer, wild turkey, bear, archer, fishing and sturgeon spearing licenses and would include waterfowl, pheasant, wild turkey, inland waters trout and Great Lakes trout and salmon stamps, a nonresident annual state park admission sticker, admission to Heritage Hill State Park, an annual bike trail pass and an annual subscription to the Wisconsin Natural Resources magazine (these total \$500.97 under current law). These licenses would grant the same privileges to nonresidents that the resident sports and conservation patron licenses grant to residents, with the exception of trapping privileges. Duplicate license fees for these licenses would be identical to those for the comparable resident licenses.

Veto by Governor [B-12]: Delete a statutory reference to correct a drafting error in the engrossed bill.

[Act 27 Sections: 1474, 1556, 1574, 1576, 1589m, 1595m, 1602m, 1605, 1608, 1609, 1618 thru 1624, 1626, 1631 and 9442(9)]

[Act 27 Vetoed Section: 9442(9)]

6. BUREAU OF RESEARCH SUPPLIES AND SERVICES

Governor/Legislature: Delete \$41,700 GPR and \$221,400 SEG annually to reduce base funding for supplies and services.

	Chg. to Base
GPR	- \$83,400
SEG	- 442,800
Total	- \$526,200

7. LICENSING AUTOMATION AND HANDLING FEES [LFB Paper 702]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$380,000	- \$380,000	\$0
SEG	100,000	380,000	480,000
Total	\$480,000	\$0	\$480,000

Governor: Provide \$100,000 SEG in 1995-96 from the conservation fund and \$380,000 PR in 1996-97 to expand current automated systems. Place the funds in unallotted reserve, to be released by DOA following further review of estimated costs. Allow DNR to create a handling fee to cover the costs associated with issuing licenses that are requested by mail, telephone or electronic means. Specify that if a handling fee is created, DNR must establish the fee amount and the licenses to which it would apply through the administrative rule process. Limit the fee to the actual amount of any credit card transaction fees, mailing costs and staffing necessary to provide the service. Create a continuing appropriation from the conservation fund for costs associated with DNR's issuance of licenses and credit any handling fees collected to this appropriation.

Joint Finance/Legislature: Shift \$380,000 from PR to SEG to reflect the creation of the new SEG appropriation for costs associated with processing licenses. Specify that DNR may not spend the \$100,000 SEG provided in 1995-96 unless the Department receives the approval of the Joint Committee on Finance under a passive review process similar to that used under s. 16.505/16.515.

[Act 27 Sections: 644, 1538, 1603 and 9142(9p)]

8. NONWILD PHEASANT STOCKING [LFB Paper 703]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- \$366,800	- 3.80	\$158,000	2.00	- \$208,800	- 1.80

Governor: Delete \$183,400 and 3.8 positions annually from the fish and wildlife account of the conservation fund to eliminate base funding for the stocking of pheasants on public hunting grounds and the day-old rooster chick program, which supplies chicks to conservation and sports clubs. The pheasants

are raised at the state game farm in Poynette (Columbia County). The wild pheasant rearing and reintroduction program would not be affected.

Joint Finance/Legislature: Restore \$79,000 and 2.0 positions annually from the fish and wildlife account to fund the nonwild pheasant program at 75% of prior year levels.

9. INCREASED FISH HATCHERY OPERATIONS

	Chg. to Base
SEG	\$340,000

Governor/Legislature: Provide \$140,000 in 1995-96 and \$200,000 in 1996-97 from the fish and wildlife account of the conservation fund for operating costs at the expanded Woodruff and Spooner fish hatcheries as follows: (a) \$60,000 annually for the Woodruff hatchery; (b) \$30,000 in 1995-96 and \$120,000 in 1996-97 for the Spooner hatchery; and (c) one-time funding of \$50,000 in 1995-96 for a tractor and \$20,000 in 1996-97 for a fish distribution tank.

10. WILD TURKEY MANAGEMENT

	Chg. to Base
SEG	\$285,000

Governor/Legislature: Provide \$135,000 in 1995-96 and \$150,000 in 1996-97 from the fish and wildlife account of the conservation fund for wild turkey habitat management, maintenance of the turkey population database and development of seasonal regulations. Create a continuing appropriation and designate all moneys received from the sale of wild turkey stamps for wild turkey restoration. These funds are currently commingled with all other revenues in the fish and wildlife account.

[Act 27 Sections: 633, 1604, 1607, 1612 and 9342(2)]

11. NATURAL HERITAGE INVENTORY POSITIONS

	Chg. to Base
SEG	- \$263,600

Governor/Legislature: Delete \$131,800 and reallocate 3.0 positions annually to convert three contracted employees to permanent positions, who would continue to develop and maintain the natural heritage inventory data base. Existing funding from the endangered resources income tax check-off would be used to support these positions. The three vacant positions are currently assigned to the Bureau of Forestry (2.0 positions) and the Bureau of Management and Budget (1.0 position).

12. BUREAU OF RESEARCH POSITIONS

	Chg. to Base Funding	Positions
SEG	- \$200,000	- 6.00

Governor/Joint Finance: Delete \$65,000 and 2.0 positions in 1995-96 and \$135,000 and 6.0 positions in 1996-97 from the

conservation fund to eliminate two currently vacant positions, beginning in 1995-96, and four additional positions in 1996-97. The additional four positions reflect anticipated retirements occurring during the 1995-97 biennium.

13. OUTDOOR SKILLS INITIATIVE [LFB Paper 704]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$90,000	- \$90,000	\$0
SEG	89,000	- 89,000	0
Total	\$179,000	- \$179,000	\$0

Governor: Provide the following: (a) \$40,000 SEG annually from the fish and wildlife account of the conservation fund for operations at the Sandhill Wildlife Area outdoor skills center (Wood County); (b) \$90,000 PR in 1995-96 from the proposed DOA information technology investment fund for the purchase and installation of an interactive voice response (IVR) system; and (c) \$9,000 SEG in 1996-97 from the fish and wildlife account for operating the IVR system. The IVR system would provide 24-hour up-to-date hunting and fishing information related to outdoor skills training and scheduled events held throughout the state.

Allow DNR to conduct educational hunting, fishing and trapping activities on DNR lands on which the Department allows hunting, fishing or trapping, including those parts of state parks that are designated for hunting. Let DNR conduct these activities outside of the normal hunting, fishing and trapping seasons. Specify that DNR may waive the requirement that participants purchase hunting, fishing or trapping licenses. Allow DNR to require participants to first attend an educational workshop and to collect fees, established by administrative rule, for these workshops. Establish a continuing appropriation from the conservation fund for educational fish and game activities and credit any fees collected for workshops to this appropriation.

Joint Finance/Legislature: Delete provision.

14. BUREAU OF FISHERIES MANAGEMENT POSITIONS

Governor/Legislature: Delete \$48,100 and 1.0 position in 1995-96 and \$84,000 and 2.0 positions in 1996-97 from the fish and wildlife account of the conservation fund.

	Chg. to Base Funding Positions	
SEG	- \$132,100	- 2.00

15. CONSERVATION PATRON LICENSE HANDLING COSTS

Chg. to Base	
SEG	\$115,200

Governor/Legislature: Provide \$57,600 annually from the conservation fund for increased shipping and handling costs associated with conservation patron license mailings. The number of patron licenses sold has increased from 539 in 1990-91 to 24,574 in 1993-94.

16. TREATY HARVEST ASSESSMENT

Chg. to Base	
GPR	- \$102,400

Governor/Legislature: Delete \$51,200 annually for treaty harvest assessment activities, which involve collecting and analyzing fishery, habitat and ecological data to establish safe harvest and bag limits.

17. BUREAU OF RESEARCH REDUCTIONS

Chg. to Base	
GPR	- \$62,700

Governor/Legislature: Delete \$20,900 in 1995-96 and \$41,800 in 1996-97 to reduce staff training, travel, computer maintenance and equipment acquisition.

18. FISHERIES RESEARCH

Chg. to Base	
SEG	- \$60,000

Governor/Legislature: Delete \$30,000 annually from the fish and wildlife account of the conservation fund to reduce funding available for University of Wisconsin fisheries research. DNR currently spends approximately \$300,000 annually for UW research.

19. PRIVATE FISH REARING PONDS [LFB Paper 705]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$50,000	- \$100,000	- \$150,000

Governor: Delete \$25,000 annually for grants to restore unused or underutilized fish rearing ponds. Remaining funding for this purpose would total \$50,000 annually.

Joint Finance/Legislature: Delete \$50,000 annually to eliminate all funding for this purpose and repeal the grant program.

[Act 27 Sections: 673b and 1631m]

20. DELLS OF THE WISCONSIN RIVER NATURAL AREA

Governor/Legislature: Provide \$22,900 in 1995-96 and \$23,400 in 1996-97 and reallocate 1.0 position annually for property management at the newly-created Dells of the Wisconsin River natural area. The position would be responsible for the coordination of the property cleanup, development of a master plan and controlling public access to the natural area. A net funding increase for this item would be provided as follows: (a) an increase of \$68,000 in 1995-96 and \$68,500 in 1996-97 and 1.0 position annually for the endangered resources program; and (b) a decrease of \$45,100 and 1.0 position annually for the Bureau of Management and Budget.

	Chg. to Base
SEG	\$46,300

21. NATURAL AREAS

Governor/Legislature: Provide \$20,800 and reallocate 1.0 position annually to expand management activities in state natural areas. A net funding increase for this item would be provided as follows: (a) an increase of \$50,000 and 1.0 position annually to be funded from the new endangered resources license plate (which was effective January 1, 1995); and (b) a decrease of \$29,200 and 1.0 position annually for the Bureau of Wildlife Management. As of February 20, 1995, DNR had received \$33,900 from the sale of the endangered resources license plates.

	Chg. to Base
SEG	\$41,600

22. WILDLIFE EDUCATION AND OUTREACH REDUCTIONS

Governor/Legislature: Delete \$20,000 annually from the fish and wildlife account of the conservation fund to reduce education and outreach efforts, including the elimination of a turkey publication and reduced support for Project WILD (a conservation and environmental education program for educators of kindergarten through high school age youth).

	Chg. to Base
SEG	- \$40,000

23. ENDANGERED RESOURCES REDUCTIONS

Governor/Legislature: Delete \$17,500 in 1995-96 and \$19,300 in 1996-97 to reduce general program operations, such as promotional activities, postage, computer purchases and grants to outside groups.

	Chg. to Base
GPR	- \$36,800

24. INLAND WATERS TROUT PROGRAM CHANGES

Governor/Legislature: Shift \$174,000 SEG and 5.0 SEG positions annually within the fish and wildlife account of the conservation fund to perform increased inland trout ecological assessment surveys. These funds are currently used for trout habitat projects. Expand the use of inland waters trout stamp revenue to include trout surveys on inland trout waters. Currently, the use of inland waters trout stamp revenue is limited to trout habitat projects.

[Act 27 Sections: 640 and 1625]

25. BUREAU OF RESEARCH

Governor/Legislature: Modify funding for the Bureau of Research as follows to reflect services provided: (a) \$173,200 SEG and 3.5 SEG positions annually from the nonpoint account of the environmental fund; (b) -\$147,100 SEG and -3.0 SEG positions annually from the fish and wildlife account of the conservation fund; and (c) -\$26,100 FED and -0.5 FED position annually. Convert 1.0 FED social scientist project position to permanent status.

	Chg. to Base	
	Funding	Positions
FED	- \$52,200	- 0.50
SEG	<u>52,200</u>	<u>0.50</u>
Total	\$0	0.00

26. COUNTY FISH AND GAME PROJECTS

Governor/Legislature: Delete \$10,000 GPR annually from the endangered resources program and provide \$10,000 SEG annually from the fish and wildlife account of the conservation fund for an increase from \$140,000 SEG to \$150,000 SEG annually for county fish and game projects.

	Chg. to Base
GPR	- \$20,000
SEG	<u>20,000</u>
Total	\$0

27. SHRIKE SURVEYS

Governor/Legislature: Shift \$4,000 annually from GPR to the endangered resources account of the conservation fund to transfer funding for the annual shrike surveys. The shrike is an endangered carnivorous bird which often impales its prey on thorns or other sharp-pointed objects.

	Chg. to Base
GPR	- \$8,000
SEG	<u>8,000</u>
Total	\$0

28. WILD GINSENG LICENSES

Governor/Legislature: Create separate wild ginseng harvester and dealer licenses for residents and nonresidents and establish three different classes for resident dealer licenses. Increase license fees as shown below, effective with licenses issued on the effective date of the budget act:

	Previous	Act 27	Change	
	<u>Fee</u>	<u>Fee</u>	<u>Amount</u>	<u>%</u>
Harvester:				
Resident	\$5.75	\$15.75	\$10	173.9%
Nonresident	5.75	30.75	25	434.8
Resident Dealer:				
Class A	100.75	100.75	0	0.0
Class B	100.75	500.75	400	397.0
Class C	100.75	1,000.75	900	893.3
Nonresident Dealer	100.75	1,000.75	900	893.3

Define the following resident dealer classes: (a) class A authorizes the purchase for resale of not more than 100 pounds dry weight of wild ginseng in one year; (b) class B authorizes the purchase for resale of not more than 1,000 pounds dry weight of wild ginseng in one year; and (c) class C authorizes the purchase for resale of any amount of wild ginseng in one year. Replace current requirements related to shipping certificates with requirements for certificates of origin. Specify that no person may ship wild ginseng that originates in Wisconsin to an out of state destination unless it is accompanied by a certificate of origin. Specify that no person may ship wild ginseng that originates in another state to a foreign destination unless it is accompanied by a certificate of origin issued by that state. Prohibit the purchase for resale of wild ginseng that originates in another state unless it is accompanied by a certificate of origin issued by that state. Specify that a dealer must return wild ginseng received from another state to the sender within 30 days if it is not accompanied by a certificate of origin. Direct DNR to establish administrative rules defining the procedure for issuing certificates of origin. Require a dealer to inspect a vendor's wild ginseng harvester or dealer license when purchasing wild ginseng. Current law prohibits a purchase only if a person knows the vendor does not have a license. An estimate of additional revenues due to this provision was not made.

[Act 27 Sections: 1580 thru 1585, 1611, 1633 thru 1654 and 9342(4)&(5)]

29. ENDANGERED RESOURCES CHECK-OFF

	Chg. to Base
SEG	- \$120,000

Joint Finance/Legislature: Delete \$120,000 in 1996-97 to reflect the estimated effect of the proposed domestic abuse income tax check-off on the existing endangered resources income tax check-off. [See "General Fund Taxes"]

Veto by Governor [E-11]: Delete the domestic abuse income tax check-off.

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

30. **WISCONSIN CONSERVATION CORPS (WCC) WORK BOOT
REIMBURSEMENT** [LFB Paper 976]

Chg. to Base	
SEG	\$3,400

Joint Finance/Legislature: Provide \$1,700 annually from the fish and wildlife account of the conservation fund to fund an increase in the corps enrollee subsidy for work boots from \$45 to \$60 under the WCC. DNR contracts with the WCC for habitat projects.

Enforcement and Recreational Aids

1. **BOAT REGISTRATION FEE INCREASES** [LFB Paper 710]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$3,183,000	- \$83,000	\$3,100,000

Governor: Increase the following boat registration fees, effective April 1, 1996. Boats are registered and fees are assessed once every two years. Estimate that these changes will increase revenues by \$3,183,000 during the 1995-97 biennium.

<u>Boat Type</u>	Current	Act 27	<u>Change</u>	
	<u>Fee</u>	<u>Fee</u>	<u>Amount</u>	<u>Percent</u>
Nonfleet Boats				
Nonpowered Sailboat	\$6.50	\$10.00	\$3.50	53.8%
Motorboats under 16 feet	6.50	11.00	4.50	69.2
Motorboats 16 feet < 26 feet	8.50	16.00	7.50	88.2
Motorboats 26 feet < 40 feet	10.50	30.00	19.50	185.7
Motorboats 40 feet or more	12.50	50.00	37.50	300.0
Fleet Boats				
Fleet Fee	\$9.00	\$18.00	\$9.00	100.0%
Nonpowered Sailboat	3.25	5.00	1.75	53.8
Motorboats under 16 feet	3.25	5.50	2.25	69.2
Motorboats 16 feet < 26 feet	4.25	8.00	3.75	88.2
Motorboats 26 feet < 40 feet	5.25	15.00	9.75	185.7
Motorboats 40 feet or more	6.25	25.00	18.75	300.0

Joint Finance/Legislature: Reestimate increased boat registration fee revenues at \$3,100,000 during the 1995-97 biennium to reflect more recent data.

[Act 27 Sections: 1682 thru 1687, 9342(6) and 9442(3)]

2. PORTAGE LEVEE SYSTEM [LFB Paper 711]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
BR	\$1,600,000	- \$1,600,000	\$0

Governor: Provide \$1,600,000 in segregated revenue supported bonding to fund the remaining local sponsor share for the City of Portage levee renovation project. Debt service would be paid from the water resources account of the conservation fund. 1993 Act 16 provided a total of \$1.2 million from base funding of the recreational boating facilities program for a portion of the local sponsor cost of the federal renovation project. Allow DNR to spend up to \$400,000 in 1995-96 from the recreational boating facilities program for a study concerning the future of strengthening and maintaining, and the possibility of disposing of, the Lewiston and Caledonia levees. Delete the requirement that DNR must construct, strengthen and maintain the entire Portage levee system, retaining only the requirement that DNR maintain the Lewiston and Caledonia levees. Require the City of Portage to maintain the portion of the Portage levee system that belongs to the City, effective when DNR determines that the renovation and repair project is complete.

Joint Finance/Legislature: Delete the \$1,600,000 in segregated revenue supported bonding and designate \$800,000 SEG annually from the recreational boating facilities aids program for the remaining local sponsor share for the City of Portage levee renovation project. Specify that all designated funds would be excluded prior to determining the expenditure percentages for recreational boating facilities aids. Require the study of the Lewiston and Caledonia levees to include a management plan and delete the language that specifies that the study must address the possibility of disposing of these levees. Specify that the City of Portage would be required to maintain only the segment of the levee system that has been renovated and repaired, as determined by DNR.

[Act 27 Sections: 678, 1698 thru 1700 and 1702 thru 1706]

3. LAKE MANAGEMENT AND PLANNING GRANTS [LFB Paper 712]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	- \$706,600	\$706,600	\$0
SEG-Lapse	\$0	\$1,400,000	\$1,400,000

Governor: Delete \$353,300 annually from the water resources account of the conservation fund to reduce the appropriation for lake management grants to \$1.0 million annually. Eliminate the current \$100,000 maximum grant amount. Allow nonprofit conservation organizations (NCOs) to apply for lake management planning grants (NCOs can currently apply for lake management grants).

Joint Finance/Legislature: Restore \$353,300 annually from the water resources account to fund the appropriation for lake management grants at its base level of \$1,353,300 annually. Lapse \$1,400,000 from the lake management grant appropriation to the water resources account on the effective date of the budget act. Increase the current \$100,000 maximum grant amount to \$200,000 and increase the grant limit from 50% of project costs to 75% of project costs.

[Act 27 Sections: 4301, 4302b and 9242(2g)]

4. SNOWMOBILE AIDS AND ADMINISTRATION [LFB Paper 716]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$696,300	\$344,900	\$1,041,200

Governor: Provide \$356,200 in 1995-96 and \$340,100 in 1996-97 from the snowmobile account of the conservation fund for the following: (a) \$339,900 in 1995-96 and \$323,800 in 1996-97 for snowmobile trail aids; (b) \$9,000 annually for increased mailing costs and supplies for the snowmobile

registration program; and (c) \$7,300 annually for supplies related to the administration of snowmobile recreation aids. Funding for snowmobile trail aids would total \$4,159,300 in 1995-96 and \$4,143,200 in 1996-97.

Joint Finance/Legislature: Delete \$14,200 in 1995-96 and provide \$99,800 in 1996-97 from the snowmobile account to reflect reestimates of the gas tax transfer from the transportation fund. Funding for snowmobile trail aids would total \$4,145,100 in 1995-96 and \$4,243,000 in 1996-97.

Provide \$259,300 in 1995-96 from the snowmobile account for supplemental snowmobile trail maintenance costs incurred during the 1992-93 winter season. Authorize the Joint Committee on Finance to supplement the supplemental trail aids appropriation under the s. 13.10 process, at the request of DNR. Currently, DNR must prorate aid payments if the appropriation is insufficient to fully fund these payments.

[Act 27 Sections: 677g, 737g, 6434g, 9142(9x) and 9442(10s)]

5. WATER REGULATION AND WETLANDS PROTECTION FEES [LFB Paper 713]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov.)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	-\$64,000		\$30,000		-\$34,000	
PR-REV	395,600		- 6,000		389,600	
GPR	\$0	0.00	-\$337,400	- 4.00	-\$337,400	- 4.00
PR	0	0.00	337,400	4.00	337,400	4.00
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Shift \$168,700 PR and 4.0 PR positions annually from DOA's coastal zone management program federal contract funds to water regulation and wetland map fees. Convert the four positions from project to permanent. Convert 1.0 PR project position to a permanent position that will continue to be funded from federal revenues under DOA's coastal zone management program.

Modify the water regulation (including dam regulation) fee structure from one based on the estimated project cost to one that would reflect DNR staff time in issuing the permit or approval. Direct DNR to classify the type of permit based on the estimated staff time spent reviewing, investigating and making a determination. Establish fees as follows, but allow DNR to increase the fees through the administrative rule process.

<u>Previous Structure</u>		<u>Act 27 Structure</u>	
<u>Project Cost</u>	<u>Fee</u>	<u>Workload</u>	<u>Fee</u>
\$0 to \$500	\$15	0 to 3 hours	\$30
\$500 to \$2,000	20		
\$2,000 to \$5,000	30	3 to 9 hours	100
\$5,000 to \$10,000	60		
More than \$10,000	75	More than 9 hours	300

Create a fee of \$240 for DNR to determine whether structures placed in navigable waters, such as a pier, interfere with the rights of the public or other riparian owners. Create a \$25 fee for any person requesting a hearing on whether to issue a water regulation permit or other approval. Create a \$100 fee for determining whether a project complies with DNR water quality standards for wetlands.

Specify that these fees would be doubled if authorization is sought after a project is begun or completed. Direct that if more than one of these fees is applicable (excluding the hearing fee), DNR would charge only the highest applicable fee. Direct DNR to refund the permit or approval fee only if the applicant requests a refund before DNR determines the application is complete. Under current law, the fee is refunded if the permit or approval is denied.

Expand the water regulation fee exemptions to include structures to improve fish or wildlife habitat. Specify that DNR is not required to charge fees for issuing general permits. Eliminate the current fee exemption for local units of government, town sanitary districts, public inland lake protection and rehabilitation districts, metropolitan sewage districts and tribal governments. Retain the fee exemption for state and federal agencies.

Allow DNR to sell or enter into contracts to sell wetland maps. Create fees for wetland maps as follows: (a) \$5 for a paper copy; (b) \$10 for an aerial photograph; and (c) \$15 for a digital database covering one township. Allow DNR to increase the fee charged for wetland maps through the administrative rule process. Direct that the wetland map fee must at least cover the costs of preparing, producing and selling the wetland maps.

Convert current water regulation permit fees (estimated at \$32,000 annually) from GPR-Earned to program revenue. Estimate additional program revenue from new and increased fees at \$165,800 annually. Create a continuing appropriation to receive revenues from water regulation fees and wetland map sales and allow DNR to spend whatever revenue is collected for these programs.

Joint Finance/Legislature: Delete the shift of \$168,700 PR and 4.0 PR positions annually from DOA's coastal zone management program federal contract funds to water regulation and wetland map fees. Instead, shift \$168,700 GPR and 4.0 GPR positions annually to PR funding from the proposed fees and continue to fund the 4.0 PR positions from DOA's coastal zone management program funds. Increase the level of GPR-Earned by \$15,000 annually to reestimate the level of fees converted to program revenue.

Delete the \$240 fee for DNR to determine whether structures placed in navigable waters, such as a pier, interfere with the rights of the public or other riparian owners. Estimate that program revenue would decrease by \$3,000 annually.

[Act 27 Sections: 658, 1348, 1662 thru 1668, 1707 thru 1711, 4206 and 9342(7)]

6. CONSERVATION WARDEN SUPPORT

	Chg. to Base
SEG	\$292,000

Governor/Legislature: Provide \$156,000 in 1995-96 and \$136,000 in 1996-97 (split-funded from the conservation and environmental funds at \$78,000 each in 1995-96 and \$68,000 each in 1996-97) to support conservation warden activities as follows: (a) \$80,000 annually for increased mileage costs; (b) \$24,000 annually for data entry costs; (c) \$17,000 annually for environmental enforcement staff training; (d) \$15,000 annually for TIME system annual access charges; and (e) \$20,000 in 1995-96 for participation in the State Patrol's mobile data terminal project.

7. LOCAL SPEARFISHING LAW ENFORCEMENT [LFB Paper 990]

	Chg. to Base
GPR	- \$230,000

Governor: Delete \$115,000 annually to reduce the amounts available to reimburse local governments for the costs of spearfishing enforcement to \$10,000 annually. Eliminate the requirement that unencumbered funds be transferred to the Wisconsin development reserve fund on June 30 of each year.

Joint Finance/Legislature: Modify the Governor's recommendation to require a lapse of an estimated total of \$240,900 to the general fund on July 1, 1995. This amount consists of the June 30, 1994, unencumbered balance (\$119,800) and the estimated unencumbered June 30, 1995, balance (\$121,100). The fiscal effect of this lapse is shown under the "Wisconsin Housing and Economic Development Authority."

[Act 27 Sections: 710 and 9129(1g)]

8. STATE SPEARFISHING LAW ENFORCEMENT

	Chg. to Base
GPR	\$40,000

Governor/Legislature: Provide \$20,000 annually for law enforcement costs related to the Chippewa spearfishing season.

9. FEDERAL LICENSING OF HYDROPOWER PROJECTS [LFB Paper 714]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$227,400	- 2.00	-\$433,800	- 4.00	-\$661,200	- 6.00

Governor: Delete \$113,700 and 2.0 positions annually to eliminate funding and positions frozen following a Governor's veto in 1993 Act 437 (1993-95 budget adjustment act). This reduction would result in DNR having \$247,900 and 4.0 positions annually funded from fees charged to hydropower facilities for DNR's review of applications for Federal Energy Regulatory Commission (FERC) licenses. DNR's authority to collect fees expires on October 1, 1995.

Joint Finance/Legislature: Delete \$185,900 in 1995-96 and \$247,900 in 1996-97 and 4.0 positions in 1995-96 to reflect the October 1, 1995, sunset date for FERC license applicant fees.

10. BOATING SAFETY AND ENFORCEMENT [LFB Paper 710]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$200,000	\$500,000	\$700,000

Governor: Provide \$100,000 annually from the boat registration account of the conservation fund to increase local water safety patrol aids. Transfer \$123,000 and 2.0 warden positions annually from the fish and wildlife account to the boat registration account of the conservation fund to reflect the amount of time put in by wardens on water safety and enforcement activities.

Joint Finance/Legislature: Increase funding for local water safety patrol aids by \$250,000 annually as follows: (a) \$50,000 annually from the boat registration account of the conservation fund; and (b) \$200,000 annually from the water resources account of the conservation fund. Total funding for local water safety patrol aids would be \$1,100,000 annually.

[Act 27 Sections: 706g, 737h and 9442(8g)]

11. BUREAU OF ENVIRONMENTAL ANALYSIS AND REVIEW

	Chg. to Base Funding Positions	
GPR	-\$157,600	- 2.00

Governor/Legislature: Delete \$56,500 and 1.0 position in 1995-96 and \$101,100 and 2.0 positions in 1996-97 to reduce the review of environmental documents

related to environmental impact statements and environmental assessments and to reduce the administrative activities of the Bureau.

12. DAM SAFETY INSPECTORS

Governor/Legislature: Delete \$154,400 GPR and shift 2.0 positions from GPR to the water resources account of the conservation fund in 1996-97. These positions would be funded with base funds currently used for the removal of abandoned dams that pose a substantial risk to life or property.

	Chg. to Base	
	Funding	Positions
GPR	- \$154,400	- 2.00
SEG	0	2.00
Total	- \$154,400	0.00

13. WATER RESOURCES MONITORING

Governor/Legislature: Delete \$18,000 in 1995-96 and \$128,000 in 1996-97 to reduce contracting with the U.S. Geological Survey for water resources monitoring in 1995-96, followed by elimination of support for flow monitoring stations in 1996-97.

	Chg. to Base
GPR	- \$146,000

14. CONSERVATION WARDEN POSITION

Governor/Legislature: Delete \$61,900 and 1.0 position annually to eliminate one conservation (field) warden position. DNR currently has 132 conservation warden positions.

	Chg. to Base	
	Funding	Positions
GPR	- \$123,800	- 1.00

15. SNOWMOBILE, ATV AND BOAT REGISTRATION AUTOMATION [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$123,800	- \$123,800	\$0

Governor: Provide \$33,800 in 1995-96 and \$90,000 in 1996-97 from the proposed DOA information technology investment fund to allow DNR to further automate the registration of snowmobiles, all-terrain vehicles (ATVs) and boats. In 1995-96, DNR would add snowmobile and ATV registrations to the redesigned on-line boat registration system. In 1996-97, DNR would install an interactive voice response system that would allow people to use the telephone to renew snowmobile, ATV and boat registrations.

Joint Finance/Legislature: Delete \$33,800 in 1995-96 and \$90,000 in 1996-97 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 s. 16.515 request for all agencies, submitted by DOA. [See "Information Technology Investment Fund"]

16. ATV AIDS AND ADMINISTRATION [LFB Paper 716]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$145,700	90,600	\$236,300

Governor: Provide \$67,100 in 1995-96 and \$78,600 in 1996-97 from the all-terrain vehicle (ATV) accounts of the conservation fund for the following: (a) \$73,900 annually for ATV trail aids; (b) -\$7,100 in 1995-96 and \$4,400 in 1996-97 for ATV registration administration; and (c) \$300 annually for supplies related to the administration of ATV recreation aids. Funding for ATV trail aids would total \$500,600 annually.

Joint Finance/Legislature: Provide \$36,500 in 1995-96 and \$54,100 in 1996-97 from the all-terrain vehicle trail aids account to reflect reestimates of the gas tax transfer from the transportation fund. Funding for ATV trail aids would total \$537,100 in 1995-96 and \$554,700 in 1996-97.

17. CAR-KILLED DEER REMOVAL AND DISPOSAL CONTRACTS

	Chg. to Base
SEG	\$105,000

Governor/Legislature: Increase funding for the removal and disposal of car-killed deer as follows: (a) \$17,500 in 1995-96 and \$35,000 in 1996-97 from the fish and wildlife account of the conservation fund; and (b) \$17,500 in 1995-96 and \$35,000 in 1996-97 from the transportation fund. These increases would fully fund DNR estimates that contracted services will cost \$385,000 in 1995-96 and \$420,000 in 1996-97. Under current law, these costs must be funded equally by the conservation and transportation funds.

18. UNDERWATER ARCHAEOLOGICAL PRESERVATION

	Chg. to Base Funding Positions	
GPR	-\$51,100	- 1.00

Governor/Legislature: Delete \$51,100 and 1.0 position in 1996-97 for enforcement related to underwater archaeological preservation. DNR was provided this position by 1993 Act 169.

19. IMPLEMENT WATERWAYS ACCESS PROGRAM

	Chg. to Base
SEG	\$50,000

Governor/Legislature: Provide \$25,000 annually from the water resources account of the conservation fund for travel expenses by the

Waterways Commission and DNR staff and to conduct research on recreational boating issues that is broader than the current responses to site-specific inquiries.

20. ENVIRONMENTAL FUNDING FOR LAW ENFORCEMENT

Governor/Legislature: Shift \$278,500 SEG and 4.0 SEG positions annually from the fish and wildlife account of the conservation fund to the environmental repair account of the environmental fund to reflect increased workload for environmental enforcement activities.

21. SNOWMOBILE ENFORCEMENT AND SAFETY PROGRAMS [LFB Paper 715]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$20,000	- \$20,000	\$0
SEG	- 20,000	20,000	0
Total	\$0	\$0	\$0

Governor: Shift \$10,000 annually in base funding for snowmobile enforcement and safety training from the snowmobile account of the conservation fund to GPR.

Joint Finance/Legislature: Delete provision.

22. RECREATIONAL BOATING FACILITIES AIDS

Governor: Modify eligible recreational boating project expenses as follows: (a) exclude expenses for the maintenance of capital improvements and the maintenance, operation and management of locks; and (b) include expenses for the rehabilitation of capital improvements and the improvement of locks. Specify that these changes would first apply to applications for funds made on the effective date of the budget act. Under this program, DNR provides grants for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. A grant may be used to support up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR.

	Jt. Finance/Leg. Chg. to Base
SEG	- \$400,000

Joint Finance/Legislature: Delete \$200,000 annually to provide a one-time increase for local water safety patrol aids (funded from the water resources account). Direct that this reduction be considered one-time for purposes of calculating the recreational boating facilities aids program's adjusted base for the 1997-99 biennial budget. The Waterways Commission would be provided \$4,947,000 SEG annually for recreational boating facilities aids during the 1995-97 biennium.

Designate funding in 1995-96 from the recreational boating facilities aids program for the renovation and repair of the Chair Factory Dam in Grafton, Wisconsin. Direct DNR to spend an amount that would be necessary for the renovation and repair of the dam, but not to exceed \$264,000. Specify that these funds would be excluded prior to determining the expenditure percentages for recreational boating facilities aids. Direct that the project would not be required to: (a) meet the definition of a recreational boating facility; and (b) be placed on a priority list by the Waterways Commission.

[Act 27 Sections: 1693 thru 1695, 9142(10j)&(11g) and 9342(10)]

23. MUNICIPAL DAM REPAIR AND REMOVAL GRANT PROGRAM [LFB Paper 712]

Joint Finance/Legislature: Shift \$247,900 in 1995-96 and \$296,300 in 1996-97 from GPR to SEG debt service (water resources account) related to the municipal dam repair and removal grant program on a one-time basis. Authorize an additional \$1,000,000 in segregated revenue supported bonding for the program. Currently, the program is funded by \$5,500,000 in general fund supported bonding and \$3,000,000 in segregated revenue supported bonding.

	Chg. to Base
BR	\$1,000,000
GPR	- \$544,200
SEG	544,200
Total	\$0

Designate SEG supported bonding for the following dam projects: (a) \$200,000 in 1995-96 to the Town of Spider Lake in Sawyer County; and (b) \$55,400 in 1995-96 to the Town of Douglas in Marquette County.

[Act 27 Sections: 635, 637, 742d, 742g, 1164, 9142(9g)&(10g) and 9442(12g)]

24. REBUILDING OF BOATHOUSES

Assembly/Legislature: Allow the repair or reconstruction of boathouses that are damaged beyond 50% of the current value of the specific boathouse if the boathouse was damaged by violent wind, vandalism or fire and if the damage occurred after January 1, 1984. Current law prevents owners of boathouses from repairing or maintaining boathouses that are damaged beyond 50% of the current value of the specific boathouse.

[Act 27 Sections: 1657zm and 1657zq]

25. BOAT SHELTERS AND BOATHOUSES

Assembly/Legislature: Prohibit DNR from adopting administrative rules that govern the aesthetic features or color of boat shelters or boathouses.

[Act 27 Sections: 1657ym and 1657zt]

26. SETBACK REQUIREMENTS UNDER SHORELAND ZONING

Assembly: Prohibit DNR from establishing, by administrative rule, any shoreland zoning standard or criteria that would regulate the setback of buildings from a body of water in the unincorporated area of a county. Allow a county to adopt a shoreland zoning ordinance that would regulate the setback of a building from a body of water. Under current DNR standards for shoreland zoning, counties are required to adopt and enforce a building setback of 75 feet from a navigable body of water.

Senate/Legislature: Delete provision.

Environmental Quality

1. RECYCLING FUND TRANSFER TO GENERAL FUND [LFB Paper 733]

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

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

Joint Finance/Legislature: Reduce the transfer to the general fund by \$3,900,000 to \$21,100,000.

[Act 27 Section: 9242(2)]

2. LOCAL RECYCLING GRANT APPROPRIATION

Governor/Legislature: Specify that, for the municipal and county recycling grant appropriation, the cumulative maximum appropriation amount in fiscal years 1992-93 through 1998-99 equals the amount

in the statutory schedule, plus the amounts of any refunds in prior fiscal years, less the amounts encumbered in prior fiscal years. Currently, some recycling grant amounts have been refunded to DNR by municipalities or counties when actual recycling expenses were lower than those estimated when they received the grant. The bill would allow the refunded amounts to be redistributed as recycling grants.

[Act 27 Section: 692]

3. RECYCLING MARKET DEVELOPMENT BOARD STAFF [LFB Paper 735]

Chg. to Base Funding Positions		
SEG	- \$99,600	- 1.00

Governor: Delete \$49,800 annually and 1.0 waste management specialist position that currently staffs the Recycling Market Development Board. Eliminate the current requirement that DNR provide two positions to staff the Board. Direct that the Board, DNR, DOD and the University of Wisconsin-Extension shall enter into a memorandum of understanding setting forth each of their responsibilities in carrying out the state's activities relating to recycling market development. Segregated funding is currently provided from the recycling fund.

Joint Finance/Legislature: Delete the requirement for development of the memorandum of understanding. Direct DNR to coordinate its recycling market development activities with the Board.

[Act 27 Sections: 656, 4407b and 4439]

4. TRANSFER COUNCIL ON RECYCLING FUNCTIONS [LFB Paper 735]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$50,000	- 0.50	\$0	0.00	-\$50,000	- 0.50
SEG	0	0.00	25,000	0.25	25,000	0.25
Total	-\$50,000	- 0.50	\$25,000	0.25	-\$25,000	- 0.25

Governor: Delete \$25,000 annually and a 0.5 position that currently staffs the Council on Recycling. Abolish the Council on Recycling and transfer its functions to the Recycling Market Development Board.

Joint Finance/Legislature: Modify the Governor's recommendation to: (a) retain the current Council on Recycling; (b) reduce the number of members from 17 to seven; (c) direct that the Governor specify which seven of the current 17 members would continue to serve the remainder of their terms; and (d) provide \$12,500 SEG and 0.25 SEG position annually to staff the Council.

Retain the current law requirements that: (a) the Department of Agriculture, Trade and Consumer Protection consult with the Council on Recycling (rather than the Board under AB 150) on labeling standards for products that are recycled, recyclable or degradable; and (b) the Department of Industry,

Labor and Human Relations must consult with the Council on Recycling (rather than the Board under AB 150) on development of requirements related to building space for recycling.

[Act 27 Sections: 175b, 6893 and 9142(8p)]

5. ENVIRONMENTAL REPAIR -- SPILLS CLEANUP

	Chg. to Base
SEG	- \$3,290,000

Governor/Legislature: Delete \$1,670,000 in 1995-96 and \$1,620,000 in 1996-97 from the environmental repair and spills cleanup appropriation, funded from the environmental fund. This appropriation provides funds for state-funded cleanups of contaminated properties where a responsible party is not known, or can not or will not take action to clean up the contamination. The bill would reduce funding for state-funded spills cleanup from \$4,116,000 annually to \$2,446,000 in 1995-96 and \$2,496,000 in 1996-97.

6. ENVIRONMENTAL REPAIR LAPSE [LFB Paper 728]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$750,000	\$1,393,300	\$2,143,300
SEG	\$0	\$217,000	\$217,000

Governor: Lapse \$750,000 from the continuing balance of the environmental reimbursement and compensation appropriation to the environmental repair account of the environmental fund. The appropriation receives reimbursements from responsible parties for site cleanup activities performed by DNR and is used for staff and associated costs related to site cleanups.

Joint Finance/Legislature: Make the following modifications: (a) direct that all environmental reimbursement and compensation revenues be deposited into the environmental fund; (b) eliminate the environmental reimbursement and compensation appropriation (-\$704,200 annually with -8.0 positions); (c) lapse the unencumbered balance of the appropriation (estimated to be \$2,143,300) to the environmental fund on the effective date of the bill; (d) budget the related administrative expenditures from the general program operations appropriation at \$618,200 annually with 8.0 positions; and (e) fund court settlement projects from the existing cleanup appropriation and increase expenditure authority by \$228,500 in 1995-96 and \$160,500 in 1996-97.

[Act 27 Sections: 652w, 653w, 3320m, 4327r, 4327s, 4331g, 4331h, 4331i and 4381g]

7. ENVIRONMENTAL REPAIR BALANCE [LFB Paper 729]

Chg. to Base	
SEG	- \$950,000

Joint Finance/Legislature: Maintain a positive June 30, 1997, balance in the environmental fund through the following two actions. Transfer \$1,250,000 from the continuing balance of the waste tire appropriation to the environmental fund in 1995-96. Reduce expenditure authority from the environmental repair account of the environmental fund by \$950,000 (\$475,000 annually). Direct DNR to submit to the Committee at its September, 1995, meeting under s. 13.10, a plan that allocates the expenditure reductions to appropriations within the environmental fund.

[Act 27 Sections: 9142(2t) and 9442(7t)]

8. WASTE TIRE PROGRAM [LFB Paper 729]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$3,450,000		\$3,450,000	
PR	\$200,000	- 0.50	-\$139,400	- 5.50	\$60,600	- 6.00

Governor: Provide an additional \$100,000 annually for the waste tire program (\$55,300 for administration and \$44,700 for waste tire removal and recovery program activities). This would provide administrative funding of \$529,000 in 1995-96 and \$532,300 in 1996-97 and waste tire removal and recovery program activity funding of \$2,819,700 annually. Delete 0.5 PR position.

Joint Finance/Legislature: Eliminate the waste tire fee on June 30, 1997, and lapse any remaining balance to the general fund (estimated at \$3,450,000). Eliminate the 5.5 waste tire positions on June 30, 1997. Reestimate the waste tire program activity appropriation to increase annual expenditure authority by \$930,300 (to \$3,750,000) in 1995-96 and reduce expenditure authority by \$1,069,700 (to \$1,750,000) in 1996-97.

[Act 27 Sections: 648z, 649, 650, 656b, 1408b, 4320g, 4320h, 4415c, 6411b, 9242(1t) and 9442(7t)]

9. CONVERT WASTE TIRE FUNDING [LFB Paper 729]

	<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	- \$6,611,300	- 5.50	\$6,611,300	5.50	\$0	0.00
SEG	<u>6,611,300</u>	<u>5.50</u>	<u>- 6,611,300</u>	<u>- 5.50</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Convert \$3,304,000 in 1995-96 and \$3,307,300 in 1996-97 from PR to SEG. Transfer 5.5 existing positions from PR to SEG. SEG funding would be provided from the environmental repair account of the environmental fund. Transfer the unencumbered balance of the waste tire removal and recovery PR appropriation account, estimated to be approximately \$3,800,000, to the environmental fund on the effective date of the biennial budget act. (Interest income received on fund balances would be deposited in the environmental fund instead of the general fund.) Convert the waste tire removal and recovery program appropriation from a continuing appropriation to an annual appropriation.

Change the "tire recovery fee" to an "environmental fee." The fee, which would not change, is \$2 per tire and is paid at the time a new vehicle is first registered. Direct that fee revenues be deposited into the environmental fund.

Of the provided waste tire removal and recovery program funding, specify that \$50,000 shall be one-time financing in 1995-96. Direct DNR to conduct a study of environmental contamination at salvage operations and scrap yards in the state and ways to remedy the contamination and to submit a report to the Legislature and to the Governor by July 1, 1996. The study shall: (a) inventory salvage operations and scrap yard locations; (b) identify the most prevalent types of environmental contamination at those locations; (c) identify the types of remedies needed; (d) estimate the costs of remedying the contamination; (e) identify alternative programs, including grants and loans, to remedy the contamination and estimate the costs of the programs; (f) include a workplan for administration and inspection activities; and (g) analyze existing governmental programs that are available to remedy contamination at salvage operations and scrap yards.

Joint Finance/Legislature: Delete provision.

10. FEDERAL FUNDING REDUCTIONS [LFB Papers 730 and 732]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	-\$1,380,200	- 15.50	\$0	0.00	-\$1,380,200	- 15.50
SEG	0	0.00	630,400	6.00	630,400	6.00
Total	-\$1,380,200	- 15.50	\$630,400	6.00	-\$749,800	- 9.50

Governor: Delete \$569,400 and 11.0 positions in 1995-96 and \$810,800 and 15.5 positions in 1996-97 to reflect reductions in federal funding for the following programs: (a) \$210,700 and 4.0 positions in 1995-96 and \$413,500 and 8.0 positions in 1996-97 from the leaking underground storage tank program; (b) \$202,900 and 4.0 positions annually from the Superfund program; (c) \$155,800 annually and 3.0 positions from the hazardous waste management program; and (d) \$38,600 and 0.5 position in 1996-97 for a federally funded administrative officer in the environmental loans program.

Joint Finance/Legislature: Provide: (a) \$210,700 SEG annually to retain 4.0 positions primarily for low- and medium-priority cleanups under the leaking underground storage tank program utilizing the petroleum inspection fund; and (b) \$104,500 SEG annually to retain 2.0 hazardous waste management positions utilizing the environmental fund.

11. CONTAMINATED LANDS RECYCLING PROGRAM [LFB Paper 731]

	Chg. to Base Funding Positions	
PR	\$147,500	3.00

Governor/Legislature: Provide \$147,500 and 3.0 positions in 1996-97, to implement purchaser limited liability provisions enacted in 1993 Act 453. Staff would review and approve cleanups of property if requested by purchasers who seek release from future liability for past contamination at the property. DNR is authorized to assess and collect fees from a purchaser to recover its costs related to the limited liability provisions. DNR is in the process of developing an administrative rule to implement a fee schedule.

12. CONVERT HAZARDOUS WASTE MANAGEMENT FUNDING [LFB Paper 730]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	-\$88,400	- 1.00	\$0	0.00	-\$88,400	- 1.00
PR	88,400	1.00	- 88,400	- 1.00	0	0.00
SEG	0	0.00	88,400	1.00	88,400	1.00
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Transfer \$44,200 and 1.0 position annually from FED to PR to perform activities related to reviewing plans, licensing and inspecting hazardous waste treatment storage and disposal facilities. Current federal Environmental Protection Agency funding is decreasing. Program revenue would be provided from hazardous waste facility plan review and license fees that currently support staff in the hazardous waste management program. DNR is currently in the process of proposing administrative rule changes to increase these fees.

Joint Finance/Legislature: Fund the position from environmental repair account SEG rather than PR.

13. CONVERT HYDROGEOLOGISTS FUNDING [LFB Paper 728]

	Chg. to Base	
	Funding	Positions
GPR	-\$500,000	- 4.00
SEG	500,000	4.00
Total	\$0	0.00

Governor: Transfer \$250,000 and 4.0 hydrogeologist positions annually from GPR to the environmental reimbursement and compensation appropriation funded from the segregated environmental fund. The SEG appropriation receives reimbursements from responsible parties for site cleanup activities performed by DNR and is used for staff and associated costs related to site cleanups. Three of the converted positions would be central office hydrogeologists (located in the solid waste management, hazardous waste management and mine reclamation programs) and one would be located in the north central district groundwater unit working with mine reclamation.

Joint Finance/Legislature: Fund the positions from the environmental fund to reflect the elimination of a separate environmental reimbursement and compensation appropriation.

14. HAZARDOUS WASTE MANIFEST REVIEW

	Chg. to Base	
	Funding	Positions
GPR	-\$100,600	- 1.00

Governor/Legislature: Delete \$50,300 and 1.0 position annually that supports review, data entry and data verification of hazardous waste manifest forms filed by facilities, generators and transporters. Administration officials indicate that DNR would contract out for this review activity, which would be funded by program revenue

fees. However, the bill does not provide expenditure authority for a contract. DNR is currently proposing revisions to administrative rules to increase hazardous waste facility plan review fees to fund the contract.

15. SOLID AND HAZARDOUS WASTE REDUCTIONS

Governor/Legislature: Delete \$60,000 annually in the Bureau of Solid and Hazardous Waste Management from permanent salaries, fringe benefits and associated supplies and services. However, no positions would be deleted.

	Chg. to Base
GPR	- \$120,000

16. COOPERATIVE ENVIRONMENTAL REMEDIATION FUNDING

Governor: Authorize DNR to seek and receive funds from a municipality or any other public or private source for all or part of the costs of remedying environmental contamination if the activities being funded are part of a cooperative effort by DNR and the person providing the funds. Direct that the provision of funding would not be evidence of, or admission of, liability for any environmental contamination. DNR, when carrying out its regulatory and enforcement duties, may not base its treatment of a person on whether the person did or did not provide funding under the provision.

Direct that all funds received under the provision be deposited into the environmental fund. Create a continuing appropriation funded from the environmental fund to use all funds received for cooperative remedial actions. Create a sum sufficient appropriation funded from the environmental fund to deposit interest on revenue received to be used for cooperative remedial actions.

Joint Finance/Legislature: Modify the Governor's proposal to allow DNR to seek and receive funds from a municipality or any other public or private source for all or part of the costs associated with remedying environmental contamination provided that: (a) the contributions are voluntary; and (b) any public or private contributor to the cooperative effort may also seek and receive funds on behalf of the effort.

[Act 27 Sections: 35, 654, 655, 1415 and 4350]

17. SOLID WASTE -- DUMP CLOSURE GRANTS [LFB Paper 727]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$500,000	- \$1,500	\$498,500

Governor: Provide \$250,000 annually to increase the amount available to pay dump closure grants to \$1,250,000 annually. The state has entered into commitments to pay municipalities for dump closure costs totalling \$1,247,640 annually in 1995-97.

Joint Finance/Legislature: Increase the amount in 1995-96 by \$800 GPR and decrease the amount in 1996-97 by \$2,300 GPR to provide a total of \$1,250,800 in 1995-96 and \$1,247,600 in 1996-97.

18. AIR QUALITY -- CLEAN AIR ACT

Governor: Provide \$370,000 SEG in 1995-96 and \$120,000 SEG in 1996-97 and delete 3.0 SEG positions and delete \$119,400 PR annually and 1.5 PR positions to adjust DNR's air program funding primarily relating to provisions of the federal Clean Air Act.

Program revenue funding is provided from fees on the pollutant emissions from industrial sources. Segregated funding is provided from the petroleum inspection fund. The bill would make the following adjustments:

Chg. to Base Funding Positions		
PR	- \$238,800	- 1.50
SEG	490,000	- 3.00
Total	\$251,200	- 4.50

Ozone Boundary Study. Provide \$100,000 SEG in each year, on a one-time basis for the 1995-97 biennium, to collect air samples and to conduct sampling analysis, in conjunction with the multi-state Lake Michigan Ozone Study.

Lake Michigan Ozone Study Modeling Efforts. Provide \$250,000 SEG in 1995-96 to conduct computer modeling to determine the background level of ozone entering the Lake Michigan Air Basin region and evaluate alternatives for controlling the amount of ozone entering the region. Administration officials indicate the funding would be held in unallotted reserve, contingent on the remaining states in the region (Illinois, Indiana, and Michigan) contributing to this program effort.

Clean Fuel Fleets Program. Provide \$60,000 SEG annually to implement the federally-mandated clean fuel fleets program.

Employee Commute Options Program. Delete 120,000 SEG annually and 3.0 positions associated with the employee commute options program. Under the bill, 4.0 positions would remain for the program.

Hazardous Air Pollutants Control Plan Development. Provide \$53,300 PR annually to implement hazardous air pollutant controls for industries and to integrate the federal and state hazardous air pollutant control requirements.

Industrial Source Emissions Control Program. Make the following adjustments to the stationary source program (regulating commercial, industrial and utility plants): (a) convert \$80,000 annually from PR to SEG for permanent property costs; (b) delete \$92,700 PR annually and 1.5 vacant air management engineer positions; and (c) convert 3.0 air management engineer project positions to permanent status.

Air Pollution Permit Program Statutory Changes. The bill would make following changes to the state's air pollution permit program: (a) provide new and modified sources (those on which construction or modification began after November 15, 1992) certain program privileges currently offered to existing sources (those on which construction began on or before November 15, 1992, and have not been modified

since), including additional operational flexibility and the ability to operate during application review; (b) provide the Department with the authority to deny a renewal application for a stationary source if the source is in violation of its current operating permit; and (c) allow new or modified sources that received a construction permit prior to November 15, 1992, but on which construction began after that date, to continue operation until March 1, 1996, at which time the owner must have applied for an operating permit.

Joint Finance/Legislature: Provide DNR with the authority to promulgate rules for the payment and collection of annual fees for persons holding emission reduction credits which have been certified by the Department. Further, allow the Department, by rule, to waive payment of such fees for specific categories of emission reductions. All fees collected would be deposited to the Department's air management program stationary source appropriation.

[Act 27 Sections: 648h, 4308 thru 4316g]

19. AIR QUALITY -- UTILITY FEES

Governor/Legislature: Under current law, phase 1 "affected" utility units (those required to meet a federally established allowable emission tonnage limit, specific to each unit, by January 1, 1995) are exempt from emission fees for calendar year 1995 to 1999 emissions. The calendar year 1995 emissions fee is \$30.05 per ton of emissions up to 4,000 tons for each regulated pollutant. DNR, however, can charge certain non-exempt major utilities for emissions in excess of 4,000 tons in an amount necessary to recover the tonnage fees that would have been charged the exempted phase 1 units. Further, federal law allows utilities to redesignate units as phase 1, which would exempt the unit from emission tonnage fees. The redesignation of a number of Wisconsin facilities as phase 1 could leave the state with too few remaining non-exempt utility units from which to recover the fees resulting from the phase I unit exemption. The bill would limit the number of phase 1 utility units to those originally identified in the federal Clean Air Act Amendments of 1990. Effectively, the bill eliminates the emission fee exemption for any utility unit that has been, or will be, redesignated as a phase 1 unit and thereby maintains the current revenue base for the air emissions program.

[Act 27 Sections: 4315 and 4316]

20. STAGE II VAPOR RECOVERY GRANT [LFB Paper 725]

Governor: Eliminate \$44,700 and 0.5 position in 1996-97 associated with the administration of the Stage II vapor recovery grant program to reflect the completion of the program. The program provides financial assistance for eligible gasoline stations in southeastern Wisconsin where federal ozone standards have been exceeded to fund a portion of the costs associated with the installation of gasoline vapor recovery equipment (93% to 95% of the first \$40,000 of costs). The bill would extend the program deadline allowing DNR to make

Chg. to Base Funding Positions		
SEG	- \$44,700	- 0.50

vapor recovery grants until December 31, 1995. Current law ends the program on June 30, 1995, or upon publication of the budget act, whichever is later. Further, the bill would extend the program's eligibility to include all gasoline dispensing facilities in southeast Wisconsin that are required to install vapor recovery equipment. Currently, only retail gasoline facilities are eligible for vapor recovery grants. Under the bill, facilities that have their own fleet fueling operations would qualify for grants. The extended program would be funded from the continuing balance of previous appropriations provided from the segregated petroleum inspection fund (DOA estimates a total of \$11.8 million will be available at the end of the 1993-95 biennium for Stage II vapor recovery grants).

Joint Finance/Legislature: Modify the Governor's recommendation as follows: (a) direct that any station that has not completed a gasoline dispensing report and, if required to install vapor recovery equipment, a compliance plan by October 1, 1995, would not be eligible for a vapor recovery grant; (b) extend stage II vapor recovery grant eligibility to include the cost of installing vapor recovery equipment, excluding excavation costs, that were incurred between August 16, 1990, and August 15, 1991, provided that the station did not receive prior equipment reimbursement from any other source and that no substantial evidence exists that the applicant applied for or obtained, a grant on the basis of fraudulent information; and (c) in the event sufficient funding is not available to provide stage II vapor recovery grants to all eligible applicants, require the Department to give those stations that are within a severe nonattainment area and are within ten miles of an attainment area, or a nonattainment area of lesser degree, priority in obtaining grants from remaining funds.

[Act 27 Sections: 4317 thru 4318]

21. ACID DEPOSITION STUDY

Chg. to Base	
PR	- \$75,000

Governor/Legislature: Delete \$37,500 annually to reflect the deletion of annual assessments charged to utilities by the Public Service Commission (PSC) to fund acid deposition ("acid rain", resulting from sulfur dioxide and nitrogen oxide emissions) studies, and related evaluation and monitoring activities. Under current law, the PSC is required to assess utilities annually, in an amount not to exceed \$400,000, which is provided to DNR and DOA for activities related to the study of acid rain. The assessments to fund the studies are scheduled to sunset June 30, 1996. Under the bill, DNR would be provided \$354,000 PR in 1995-96 and \$0 in 1996-97 (the remaining base funding in 1996-97 is deleted in standard budget adjustments). Further, the bill would eliminate the requirement that DNR complete a study, before January, 1 1989, to determine the most cost-effective method for reducing nitrogen oxide emissions in the state. (The study was completed.)

[Act 27 Sections: 4305 thru 4307, 5246 and 9459(5)]

22. AIR AND WASTEWATER PERMIT FUNDING

Governor/Legislature: Delete \$78,100 FED in 1995-96, \$103,700 FED in 1996-97 and 3.0 FED positions to reflect reductions in federal funding for the Wisconsin Pollution Discharge Elimination System (WPDES) permitting process for municipalities or industry that discharge into the waters of the state. Provide \$45,900 PR in 1995-96, \$49,900 PR in 1996-97 and 1.0 PR position to monitor laboratories that supply data to regulated businesses and municipalities related to wastewater discharge or air emission data. Program revenue would be provided from existing laboratory certification fees.

Chg. to Base Funding Positions		
FED	- \$181,800	- 3.00
PR	95,800	1.00
Total	- \$86,000	- 2.00

23. WASTEWATER -- LANDSPREADING

Governor/Legislature: Delete \$50,000 and 1.0 position in 1996-97 to reduce on-site inspections of sites where sewage sludge and industrial wastewaters are landspread.

Chg. to Base Funding Positions		
GPR	- \$50,000	- 1.00

24. SEPTIC SERVICING LICENSE FEE

Governor/Legislature: Convert the current septic servicing license from a one-year to a two-year license, beginning with licenses issued after June 30, 1997. Licenses issued to state residents would remain at \$25 per servicing vehicle for one year until July 1, 1997, and would increase to \$50 for two years if the license is issued after June 30, 1997. Licenses issued to nonresidents would remain at \$50 per servicing vehicle for one year until July 1, 1997, and would increase to \$100 for two years for licenses issued after June 30, 1997. The current groundwater fee paid by all licensees and deposited in the groundwater account of the environmental fund would remain at \$50 per licensee for one year until July 1, 1997, and would increase to \$100 for two years for licenses issued after June 30, 1997. Change the expiration date for licenses issued to June 30, instead of the current June 30 or December 31. Change the application renewal deadline to June 1, instead of the current July 1 or January 1. Delete the requirement that applicants for septic servicing licenses execute a surety bond.

[Act 27 Sections: 4362 thru 4368]

25. WASTEWATER SYSTEM OPERATOR CERTIFICATION PROGRAM REDUCTIONS

Governor/Legislature: Delete \$50,000 GPR annually and 1.0 coordinator position in the Bureau of Technical Services for the wastewater system operator certification program. The DNR Board has recommended administrative rule changes that consolidate the operator

Chg. to Base Funding Positions		
GPR	- \$100,000	- 1.00

certification testing requirements. Under the bill, two positions will continue to be available to perform these activities.

26. WASTEWATER TREATMENT GRANT PROGRAM AUDITOR

Chg. to Base Funding Positions		
GPR	- \$111,600	- 1.00

Governor/Legislature: Delete \$55,800 and 1.0 position annually to eliminate an external auditor position related to the federal wastewater treatment grant program, which will end on June 30, 1996.

27. CLEAN WATER FUND ADMINISTRATION

Chg. to Base	
FED	\$50,600
SEG	80,000
Total	\$130,600

Governor/Legislature: Provide \$25,300 FED annually and \$30,000 SEG in 1995-96 and \$50,000 SEG in 1996-97 for administration of the clean water fund program. FED funding would be provided for reestimated fringe benefits for existing positions. SEG funding would be used to conduct a water quality needs survey to help the state compete for federal capitalization grants for the clean water fund program. Further, convert 1.0 PR project position to permanent to maintain and operate the environmental loans operating system database that manages and tracks clean water fund program information related to grants, loans, intent to apply, environmental priority, financial assistance applications and project interest rates, loan disbursement amounts, inspection reports and project closeout activities.

28. TRANSFER CLEAN WATER FUND LOAN PROCESSING FUNCTION [LFB Paper 233]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	- \$400,000	- 7.00	- \$31,200	0.00	- \$431,200	- 7.00
SEG	- 266,000	- 2.00	162,400	1.50	- 103,600	- 0.50
Total	- \$666,000	- 9.00	\$131,200	1.50	- \$534,800	- 7.50

Governor: Delete \$89,000 SEG and 2.0 SEG positions in 1995-96 and \$400,000 FED and \$177,000 SEG and 7.0 FED positions in 1996-97 that currently perform loan processing functions related to the clean water fund program. Deleted funding includes \$33,400 SEG in 1995-96 and \$66,900 SEG in 1996-97 for audit contracts. Transfer most loan processing functions (but not the incumbent employees) from DNR to DOA. DNR would retain 38.0 positions 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.

Joint Finance/Legislature: Retain 1.5 SEG positions with \$41,700 SEG in 1995-96 and \$82,600 SEG in 1996-97 in DNR. DNR would retain most loan processing functions other than audit functions. Make a technical correction to adjust base funding for the audit contract to provide no contract funding in 1995-96 (provide \$2,300 SEG in 1995-96, \$35,800 SEG in 1996-97 and -\$15,600 FED annually).

29. TRANSFER LEAKING UNDERGROUND STORAGE TANK (LUST) PROGRAM FUNCTIONS [LFB Papers 732 and 736]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov.)			
	Funding	Positions	Funding	Positions	Funding	Positions
FED	-\$3,036,900	- 35.50	\$3,755,300	35.50	\$718,400	0.00
SEG	- 468,900	- 8.00	- 210,700	- 4.00	- 679,600	- 12.00
Total	-\$3,505,800	- 43.50	\$3,544,600	31.50	\$38,800	- 12.00

Governor: Delete \$3,036,900 FED and \$468,900 SEG in 1996-97 and transfer 35.5 FED positions and 8.0 SEG positions (including the incumbent employees) and functions related to the federal leaking underground storage tank (LUST) program and petroleum environmental cleanup fund award (PECFA) program from DNR to the Department of Development (DOD) on July 1, 1996.

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 that contain petroleum products or hazardous substances. DNR currently receives federal funding from the Environmental Protection Agency to manage cleanups at high priority LUST sites. DNR receives SEG funding from the petroleum inspection fund for workload associated with determining when remediation activities at PECFA sites meet the requirements of the hazardous substance spills law.

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 or 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.

Employees transferred from DNR to DOD would have all the rights and the same status under state employment relations provisions that they had in DNR immediately before the transfer. No transferred employee who has attained permanent status in class would be required to serve a probationary period.

Joint Finance/Legislature: Retain authority in DNR for: (a) administration of high-priority and multiple contaminant cleanups; (b) contracting 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 and reestimate the FED appropriation to \$3,755,300 in 1996-97. 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)]

30. NONPOINT SOURCE WATER POLLUTION ABATEMENT [LFB Paper 726]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov.)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$100,000	0.00	- \$4,570,200	0.00	- \$4,670,200	0.00
FED	- 140,400	- 1.50	0	0.00	- 140,400	- 1.50
SEG	- 1,000,000	0.00	0	0.00	- 1,000,000	0.00
Total	- \$1,240,400	- 1.50	- \$4,570,200	0.00	- \$4,810,600	- 1.50
BR	- 4,000,000		\$0		- \$4,000,000	

Governor: Extend the watershed planning deadline and delete the following amounts related to the nonpoint source water pollution abatement program: (a) \$200,000 SEG in 1995-96 and \$100,000 SEG in 1996-97 for grants to local government units for the administration of conservation and water pollution abatement programs and to landowners for the installation of water pollution abatement and conservation practices; (b) \$300,000 SEG in 1995-96 and \$400,000 SEG in 1996-97 for contracts to conduct monitoring, research, training and other nonpoint source water pollution abatement program activities; (c) \$100,000 GPR in 1996-97 for University of Wisconsin Extension nonpoint source communication services;

and (d) \$70,200 FED annually and 1.5 FED program and planning analyst position for the administration of the program. Federal funding, provided in the federal Clean Water Act, is no longer available. The bill would also make the following modifications:

Watershed Planning Deadline. Under current law, DNR is required to complete plans to implement the nonpoint source water pollution abatement program in those watersheds in which the need is most critical (priority watersheds) by December 31, 2000. The bill would extend the deadline for the completion of the planning process for all priority watersheds to December 31, 2015.

Nonpoint Source Contracts. Create a segregated state operations appropriation from the nonpoint account of the environmental fund for contracts to conduct monitoring, research, training and other nonpoint source water pollution abatement program activities. Under current law, funding for these contracted services is provided under DNR's nonpoint program environmental aids appropriation as local assistance funding. The bill would transfer \$1,600,000 in 1995-96 and \$1,500,000 in 1996-97 from the environmental aids appropriation to the newly-created contracts appropriation.

Bonding Authority. Under current law, \$24 million in general fund supported borrowing is authorized for cost-sharing grants under the nonpoint source water pollution abatement program, the issuance of \$8.5 million of which is contingent upon the approval of the Joint Committee on Finance and the Secretary of DOA. The bill would delete the contingency and reduce the bonding authority for the nonpoint pollution abatement program by \$4 million to \$20 million.

Joint Finance/Legislature: Delete \$4,570,200 GPR in 1995-96 from the nonpoint source water pollution abatement grants program to reflect estimated program demand.

[Act 27 Sections: 438, 739, 1162, 1163, 4296, 4297 and 4299]

31. UW SYSTEM NONPOINT GRANTS

Joint Finance/Legislature: Allow nonpoint grants to be provided to the Board of Regents of the University of Wisconsin System for practices, techniques or measures to control stormwater discharges on any University of Wisconsin campus that is located in a municipality within a priority watershed or a Great Lake area of concern and is required to obtain a stormwater discharge permit.

[Act 27 Section: 4300e]

32. GREAT LAKES REMEDIAL ACTION PLANNING

Governor/Legislature: Delete \$185,000 GPR in 1995-96 and \$250,000 GPR in 1996-97 and \$196,000 FED in 1995-96 and \$261,300 FED in 1996-97 and 6.0 FED positions for Great Lakes remedial action plan projects. Under the bill, \$315,000 in 1995-96 and \$250,000 in 1996-97 in GPR funding for grants would continue to be available. U.S. Environmental Protection Agency funding is expected to be sufficient to fund only six of the 12 existing positions in 1995-97.

Chg. to Base Funding Positions		
GPR	- \$435,000	0.00
FED	- 457,300	- 6.00
Total	- \$892,300	- 6.00
BR	4,000,000	

Provide \$4,000,000 BR in general fund supported bonding authority for the cleanup and remediation of contaminated sediments at Lake Butte des Morts and the North Avenue Dam site in Milwaukee or other sites in or adjacent to the Great Lakes. The bill would increase the bonding authority for remedial action plan projects from the current \$5 million to \$9 million.

[Act 27 Section: 1163]

33. WATER QUALITY PLANNING POSITIONS

Governor/Legislature: Delete \$190,700 annually and 4.0 positions for the development of water quality management plans to reflect the loss of federal Clean Water Act funding.

Chg. to Base Funding Positions		
FED	- \$381,400	- 4.00

34. LOCAL WATER QUALITY PLANNING AIDS

Governor/Legislature: Delete \$50,000 in 1996-97 for local water quality planning aids used to contract directly with local governments and to provide support staff at regional planning agencies to conduct water quality planning activities. Base funding is \$398,400 GPR for local water quality planning aids.

Chg. to Base	
GPR	- \$50,000

35. MILWAUKEE RIVER REVITALIZATION COUNCIL

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$10,600	\$0	-\$10,600
SEG	0	10,600	10,600
Total	-\$10,600	\$10,600	-\$0

Governor: Eliminate \$10,600 in 1996-97 for limited-term employee support for the Milwaukee River Revitalization Council. Currently, the limited-term employee staff and 1.5 positions provide support for the Council.

Joint Finance/Legislature: Provide \$10,600 SEG in 1996-97 from the water resources account of the conservation fund for limited-term employees.

36. SAFE DRINKING WATER

Governor/Legislature: Provide \$63,600 SEG in 1995-96 and \$95,900 SEG in 1996-97 and 1.0 program and planning analyst position for technical and monitoring assistance to surface water supply systems operators. Delete \$44,200 FED and 1.0 FED program and planning analyst position annually to reflect reduced federal assistance. The segregated funding would be provided from the groundwater account of the environmental fund.

	Chg. to Base Funding Positions	
FED	-\$88,400	- 1.00
SEG	159,500	1.00
Total	\$71,100	0.00

37. WELL COMPENSATION

Governor/Legislature: Provide \$300,000 annually from the segregated environmental repair account of the environmental fund to provide financial assistance to private well owners for the replacement of wells that have become contaminated and unusable for drinking water purposes. Under current law, effective July 1, 1995, eligible grant amounts will be equal to: (a) 75% of eligible costs for families with annual incomes of less than \$45,000; and (b) 75% of eligible costs for families with annual incomes of \$45,000 to \$65,000 less 30 cents for every dollar of annual income over \$45,000. Base funding for the program was deleted in 1993 Act 16 to reflect available balances in the program.

	Chg. to Base
SEG	\$600,000

38. GROUNDWATER MANAGEMENT

Governor/Legislature: Transfer \$200,000 SEG annually from an existing annual appropriation for general operations of the Environmental Quality Division to a new biennial appropriation for groundwater

management. This would allow unencumbered funds for groundwater monitoring to be carried over from the first to the second year of the biennium.

[Act 27 Section: 648]

39. ENVIRONMENTAL QUALITY SUPPLIES AND LTE REDUCTIONS

Chg. to Base	
GPR	- \$653,000

Governor/Legislature: Delete \$246,500 in 1995-96 and \$346,500 in 1996-97 in supplies and services funding and \$30,000 annually in limited term employee (LTE) funding in the Division of Environmental Quality. The bill would make the following reductions: (a) \$100,000 annually from supplies and \$15,000 annually from LTE funding in the Bureau of Water Resources Management; (b) \$65,000 in 1995-96 and \$165,000 in 1996-97 for supplies and \$15,000 annually for LTE funding in the Bureau of Solid and Hazardous Waste Management; and (c) \$81,500 annually for supplies in the Bureau of Water Supply.

40. ENVIRONMENTAL QUALITY STAFF REDUCTIONS [LFB Paper 727]

Chg. to Base Funding Positions		
GPR	- \$417,400	- 5.75

Governor: Delete \$208,700 annually and 5.75 vacant positions annually from the Division of Environmental Quality general operations appropriation. The following positions would be deleted: (a) 1.0 position in the Bureau of Water Resources Management; (b) 2.0 positions in the Bureau of Wastewater Management; (c) 0.75 position in the Bureau of Solid and Hazardous Waste Management; and (d) 2.0 positions in the Bureau of Water Supply Management. (A technical correction to the bill would be required to implement the Governor's intent.)

Joint Finance/Legislature: Make a technical correction to properly allocate the reductions.

41. STATE LABORATORY OF HYGIENE

Chg. to Base	
GPR	- \$580,000
PR	64,800
SEG	105,200
Total	- \$410,000

Governor/Legislature: Delete \$250,000 GPR in 1995-96 and \$330,000 GPR in 1996-97 from the Division of Environmental Quality to contract for services provided by the State Laboratory of Hygiene attached to the University of Wisconsin-Madison. Further, provide the following amounts to replace a portion of the reduced GPR funding: (a) \$64,800 PR in 1996-97 from air pollutant emission fees charged to industrial sources; (b) \$25,000 SEG annually from the water resources account of the conservation fund; (c) \$20,000 SEG annually from the environmental repair account of the environmental fund; and (d) \$15,200 SEG in 1996-97 from the petroleum inspection fund.

42. WIND AND BIG MUSKEGO LAKES

Chg. to Base	
SEG	\$335,000

Joint Finance/Legislature: Provide \$193,700 SEG in 1995-96 and \$141,300 SEG in 1996-97 from the water resources account of the conservation fund for the Wind and Big Muskego Lakes rehabilitation project to reduce phosphorous and implement a long term management plan to maintain a healthy fishery, control rough fish populations, stabilize the bottom substrate and increase the diversity and quantity of high quality aquatic plants.

43. MUNICIPAL AND COUNTY RECYCLING GRANT ELIGIBILITY

Joint Finance/Legislature: Modify the municipal and county recycling grant program beginning with grants for 1996 to provide that a unit of government that is the responsible unit for at least 75% of the population of a county would receive a minimum recycling grant of \$100,000, subject to DNR's authority to establish a different formula if there is insufficient funding.

[Act 27 Section: 4428s]

44. REUSE OF FOUNDRY SAND AND OTHER HIGH-VOLUME INDUSTRIAL WASTE

Chg. to Base	
SEG	\$15,000

Joint Finance/Legislature: Direct DNR to promulgate rules establishing standards for the reuse of foundry sand and other high-volume industrial waste (including fly ash, bottom ash, paper mill sludge or foundry process waste). Direct that the rules take into consideration all of the following: (a) it is state policy to allow and encourage to the maximum extent possible, consistent with protection of public health and the environment, the beneficial reuse of high-volume industrial waste, in order to preserve resources, conserve energy, and reduce or eliminate the need to dispose of such material in landfills; (b) the development of rules under this section shall include the review and incorporation, where advisable, of approved and established storage and reuse methods for similar material in other states; (c) consideration shall be given to the analysis and methodology used under 40 CFR 503.13 with respect to impacts on groundwater from various reuse methods; and (d) rules promulgated under this section shall include standards for materials qualifying for exemption from regulation as low-hazard waste under s. 144.44(7)(g).

Direct DNR to create an advisory committee to advise the Department on the development of the proposed rules. Direct that the advisory committee consist of 11 members as follows: (a) two representatives of the Wisconsin Cast Metals Association designated by the association; (b) one representative of the Wisconsin Paper Council designated by the council; (c) one representative of the Wisconsin Utilities Association designated by the association; (d) one employee from each of the Departments of Administration, Development and Transportation designated by the secretaries of the respective departments; (e) two employees of the Department of Natural Resources designated by the Secretary of Natural Resources; (f) one citizen selected by the Secretary of Natural Resources from a list

of nominees submitted by private environmental protection groups; (g) and one representative of the construction industry selected by the Secretary of Development.

Direct DNR to submit the proposed rules to the Legislative Council staff for review no later than July 1, 1996. Provide \$15,000 SEG (\$7,500 environmental fund and \$7,500 recycling fund) as one-time financing in 1995-96 for the payment of expenses related to development of the proposed rule.

[Act 27 Sections: 4319g and 9142(6t)]

45. USE OF HIGH-VOLUME INDUSTRIAL WASTE IN HIGHWAY IMPROVEMENT PROJECTS

Joint Finance: Specify that the remedial and corrective action provisions of Chapter 144 (water, sewage, refuse mining and air pollution), Chapter 147 (pollution discharge elimination) and Chapter 160 (groundwater protection standards) do not apply to the use of high-volume industrial waste in highway improvement projects that meet the following conditions: (a) the highway improvement project uses high-volume industrial waste; (b) the high-volume industrial waste is incorporated in the highway improvement in accordance with the rules or specifications of DNR applicable at the time of design of the improvement and its certification; and (c) DNR certifies to DOT prior to the time DOT advertises for bids that the high-volume industrial waste to be used and the design for its use comply with all state requirements.

Specify that DOT and DNR may enter into agreements establishing standard lists of high-volume industrial waste that may be used and designs for its use in order to minimize and simplify certification to the greatest extent possible.

Specify that the exemption extends to transport to or from and storage of the high-volume industrial waste at the site of the highway improvement. Provide that the exemption continues to apply after the date of certification even if a subsequent amendment of the statutes or rules imposes greater responsibilities on DOT. Specify that the exemption continues regardless of alterations due to subsequent construction, maintenance, utility installation or other activities, whether performed by or approved by DOT, that may affect the high-volume industrial waste at the site of the improvement.

Provide that no action or proceeding may be commenced by any state agency under federal or state law, or by any person under state law, to require remedial action or recover costs related to a highway improvement using high-volume industrial waste.

Define "high-volume industrial waste" to include, but not be limited to, fly ash, bottom ash, paper mill sludge or foundry process waste.

Delete rubber recovered from waste tires from the list of recovered materials that DOT must use or encourage the use of in highway improvement activities.

Assembly: Specify that DNR would have to certify that the use of high-volume industrial waste complies with all applicable state requirements or standards administered by DNR, rather than with all state requirements. Delete references to ash from industrial or utility boilers and foundry sand from the list of recovered materials that DOT must use or encourage the use of in highway improvement activities to reflect the inclusion of fly ash, bottom ash and foundry process waste in the definition of high-volume industrial waste (the reference to paper mill sludge was deleted by the Joint Committee on Finance).

Senate/Legislature: Allow DOT to commence an action or proceeding under federal or state law against a third party if a person commences an action or proceeding against DOT under federal law to require remedial action or to recover the costs of remedying environmental pollution related to the use of high-volume industrial waste. Allow DOT to commence an action or proceeding under state law to enforce the terms of any stipulation, agreement or judgement resulting from the federal action or proceeding.

Establish a definition of a person under the high-volume industrial waste provision as an individual, owner, operator, corporation, limited liability company, partnership, association, municipality, interstate agency, state agency or an officer, employee, or agent of a state agency, or federal agency, department or instrumentality.

[Act 27 Sections: 3517m, 3519je thru 3519jt, 4319m, 4320gm, 4330m, 4408m and 4415d]

46. TECHNOLOGY AND POLLUTION CONTROL AND ABATEMENT GRANTS

Joint Finance/Legislature: Transfer \$400,000 in 1995-96 from the environmental fund to a new DOD appropriation for technology and pollution control and abatement grants.

47. LICENSING FOR AGRICULTURAL USE OF WOOD ASH

Assembly/Legislature: Exempt the agricultural use of wood ash from the requirement to obtain a solid waste disposal facility operating license. Direct DNR to submit a report to the Legislature by November 1, 1995, on how DNR will facilitate the use of wood ash and coordinate activities related to the use of wood ash by producers of wood ash, farmers and DNR.

[Act 27 Sections: 4319h and 9142(1g)]

48. NITRATE STANDARDS FOR PRIVATE SEWAGE SYSTEMS

Assembly/Legislature: Repeal the requirement that DNR must approve any state plumbing code rules which set specifications for septic tanks and their installation.

[Act 27 Section: 4205e]

PERSONNEL 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	
GPR	\$1,472,400	\$718,000	\$1,436,000	\$1,436,000	\$1,436,000	- \$36,400	- 2.5%
PR	6,000	3,000	6,000	6,000	6,000	0	0.0
TOTAL	\$1,478,400	\$721,000	\$1,442,000	\$1,442,000	\$1,442,000	- \$36,400	- 2.5%

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
GPR	11.00	0.00	10.00	10.00	10.00	- 1.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Annually, adjust the Commission's base budget as follows: (a) removal of noncontinuing elements from the base (-\$51,900 and -1.0 project position); (b) full funding of salary costs (\$15,200); (c) full funding of financial services charges (\$100); (d) reclassifications (\$2,700); (e) risk management costs (\$8,100); (f) fifth week of vacation as cash (\$3,300); (g) full funding of lease costs (\$3,000); and (h) full funding of delayed pay increases (\$1,300).

Chg. to Base Funding Positions		
GPR	- \$36,400	- 1.00

2. APPEALS AND COMPLAINTS FILING FEE [LFB Paper 740]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$37,500	- \$1,200	\$36,300

Governor: Require the Commission to promulgate rules establishing a schedule of filing fees to be paid by any person filing an appeal or a complaint with the agency. Provide that the fees collected be deposited in the general fund. Direct the Commission to submit the proposed rules to the Legislative

Council rules clearinghouse no later than the first day of the 6th month after the general effective date of the bill.

Based on a projected fee of \$50 per case filing commencing on or about January 1, 1996, reestimate GPR-Earned collections from the fees at \$12,500 in 1995-96 and \$25,000 in 1996-97. Under current law, the Commission is responsible for 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 workplace violations and the whistleblower law.

Joint Finance/Legislature: Modify provision by requiring filing fees to be paid only by persons filing an appeal relating to personnel actions under ss. 230.44(1)(a) and (b) of the statutes [appeals from actions by the Secretary of DER or by the Administrator of DER's Division of Merit Recruitment and Selection relating to allocations, reallocations, reclassifications, regrades and disclosure of records of certain personnel actions] or under ss. 230.45(1)(c) and (e) of the statutes [appeals relating to state employee grievances concerning conditions of employment and appeals from county civil service systems]. Clarify that the fees would first apply to appeals made on or after the effective date of the rules establishing the filing fees. Decrease estimated GPR-Earned collections by \$400 in 1995-96 and \$800 in 1996-97.

[Act 27 Sections: 6293 and 9143(2)]

3. TRANSFER OF PERSONNEL COMMISSION FUNCTIONS TO NEW EMPLOYMENT COMMISSION [LFB Paper 320]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$718,000	- 10.00	\$718,000	10.00	\$0	0.00
PR	- 3,000	0.00	3,000	0.00	0	0.00
Total	-\$721,000	- 10.00	\$721,000	10.00	\$0	0.00

Governor: Delete \$718,000 GPR and \$3,000 PR and 10.0 GPR positions in 1996-97 to reflect the elimination of the Personnel Commission, effective July 1, 1996, and transfer the current statutory functions of the agency to a new Employment Commission, which would be created on that date.

Direct that any incumbent commissioner serving on the Personnel Commission whose term extends beyond July 1, 1996, would 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 Personnel Commission, 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 employee status they held prior to the transfer; and (b) no employee who had attained permanent status in his or her classified position would be required to serve a new probationary period.

Provide that all assets and liabilities, tangible personal property, records and contracts be transferred from the Personnel Commission 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 Personnel Commission on July 1, 1996 and transferring its current statutory functions and 1996-97 funding and position authorizations to a new Employment Commission. Provide funding of \$718,000 GPR and \$3,000 PR and authorize 10.0 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 the Joint Committee on Finance by October 31, 1996.

[Act 27 Section: 9143(1m)]

PROGRAM SUPPLEMENTS

Budget Summary							
	1994-95 Base	1995-97	1995-97	1995-97	1995-97	Act 27 Change Over Base Year Doubled	
Fund	Year Doubled	Governor	Jt. Finance	Legislature	Act 27	Amount	Percent
GPR	\$28,696,600	\$26,244,700	\$40,649,500	\$39,000,100	\$39,000,100	\$10,303,500	35.9%
SEG	5,482,000	0	0	0	0	- 5,482,000	- 100.0
TOTAL	\$34,178,600	\$26,244,700	\$40,649,500	\$39,000,100	\$39,000,100	\$4,821,500	14.1%

FTE Position Summary

There are no authorized positions for Program Supplements.

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Annually, adjust base level funding for nonrecurring costs associated with: (a) the sunset on July 1, 1995, of the appropriation for the acquisition of resources for the new state accounting system (-\$23,300 GPR); (b) one-time funding included in the Joint Committee on Finance's supplemental GPR appropriation (-\$848,700 GPR); and (c) one-time funding reserved for recycling markets program enhancements (-\$2,741,000 SEG).

	Chg. to Base
GPR	- \$1,744,000
SEG	- 5,482,000
Total	- \$7,226,000

2. CY 95 HEALTH INSURANCE PREMIUM INCREASES [LFB Paper 742]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$5,195,800	- \$5,962,600	- \$766,800

Governor: Increase base level funding by \$2,597,900 annually to reflect the estimated amounts required in 1995-96 and 1996-97 to supplement state agencies' GPR appropriations for the employer share

of increased group health insurance premiums which resulted from the November, 1994, annual premium setting process for state health insurance contracts for CY 1995. These increased costs were not included in agencies' adjusted base funding levels. With this adjustment, a total of \$6,092,500 would be provided annually.

Joint Finance/Legislature: Reduce funding by \$2,981,300 annually based on more recent projection of the amount of increased funding agencies will actually need on an annualized basis for the employer share of health insurance premium increases that occurred for CY 1995.

3. STATE-OWNED SPACE RENTAL SUPPLEMENTS

	Chg. to Base
GPR	- \$3,130,000

Governor/Legislature: Reduce base level funding by \$1,565,000 annually to reflect the estimated amounts required to supplement state agencies' GPR appropriations for projected rent increases in state-owned office space. As a result of the change, \$428,700 annually would be provided.

4. RISK MANAGEMENT SUPPLEMENTS [LFB Paper 743]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$2,356,600	- \$500,000	- \$2,856,600

Governor: Reduce base level funding by \$1,178,300 annually to reflect the estimated amount needed in 1995-97 to supplement state agencies for insufficient funds in their GPR appropriations for increased risk management premium costs. The reductions are made in supplements for liability premiums (\$536,800 annually) and in worker's compensation premiums (\$641,500 annually). Under the Governor's recommendation, annual funding for risk management supplements would be: (a) \$150,000 for liability; and (b) \$100,000 for worker's compensation.

Joint Finance/Legislature: Delete \$250,000 annually to eliminate supplemental funding for risk management premium increases in 1995-97. Consolidate the risk management supplemental appropriations for liability, worker's compensation and property into a single appropriation. Change the GPR appropriation for these purposes from a sum sufficient to a sum certain appropriation.

[Act 27 Sections: 1154g, 1154i, 1154k, 1154L, 1154m, 1154n, 1154o, 1154p 1154q, 3743m, 3745g and 6218m]

5. JOINT FINANCE COMMITTEE (JFC) APPROPRIATION [LFB Papers 456, 462, 475 and 773]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$316,000	\$20,912,600	- \$250,000	- \$1,525,000	\$18,821,600

Governor: Reduce GPR base level funding for the JFC appropriation for agency supplements by \$158,000 annually. The Governor's budget book states that this is to reflect a reduction in actual costs incurred by DNR for spearfishing enforcement for which funds are included in the base level funding for this appropriation. However, there is no actual earmarking of such funds in the appropriation's unreserved balance. Under the Governor's recommendation, funding the JFC appropriation would set at \$352,200 each year.

Joint Finance: Modify provision to make the following additional adjustments to the base level funding for the Joint Committee on Finance supplemental appropriations.

<u>Reason for Adjustment</u>	<u>Fund Source</u>	<u>Change Amount</u>	
		<u>1995-96</u>	<u>1996-97</u>
Reserve funds for CARES computer system for economic support programs	GPR	\$1,587,000	\$1,796,600
Reserve funds for KIDS computer system for child support enforcement	GPR	5,759,200	7,522,100
Reserve funds for AFDC consolidated child care	GPR	870,900	885,700
Reserve funds for child care administration	GPR	60,300	65,800
Reserve funds for AFDC self-initiated child care	GPR	76,400	63,600
Reserve funds for WCC minimum wage increases	GPR	150,000	0
Reserve funds for Wisconsin Institute for School Executives payments	GPR	125,000	125,000
Reserve funds for Winnebago MHI staffing requirements	GPR	850,000	925,000
Reserve funds for community options program data collection	GPR	<u>50,000</u>	<u>0</u>
TOTAL		\$9,528,800	\$11,383,800

Assembly: Delete reserve funding (\$125,000 GPR in 1995-96 and 1996-97) for Wisconsin Institute for School Executives (WISE) payments.

Senate/Legislature: Delete reserve funding for Winnebago MHI staffing requirement (\$850,000 GPR in 1995-96 and \$925,000 in 1996-97) and restore reserve funding for WISE payments (\$125,000 GPR in 1995-96 and in 1996-97).

6. FINANCIAL SERVICES ASSESSMENTS [LFB Papers 129 and 880]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	- \$76,100	- \$45,200	\$125,600	\$4,300

Governor: Reduce base level funding by \$51,000 in 1995-96 and \$25,100 in 1996-97 for the estimated amounts needed in 1995-97 to supplement state agencies with insufficient funds in their GPR appropriations to pay for additional DOA Bureau of Financial Operations (BFO) chargebacks for the cost of operating that Bureau. The reduction is based on an estimated reduction in BFO costs. Under the Governor's recommendation, the level of funding available for supplements to GPR funded state agencies would be \$139,200 in 1995-96 and \$165,100 in 1996-97.

Joint Finance: Delete \$80,900 in 1995-96 and \$98,200 in 1996-97 associated with a performance evaluation unit in DOA. In addition, provide \$133,900 in 1996-97 for payment by GPR-funded state agencies of increased charges by the DOA Bureau of Financial Operations (BFO). These charges are the result of the transfer of primarily GPR-funded cash management functions from the Office of the State Treasurer to BFO.

Assembly/Legislature: Provide \$133,300 in 1995-96 and delete \$7,700 in 1996-97 as a result of the following modifications to the operations of the Office of the State Treasurer: (a) delete \$133,900 in 1996-97 to reflect the retention of cash management functions within the Office; and (b) provide \$133,300 in 1995-96 and \$126,200 in 1996-97 for payment by GPR-funded agencies of increased charges to be levied by BFO to shift the funding for the general program operations of the Office of the State Treasurer from GPR to program revenue.

7. EXECUTIVE RESIDENCE FURNISHINGS

	Chg. to Base
GPR	- \$25,000

Governor/Legislature: Reduce by \$25,000 in 1995-96 base level funding for replacement of furnishings, decorative items and fixtures at the Executive Residence. Base level funding of \$25,000 would be provided in 1996-97. This continuing appropriation has a current balance of approximately \$170,700.

PUBLIC DEFENDER

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	\$124,279,600	\$111,606,600	\$111,184,600	\$112,819,700	\$112,819,700	- \$11,459,900	- 9.2%
PR	<u>325,600</u>	<u>11,485,400</u>	<u>7,935,500</u>	<u>7,935,500</u>	<u>7,935,500</u>	<u>7,609,900</u>	<u>2,337.2</u>
TOTAL	\$124,605,200	\$123,092,000	\$119,120,100	\$120,755,200	\$120,755,200	- \$3,850,000	- 3.1%

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	515.60	530.10	529.60	529.60	529.60	14.00
PR	<u>2.50</u>	<u>2.50</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>1.50</u>
TOTAL	518.10	532.60	533.60	533.60	533.60	15.50

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust base level funding for the following: (a) turnover reduction (-\$601,100 GPR annually); (b) full funding of salaries and fringe benefits (\$4,328,300 GPR and \$3,300 PR annually); (c) State Bureau of Financial Operating charges (\$8,100 GPR and \$200 PR annually); (d) reclassifications (\$10,400 GPR in 1995-96 and \$12,800 GPR in 1996-97); (e) risk management (\$36,500 GPR and \$400 PR annually); (f) overtime (\$199,700 GPR annually); (g) fifth week vacation as cash for certain long-term employees (\$122,500 GPR in 1995-96 and \$145,400 GPR in 1996-97); (h) full funding of lease and moving costs (\$15,600 GPR annually); and (i) delayed full funding adjustments (\$28,700 GPR and \$600 PR annually). The GPR funding for full funding of salaries and fringe benefits reflects pay increases for state attorneys.

	Chg. to Base
GPR	\$8,322,700
PR	<u>9,000</u>
Total	\$8,331,700

2. CASELOAD STANDARDS [LFB Paper 753]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$6,600,000	\$1,823,100	- \$4,776,900

Governor: Reduce expenditures by \$2,200,000 in 1995-96 and \$4,400,000 in 1996-97 to reflect savings from the private bar and investigator reimbursement appropriation resulting from increased caseload standards for staff attorneys. Public Defender attorneys are required to handle a set number of cases each year. Cases which can not be done by staff attorneys are assigned to private attorneys appointed by the Public Defender. The bill would restore caseload standards to the levels existing prior to January 1, 1993, as shown below:

	<u>Current Standard</u>	<u>AB 150</u>
Felony Cases	166.8	184.5
First-degree Homicide Cases	15.0	15.0
Misdemeanor Cases	410.9	492.0
Juvenile Cases	228.4	N.A.
Other Cases	246.0	246.0

An attorney may achieve the annual caseload standard by any one category of cases shown above, or an equivalent mix of cases. Public Defender supervisors assign cases and oversee caseload fulfillment.

Joint Finance/Legislature: Provide \$778,700 in 1995-96 and \$1,044,400 in 1996-97 for a reestimate of savings resulting from higher caseload standards for Public Defender staff attorneys.

[Act 27 Sections: 7286 and 7287]

3. MODIFICATIONS TO THE PUBLIC DEFENDER PROGRAM [LFB Papers 748 through 752]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0	0.00	- \$338,900	0.00	- \$338,900	0.00
GPR	- \$11,200,000	0.00	- \$1,195,800	0.00	- \$12,395,800	0.00
PR	11,200,000	0.00	- 3,581,700	1.50	7,618,300	1.50
Total	\$0	0.00	- \$4,777,500	1.50	- \$4,777,500	1.50

Governor: Delete \$4,700,000 GPR in 1995-96 and \$6,500,000 GPR in 1996-97 from the private bar appropriation to reflect anticipated savings from a number of modifications to the program.

Joint Finance/Legislature: Delete \$398,500 GPR and \$1,314,100 PR in 1995-96 and \$797,300 GPR and \$2,267,600 PR in 1996-97 to reflect reestimates and changes to the Governor's recommendations.

Base level funding for private bar and investigator reimbursement is \$27,777,500 GPR. Under the Governor's recommendations, the private bar appropriation would total \$20,091,500 GPR in 1995-96 and \$16,038,100 GPR in 1996-97. As amended by Joint Finance, the private bar appropriation would total \$21,911,500 GPR in 1995-96 and \$13,582,300 GPR in 1996-97. Following is a summary of program changes:

Collections

Governor: Require the Public Defender to determine each client's ability to pay for representation, and collect for the cost of that representation. If a person's assets, less living expenses, are not sufficient to fully cover the cost of representation, a lower amount may be paid. Under current law, the Public Defender may collect payment from persons who are found indigent in part, parents of children who are represented by the Public Defender or clients who were initially found indigent, but whose financial circumstances improve. Collections currently fund a one-half time PR position to administer the program with the remainder being deposited to the general fund as GPR-Earned. The bill would give the Public Defender the authority to examine tax returns, audits or other financial documents to determine a client's ability to pay. In addition, the Public Defender would be required to establish a system to verify income, assets and expenses of their indigent clients and submit the plan to DOA before October 1, 1995. Further, all attorneys would be required to record the hours spent on each case in order to assess the cost of representation. Currently, only private attorneys appointed on an hourly basis are required to submit case hours. The bill would create a program revenue appropriation budgeted at \$4,700,000 PR in 1995-96 and \$6,500,000 PR in 1996-97 for payments collected for Public Defender legal representation. Revenues would be used to fund private bar costs. The current PR appropriation would no longer receive these revenues and no monies would lapse to the general fund (although the bill continues to reflect \$338,900 in GPR-Earned for 1995-97).

Joint Finance: Delete \$1,793,000 PR in 1995-96 and \$3,183,700 PR in 1996-97 to reflect a reestimate of funds that can be collected from Public Defender clients for the cost of legal representation. Allow the Public Defender to give clients the option of paying a reasonable fee (set by rule with emergency rule authority) at the time representation is commenced and fulfill their payment obligation or be charged, upon disposition, an amount based on the full cost of their representation and their ability to pay. In addition, allow Public Defender attorney fees to be deducted from prisoner wages. Further, provide \$52,900 PR in 1995-96 and \$62,100 PR in 1996-97 for 1.5 collections positions to assist in billings and receipts.

Provide \$426,000 PR in 1995-96 and \$854,000 PR in 1996-97 with a corresponding reduction in private bar GPR and require counties to bill parents for Public Defender representation of their children. Provide that all parents would be expected to pay the full amount billed unless they contact the Public Defender for an indigency evaluation to determine the extent to which they would be required to pay.

In addition, reduce the revenue currently retained by counties from 50% to 25% to reflect the workload reduction for counties (currently, counties must determine a parent's ability to pay in each case).

Require the Public Defender to report, on a quarterly basis, to the Joint Committee on Finance regarding the revenue generated from the collections process. In addition, provide that the Public Defender include in the report any means to improve reimbursement and recoupment procedures and to increase revenue generated. Make a technical correction to delete \$338,900 GPR-Earned to reflect that moneys currently collected from clients would be deposited to the new program revenue appropriation.

Assembly: Modify statutory language relating to reimbursement by Public Defender clients for the cost of representation as follows: (a) require the Public Defender to obtain the social security number of the applicant, the applicant's spouse and any dependent children claimed by the applicant before SPD eligibility is determined; (b) require the Public Defender to establish procedures to verify financial information provided by the applicant to specifically include information relating to social security numbers and eligibility for income-based programs in addition to assets and expenses claimed by the applicant; (c) require the SPD Board to establish procedures for collecting a non-refundable partial payment for services within the first 60 days of representation; (d) require the SPD Board to establish a fee schedule that would set an amount of costs which may be recouped from a defendant based on the anticipated cost of retaining counsel; (e) authorize a court to order a defendant to repay the cost of representation based on the fee schedule; (f) authorize the court to record any non-payment as a civil judgement against the defendant; (g) require the SPD to establish procedures to provide DOA with any information concerning a person's uncollected court-ordered SPD payment if the person is not on probation or receives no prison sentence; (h) authorize DOA to contract with a private collection agency to collect outstanding court-ordered payments and require DOA to establish procedures for such contracts; (i) require DILHR to establish procedures for providing tax and wage information to the Public Defender and DOA for persons with uncollected court-ordered SPD payments; (j) authorize a court to modify a persons court-ordered payment based on additional information obtained through the SPD, DOA, DILHR or DOR; and (k) require the SPD to include in the indigency application a statement signed by the applicant that the information provided is accurate to the best of the applicant's knowledge and that failure to provide truthful information is a felony.

Senate/Legislature: Clarify Assembly provisions regarding reimbursement by Public Defender clients for the cost of their representation to allow a person to either (a) pay a reasonable fixed fee, set by the Public Defender Board by rule, and fulfill their payment liability; or (b) be charged a fee based on the average cost of representation for each type of case and the client's ability to pay. In addition, delete the Assembly provision that requires the Public Defender to obtain the social security numbers of their clients. Instead, require that the Public Defender ask for social security numbers. Requiring social security numbers of SPD clients may violate federal law.

[Act 27 Sections: 1110, 1111, 2448d, 2448f, 2448h, 3422, 3649m, 3649r, 6398m, 7257, 7263e, 7263f, 7263i, 7263k, 7263m, 7269 thru 7281s, 7290m, 7290p, 9144(2)&(2m) and 9444(1x)]

Representation in Paternity Cases

Governor: Eliminate the right to state-paid legal representation in all paternity actions. Currently, under statute a person is entitled to representation in paternity actions where the blood test does not show a presumption or exclusion of paternity. A statutory presumption of paternity results from blood tests indicating a 99% or greater probability of paternity. The bill would eliminate any representation by the Public Defender in paternity actions. In 1993-94, the Public Defender represented 1,248 paternity cases.

Joint Finance/Legislature: Increase the private bar appropriation by \$26,600 in 1995-96 and \$52,500 in 1996-97 to provide Public Defender representation in paternity actions only after a blood test indicates a greater than 0%, but less than 99% probability of fatherhood. Further, limit representation to actions related to the determination of paternity.

[Act 27 Sections: 7112, 7113b, 7118m, 7119m, 7120m, 7264m and 9344(2g)]

Contracts

Governor: Require the Public Defender to enter into "as many annual contracts as possible" with private attorneys or law firms to handle cases for a fixed-fee which may not exceed pay that would have been received under statutory hourly rates (\$50 per hour in court and \$40 per hour for non-court time). Currently, the Public Defender may enter into contracts with private attorneys for representation of vehicle-related cases. The bill would make contracts mandatory and expand them to all types of cases. In addition, the bill would require the Public Defender to report information regarding status of the contracts and cost savings achieved in their quarterly reports to DOA and the Legislature in each year of the biennium.

Joint Finance: Require all contracts to expire no later than December 31, 1997. Under Joint Finance, private bar savings from contracting and case assignment efficiencies are estimated to total approximately \$1.5 million over the biennium, while under the Governor's recommendation approximately \$4.4 million in savings would be required.

Senate/Legislature: Modify Joint Finance provisions to specify that the Public Defender may not contract for more than one-third of SPD private bar cases. In addition, allow the Public Defender to contract for appellate cases as a pilot project in order to compare savings from appellate cases with savings from trial court cases.

Veto by Governor [C-31]: Delete the December 31, 1997, sunset of the contracting provision.

[Act 27 Sections: 2444m, 2635m, 7076m, 7096t, 7206m, 7212m, 7263g, 7284b, 7284g, 7284m, 7285g, 7285m, 7289, 7290t, 9144(4zt) and 9344(4d)]

[Act 27 Vetoed Sections: 7284m and 9144(4zt)]

Private Bar Case Assignment

Governor: Allow the Public Defender to assign private attorneys to handle cases based on past performance. Currently, the Public Defender must assemble a list in each county of private attorneys that are eligible to handle cases, and must assign cases in the order that they are found on the list. An attorney may not be skipped unless the Public Defender states in writing the reason the attorney was not assigned the case. The Public Defender would be required to submit a plan to DOA by October 1, 1995, detailing the criteria that would be used to assess attorney performance.

Joint Finance/Legislature: Require that procedures to assign attorneys based on performance be set through the administrative rule process (with emergency rule authority).

[Act 27 Sections: 7263m, 7285 and 9144(2md)]

Conditions of Confinement Appeals

Governor: Eliminate Public Defender representation in cases involving alleged violations of the conditions of the confinement of inmates. Under current law, the Public Defender provides appellate representation to indigent persons who have been convicted of crimes, if the Public Defender determines the case should be pursued, for cases generally involving challenges to a conviction, sentencing or (for jail or prison inmates) relating to the conditions of the confinement (typically cases alleging violations of humane treatment standards). Private bar savings are estimated at \$14,900 in 1995-96 and \$69,600 in 1996-97.

Joint Finance/Legislature: Provide \$900 in 1995-96 and \$4,200 in 1996-97 to reflect reestimated savings of \$14,000 in 1995-96 and \$65,400 in 1996-97.

[Act 27 Sections: 1108, 7265, 7282 and 9344(1)]

Private Bar Rate

Joint Finance: Eliminate the \$50 per hour rate for private attorney time spent in court. Statutory rates would be \$40 per hour except for travel time (which would remain at the current \$25 per hour). Further, require the Public Defender to submit any rules promulgated by the Public Defender Board regarding a reduction in private bar rates for s. 13.10 review and Joint Finance approval. (Under current law, the Public Defender Board has the authority to reduce private bar rates by \$2 per hour if the private bar appropriation is expected to be in deficit at the end of the biennium.) Also, provide that statutory rates for special prosecutors and guardians ad litem appointed by the court at state or county expense would be maintained at the current rates (\$50 per hour for time spent in court and \$40 per hour for time spent out of court). Savings from the modified rate are estimated at \$2.9 million for the biennium. Under Joint Finance, the savings are used to offset the level of savings that would otherwise be required to be

generated by contracting for cases at a reduced rate under AB 150 (from approximately \$4.4 million in contract savings under AB 150 to approximately \$1.5 million under Joint Finance).

Senate/Legislature: Clarify that the SPD may reduce the rates paid to private attorneys under current SPD rules only after receiving Joint Finance approval.

Veto by Governor [C-32]: Delete s. 13.10 review and Joint Finance approval of administrative rules to reduce private bar rates by up to \$2 per hour.

[Act 27 Sections: 2444m, 2635m, 7076m, 7096t, 7206n, 7212m, 7263g, 7263i, 7285g, 7285m and 7290t]

[Act 27 Vetoed Section: 7263i]

4. COURT TRANSCRIPT COSTS [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$2,621,400	\$280,000	-\$2,341,400

Governor: Reduce expenditures for transcript fees by \$1,310,700 annually. Base level funding for costs of court transcript copies requested by the Public Defender is \$2,570,300. Currently, the Public Defender is required to pay court reporters \$1.50 per page for original copies and \$0.50 for duplicate copies of transcripts made at their request. Under the bill, court reporters who use computer-aided transcription equipment purchased by the state (81 court reporters) would no longer be able to collect fees for transcripts. In addition, fees for all court reporters and Public Defender transcript payments would be eliminated on June 30, 1997.

Joint Finance/Legislature: Provide \$140,000 annually to reflect the retention of transcript fees for court reporters. Costs of transcripts are estimated at \$1.4 million annually.

[Act 27 Section: 7182]

5. DISCOVERY MATERIALS AND GENERAL COURT DOCUMENTS

Governor/Legislature: Clarify statutory language to specify that the Public Defender is responsible for the cost of discovery materials requested on behalf of indigent clients. A July, 1993, Circuit Court decision found that the Public Defender should pay these costs which were previously borne by counties. In addition, the bill would limit the amount a prosecutor could charge for such copies to the actual cost of photocopying. The bill would also limit, to the actual cost of photocopying, payments for copies of general court documents, other than court transcripts, that are provided at the request of the Public

Defender by the clerk of court, register in probate or the sheriff. Under current law, fees for copies of general court documents are \$1.25 per page for copies provided by the clerk of court, and \$1.00 per page for copies provided by the register in probate or the sheriff. The agency has \$60,000 annually in base funding for copies of discovery materials provided to the Public Defender.

[Act 27 Sections: 7161, 7162, 7178, 7179, 7184, 7185, 7249 and 9310(3)]

6. FUNDING FOR PRIVATE BAR APPROPRIATION DEFICIT [LFB Paper 747]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$1,038,900	\$6,600,000	\$7,638,900

Governor: Provide \$300,400 in 1995-96 and \$738,500 in 1996-97 to fund an anticipated June 30, 1995, shortfall in the private bar appropriation.

Joint Finance/Legislature: Provide an additional \$3,300,000 annually to address a shortfall in the private bar appropriation that is expected to result from a higher than anticipated 1994-95 caseload level.

7. REPRESENTATION IN NON-PAYMENT OF CHILD SUPPORT CASES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$736,800	\$44,200	- \$692,600

Governor: Reduce funding for private bar and investigator reimbursement by \$247,900 in 1995-96 and \$488,900 in 1996-97 and limit Public Defender representation of indigent persons in actions involving contempt of court for failure to pay child or family support. State statutes entitle an indigent person to representation by the state for contempt of court that is brought by the state. Under the bill, a person would not be entitled to legal representation by the state for failure to pay child or family support if: (1) the matter is not brought by the state; or (2) if the judge or family court commissioner hearing the matter certifies that the person would not be incarcerated if found in contempt. Eliminating representation in these cases is expected to decrease private bar costs by \$736,800 over the biennium.

Joint Finance/Legislature: Provide \$14,900 in 1995-96 and \$29,300 in 1996-97 to reflect reestimated savings due to the modification of the private bar hourly rate to \$40 for both in-court and out-of-court time.

[Act 27 Sections: 7266, 7267, 7268 and 9344(3)]

8. PARALEGAL DEMONSTRATION PROJECT [LFB Paper 754]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$313,700	12.00	-\$586,400	0.00	-\$900,100	12.00

Governor: Provide \$426,600 in 1995-96 and \$461,200 in 1996-97 and 12.0 project positions annually to create a paralegal pilot project. Under the project twelve paralegal positions would perform certain duties which are now being performed by staff attorneys such as intake, legal research, drafting legal documents, client file maintenance, certain investigative work and liaison work between attorneys and other professionals (for example, expert witnesses and law enforcement). The bill reduces the private bar reimbursement appropriation by \$475,500 in 1995-96 and \$726,000 in 1996-97 to reflect additional cases that may be handled by staff attorneys as a result of paralegals performing duties now performed by attorneys (it is assumed that each paralegal would handle the equivalent workload of one attorney). The bill requires the Public Defender to submit a report to the Legislature and the Governor by October 1, 1996, evaluating the cost-effectiveness of the use of paralegals.

Joint Finance/Legislature: As a technical correction, provide an additional \$140,500 in 1995-96 and reduce funding by \$726,900 in 1996-97 to reflect reestimated private bar savings.

[Act 27 Section: 9144(4)]

9. REGIONAL OFFICE ADMINISTRATORS [LFB Paper 754]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$191,700	6.00	-\$167,900	0.00	-\$359,600	6.00

Governor: Reduce net expenditure authority by \$114,400 in 1995-96 and \$77,300 in 1996-97. The savings reflect the hiring of 5.0 regional trial administrators and 1.0 appellate administrator at a cost of \$248,600 in 1995-96 and \$285,700 in 1996-97. Currently, the Public Defender has the equivalent of 6.0 staff attorneys which are exempt from annual caseload requirements to perform administrative functions. Under the bill, the six administrators would perform administrative duties including assisting with case assignment, collections, personnel matters and computer automation. The bill would eliminate the partial caseload exemptions for the current 12.0 supervisory attorneys requiring them to carry full caseloads at an estimated private bar savings of \$363,000 annually.

Joint Finance/Legislature: Provide an additional \$195,500 in 1995-96 and reduce funding by \$363,400 in 1996-97 to reflect reestimated private bar savings.

[Act 27 Section: 7288]

10. INTERPRETER COSTS

	Chg. to Base
GPR	\$100,000

Governor/Legislature: Provide \$50,000 annually in unallotted reserve for the costs of out-of-court interpreters used by the Public Defender. Prior to a 1994 Wisconsin Supreme Court decision, courts were responsible for interpreter costs provided to indigent persons in court proceedings. The Director of State Courts Office reimbursed counties up to \$35 per one-half day for interpreter services. However, the Supreme Court decision indicates that while the courts are responsible for the payment of fees for interpreter services provided in court, the Public Defender is responsible for services provided to their clients outside of the courtroom. The bill would make statutory language consistent with the Supreme Court decision and the Public Defender would be responsible for paying for out-of-court interpreter services at up to \$35 per one-half day.

[Act 27 Sections: 1107, 7180, 7207, 7208 and 7209]

11. ADMINISTRATIVE SPECIALIST POSITIONS

	Chg. to Base
GPR	1.00

Governor/Legislature: Increase position authority by 1.0 to provide a one-half time personnel specialist and a one-half time assigned counsel financial specialist. Funding would be provided from the reallocation of supplies and services and LTE funding within the Public Defender's general administration appropriation. The personnel specialist would assist the agency personnel manager. The financial specialist would be responsible for processing private bar payments.

12. PROGRAM REVENUE REESTIMATE [LFB Paper 754]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	- \$49,200	\$31,800	- \$17,400

Governor: Delete \$23,700 in 1995-96 and \$25,500 in 1996-97 to reflect estimated revenues from the penalty assessment surcharge. The Public Defender receives approximately one percent of penalty assessment revenues for staff training.

Joint Finance/Legislature: Provide \$13,900 PR in 1995-96 and \$17,900 PR in 1996-97 to reestimate revenue generated from the penalty assessment surcharge.

13. WISCONSIN DOCUMENTS

Governor/Legislature: Increase the number of sets of certain documents provided to the Public Defender including the following: (a) state statutes with soft covers from 340 to 378; (b) annotations from 41 to 44; (c) Laws of Wisconsin from 41 to 44; (d) opinions of the Attorney General from 41 to 44; and (e) Supreme Court Records from 41 to 44. The costs of these documents are budgeted under the Legislature's sum sufficient appropriation.

[Act 27 Sections: 1750, 1751, 1752, 1753 and 1754]

14. TRANSFER AUTOMATION FUNCTIONS TO DOA [LFB Paper 889]

Chg. to Base Funding Positions		
GPR	- \$471,000	- 4.50

Governor: Delete \$235,500 annually and transfer 4.5 computer systems positions to DOA's Bureau of Judicial Information Systems. Administration officials state that one of the first projects to be undertaken by the new DOA bureau would be to replace the Public Defender's current information system and provide new technology for a statewide Public Defender network (budgeted at approximately \$2.2 million annually under DOA) that would be compatible with other state agencies and the Circuit Court automation project.

Joint Finance/Legislature: Delete funding from the information technology development fund, provided under DOA, associated with a new information system for the Public Defender. Require that any ss. 16.505/16.515 request for funds must include the following: (a) an implementation plan and associated costs; (b) the costs of long-term system support, maintenance and training; and (c) the planned integration of the Public Defender information system with other judicial and justice information systems.

[Act 27 Sections: 9101(18t) and 9144(1)]

15. RIGHT TO PUBLIC DEFENDER REPRESENTATION [LFB Paper 758]

Chg. to Base	
GPR	- \$3,287,400

Joint Finance: Delete \$1,090,400 in 1995-96 and \$2,197,000 in 1996-97 from the private bar appropriation associated with eliminating Public Defender representation in the following cases where there is no clear constitutional right to representation:

Early Representation. Delete \$133,100 in 1995-96 and \$262,500 in 1996-97 and eliminate representation to adults and juveniles persons who have not been charged with a crime. In 1993-94, the Public Defender provided representation in 987 cases in which criminal charges were never filed.

Sentence Modifications. Delete \$112,700 in 1995-96 and \$222,400 in 1996-97 and eliminate representation in sentence modification proceedings which are filed outside of the statutory 20-day time limit. The Public Defender provided representation in 1,672 sentence modifications in fiscal year 1993-94.

Probation and Parole Modifications and Revocations. Delete \$53,000 in 1995-96 and \$104,500 in 1996-97 and eliminate representation in probation and parole modification and revocation cases where (1) the modification or revocation is contested; and (2) jail or prison time is sought. In 1993-94, the Public Defender represented a total of 524 cases in which the court or probation agent sought modification of probation conditions.

Certain Appeals. Delete \$14,800 in 1995-96 and \$68,800 in 1996-97 and eliminate representation in appeals cases which are filed after the statutory time limit (20 days from the time of sentencing). The Public Defender represented 3,155 appeals cases in 1993-94.

Parents in Children in Need of Protection or Services Cases (CHIPS). Delete \$776,800 in 1995-96 and \$1,538,800 in 1996-97 and eliminate statutory representation to parents whose children are involved in CHIPS proceedings. The Public Defender represented 9,858 CHIPS cases in 1993-94 of which 55% are estimated to involve representation to the parent.

Senate/Legislature: Make a technical modification to Joint Finance provisions which would eliminate representation to persons who have not been charged with a crime to provide that it only apply to adults involved in criminal proceedings and juveniles involved in delinquency proceedings. The Public Defender is required to provide representation in certain non-criminal cases (such as mental commitments and termination of parental rights).

Further, modify Joint Finance provisions which limit Public Defender representation in appeals cases to those which are filed within the 20-day time limit to allow for representation outside of that limit in cases where the Court of Appeals extends the time limit. The U.S. Constitution provides a right to representation in appellate cases filed within a certain time frame. Wisconsin statutes provide 20 days. However, the Court of Appeals has the authority to extend the time period. In such cases, representation is constitutionally required.

[Act 27 Sections: 2435v, 2437r, 2442r, 2442t, 2442v, 2445g, 2448b, 7265, 7268b, 7268c, 7268k, 7268p, 7268s, 7268w, 7268y, 9344(5g) and 9344(5h),(5i),(5j),(5k),(5L)&(5m)]

16. PRESUMPTIVE NO-JAIL MISDEMEANORS [LFB Paper 757]

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$1,974,000	\$1,974,000	- \$1,595,900	- \$1,595,900

Joint Finance: Delete \$601,600 in 1995-96 and \$1,372,400 in 1996-97 from the private bar appropriation and create a new class of misdemeanors not subject to incarceration. Require District Attorneys to charge first violators (no previous criminal conviction) of certain misdemeanors as no-jail misdemeanors unless the DA files a written statement with the court specifying the reasons for not charging under the new class of misdemeanor (for example, where violent conduct or other aggravating circumstances warrant possible incarceration). Specifically excluded would be typically violent offense categories under chapters 940 (crimes against life and bodily security), 941 (crimes against public health and safety) and 948 (crimes against children). Public Defender representation is not required where no threat to liberty (incarceration) is involved. Misdemeanors are crimes punishable by less than one year in a county jail and by fines, restitution, community service and probation supervision.

Assembly: Modify Joint Finance provisions to provide that a charge under the new class of misdemeanor be optional instead of presumptive, and restore funding of \$601,600 in 1995-96 and \$1,372,400 in 1996-97. In addition, provide that (a) the new misdemeanor would be subject to punishment of a fine not to exceed \$10,000 or one year of community supervision by the Department of Corrections, or both; (b) if a court places a person on community supervision the court shall order the person to pay restitution unless the court states any reasons for not ordering restitution on the record; (c) excluded from the new misdemeanor would be crimes under chapter 161 (uniform controlled substances act) and criminal offenses resulting from a mandatory arrest for domestic abuse or the violation of a domestic abuse injunction or restraining order in addition to those excluded under Joint Finance provisions (chapters 940, 941 and 948); (d) a court or DOC would be authorized to order offenders sentenced under the no-jail misdemeanor to perform community service work for a public agency or a nonprofit charitable organization (only if both the offender and the organization agree); (e) any organization or agency that enters into an agreement for community service would have the same liability as if a court had ordered community service under current law, except that DOC would not be liable for any act or omissions by the offender while performing community service; (f) a court or DOC would be authorized to order anyone convicted of a no-jail misdemeanor to undergo and pay the costs related to alcohol or drug treatment; and (g) any person convicted of a no-jail misdemeanor, who fails to comply with the terms of community supervision, would be subject to remedial contempt of court sanctions, including up to six months incarceration.

Senate/Legislature: Delete \$490,300 in 1995-96 and \$1,105,600 in 1996-97 and restore Joint Finance provisions requiring a DA to file a written statement with the court providing reasons for not charging under the new class of misdemeanors not subject to incarceration. Further, specify that the DA's statement would not be an element of the offense, and the prosecutor would not need to present any evidence to support the charging decision. (Assembly modifications to exclude drug crimes and certain domestic abuse offenses would be maintained.)

Veto by Governor [C-29]: Delete provision. However, Act 27 continues to reflect the \$1,595,900 GPR in private bar savings associated with the provision under the enrolled bill.

[Act 27 Vetoed Sections: 251d, 783p, 783sg, 783sr, 783v, 2611q, 3251e, 3251g, 3741g, 3789x, 6285, 6355L, 6355m, 6358x, 6364c, 6364d, 6364L, 6365j, 6408g, 7142m, 7225m, 7225x, 7245m, 7246r, 7246s,

7246t, 7247m, 7247t, 7249m, 7249s, 7249t, 7253m, 7255am, 7255jm, 7255sm, 7255tg, 7255tm, 7257j, 7257k, 7263bd, 7263be, 7263bf, 7263bg, 7263bh, 7263bi, 7263bj, 7263bk, 7263bL, 7263p, 7281t and 9359(4g)]

17. REDUCTION IN PENALTIES FOR CERTAIN PROPERTY CRIMES [LFB Paper 756]

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	- \$1,257,000	\$1,257,000	\$0

Joint Finance: Delete \$140,200 in 1995-96 and \$401,300 in 1996-97 from the private bar appropriation and increase the maximum value of the loss for certain property misdemeanors from \$1,000 to \$1,500. Crimes affected 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 and restaurant keepers; (h) fraudulent insurance and employee benefit program claims; (i) removing or damaging encumbered real property; and (j) intentional damage to the physical property of another. Losses exceeding \$1,500 would be felony offenses punishable by a maximum of two or more years imprisonment.

Also, delete \$185,200 in 1995-96 and \$530,300 in 1996-97 from the private bar appropriation and reduce the penalty from a class C felony (up to 10 years imprisonment) to a class A misdemeanor (up to nine months in jail) for forgery with intent to defraud involving a loss of less than \$1,500 by (a) making or altering a written object to create, terminate or transfer legal rights or obligations, or to represent as evidence of debt or property rights or (b) uttering or intending to utter as genuine any forged writing or object.

Assembly/Legislature: Provide \$325,400 in 1995-96 and \$931,600 in 1996-97 and delete provisions.

18. OBSTRUCTION CHARGES [LFB Paper 756]

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$634,600	\$634,600	- \$634,600	- \$634,600

Joint Finance: Delete \$193,700 in 1995-96 and \$440,900 in 1996-97 from the private bar appropriation and require District Attorneys to drop obstruction of justice charges (a misdemeanor) in which providing false information is the only violation and this violation is factually remedied within 48 hours.

Assembly: Provide \$193,700 in 1995-96 and \$440,900 in 1996-97 and delete the provision.

Senate/Legislature: Delete \$193,700 in 1995-96 and \$440,900 in 1996-97 to restore Joint Finance provisions. In addition, provide that a District Attorney would be allowed to charge the violation as a county ordinance violation in counties which have adopted an ordinance for obstructing an officer which conforms with state law. This would allow an obstruction charge which would be dismissed under the 48-hour state law, to be subject to a civil forfeiture under the ordinance.

Veto by Governor [C-30]: Delete provision. However, Act 27 continues to reflect the \$634,600 GPR in private bar savings associated with the provision under the enrolled bill.

[Act 27 Vetoed Sections: 7232q, 7232r, 7246k and 9359(6m)]

19. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$33,100 annually and eliminate a 0.5 appellate division position.

Chg. to Base Funding Positions		
GPR	- \$66,200	- 0.50

PUBLIC INSTRUCTION

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	\$4,972,736,000	\$2,871,956,100	\$6,377,414,700	\$6,376,555,300	\$6,376,555,300	\$1,403,819,300	28.2%
FED	520,566,200	636,990,400	636,650,000	636,650,000	636,650,000	116,083,800	22.3
PR	42,286,200	45,951,500	45,593,700	45,593,700	45,593,700	3,307,500	7.8
SEG	40,468,000	24,072,400	38,372,400	38,372,400	38,372,400	- 2,095,600	- 5.2
TOTAL	\$5,576,056,400	\$3,578,970,400	\$7,098,030,800	\$7,097,171,400	\$7,097,171,400	\$1,521,115,000	27.3

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	427.28	352.59	387.85	388.85	388.85	- 38.43
FED	185.94	169.79	184.76	184.76	184.76	- 1.18
PR	88.88	75.90	86.38	86.38	86.38	- 2.50
SEG	0.00	1.50	1.50	1.50	1.50	1.50
TOTAL	702.10	599.78	660.49	661.49	661.49	- 40.61

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget for: (a) turnover reduction (-\$451,300 GPR and -\$173,800 FED annually); (b) removal of noncontinuing items (-\$773,300 GPR and -\$99,200 PR in 1995-96; -\$813,300 GPR and -\$105,500 PR in 1996-97; and -2.75 PR positions annually); (c) full funding of salaries and fringe benefits (\$406,900 GPR, \$830,700 FED and \$294,100 PR annually); (d) full funding of financial services charges (\$6,600 GPR, \$8,800 FED and \$4,100 PR annually); (e) risk management costs (\$3,900 GPR, \$1,300 FED and \$600 PR annually); (f) overtime (\$201,100 GPR in 1995-96 and \$206,200 GPR in 1996-97); (g) night and weekend differential (\$34,100 GPR annually); (h) fifth week vacation as cash (\$16,200 GPR, \$5,100 FED and \$4,100 PR in 1995-96 and \$16,800 GPR, \$5,500 FED and \$4,200 PR in 1996-97); (i) delayed pay adjustments (\$72,100 GPR, \$24,900 FED and \$20,100 PR annually); and (j) late full funding of salaries and fringe benefits for contracts recently settled (\$29,600 GPR and \$2,000 FED annually).

	Chg. to Base Funding Positions	
GPR	- \$942,500	0.00
FED	1,398,400	0.00
PR	441,400	- 2.75
Total	\$897,300	- 2.75

2. DEPARTMENT OF EDUCATION [LFB Paper 760]

Governor: Effective July 1, 1996, change the name of the Department of Public Instruction to the Department of Education. Provide that the agency would be under the direction and supervision of a Secretary of Education who would be nominated by the Governor, and with the advise and consent of the Senate appointed, to serve at the pleasure of the Governor. Provide that the Secretary and the Department of Education would be assigned all statutory duties and powers currently authorized to the State Superintendent of Public Instruction and the Department of Public Instruction. The Secretary of Education would be assigned to executive salary group 7 (the annual salary of the State Superintendent would remain at its statutory level of 27.4% above the minimum salary range for executive salary group 7). Under the bill, the Department would be authorized 8.0 unclassified positions (secretary, deputy secretary, executive assistant, and five division administrators); a technical correction would be necessary.

Create a separate Office of the State Superintendent of Public Instruction. For more information on this item, see "State Superintendent of Public Instruction."

Joint Finance/Legislature: Modify provision as follows:

a. Change the effective date of the provision to January 1, 1996.

b. Create an eleven-member Education Commission to function as the policy-making unit for the Department. Provide that the power and duties of the Commission would be regulatory, advisory and policy-making, and not administrative. All of the administrative powers and duties of the Department would be vested in the Secretary of Education. The Commission would consist of the following members (who would not be subject to Senate confirmation):

- The State Superintendent of Public Instruction who would serve as the chairperson of the Commission.

- Two public members appointed by the Governor.

- Two public members appointed by the Majority Leader of the Senate.

- Two public members appointed by the Speaker of the Assembly.

- One public member appointed by the Minority Leader of the Senate.

- One public member appointed by the Minority Leader of the Assembly.

- The presidents of the UW Board of Regents and the Wisconsin Technical College System Board (or their designees chosen from the respective board memberships) who would be nonvoting members.

All initial appointments would be for a term commencing January 1, 1996, and ending on January 20, 1997. After the initial term, the terms of the members of the Commission would be as follows:

- Members appointed by the Governor would serve for a fixed term of four years commencing on January 20 of the odd-numbered year following a gubernatorial election.

- Members appointed by legislators would serve for a fixed term of two years commencing on January 20 of each odd-numbered year.

The Chairperson would preside over the Commission which would meet on the call of the Chairperson or a majority of its voting members. Commissioners would be reimbursed for their actual and necessary expenses.

c. Include a technical correction to provide the correct number of unclassified positions authorized to the Department of Education.

Veto by Governor [A-16]: Delete the January 1, 1996, effective date for the repeal of a current provision relating to the authority of the Department of Health and Social Services (H&SS) and DPI to provide appropriate care and training for children in the custody of H&SS. The veto makes a technical correction to allow the repeal of the provision to coincide with the July 1, 1996, transfer of juvenile corrections programs from H&SS to the Department of Corrections.

[Act 27 Sections: 48, 71, 72, 75, 82, 90m, 91m, 92e, 92m, 92s, 97, 138, 141, 143, 169, 177m thru 187, 198, 219, 222, 567, 594, 600, 924, 1167, 1212, 1369, 1749, 1800, 1801, 1803, 1814, 1851p, 1851t, 1953, 1967 thru 1976, 1981, 2575, 2622, 3301, 3304, 3305, 3313, 3314, 3320, 3340, 3441, 3664, 3845 thru 3847g, 3848, 3849, 3850 thru 3854, 3858 thru 3866, 3871, 3871r, 3873, 3874, 3882 thru 3884, 3886 thru 3889, 3894 thru 3901, 3907, 3909, 3920, 3921, 3926 thru 3930, 3933, 3934, 3949, 3950, 3952, 3954, 3955, 3958, 3968, 3969, 3979m, 3996, 4012, 4029, 4031, 4044, 4072, 4073, 4076, 4079, 4081, 4084, 4093, 4114, 6253, 6274m, 6351, 7210, 7245, 7258 thru 7263, 9145(1), 9145(8g), 9145(8h) and 9445(1)]

[Act 27 Vetoes Section: 9445(1) (as it relates to s. 48.48(4))]

3. STATE SUPPORT FOR ELEMENTARY AND SECONDARY EDUCATION [LFB Paper 790]

Governor: Increase the total amount appropriated for general and categorical school aids from \$2,464,372,900 in 1994-95 to \$2,716,581,900 in 1995-96 and \$3,526,064,600 in 1996-97. Compared to the 1994-95 base year, school aids would increase by \$252,209,000 in 1995-96 and \$1,061,691,700 in 1996-97 (or \$809,482,700 over the 1995-96 recommended level) which represent annual increases over the prior year of 10.2% and 29.8%, respectively.

In addition, establish the distribution amount for the 1997 school levy property tax credit at \$469,305,000 or \$150,000,000 over the current funding level of \$319,305,000. The higher amount would affect property taxes levied in 1996 (payable in 1997), but would be paid by the state in fiscal year 1997-98.

The administration estimates that the Governor's proposal would fulfill the two commitments established in 1993 Act 437: (a) freeze the statewide property tax levy for school operating purposes in 1995-96; and (b) provide two-thirds (66.7%) state funding of partial school revenues in the 1996-97 school year. Act 437 provided that state funding would be defined as the sum of state general and categorical school aids and the school levy property tax credit. The Governor's proposal would increase state funding by a total of \$959,482,700 for the 1996-97 school year (\$809,482,700 in school aids and \$150,000,000 in the school levy credit).

Joint Finance: Increase the total amount appropriated for general and categorical school aids from \$2,463,262,600 in 1994-95 to \$2,710,702,900 in 1995-96 and \$3,528,658,600 in 1996-97. Compared to the base year, school aids would increase by \$247,440,300 in 1995-96 and \$1,065,396,000 in 1996-97 (or \$817,955,700 over the 1995-96 amount) which represent annual increases over the prior year of 10.0% and 30.2%, respectively. Including the increase in the 1997 school levy credit, the Joint Finance recommendation would increase state funding by a total of \$967,955,700 for the 1996-97 school year.

Assembly: Increase the amount appropriated for general and categorical school aids over the Joint Finance level by \$2,190,800 in 1995-96 and \$2,162,800 in 1996-97. These amounts reflect the net impact of an increase in general equalization aids and the deletion of two grant programs (CESA human growth and development and environmental education).

Senate/Legislature: Restore funding for environmental education grants (\$202,000 in 1995-96 and \$230,000 in 1996-97). Act 27 would increase school aids over the prior year by \$249,833,100 (10.1%) in 1995-96 and by \$817,955,700 (30.1%) in 1996-97. Including the school levy credit increase of \$150,000,000 in 1996-97, Act 27 would increase total state funding by \$967,955,700 for the 1996-97 school year (a 31.9% increase over the prior year total).

The following table summarizes school aids for the 1995-97 biennium under Act 27 as compared to the 1994-95 base year.

General and Categorical School Aids
1994-95 Base Year Compared to Act 27

	Summary	1994-95	Act 27		1995-97 Change Over	
	Item No.	Base Year	1995-96	1996-97	Base Year Doubled	
					Amount	Percent
General Aids:						
Equalization/Integration*	4,6,8,10	\$2,069,163,600	\$2,324,607,100	\$3,152,215,800	\$1,338,495,700	32.3%
Minimum Aid	7	22,200,000	22,200,000	0	- 22,200,000	- 50.0
County Hand Ed. Boards		2,316,300	2,316,300	2,316,300	0	0.0
Subtotal		\$2,093,679,900	\$2,349,123,400	\$3,154,532,100	\$1,316,295,700	31.4%
Categorical Aids:						
Handicapped Education	11	275,548,700	275,548,700	275,548,700	0	0.0
Pupil Transportation		17,742,500	17,742,500	17,742,500	0	0.0
School Library	21	15,500,000	14,200,000	14,300,000	- 2,500,000	- 8.1
Bilingual Education		8,291,400	8,291,400	8,291,400	0	0.0
Aid to Milwaukee Public Schools	24	8,000,000	8,000,000	8,000,000	0	0.0
P-5 Grants		6,670,000	6,670,000	6,670,000	0	0.0
Tuition Payments		6,620,700	6,620,700	6,620,700	0	0.0
Head Start Supplement		4,950,000	4,950,000	4,950,000	0	0.0
Driver Education	22	4,734,000	4,734,000	5,006,300	272,300	2.9
School Lunch/Elderly Nutrition		4,320,600	4,320,600	4,320,600	0	0.0
Children-at-Risk		3,500,000	3,500,000	3,500,000	0	0.0
Early AODA Prevention/Intervention		2,720,000	2,720,000	2,720,000	0	0.0
Learning Assistance Grants	15	2,434,000	0	0	- 4,868,000	- 100.0
Youth AODA Program	62	2,000,000	2,000,000	1,800,000	- 200,000	- 5.0
Staff Development	16,25	1,200,000	400,000	0	- 2,000,000	- 83.3
AODA Grants	23	1,175,700	1,234,500	1,296,200	179,300	7.6
Social Service Collaboration	60	625,000	625,000	0	- 625,000	- 50.0
Science, Math & Technology Grants	17	600,000	0	0	- 1,200,000	- 100.0
Truancy Abatement	18	585,000	585,000	0	- 585,000	- 50.0
Human Growth & Development	19	507,200	0	0	- 1,014,400	- 100.0
Youth Initiatives	61	500,000	500,000	0	- 500,000	- 50.0
Morning Milk		325,000	325,000	325,000	0	0.0
CESA Administration		300,000	300,000	300,000	0	0.0
Environmental Education Grants	43,70	200,000	202,000	230,000	32,000	8.0
School Breakfast Programs		150,000	150,000	150,000	0	0.0
Alternative American Indian Schools		136,900	136,900	136,900	0	0.0
School and Home Coordinators	63	60,000	0	0	- 120,000	- 100.0
Japanese Language & Culture	65	50,000	0	0	- 100,000	- 100.0
Indo-Chinese Refugee Community Grant	64	50,000	0	0	- 100,000	- 100.0
Postsecondary Options Transportation	20	50,000	20,000	20,000	- 60,000	- 60.0
Suicide Prevention	66	36,000	0	0	- 72,000	- 100.0
Pioneering Partners Grants	13	0	0	10,000,000	10,000,000	N.A.
Student Achievement Guarantee in						
Education	59	0	196,000	4,591,000	4,787,000	N.A.
Subtotal		\$369,582,700	\$363,972,300	\$376,519,300	\$1,326,200	0.2%
TOTAL		\$2,463,262,600	\$2,713,095,700	\$3,531,051,400	\$1,317,621,900	26.7%

*Also includes payments under the special adjustment aids program and amounts allocated for the Milwaukee parental choice program which are deducted from the equalization aid payment to the Milwaukee Public Schools.

4. GENERAL EQUALIZATION AIDS -- FUNDING LEVEL [LFB Paper 791]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	\$1,333,807,700	- \$712,000	\$5,400,000	\$1,338,495,700

Governor: Provide \$251,943,500 in 1995-96 and \$1,081,864,200 in 1996-97 for general equalization aids. Total funding would increase from \$2,069,163,600 in 1994-95 to \$2,321,107,100 (12.2%) in 1995-96 and \$3,151,027,800 (35.8%) in 1996-97. The general equalization aid appropriation is primarily used to distribute funds to school districts according to the school equalization aid formula. However, three other programs are funded through this appropriation: integration (Chapter 220) aids, special adjustment aids and the Milwaukee parental choice program.

In addition, repeal the provision which, beginning in 1995-96, changes the general equalization aid appropriation from a sum certain to a sum sufficient. Under current law, the amount appropriated for general equalization aid is to equal the amount necessary to ensure that the total increase in general school aids over the prior fiscal year would be equal to the estimated maximum revenue increase allowed, on a statewide basis, under the school district revenue limit (in effect, a freeze in the statewide school levy would result). The appropriation amount is to be estimated by the State Superintendent and approved by the Governor and the Joint Committee on Finance. Under the bill, that language would be repealed.

Joint Finance: Adjust funding for general equalization aids by \$800,000 in 1995-96 and -\$1,512,000 in 1996-97. In addition, provide that, beginning in 1996-97, the general equalization aid appropriation would be a sum sufficient. Under this provision, the appropriation would be the amount necessary to ensure that the sum of state school aids (all general and categorical aid programs) and the school levies tax credit would equal 66.7% of partial school revenues (defined as the sum of state school aids and property taxes levied for school districts). Provide that, on or before June 15, 1996 (and each June 15 thereafter), the Departments of Education and Administration and the Legislative Fiscal Bureau would jointly certify to the Joint Committee on Finance an estimate of the amount necessary in the general equalization aid appropriation to achieve the 66.7% funding level in the following school year. Require that by June 30, the Committee determine the appropriation amount.

Assembly/Legislature: Increase funding for general equalization aids by \$2,700,000 annually. This increase is intended to compensate for the redistributive impact of a Joint Finance provision related to the Milwaukee parental choice program. Under the provision, pupils who in the previous school year were enrolled in grades kindergarten through three (K-3) in private schools in Milwaukee would be allowed to participate in the choice program (provided they meet the current low-income eligibility requirements). For purposes of state equalization aid, the Milwaukee Public School System's membership would reflect such pupils based on current year enrollment data. It is estimated that approximately 2,000 private school pupils in grades K-3 would become eligible to participate in the choice program and that the inclusion of

2,000 pupils in MPS's membership count would increase its general equalization aids by approximately \$2.7 million.

[Act 27 Sections: 580, 580m, 4075, 4075m and 9445(7x)]

5. 10 MILL LEVY LIMIT [LFB Paper 791]

Joint Finance/Legislature: Repeal the current law provision which provides that beginning with the 1997 (payable in 1998) property tax levy, a school board cannot levy, and the annual meeting cannot vote, a tax for school operations that exceeds the following rates (based on the full value of taxable property): 10.0 mills for K-12 school districts, 6.67 mills for K-8 districts and 3.33 mills for union high school districts.

[Act 27 Sections: 3305m, 4017g, 4017r, 4022g, 4022r and 4030m]

6. GENERAL EQUALIZATION AID -- FORMULA MODIFICATIONS [LFB Paper 789]

Governor: Replace the current two-tiered formula used to distribute general equalization aids with a three-tiered formula, effective with the 1996-97 aid distribution. The proposed formula would have the following components:

Primary Aid Level. The first tier of support would be for shared costs up to a primary cost ceiling of \$1,000 per member (referred to as primary shared costs). The state's share at the primary aid level would be calculated using a guaranteed valuation of \$2,000,000 per member. Currently, only six school districts have equalized valuations above \$1,000,000 per member (the highest amount is approximately \$1,600,000). As under the current equalization formula, the state's share at the primary level would be based on a comparison between a school district's equalized valuation per member and the primary guaranteed valuation; state aid would equal the amount of costs which would be funded by the missing portion of the guaranteed tax base. For example, if a district is missing 40% of the guaranteed tax base, state aid would support 40% of the \$1,000 in shared costs per member. However, unlike the current formula, every district would be guaranteed no less in total equalization aid than its primary aid amount; in other words, a district's primary aid could not be reduced by negative aids generated at either the secondary or tertiary aid levels.

Secondary Aid Level. The second tier of support would be for shared costs per member between \$1,000 and a secondary cost ceiling (referred to as secondary shared costs). For the 1996-97 aid distribution, the secondary ceiling would equal the primary cost ceiling per member used under the current equalization aid formula in 1995-96 (\$5,786), adjusted by the 1994 inflation rate (2.6%) to \$5,936. Provide that for the aid distribution in 1997-98 and thereafter, the secondary cost ceiling would be calculated as the prior year's secondary cost ceiling, adjusted by the rate of inflation (average percentage change in the CPI-U for the second preceding calendar year). The state's share at the secondary level

would be calculated using a secondary guaranteed valuation which would not be a specific amount, but would instead be allowed to float to a level that distributes the funds available in the appropriation. (The language defining the secondary guaranteed valuation would require a technical correction in order to accurately reflect other changes in the bill.)

Tertiary Aid Level. The third tier of support would be for shared costs above the secondary cost ceiling (referred to as tertiary, shared costs). The tertiary guaranteed valuation would be set at 100% of the statewide average equalized valuation per member. If a school district's tertiary aid is a negative number, this amount would be deducted from its secondary aid amount. However, as noted above, if the sum of a district's secondary aid and tertiary aid is a negative number, this amount would not be deducted from its primary aid amount.

Provide that, as under current law, the state guaranteed valuations under the proposed formula would be adjusted for elementary (K-8) and union high school (UHS) school districts. Specifically, the guaranteed valuations for K-8 districts would be one-and-a-half (1.5) times the K-12 guaranteed valuations; the valuations for UHS districts would be three times the K-12 amounts.

Under the current equalization formula, shared costs are divided into two levels--primary and secondary costs. The primary cost ceiling (which divides the two cost levels) is a fixed amount which is adjusted each year by the annual change in the CPI-U for the second preceding calendar year. The state's share for costs below the primary cost ceiling is calculated using a primary guaranteed valuation which floats to a level sufficient to distribute the available funds. The state's share of costs above the primary ceiling is calculated using a secondary guaranteed valuation which is set at 106% of the statewide average equalized valuation per member. If a school district's secondary aid is a negative number, that amount is deducted from its primary aid amount. If the sum of a district's primary and secondary aid is a negative number, the district's aid is increased to zero.

Joint Finance: Include provision. In addition, provide that, beginning in 1996-97, if the amount determined by the Joint Committee on Finance by June 30 of the prior fiscal year is less than the amount certified as necessary to provide 66.7% state funding of partial school revenues, the primary cost ceiling of \$1,000 per member would be reduced as follows: (a) if state support is equal to or greater than 65.7% but less than 66.7%, the primary ceiling would be reduced by \$100; and (b) for each percentage point that state support falls below 65.7%, the primary ceiling would be reduced by an additional \$100 per member (thus, the first tier of the formula would be eliminated entirely if state support falls below 57.7%).

Further, modify the definition of shared costs under the equalization aid formula to exclude any costs, including attorney fees, incurred by a school district as a result of its participation in a lawsuit commenced against the state, beginning with such costs incurred in the fiscal year in which the lawsuit is commenced.

Assembly: Delete the Joint Finance provision which would, beginning in 1996-97, reduce the primary cost ceiling under the first tier of the general equalization aid formula by \$100 for each percentage point that state support falls below 66.7% of partial school revenues. Instead, provide that if the amount

determined by Joint Finance is less than the amount certified to the Committee as necessary to provide 66.7% state support, a school district's equalization aid, special adjustment aid and intradistrict transfer aid would be calculated as if the amount appropriated for general equalization aids were equal to the certified amount. These calculated aid amounts would then be reduced by a percentage equal to the percentage by which the amount determined by Joint Finance is less than the certified amount.

Senate/Legislature: Delete the Assembly provision. (However, the Joint Finance provision which would have reduced the primary cost ceiling by \$100 for each percentage point that state support falls below the 66.7% level would not be restored.)

[Act 27 Sections: 3439, 4048g, 4049 thru 4067, 4077 and 9345(8)]

7. MINIMUM AID [LFB Paper 789]

Chg. to Base	
GPR	- \$22,200,000

Governor/Legislature: Beginning in 1996-97, eliminate the minimum aid program and delete \$22,200,000 in 1996-97. Under current law, school districts receiving little or no general equalization aid are eligible for minimum aid payments which range from \$175 to \$400 per member, depending on the district's median household income and property tax levy rates. The repeal of minimum aid is related to the Governor's proposal to create a new primary aid level under the equalization aid formula (with a guaranteed tax base of \$2,000,000 per member for the first \$1,000 per member in shared costs) which would result in every school district receiving equalization aid.

[Act 27 Sections: 583, 3439 and 4069]

8. INTEGRATION AID -- FORMULA CHANGES [LFB Papers 785 and 786]

Governor: Include the following changes to the formulas used to distribute integration (Chapter 220) aids, beginning with aids paid in 1996-97:

Intradistrict Transfer Program. Limit the amount of state aid that a school district can receive for each intradistrict transfer pupil. Under current law, the state's payment is equal to 32.5% of the district's equalization aid per member multiplied by the number of transfer pupils in the prior school year. Under AB 150, a district could not receive an amount per pupil which is greater than its prior year aid per pupil, adjusted for inflation (based on the percent change in the consumer price index (CPI-U) between the 2nd preceding May 31 and the preceding May 31). If a district did not receive intradistrict transfer aid in 1995-96, the current law formula would be used to calculate the district's aid payment in its first year of aid eligibility; however, in each subsequent year, the district would be limited to its prior year aid per pupil, adjusted for inflation. (As drafted, the bill specifies that the intradistrict transfer aid limit would be calculated based on current school year transfer numbers which would be contrary to not only the current law formula, but also the Governor's intent, according to DOA.)

Interdistrict Transfer Program. Provide that for each pupil transfer accepted by a school district, the district would receive an amount equal to its average cost per pupil or \$7,000, whichever is less. Under current law, the payment is based solely on the district's average cost per pupil. A district's "average cost per pupil" is determined by dividing its total operating and debt service costs which are funded through property taxes and state general aids by its membership (and includes interdistrict transfer aid and pupils).

In addition, repeal the "bonus" aid provision which provides that if the number of pupil transfers accepted by a school district equals 5% or more of its resident membership, the district receives a 20% increase in its total interdistrict transfer aid. (According to DOA, the Governor intended to have all of the integration aid changes first apply to state aids paid in 1996-97; however, the language regarding interdistrict transfer aid may need to be clarified to comply with this intent.)

There is no fiscal change associated with these modifications because integration aid is funded as a first draw from the general equalization aid appropriation. Therefore, any reductions in program costs would be distributed through the equalization formula.

Joint Finance/Legislature: Modify the bill as follows:

Intradistrict Transfer Program. Delete the Governor's recommendation. Instead, beginning with aids paid in 1996-97, change the intradistrict transfer payment to equal 25% of the school district's equalization aid per member multiplied by the number of transfer pupils in the prior school year.

Interdistrict Transfer Program. Delete the Governor's recommendation which would, beginning in 1996-97, limit a school district's basic aid payment to a maximum of \$7,000 per transfer pupil. In addition, clarify that the repeal of bonus aid would first apply to integration aids paid in 1996-97.

Deduction of Bonus Aid for Shared Costs. Provide that in calculating shared costs for general equalization aids paid in 1997-98 through 2000-01, the amount received by a school district as bonus aid in 1995-96 would be a deductible receipt not to exceed the amount by which the district's shared costs (including the bonus aid) exceeds the secondary cost ceiling, if the district's equalized valuation exceeds the tertiary guaranteed valuation. Provide that this adjustment would be phased-out over a five-year period; a district's shared costs would reflect deductions equal to the following percentages of its 1995-96 bonus aid payment: 100% in 1997-98, 75% in 1998-99, 50% in 1999-2000 and 25% in 2000-01 with no adjustment beginning in 2001-02.

Under current law, a school district's interdistrict transfer aid (including bonus aid) is a deductible receipt (that is, non-aidable) in calculating its shared costs under the equalization aid formula. Consequently, when a school district replaces bonus aid by increasing its property tax levy in 1996-97, its shared costs for 1997-98 would reflect this higher cost. Under the Joint Finance provision, if the additional levy to replace bonus aid would generate negative tertiary aid for a district, the bonus aid amount would be excluded from the district's shared costs. It is estimated that based on full (100%)

deductibility, this provision would result in a redistribution of approximately \$2.0 million in equalization aid to six school districts.

[Act 27 Sections: 4048r, 4095m thru 4099r and 9345(9m)]

9. **SCHOOL DISTRICT REVENUE LIMITS** [LFB Papers 779 thru 783]

Jt. Finance/Leg. Chg. to Base	
GPR-Lapse	\$900,000

Governor: Modify the school district revenue limits as follows:

Permanent Limits. Make the revenue limits permanent. Currently, the limits are in effect for the five-year period of 1993-94 through 1997-98.

Maximum Allowable Revenue Increase. Beginning in 1995-96, provide that the maximum allowable increase in revenue per pupil would be \$194 annually. Under current law, the maximum allowable increase is a flat dollar amount or the rate of inflation, whichever results in the higher revenue amount for a school district. In 1993-94, the limit was based on \$190 per pupil and an inflation rate of 3.2%. Beginning in 1994-95, the \$190 per pupil amount is adjusted each year by the rate of inflation. In 1994-95, the limit was based on \$194.37 per pupil and an inflation rate of 2.3%. Under the Governor's proposal, the flat dollar amount would no longer be adjusted for inflation and a school district would not have the option to use the inflation rate to determine its maximum allowable increase (if inflation provides a higher per pupil increase).

Definition of State Aid. Beginning in 1995-96, expand the definition of state aid under the revenue limit to include the following categorical aid programs: school library aid, school lunch and elderly nutrition aid, morning milk program, Head Start supplement, aid to alternative schools for American Indians, handicapped education aid, bilingual-bicultural education aid, aid for children-at-risk programs, compensatory education aid to Milwaukee Public Schools, professional development grants to MPS, driver education aid, pupil transportation aid and state tuition payments. In addition, include general aid adjustments for manufacturing property reassessments under the definition. Under current law, the definition of state aid includes only general school aids (equalization aid, minimum aid, integration aid and special adjustment aid.) Provide that for purposes of calculating a school district's revenue limit for 1995-96, the district's revenues under the limit for 1994-95 would be recalculated using the expanded definition of state aid.

Low-Revenue Adjustment. Provide an adjustment to the revenue limit any school district with a "base revenue" per pupil for the prior school year that was less than a "revenue ceiling" of \$5,200 in 1995-96 and \$5,500 in 1996-97 and each year thereafter. Provide that "base revenue" would be determined by: (a) calculating the sum of the district's prior year general school aids and the property tax levy (excluding debt service levies exempted from the limit); (b) dividing the sum under (a) by the average of the district's September membership for the three prior school years; and (c) adding \$194 to the result under (b). If a school district's base revenue per member is below the revenue ceiling for a

given year, the district would be exempt from the limit, but could not increase its revenue per member to an amount greater than the ceiling unless approved through referendum. If a school district has resident pupils who were solely enrolled in a county handicapped children's education board (CHCEB) program, costs and pupils related to that program would be factored into the district's base revenue calculation.

Penalty Provision. Modify the provision through which a school district is penalized for exceeding the revenue limit without voter approval, beginning in the 1996-97 school year. As under current law, if a school district exceeds the limit, the excess amount would be deducted from the district's state aid payment in that year and the aid reduction would lapse to the state's general fund. However, the Department of Revenue would be required to pay the school district in the following year an amount equal to the prior year aid reduction. The district receiving this aid would be required to reduce its property tax levy by that amount. A continuing appropriation would be created within DOR to make the payments to the school districts which would equal the amount lapsed to the general fund in the prior fiscal year.

Joint Finance: Modify the provisions as follows:

Maximum Allowable Revenue Increase. Delete the provision which would freeze the maximum allowable increase in revenue per pupil at \$194 annually. Instead, increase the flat dollar amount to \$200 per pupil in 1995-96 and \$206 per pupil in 1996-97. Provide that beginning in 1997-98, the flat dollar amount would be adjusted by the rate of change in the all-urban Consumer Price Index (CPI-U) between March 31 of the preceding calendar year and March 31 of the current calendar year.

Definition of State Aid. Delete the provision which would include selected categorical aids under the state aid definition. In addition, exclude from the definition, any additional general school aid that a school district which consolidated effective on or after July 1, 1995, is entitled to receive for a five-year period under current law.

Low-Revenue Adjustment. Modify the provision by increasing the revenue ceiling to \$5,300 per pupil in 1995-96 and \$5,600 per pupil in 1996-97. In addition, reflect the change in the maximum allowable per pupil revenue increase in calculating base revenues for this adjustment.

Penalty Provision. Delete the Governor's proposal and maintain the current penalty provision which would increase the amount lapsed to the general fund by an estimated \$450,000 annually.

In addition, beginning with the 1995-96 revenue limit, modify current law, as follows:

Revenue Limit for MPS. Exclude the pupils participating in the Milwaukee parental choice program from MPS's membership for calculation of the revenue limits.

Carryover of Unused Revenue Capacity. Provide that if a school district's revenues in any school year are less than the maximum allowed in that year, the revenue limit otherwise applicable to the district

in the subsequent school year would be increased by an amount equal to 65% of the difference between the district's actual revenues and the maximum amount allowed.

Federal Impact Aid. Provide that if a school district received less federal impact aid than it received in the previous school year, the district's revenue limit otherwise applicable to the district in the subsequent school year would be increased by an amount equal to the reduction in such aid. Provide that this adjustment would first apply to revenue limits computed for the 1995-96 school year based on changes in federal impact aid payments between 1993-94 and 1994-95.

Transfers of Service Responsibility. Require the Department to ensure that if responsibility for providing a service is transferred from one school district to another within the state, the decrease in the former district's limit must be equal to or greater than the increase in the latter district's limit.

Assembly/Legislature: Modify the Joint Finance provision regarding carryover of unused revenue capacity to allow an increase of 75% of the difference between the district's actual revenues and the maximum amount allowed.

Veto by Governor [A-7]: Delete language which would provide an inflationary adjustment to the prior year's maximum allowable revenue increase, beginning in 1997-98. Therefore, school districts would be allowed a maximum revenue increase of \$206 per pupil in 1996-97 and each year thereafter.

[Act 27 Sections: 4105m thru 4113m, 9145(3) and 9345(2)&(5)]

[Act 27 Vetoed Section: 4112m]

10. MILWAUKEE PARENTAL CHOICE PROGRAM [LFB Paper 784]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$9,200,000	\$42,200,000	\$51,400,000
GPR-Lapse	\$9,200,000	\$42,200,000	\$51,400,000

Governor: Reestimate the cost of the Milwaukee parental choice program by \$9,200,000 in 1996-97 to reflect the Governor's proposed changes to the program that are summarized below. The sum sufficient appropriation for payments to the participating private schools would increase from an estimated \$2,300,000 annually in 1994-95 and 1995-96 to \$11,500,000 in 1996-97. As under current law, these payments would be fully offset by a reduction to MPS's state aids which would then lapse to the general fund.

Modify the program by providing that in the 1995-96 school year, the amount per pupil paid to participating private schools would equal the amount per pupil paid in the 1994-95 school year. Under

current law, for each pupil enrolled in the program, a private school is paid an amount equal to the Milwaukee Public Schools' average equalization aid payment per member for that particular school year (which in 1994-95 is \$3,209). The state then deducts this amount from MPS' general equalization aid payment.

Beginning in the 1996-97 school year, modify the program as follows:

Eligible Private Schools. Allow any private school located in the City of Milwaukee to participate in the program. Under current law, only nonsectarian schools in the City can participate in the program.

Limit on Number of Pupils. Change the maximum number of pupils allowed to participate in the program to 3,500 pupils in the 1996-97 school year and 5,500 pupils in the 1997-98 school year. Beginning in the 1998-99 school year, there would be no limit on the number of pupils. Under current law, no more than 1.5% of the MPS membership for state aid purposes can attend private schools under the program in any school year (which equals approximately 1,450 pupils in 1994-95). In addition, repeal the provision that limits the portion of a participating private school's enrollment comprised of pupils attending under the choice program to 65%.

State Payment. Provide that for each pupil enrolled in the choice program, the state would pay the lesser of: (a) the amount paid in 1995-96 adjusted annually by the rate of inflation (CPI-U) between May 31 of the preceding calendar year and May 31 of the current calendar year (this amount would be approximately \$3,300 in 1996-97); or (b) the private school's operating cost per pupil, as determined by the Department. (A technical correction to this provision would be necessary.) Require that the corresponding reductions in aid to MPS would be accomplished by first reducing aid paid to the district under the integration (Chapter 220) aid program. (As drafted, the bill would continue the provision that deducts from MPS an amount equal to its average equalization aid per member; however, DOA indicates that it was the Governor's intent to have the MPS aid reduction equal the actual payments to the private schools. In addition, DOA indicates that the Governor intended to make the reduction from MPS' intradistrict Chapter 220 aid and not its total Chapter 220 aid.)

In addition, change the method of payment under the program. The Department would continue to send the check to the private school, but the check would be made out to the pupil's parent or guardian who must then restrictively endorse the check for the use of the private school.

Available Spaces. Provide that when a private school notifies the Department of its intent to participate in the program, the school must specify the number of pupils participating in the program for which the school has space. If the total number of available spaces in the private schools is greater than the maximum number allowed, the Department would be required to prorate the number of available spaces at each participating private school. If the private school rejects an applicant due to a lack of space, the pupil could transfer his or her application to another participating private school that has space available.

Public Information Campaign. Repeal the biennial appropriation of \$20,000 GPR within the DOA's budget which was created in 1993 Act 16 for the purpose of a public information campaign to inform all eligible parents and pupils about the parental choice program (see "Administration").

Joint Finance: Provide that the changes to the choice program would first apply in the 1995-96 school year. In addition, modify the provisions as follows:

Cost of Program. Reestimate the cost of the program by \$14,700,000 in 1995-96 and \$27,500,000 in 1996-97 to reflect the Committee's modifications. The sum sufficient appropriation for payments to the participating private schools would increase from an estimated \$2,300,000 in 1994-95 to \$17,000,000 in 1995-96 and \$39,000,000 in 1996-97. However, these payments would be fully offset by a reduction to MPS's equalization aids which would then lapse to the general fund.

Limit on Number of Pupils. Delete the Governor's proposal regarding the maximum number of pupils allowed to participate in the program. Instead, increase the current limit to 7% of the MPS state aid membership (approximately 7,000 pupils) in 1995-96 and 15% of the MPS state aid membership (approximately 15,000 pupils) in 1996-97 and thereafter.

(The bill inadvertently deleted the Governor's provision which would require the Department to prorate the number of available spaces at each participating school if the total number of spaces exceeds the maximum allowed.)

Pupil Eligibility. Modify current law to allow pupils who, in the previous school year, were enrolled in grades kindergarten through three (K-3) in private schools within the City of Milwaukee to participate in the program (provided they meet the current low-income eligibility requirements). Provide that MPS's state aid membership would reflect such pupils based on current year (and not prior year) enrollment data.

State Payment. Delete the Governor's proposal regarding the calculation of the state payment to choice schools. Instead, provide, that beginning in 1995-96, the payment for each choice pupil would equal the lesser of: (a) MPS's equalization aid per member; or (b) the private school's operating cost per pupil, as determined by the Department. Provide that the amount under (a) multiplied by the number of choice pupils would be deducted from MPS's general equalization aid payment and lapse to the general fund at the end of the fiscal year. Delete the provision which would require that the corresponding reduction in aid to MPS would be first accomplished by reducing intradistrict transfer aid paid to MPS. Require that participating private schools would be subject to uniform financial accounting standards, as determined by the Department, and must annually provide for an independent financial audit.

Revenue Limits. Modify current law by excluding the pupils participating in the choice program from MPS's membership for calculation of the revenue limits.

Siblings. Modify current law to provide that siblings of pupils accepted to the program through random selection need not also be accepted on a random basis.

Pupil Application Deadline. Repeal current law which provides that pupils, or the parents of pupils, must apply for admittance into the program for the following school year by June 30.

School Intent to Participate Deadline. Modify current law to provide that for the 1995-96 school year, private schools would be allowed to notify the Department of their intent to participate in the program by July 1, 1995. The current notification date (May 1) would apply for the 1996-97 school year and thereafter.

Opt Out from Religious Instruction. Provide that no pupil may be required to participate in any religious activity in a private school under the choice program if the pupil's parent or guardian submits to the pupil's teacher or the school principal a written request that the pupil be exempted from such activities.

State Superintendent's Report. Repeal current law which requires that the State Superintendent annually submit to the Legislature and to the participating private schools a report comparing the academic achievement, daily attendance record, percentage of dropouts, percentage of pupils suspended and expelled, and parental involvement activities of pupils attending the program and pupils enrolled in MPS. In addition, repeal the current provision that allows the State Superintendent to conduct one or more financial or performance evaluations of the program.

Legislative Audit Bureau Evaluation. Direct the Legislative Audit Bureau to perform a financial and performance evaluation audit on the program to be submitted to the Legislature by January 15, 2000.

Assembly/Legislature: Modify the provision regarding payments to private schools to provide that the payment based on the private school's cost per pupil would include operating and debt service cost per pupil that is related to educational programming, as determined by the Department. In addition, change the notification date for private schools intending to participate in the program for 1995-96 to July 15, 1995.

[Act 27 Sections: 1051, 4002 thru 4009, 4040x, 4046m, 4105m, 9145(3)(b), 9145(12x) and 9345(1x)&(5)]

11. HANDICAPPED EDUCATION AID [LFB Paper 787]

Governor: Repeal the specific reimbursement rates for handicapped education aid, beginning with 1995-96 aid payments. Provide that the aidable costs of local education agencies (school districts, CESAs and county handicapped education boards) would be reimbursed at a single rate which would be set at a level sufficient to distribute the full amount appropriated. This change would affect the distribution of handicapped education aids among local education agencies. The appropriation would remain at its base level of \$275,548,700.

Under current law, there are three reimbursement rates: (a) the salary and fringe benefit costs of certain staff members (special education teachers; physical and occupational therapists; teacher and therapy aides; and program supervisors and coordinators) and special education transportation costs are to be reimbursed at 63%; (b) the salary and fringe benefit costs of school psychologists and social workers are to be reimbursed at 51%; and (c) the cost of board, lodging and transportation of nonresident children enrolled in a district's special education program are to be fully reimbursed. However, if the appropriation is insufficient to fully fund these rates (which has been the case every year since 1985-86), aid payments are prorated. For example, in 1993-94, costs under (a) were reimbursed at 45%, costs under (b) were reimbursed at 36.4% and costs under (c) were reimbursed at 71.4%. Under the bill, aidable costs under (a) and (b) would be reimbursed at the same rate. (As drafted, the bill does not change current law regarding board and lodging aid; therefore, such costs would continue to be fully reimbursed. However, DOA indicates that it was the Governor's intent to reimburse board and lodging costs at the same rate applicable to costs under (a) and (b).)

Joint Finance/Legislature: Delete provision and maintain current statutory reimbursement rates.

Veto by Governor [A-15]: Delete a provision related to the reimbursement of school age parent programs through the handicapped education aid appropriation. This provision should have been deleted under Joint Finance, but was inadvertently included in the bill.

[Act 27 Vetoes Section: 3909]

12. SCHOOL SERVICES ELIGIBLE FOR MEDICAL ASSISTANCE FUNDING

Governor: Effective August 1, 1996, establish "school medical services" as a medical assistance 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. 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.

Schools are currently authorized to submit claims for a variety of services, such as therapy and nursing services, provided to MA-eligible students. If a school submits a claim, it is reimbursed in the same manner as other MA providers. However, schools are not required to provide that state match as a condition of participation. As under current law, MA reimbursement would be a deductible revenue for determining a school district's aidable costs under the general equalization aid formula. In addition, the reimbursement would not be subject to the school revenue limits.

Senate/Legislature: Modify provisions as follows:

- a. 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;

b. Authorize CESAs, as well as schools and school-operated early childhood programs for developmentally delayed and disabled four-year old and five-year old children, to become certified to provide school medical services;

c. Provide that 40% of the additional federal MA funds claimed for school medical services be deposited as revenues to the general fund.

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. As a result, the MA school service benefit will take effect immediately upon federal approval of the state's plan amendment. In addition, the veto creates a requirement that MA reimbursement must be claimed by school districts and CESAs solely under the school medical services benefit.

For more information on this item, see "H&SS--Medical Assistance."

[Act 27 Sections: See "H&SS--Medical Assistance."]

13. PIONEERING PARTNERS GRANT PROGRAM [LFB Paper 788]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$8,128,000	- \$8,128,000	\$0

Governor: Provide \$4,064,000 annually in a new, sum certain appropriation for one-year grants to support the purchase of instructional technology and the cost of providing staff development and training related to instructional technology. Permit a school board to apply for a grant individually or in conjunction with another school board, a CESA board of control and/or a technical college district board. Provide that the grants would be awarded jointly by DPI and the Division of Technology Management in DOA and that priority would be given to: (a) projects supported by matching funds and projects that involve an association with businesses, technical college districts, CESAs or other school districts; and (b) applicants that use additional funds to establish ongoing training or training following the grant period.

Joint Finance: Delete provision. Instead, 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. The program, which would be called Pioneering Partners, would be administered by an Educational Technology Board attached to DOA. For fiscal effect, see "Administration--Information Technology."

Provide that the program would include the following components:

Educational Technology Board. Establish a nine-member Educational Technology Board (ETB), attached to DOA for administrative purposes. Provide that the Board consist of the following members:

- An employee of the Division for Libraries and Community Learning within DPI appointed by the State Superintendent of Public Instruction. (Effective January 1, 1996, this member would be appointed by the Secretary of Education.)

- An employee of DOA appointed by the Secretary of Administration.

- A representative of public libraries appointed by the Governor.

- The head of the board of the Wisconsin Advanced Telecommunications Foundation or his or her designee.

- An employee of the Public Service Commission appointed by the Chairperson of the Commission.

- A representative of a local or regional distance education network appointed by the Governor.

- A school board member or employee appointed by the Governor.

- A technical college district board member or employee appointed by the State Director of the Technical College System.

- An employee of a UW System institution or center appointed by the President of the UW System.

Provide that ETB members would be appointed for four-year terms except that the initial terms of the members would expire on the following dates: May 1, 1996, for the DPI employee and the representative of a distance education network; May 1, 1997, for the DOA employee and the school board member or employee; May 1, 1998, for the public library representative and the technical college district board member or employee; and May 1, 1999, for the Public Service Commission employee and the UW System institution or center employee.

Require that persons appointed to the ETB have a recognized interest in and demonstrated knowledge of computer technologies, distance learning technologies, educational media and electronic resources, electronic information dissemination or telecommunications technologies.

Eligibility. Allow a school board, municipal library board or county library board, either individually or in conjunction with one or more other school boards, municipal library boards or county library boards, to apply to the ETB for a grant and/or a loan for the purpose of implementing, expanding or participating in an educational technology or distance education project.

Provide that "distance education" would be defined as instruction that takes place, regardless of the location of a teacher or student, by means of telecommunications or other means of communication including cable, instructional television fixed service, microwave, radio, satellite, or computers, telephone or television. "Educational technology" would be defined as technology used in the education or training of any person or in the administration of an elementary or secondary school or a public library.

Types of Assistance. Provide that the ETB may approve an application for one, or a combination of, the following:

- A grant to directly fund the cost (or a portion of the cost) of an educational technology or distance education project.
- A trust fund loan and a grant to subsidize the interest costs generated by the first two points of the annual interest rate on that loan to pay the cost (or a portion of the cost) of an educational technology or distance education project.
- A trust fund loan (not subsidized) to pay the cost (or a portion of the cost) of an educational technology or distance education project.

Trust Fund Loans. Provide that an application for a trust fund loan from the \$15 million annual allocation would first be submitted to the ETB for its approval. If approved, the applicant would then submit an application to the Board of Commissioners of Public Lands for its approval. If a loan is approved, the ETB would provide written notice to the Board of Commissioners of Public Lands. The ETB would make the appropriate interest payments on the subsidized loans.

Provide that if a consortium of school districts and/or library boards applies for a trust fund loan under this program, the Board of Commissioners of Public Lands would treat the application as a loan to each of the members of the consortium in an amount equal to the total amount of the loan divided equally by the number of members of the consortium (unless a different arrangement is agreed to by the members). Provide that the procedure for application, approval and repayment of the loan by each member would be the same as if the loan were made to that member individually except that a loan may not be made unless all members of the consortium qualify.

Project Criteria. Allow the ETB to approve a grant or loan for a project if it determines that the project would do any of the following:

- Enhance the educational opportunities for elementary and secondary students or other residents of the state, or both.
- Improve the administrative efficiency of elementary and secondary educational institutions.
- Enhance the training and continuing education opportunities of elementary and secondary teachers in the state.

Technology Plan. Require that the application include a technology plan which specifies the distance education or educational technology project for which the grant would be used. Require that the plan include: (a) an assessment of needs to be met by the project; (b) a detailed description of the technologies to be employed in the project; (c) itemized cost estimates of the project; (d) a narrative description of the project, including the manner in which the project meets any of the criteria (described above) to be used by the ETB in determining to award a grant and the purposes for which the grant will be used; (e) a description of the process that the applicant will use to evaluate the project; (f) a plan for continuing the project beyond the funding period, if appropriate; and (g) any other information the ETB determines to be necessary to assist it in awarding a grant.

Eligible Projects. Provide that grants and loans may be used for any of the following purposes:

- Training teachers, librarians and other staff members in the use and integration of technology for educational purposes.

- Purchasing or upgrading technology including computer hardware and software, distance education equipment and other equipment, materials or resources related to the project and wiring within a school or library building or to connect school buildings within a school district if the wiring is directly related to the project.

- Integrating the use of educational technology and distance education throughout the curriculum.

- Implementation of technologies to enhance administrative efficiencies.

- Offering community educational opportunities through distance education or educational technologies to residents of the school district, municipal or county.

Program Requirements. For grants awarded to directly fund a project, require a matching contribution equal to at least 25% of the project's cost. Provide that the match may include contributions from private sources and in-kind services. Prohibit the use of grant funds to supplant or replace funds otherwise available for the project.

Require that the ETB ensure that grants and loans are approved for eligible applicants from the territory of all of the CESAs from which applications are received.

Allow the ETB to require grant and loan recipients to report to the ETB on the distance education and educational technology used in the school district, municipality or county for the purpose of assisting the state in planning related to distance education and educational technology if the ETB finds that complying with the requirement will not impose a substantial burden on grant recipients.

Consultative Services. Require the ETB to: (a) provide consultative services to assist school districts and library boards in developing and implementing distance education and educational technology projects and in writing applications for grants and loans; and (b) consult and coordinate its activities with CESAs.

Provide \$45,000 GPR in 1995-96 and \$75,000 GPR in 1996-97 through an annual, state operations appropriation for the administrative expenses of the ETB and to fund 1.0 GPR project position which would be authorized beginning January 1, 1996. Provide that the position would be filled by one or more elementary or secondary school teachers to provide consultative services.

Reporting Requirements. Require DOA and the ETB, no later than November 1, 1995, to jointly submit to the Joint Committee on Finance for its approval under s. 13.10 all of the following:

- A request to transfer not more than 4.0 FTE positions and the funding for those positions from other state agencies to the ETB (including recommendations on whether the incumbents in such positions would be transferred).

- A plan which sets forth the deadlines, procedures and criteria that the ETB will use in reviewing and approving grants and loans.

Require the ETB, annually, by August 15, to submit a report to the Joint Committee on Finance identifying grant and loan recipients and the purposes for which the grants and loans were made.

Require the Secretary of Administration and ETB to jointly submit recommendations to the Joint Committee on Finance by February 1, 2000, on whether the ETB or the Pioneering Partners program should be continued and, if so, what changes should be made to the ETB or the program.

Trust Fund Loans to Consortia. Allow a consortium of two or more school districts or two or more technical college districts, or at least one school district and at least one technical college district to apply for a trust fund loan for the purpose of implementing, expanding or participating in a distance education or educational technology project. However, specify that a consortium which includes a technical college district would not be eligible to apply for a trust fund loan under the Pioneering Partners program.

Computers for Teachers. Require DOA to negotiate with private vendors to facilitate the purchase of computers and other educational technology by elementary and secondary school teachers for their personal use as a means of encouraging and assisting teachers in becoming knowledgeable about computers and other educational technology and their uses and potential uses in education.

Senate/Legislature: Modify Joint Finance provision as follows:

- a. Specify that the Board of Commissioners of Public Lands would be required to reserve \$15,000,000 annually in 1996-97 through 1999-2000 for state trust fund loans for educational technology and distance education projects "to the extent practicable" and for the purposes of giving "priority" to loans for educational technology and distance education projects.

- b. Allow the Board of Commissioners of Public Lands to make a state trust fund loan for educational technology or distance education to a consortium that includes a county or municipality (on behalf of public library boards) outside of the \$15 million annual reserve. In addition, delete the provision

which would limit the period in which such a consortium may apply for a trust fund loan for educational technology or distance education to 1996-97 through 1999-2000.

c. Provide that a member of the Wisconsin Advanced Telecommunications Foundation (WATF) Board appointed by the Governor (rather than the head of the WATF Board, or his or her designee) would serve on the Educational Technology Board.

Veto by Governor [C-10]: Delete language relating to the authority of the State Superintendent, the Chairperson of the Public Service Commission, the State Director of the Technical College System and the President of the UW System to appoint members of the Educational Technology Board. As a result, the appointing authority is not specified and, therefore, as authorized under s. 15.07(1)(b), the Governor would become the appointing authority for these members of the Board. However, the provision authorizing the Secretary of Education to appoint an employee of the Division for Libraries and Community Learning to the Board, effective January 1, 1996, was not deleted.

[Act 27 Sections: 95, 118m, 118p, 390m, 431, 436m, 1071g, 1071r, 1366m, 1368, 1368c, 1369m, 1370, 1370g, 1377, 1377g, 1378b, 1379b, 9101(22g), 9159(11g) and 9445(13g)]

[Act 27 Vetoed Section: 118m]

14. PUPIL ASSESSMENT [LFB Paper 767]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
GPR	\$6,528,600	- \$900,000	- \$5,725,000	- \$96,400

Governor: Provide an additional \$2,273,300 in 1995-96 and \$4,255,300 in 1996-97 for state pupil assessment programs. Under current law, school districts are required to annually administer tests designed to measure the attainment of knowledge of pupils in the 8th and 10th grades. School districts are also required to notify the parent or guardian of each 8th and 10th grade pupil that he or she may request that the pupil be excused from taking the test. The Department is required to reimburse school districts for the costs of the tests and parental notification. The 8th and 10th grade "knowledge and concepts" tests currently administered under the program are provided by a testing vendor under contract with DPI and consist of multiple choice and short answer items as well as writing exercises. The agency is also developing "performance-based assessments" which have not yet been administered on a statewide basis. The attainment of knowledge tests are scheduled to sunset on June 30, 1998.

Modify the attainment of knowledge testing program as follows: (a) repeal the June 30, 1998, sunset date; and (b) establish a state test for 4th grade pupils (including pupils enrolled in charter schools) with school administration being voluntary in the 1995-96 school year and mandatory beginning in the 1996-97 school year. In addition, repeal the provision which prohibits a school district from administering

additional tests (aside from those required by statute) if they are not aligned with the school district's curriculum.

Under the Governor's proposal, the increased funding would be allocated as follows:

Knowledge and Concepts Tests. Adjust the amount provided to reimburse school districts for the knowledge and concepts tests by -\$114,100 in 1995-96 and \$475,900 in 1996-97 from the 1994-95 budgeted level of \$1,064,100. In 1994-95, actual expenditures are estimated to be \$888,700 (or \$175,400 less than the budgeted amount). The primary purposes of the increase in 1996-97 would be to fund a new 4th grade test (\$300,000) and to conduct a study to link the results of the 1995-96 tests with those of the 1996-97 tests in the event that the contract is awarded to a different vendor in 1996-97 (\$175,000).

Performance Assessment. Provide \$1,625,000 in 1995-96 and \$2,900,000 in 1996-97 to reimburse school districts for the costs of administering performance assessments to 4th, 8th and 10th grade pupils. Provide an additional \$455,000 annually for ongoing development costs of performance assessments over the 1994-95 budgeted level of \$545,000.

Program Operations. Provide \$259,600 in 1995-96 and \$351,600 in 1996-97 for DPI operations of the pupil assessment program. The additional funds would be used for consultant expenses, the development of pupil performance standards, training of teachers in the administration of the performance assessments, and supplies and services costs.

Parental Notification. Provide \$40,000 in 1995-96 and \$60,000 in 1996-97 to reimburse school districts for the cost of notifying parents and guardians of their option to excuse pupils from the attainment of knowledge tests. In 1994-95, the cost of parental notification is estimated to be \$46,200.

Third Grade Reading Test. Provide an additional \$54,000 in 1995-96 and \$59,000 in 1996-97 for ongoing development costs of the third grade reading test.

Joint Finance: Modify provisions as follows:

a. Clarify current law to specify that the Department is required to adopt or approve: (a) knowledge and concepts examinations administered in the 8th and 10th grades; and (b) performance assessments administered in the 4th, 8th and 10th grades on a voluntary basis in 1995-96 and on a mandatory basis in 1996-97.

b. Provide funding for the knowledge and concepts tests and the performance assessments through an annual state operations appropriation (rather than the current local assistance appropriation) and direct the Department to pay for the administration of the tests (rather than reimbursing school districts for the costs of administration).

c. Decrease the amount provided for the knowledge and concepts tests by \$300,000 in 1996-97 to reflect the elimination of the proposed 4th grade knowledge and concepts test.

d. Of the \$1,240,000 provided in 1996-97 for the 8th and 10th grade knowledge and concepts tests, place \$175,000 in unallotted reserve. The funds, which would be used to conduct the linking study, would be released by DOA if a different testing vendor is selected to provide the tests in 1996-97 when the contract is rebid.

e. Decrease the additional amount provided for performance assessment development by \$250,000 annually to reflect a reduction in funds for travel expenses (\$50,000 annually) and a delay in the development of the social studies assessment (\$200,000 annually).

f. Delete funding for parental notices (\$40,000 in 1995-96 and \$60,000 in 1996-97). Repeal the requirement for parental notification that pupils may be excused from taking the tests. A school board would still be required to excuse a pupil from taking the tests upon the request of the pupil's parent or guardian.

Assembly/Legislature: Delete the provision which would require the Department to adopt or approve performance assessments to be administered by school districts in the 4th, 8th and 10th grades on a voluntary basis in 1995-96 and on a mandatory basis in 1996-97. Delete \$2,375,000 in 1995-96 and \$3,650,000 in 1996-97 related to the development and administration of performance assessments. In addition, require the Department to study the utility of administering technology-based performance assessments to pupils.

Further, restore \$300,000 in 1996-97 for administration of a 4th grade knowledge and concepts test which was recommended by the Governor, but deleted by Joint Finance.

[Act 27 Sections: 569m, 587t, 3971b thru 3971yd, 4037 and 9145(2)]

15. LEARNING ASSISTANCE GRANTS

	Chg. to Base
GPR	- \$4,868,000

Governor/Legislature: Repeal the learning assistance grant program and delete base level funding (-\$2,434,000 annually). The program provides grants to school districts and CESAs to do one or more of the following: (a) coordinate educational and health and social services for pupils and their families; (b) integrate early childhood education and child care; (c) develop, implement or enhance gifted and talented programs; (d) provide services to limited-English speaking pupils from Indo-Chinese language groups; (e) assist pupils who failed to score above the state minimum performance standard on the third grade reading test; and (f) provide educational, health, nutritional, mental health and social services for low-income preschoolers and their families.

[Act 27 Sections: 591 and 3875]

16. STAFF DEVELOPMENT GRANTS

	Chg. to Base
GPR	- \$1,600,000

Governor/Legislature: Repeal the staff development grant program and delete base level funding (-\$800,000 annually). Currently, half of the money is awarded to school districts with equalized property values per member below 75% of the statewide average and the other half is awarded without regard to district wealth.

[Act 27 Sections: 592, 3877 and 3997]

17. SCIENCE AND MATHEMATICS EDUCATION GRANTS

	Chg. to Base
GPR	- \$1,200,000

Governor/Legislature: Delete \$600,000 annually to reflect the repeal of two programs: (a) the science, mathematics and technology education grants program in which funds are awarded to school districts (individually or with another school district, CESA or postsecondary institution) to promote the interaction of pupils and teachers with professional scientists, engineers and mathematicians (-\$500,000 annually); and (b) grants to school districts for the enhancement of mathematics and science instruction in the elementary grades (-\$100,000 annually).

[Act 27 Sections: 582, 589, 3876, 3881 and 3997]

18. YOUTH SERVICE CENTERS/TRUANCY ABATEMENT AND BURGLARY SUPPRESSION PROGRAM [LFB Paper 772]

	Chg. to Base
GPR	\$585,000

Governor: Extend the sunset date for the appropriation for the youth service centers/truancy abatement and burglary suppression (TABS) program in Milwaukee from June 30, 1995 to June 30, 1996. Provide \$585,000 in 1995-96 for: (a) the Milwaukee Public Schools (MPS) to contract with the Boys and Girls Clubs of Greater Milwaukee for the operation of one or more youth service centers for the counseling of truants taken into custody by law enforcement officers; and (b) the salaries and fringe benefits of up to four City of Milwaukee law enforcement officers to work on TABS activities on a full-time basis. Provide that of the total, \$193,000 would be used to pay the costs under (b). Beginning July 1, 1996, allow (rather than require) MPS to establish one or more youth service centers. Require that if such centers are established, MPS contract with the Boys and Girls Clubs of Greater Milwaukee for their operation. Currently, MPS is the only school district which is required to establish youth service centers; all other school districts are allowed to establish the centers. A total of \$497,000 in 1993-94 and \$585,000 in 1994-95 was provided to the City and MPS for the youth service centers/TABS program.

Joint Finance/Legislature: Modify provision to require that, beginning on July 1, 1996, MPS contract with the Boys and Girls Clubs of Greater Milwaukee for the operation of two youth service

centers and pay the City of Milwaukee an amount sufficient to fund the salaries and fringe benefits for four law enforcement officers to work on TABS activities on a full-time basis.

[Act 27 Sections: 588, 3947, 4017t, 4017u, 7299m and 7300]

19. HUMAN GROWTH AND DEVELOPMENT GRANTS

	Governor (Chg. to Base)	Assembly/Leg. (Chg. to Gov.)	Net Change
GPR	- \$400,000	- \$614,400	- \$1,014,400

Governor: Repeal the program in which grants are awarded to school districts and CESAs to develop or improve human growth and development curricula and delete base level funding (-\$200,000 annually). The state would continue to provide \$307,200 annually to CESAs to assist school districts with human growth and development programs.

Assembly/Legislature: Include provision. In addition, repeal the provision through which each cooperative educational service agency (CESA) receives a \$25,600 annual grant to assist school districts with human growth and development programs and delete \$307,200 annually. In addition, modify current law by providing that a school board is required to appoint an advisory committee to develop a human growth and development curriculum and review the curriculum at least once every three years, only if the school district offers a human growth and development curriculum. Repeal the requirement that the advisory committee file a written report with the Department indicating that it has reviewed the curriculum.

[Act 27 Sections: 591m, 593, 3855, 3924r, 3924t, 3936m and 3937]

20. AID FOR TRANSPORTATION TO POSTSECONDARY INSTITUTIONS

	Chg. to Base
GPR	- \$60,000

Governor/Legislature: Reestimate aid for transportation to postsecondary institutions by -\$30,000 annually below the 1994-95 base level of \$50,000. The state reimburses low-income families for the cost of transportation incurred under the postsecondary enrollment options program.

21. SCHOOL LIBRARY AIDS

	Chg. to Base
SEG	- \$2,500,000

Governor/Legislature: Reestimate the amount of income derived from the common school fund by -\$1,300,000 in 1995-96 and -\$1,200,000 in

1996-97 from the 1994-95 base level of \$15,500,000. The funds are distributed to school districts, on a per capita basis, for the purchase of library materials.

22. DRIVER EDUCATION AID

Chg. to Base	
SEG	\$272,300

Governor/Legislature: Reestimate driver education aid (which is paid from the transportation fund) by \$272,300 in 1996-97 over the 1994-95 base level of \$4,734,000. School districts receive \$100 for each pupil who completes a driver education course.

23. PROGRAM REVENUE-FUNDED AODA GRANT PROGRAM

Chg. to Base	
PR	\$179,300

Governor/Legislature: Reestimate program revenues for grants to school districts for alcohol and other drug abuse programs by \$58,800 in 1995-96 and \$120,500 in 1996-97 over the base level of \$1,175,700. Funding is derived from a portion of the 20% penalty assessment surcharge imposed on certain fines and forfeitures.

24. AID TO MILWAUKEE PUBLIC SCHOOLS [LFB Paper 770]

Governor: Provide that funds appropriated to the Milwaukee Public Schools for compensatory education programs for disadvantaged pupils in 1995-96 would be distributed according to a spending plan developed by the MPS School Board and approved or modified by the Governor. In addition, require that by January 1, 1996 (and by each January 1 thereafter) the Governor submit a proposal to the Joint Committee on Finance (JFC) and the appropriate standing committees regarding the expenditure of these funds for the following school year. Provide that the standing committees may submit their recommendations to JFC within 30 days of receiving the proposal, and that the expenditure proposal and any change to the proposal must be approved by JFC. The same procedure was prescribed for the 1994-95 aid distribution, except that the Governor and the State Superintendent submitted a joint proposal to the committees. Current law does not specify the procedure for distributing the funds beyond 1994-95. Under the bill, the appropriation would remain at its base level of \$8,000,000.

Joint Finance/Legislature: Modify the provision regarding the approval process for fiscal year 1996-97 and thereafter by requiring that the Governor submit an expenditure proposal to JFC and the appropriate standing committees by June 1, 1996 (and by each June 1 thereafter). The standing committees would have until June 15 to submit any recommendations to JFC. By June 30, JFC would have to schedule a meeting to review, modify or reject the proposal or the expenditure proposal would be considered approved.

[Act 27 Sections: 4019, 4020, 4020g and 4020r]

25. MILWAUKEE PUBLIC SCHOOLS -- PROFESSIONAL DEVELOPMENT

	Jt. Finance Chg. to Base
GPR	- \$400,000

Governor: Repeal the requirement that the state aid provided to the Milwaukee Public Schools for staff development activities be used as follows: (a) 67% of the funds to provide a mentor teacher program for inexperienced teachers and a peer coaching program for experienced teachers; and (b) 33% of the funds for school administrator assessment activities. Instead, MPS would only be required to use the funds for professional staff development activities. The appropriation would remain at its base level of \$400,000.

Joint Finance/Legislature: Effective July 1, 1996, repeal the program and delete \$400,000 in 1996-97.

[Act 27 Sections: 587r and 4022]

26. COOPERATIVE EDUCATIONAL SERVICE AGENCIES [LFB Papers 765 and 766]

Governor: Direct that the Department, beginning on July 1, 1996, reorganize the 12 cooperative educational service agencies (CESAs) into 15 CESAs. Provide that the reorganization and all of the statutory provisions described in this item would take effect on July 1, 1997. Each reorganized CESA would be coterminous with a single technical college district, with the exception of one CESA which would be coterminous with the territory of two technical college districts. Repeal the provision which allows a school district, through a petition to the Department, to transfer from one CESA to another.

The reorganized CESAs and their coterminous technical college districts (with location of main campus) would be as follows: CESA 1--Gateway (Kenosha); CESA 2--Blackhawk (Janesville); CESA 3--Southwest (Fennimore); CESA 4--Madison; CESA 5--Waukesha and Milwaukee; CESA 6--Moraine Park (Fond du Lac); CESA 7--Lakeshore (Cleveland); CESA 8--Fox Valley (Appleton); CESA 9--Mid-State (Wisconsin Rapids); CESA 10--Western (La Crosse); CESA 11--Chippewa Valley (Eau Claire); CESA 12--North Central (Wausau); CESA 13--Northeast (Green Bay); CESA 14--Nicolet (Rhineland); and CESA 15--Indianhead (Shell Lake). Provide that if a school district's territory is located in more than one reorganized CESA, the school board would determine in which of the two CESAs it will participate.

Increase the membership of each CESA board of control to include one member of the board of each technical college district located in the reorganized CESA and a representative of each UW System institution and center that is located in the agency. Under current law, each CESA board of control can have up to 11 members elected by an annual convention of representatives of school boards within the CESA region; the members serve staggered 3-year terms. Provide that the additional board of control members would also serve 3-year terms. Increase technical college district board membership from nine to 11 members. The two additional members would be: one member of the board of control of the CESA located in the technical college district and one employee of a school district or CESA, located in the

district, who represents a school-to-work program. Both members would be appointed by the CESA board of control.

Provide that the assets and liabilities (including employment contracts but excluding real property and regional data processing equipment) of the existing CESAs would be distributed among the reorganized CESAs based on agreements made among the existing boards of control. Provide that the agreements would be based upon the use made of agency services by the school districts within each agency. Direct that a copy of each agreement be sent to the Secretary of the Department of Education for his or her approval by March 15, 1997. Provide that if no agreement is reached by that date, the Secretary would distribute the assets and liabilities. The transfer of assets and liabilities associated with real property and with regional data processing equipment would be based on a contract assigning ownership shares to each school board that was a party to such purchases. The Secretary of DOE would approve the real property ownership contracts and resolve any disagreements related to the data processing equipment ownership contracts.

Provide that no employment contract entered into or extended by a CESA board of control between the effective date of this bill and July 1, 1997, could extend beyond July 1, 1997. Provide that the reorganization's impact on the wages, hours and conditions of employment of CESA employees would be a mandatory subject of collective bargaining. Direct the Department to submit a report by March 31, 1997, to the Governor and the Legislature on the progress made in reorganizing the CESAs.

Finally, modify the statutory authority of CESAs as follows:

- a. Provide that CESAs can serve as a link between school districts and technical college districts. Currently, their statutory purpose is to serve as a link between school districts and between school districts and the state.
- b. Clarify that a CESA's authority to provide leadership and coordination services would include "other agencies" not just school districts.
- c. Provide that a CESA's authority to provide services would not be limited to those specified in the statutes (that is, curriculum development assistance, school district management development, coordination of vocational education and exceptional education, research, special student classes, human growth and development, data collection, processing and dissemination, and in-service programs.)
- d. Allow CESAs to enter into service contracts with other public and private entities. Under current law, CESAs are allowed to contract with school districts (located anywhere in the state), counties, other CESAs, UW System institutions and centers, and technical college districts.
- e. Allow the CESA board of control to apply for state and federal grants for the CESA and on behalf of school districts.

Joint Finance/Legislature: Delete the Governor's recommendations regarding CESA reorganization and statutory changes. Instead, modify current law as follows:

CESA Mission. Define the CESA mission to include leadership, coordination and education services to school districts, the UW System, and the Technical College System. Repeal the specific list of authorized services. In addition, authorize CESAs to facilitate communication and cooperation among all public and private schools, agencies and organizations that provide services to pupils.

Provide that private schools and agencies may participate in CESA services and offerings if the service or program: (a) was developed for and provided to public schools; and (b) can be provided without a negative effect on the CESA's ability to serve school districts.

CESA Governance. Provide the CESA board of control with the authority to govern the CESA, subject to the authority granted in the statutes and the bylaws established at the annual convention. Require that all CESAs hold their 1996 annual convention on June 12, 1996. Repeal all requirements related to governance procedures, effective June 12, 1996, except for those specifying: (a) the board of control be composed of school board members; (b) the period of time in which the annual convention must be held; (c) each school board appoint one of its members as a voting delegate to the convention; and (d) each UHS district territory choose one delegate to represent them at the annual convention (although the specific statutory procedures relating to choosing the representative would be repealed).

Require the annual convention on June 12, 1996 to establish bylaws to direct the board of control in its governance of the CESA. Require that the bylaws:

- Set the date of the annual convention and specify how a special meeting may be called.
- Provide for regular meetings of the board of control.
- Establish an initial plan of representation and specify how it may be amended.
- Specify the size of the board of control.
- Specify procedures for filling a vacancy on the board of control.
- Specify what offices are to be created, how officers are to be chosen, terms of office, duties of officers, and how officers may be removed.
- Provide for the establishment of fiscal control/responsibility/accountability measures.
- Provide for the designation of a public depository.
- Establish other bylaws necessary to govern the CESA.

Direct the Department of Public Instruction to draft sample bylaws to assist CESAs at the June 12, 1996, CESA convention and submit them to the CESAs by January 1, 1996.

Authority to Contract. Provide that CESA contracts be limited to those public and private agencies described under the mission. Clarify that CESA contracts for services which are, in turn, provided through contract to public or private agencies, are limited to those services for which those agencies would be authorized to contract directly under current law. Provide that contracts be limited to a maximum of 20 years (current maximum is three years).

School District Membership in CESA. Allow a CESA board of control to offer a service or program to a school district located outside the CESA's area only if the CESA in which the school district is located: (a) does not offer the service or program; or (b) authorizes the district to purchase the service or program from the other CESA. Under current law (which would be maintained under the Joint Finance recommendation), although school districts are not required to purchase CESA services, they are required to be members of the CESA in which they are located, with the exception of school districts in CESA 1 which are allowed to withdraw from the agency.

Charge for Agency Services. Provide that any contract with an entity other than a school district must require payment for at least the full cost of the service or program.

Agency Administrator. Provide that the board of control appoints a CESA administrator who is either licensed or eligible to be licensed by DPI as a school administrator. This provision would replace the current statute regarding the appointment of CESA administrators.

Real Property Purchases. Modify the authority of CESAs to purchase real property by providing that each purchase must be approved by a majority of delegates at the annual convention or a special meeting and approved by two-thirds of the member school boards through resolutions. Require school boards to vote on the proposed purchase within 60 days after the annual convention or special meeting approves the purchase. Clarify that all school districts in the CESA would be responsible for purchase payments. Under current law, real property purchases by CESAs must be approved by two-thirds of the board of control members and three-fourths of the member school boards.

Advisory Committees. Provide that, in addition to the current advisory committee of the school district administrators, the board of control may appoint other advisory committees broadly representative of the interests and users of the agency's services and programs.

Authority to Seek Grant Funding. Authorize CESAs to apply for any state or federal grants that a school district is eligible to apply for, provided that application for grants which may involve competition with school districts in the CESA must be made on behalf of one or more school districts in the CESA.

Accountability. Require the CESA board of control to provide each member school district an accountability plan that addresses both the efficiency and effectiveness of all CESA programs and services. Direct the Department to issue a composite report on all CESA programs and services, including their cost efficiencies and effectiveness, to the appropriate standing committees of the Legislature. Provide that the plans and reports would be submitted every third year, as scheduled by the Department.

Veto by Governor [A-11]: The Governor's veto affects the following provisions:

School District Membership in CESA. Delete provision which would allow a CESA to offer a service or program to a school district located outside the CESA's area only if the district's CESA either does not offer the service or program or authorizes the purchase.

Agency Administrator. Delete language requiring that the individual appointed as a CESA administrator must be licensed or eligible to be licensed as a school administrator.

Real Property Purchases. Delete provisions modifying the authority of CESAs to purchase real property. The current law requirements are retained.

[Act 27 Sections: 3847r, 3874g, 3874r, 3878m, 3914e thru 3919, 3920m, 3922c, 3922g, 3923m, 3925m, 9145(12v)&(12w) and 9445(3v)]

[Act 27 Vetoes Sections: 3922c (as it relates to s. 116.302(4)), 3922g and 3924m]

27. CHARTER SCHOOLS [LFB Paper 777]

Governor: Modify the charter school law as follows:

State Approval and Number of Charter Schools. Repeal the provision which: (a) requires the State Superintendent to approve the first 10 school district requests to establish charter schools; (b) limits to 10, the number of school districts which may establish charter schools; and (c) limits to two, the number of charter schools a school district may establish.

Legal Status of Charter Schools. Repeal the provision which specifies that a charter school is an instrumentality of the school district in which it is located and that all charter school employees are employees of the school district.

Expenditures. Repeal the provision which prohibits, in any school year, a school district from spending, on average, more per pupil on charter school pupils than on non-charter school pupils.

Charter School Requirements. Provide that the requirement that a charter school be nonsectarian in its programs, admissions, policies, employment practices and all other operations would not apply to charter schools established by the Board of Directors of the Milwaukee Public Schools.

Charter School Contracts. Allow a school board to enter into a contract for the establishment of a charter school which would result in the conversion of a private school to a charter school.

In addition, modify the municipal employment relations law as follows:

a. Require the Employment Relations Commission to place the professional employees assigned to perform any services at a charter school in a collective bargaining unit which is separate from a unit that includes any other professional employees, if at least 30% of the charter school professional employees request an election to determine the issue and a majority of the voting employees decide to be represented in a separate collective bargaining unit.

b. Provide that the reassignment of school district employees, with or without regard to seniority, resulting from a school board's decision to contract with an individual or group to operate a charter school (or to convert a school to a charter school) or the reassignment's impact on the employees' wages, hours or conditions of employment would be a prohibited subject of collective bargaining; this provision would first apply to employees on the date on which their collective bargaining agreement expires or is extended, modified or renewed.

Joint Finance: Modify the provision as follows:

a. Require any school district which intends to establish a charter school to notify the State Superintendent of its intention and to include a description of the proposed school in the notice. Provide that the State Superintendent would continue to receive such notification after January 1, 1996 (the effective date of the new Department of Education).

b. Maintain current statutory language which specifies that a charter school is an instrumentality of the school district in which it is located and that all charter school personnel are employees of the district. However, provide that this language would not apply to the Milwaukee Public Schools.

c. Delete the provision which would allow charter schools established by the Milwaukee Public Schools to be sectarian in their programs, admissions, policies, employment practices and all other operations.

d. Specify that the provision which would allow a school district to enter into a contract resulting in the conversion of a private school to a charter school would apply only to the Milwaukee Public Schools.

e. Specify that the provision which would provide that the reassignment of school district employees resulting from a school board's decision to contract to operate a charter school or the reassignment's impact on the employees' wages, hours or conditions of employment would be a prohibited subject of collective bargaining would apply only to the Milwaukee Public Schools.

f. Require that a charter school contract include quantifiable performance improvement standards.

g. Require the Board of Directors of the Milwaukee Public Schools to either grant or deny a petition to establish a charter school within 30 days after holding a public hearing on the petition. Provide that if the Board denies the petition, the person seeking to establish the charter school may, within 30 days after the denial, appeal the denial to the Department whose decision would be final and not subject to judicial review. Require the Department to issue a decision within 30 days after receiving the appeal.

Assembly: Modify provision to allow two or more school boards to enter into an agreement to jointly establish a charter school and require that the charter school be located within one of the school

districts. In addition, restore the Governor's proposal to repeal current statutory language which specifies that all charter school personnel are employees of the school district.

Further, provide that a school board's decision to contract for the establishment of a charter school in which one or more of the school's employees is not a school district employee, or that decision's impact on the school district employees' wages, hours or conditions of employment would be a prohibited subject of collective bargaining.

Senate/Legislature: Delete the Assembly provisions which would: (a) repeal the current law provision which specifies that all charter school personnel are employees of the school district in which the school is located; and (b) provide that a school board's decision to contract for a charter school involving non-district employees would be a prohibited subject of collective bargaining. Instead, as under the Joint Finance version, the requirement that all charter school personnel are school district employees would apply to all school districts except the Milwaukee Public Schools.

Veto by Governor [A-12 and A-13]: Delete the provision which would have required the State Superintendent to continue to receive notification of a school district's intent to establish a charter school after January 1, 1996. As a result, beginning January 1, 1996, the notification requirement would be transferred from the State Superintendent to the Department of Education. In addition, delete the provision which would have required that a petition to establish a charter school and the charter school contract include "quantifiable performance improvement standards."

[Act 27 Sections: 3793am, 3800am, 3801, 3983m, 3985 thru 3992m, 9320(1) and 9345(7)]

[Act 27 Vetoed Sections: 3984m and 9145(1)(b) (as it relates to s. 118.40(1))]

28. SCHOOL DISTRICT CONTRACTING FOR EDUCATIONAL SERVICES [LFB Paper 776]

Governor: Allow a school board to contract, for any term not exceeding three years, with any person for teaching or other educational services if the individual who will be providing the services is appropriately licensed by the State Superintendent and the person entering into the contract files a copy of the individual's license with the school board. (A "person" may be any legal entity, such as a corporation, partnership or nonprofit organization.) Provide that, except under specific health and antidiscrimination laws, individuals under contract would not be considered school district employees. Require school districts to annually report the number of pupils taught by persons under contract and provide that such pupils would be included in a school district's membership for state aid purposes. This provision would replace a more limited statute which allows school boards, with the State Superintendent's approval, to contract with private, nonsectarian education agencies for pupils who need concurrent treatment and education services, the educational portions of which are not available in the pupils' schools.

Joint Finance: Delete provision. Allow a school board to contract with any person for services that are not required to be provided by an individual licensed by the Department; however, this provision would not apply to the Milwaukee Public Schools.

Assembly: Delete the Joint Finance provision and restore the Governor's provision.

Senate/Legislature: Delete the Assembly provision and maintain current law with regard to school district contracting.

29. WAIVERS OF STATE EDUCATION LAWS AND RULES [LFB Paper 775]

Governor: Allow a school board to request the Department to waive any school board or school district requirement under Chapters 115 through 121 of the statutes or related administrative rules (generally the provisions which govern elementary and secondary education). Provide that waivers could not be granted for laws and rules that relate to: (a) the health and safety of pupils; (b) prohibiting pupil discrimination; (c) the state's pupil assessment programs; (d) pupil records; (e) the collection of data by the Department; (f) the uniform financial accounting system and auditing requirements; and (f) school personnel licensure and certification requirements. Require a school board to hold a public hearing in the district before requesting a waiver. Require that, in granting a waiver, the Department consider whether the requirement impedes progress toward achieving a local improvement plan under the federal Goals 2000: Educate America Act and whether the school board has adopted educational goals. Provide that a waiver would be effective for four years and would be renewed for additional four-year periods, unless the Department determines that the school district is not making adequate progress toward improving pupil academic performance.

Joint Finance/Legislature: Modify the provision as follows:

- a. Allow a school board to request a waiver from laws and rules relating to licensure and certification of school district administrators or business managers.
- b. Clarify that, in determining to grant a waiver: (a) the Department would be required to consider whether the requirement impedes progress toward achieving the school board's educational goals, if the board has adopted such goals; and (b) the Department may consider other factors in making its decision.
- c. Require the school board to include in its request for a waiver, the reason for the request.
- d. Provide that a school district which receives a waiver would be required to evaluate the financial and educational effects of the waiver over the previous four-year period before it could be renewed.

e. Provide that, beginning on January 1, 1996, waiver requests would be reviewed and approved by the Secretary of Education. If the Secretary denies a waiver, the school board would be allowed, within 30 days after the denial, to appeal the decision to the Education Commission. Require the Commission to issue a decision on the appeal within 30 days after receiving the appeal.

f. Require the Department to report to the Governor and the appropriate standing committees of the Legislature by July 1, 2000, on the number of waivers requested, a description of all waivers requested, the reason given for each waiver request and the educational and financial effects on the school district of each waiver granted.

[Act 27 Section: 3981]

30. SCHOOL DISTRICT STANDARDS AUDITS [LFB Paper 764]

Governor/Legislature: Repeal the requirement that the Department conduct an audit of each school district for compliance with the state's educational standards at least once every 10 years. Instead, require the agency to conduct an inquiry into compliance with the standards upon receipt of a complaint and provide that the Department may, on its own initiative, conduct an audit of a school district.

Chg. to Base Funding Positions		
GPR	- \$472,700	- 5.75
FED	0	- 1.25
Total	- \$472,700	- 7.00

In addition, delete \$472,700 GPR and 5.75 GPR positions and 1.25 FED positions in 1996-97 to reflect the elimination of the Department's Outreach Team which is currently responsible for conducting the state standards audits and providing technical assistance to school districts regarding compliance with the standards.

[Act 27 Section: 4038]

31. READING SPECIALIST REQUIREMENT

Governor: Repeal the requirement that each school district employ a certified reading specialist to develop and coordinate a comprehensive reading curriculum at all grade levels (K-12). A school board would still be required to develop K-12 reading goals, assess its K-12 reading needs, and annually evaluate the district's reading curriculum.

Senate/Legislature: Delete provision.

32. LIMIT ON COMPENSATION INCREASES FOR NONREPRESENTED PROFESSIONAL EMPLOYEES [LFB Paper 778]

Governor: Modify the current limit on annual compensation (hereafter referred to as salary) increases granted by a school district for nonrepresented professional employees (that is, those who are required to hold a DPI-issued license but are not members of a collective bargaining unit). Prohibit a school district from granting for all such employees an average percentage increase in salary costs per employee that exceeds the highest average total percentage increase in salary costs per employee provided by the district for professional employees who are represented in any collective bargaining unit. This limit would apply to any 12-month period ending on June 30, but prior to July 1, 1996. The measurement of salary increases provided to represented employees would be based on either of the two most recent 12-month periods ending on June 30 preceding the effective date of the nonrepresented employees increase. Under this provision, nonrepresented professional employees could receive a greater percentage increase in a contract commencing on or after the bill's effective date, than the represented professional employees in any contract commencing on or after that date if the represented employees received more than a "qualified economic offer" (QEO) in either of the preceding two years and are now subject to the QEO. Such a situation could occur where: (a) provisions of an earlier contract involving represented employees continued to apply to any period after June 30, 1993; or (b) a new contract had been entered into between July 1, 1993, through August 11, 1993, after which time the QEO provision took effect.

Under current law, nonrepresented professional employees in a school district are restricted as a group from receiving an annual increase in salary that is greater than the amount generated by multiplying 2.1% times the total prior year cost of salary and fringe benefits for such employees. In addition, fringe benefit cost increases for such employees are limited to 1.7% of total prior year salary and fringe benefit costs. All existing fringe benefits must be maintained by the district at prior year contribution levels. If the increased cost of benefits exceeds the 1.7% limit, then the costs in excess must be offset against the amount of funds otherwise available for compensation increases under the 2.1% limit. Under the Governor's proposal, the 1.7% limit on fringe benefit cost increases and the maintenance of fringe benefits requirement would remain in effect; furthermore, excess fringe benefit costs would continue to be offset against the funds available for salary increases.

In addition, repeal the requirement that the term of each employment contract for a school district administrator (including business managers, school principals and assistants to such persons) may not exceed two years in length, must expire on June 30 of an odd-numbered year, and must coincide with the state fiscal biennium. Instead, provide that the initial employment contract must be for a term of at least two years; a date of expiration would not be specified. In addition, provide that if at least four months prior to the expiration of an administrator's contract, a school board fails to give notice of either renewal or nonrenewal, the contract then in force continues for two years.

Joint Finance: Delete the provision which would modify the current limit on annual compensation increases for nonrepresented professional employees. Instead, modify current law by providing that such employees would be permanently restricted, as a group, from receiving an annual increase in total compensation (salary and fringe benefits) that is greater than the amount generated by multiplying 3.8%

times the total prior year cost of salary and fringe benefits for such employees. This modification would apply to all administrator contracts entered into after the effective date of the budget bill.

Delete the provision which would modify the current term of school administrator contracts. Instead, modify current law by providing that the term of each employment contract may not exceed two years in length and a date of expiration would not be specified. In addition, provide that a two-year contract may provide for one or more extensions of one year each. (The Governor's provision regarding notice of renewal or nonrenewal would be included under the Joint Finance version.)

Assembly: Delete the Joint Finance provision related to the term of school administrator contracts and restore the Governor's recommendation which would provide that the initial employment contract must be for a term of at least two years without a specified date of expiration.

Senate/Legislature: Restore the Joint Finance provision which would provide that the contract term for school administrators may not exceed two years in length without a specified expiration date, and that a two-year contract may provide for one or more extensions of one year each.

Modify the provision related to annual compensation increases for nonrepresented professional employees by providing that such employees in a school district would be permanently restricted, as a group, from receiving an annual increase in total compensation costs (salary and fringe benefits) that is greater than either: (a) the amount generated by multiplying 3.8% times the total prior year cost of salary and fringe benefits for such employees; or (b) the average percentage increase in total compensation costs per employee provided for the most recent 12-month period ending on June 30 by the district for professional employees who are represented in any collective bargaining unit, whichever is greater.

[Act 27 Sections: 3957, 3959 thru 3966 and 9345(3)&(4)]

33. WISCONSIN INSTITUTE FOR SCHOOL EXECUTIVES [LFB Paper 773]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$250,000	- \$250,000	\$0

Governor: Provide \$250,000 in 1996-97 through a new, annual appropriation for payments to the Wisconsin Institute for School Executives. According to the Executive Budget Book, the funds would be used for start-up costs for the Institute which would provide statewide continuing education programs for school administrators.

Joint Finance: Modify provision by providing \$125,000 annually in the Joint Finance Committee's supplemental appropriation which would be earmarked for payments to the Wisconsin Institute for School Executives (WISE). Require the Institute to submit a report to the Committee on its objectives and proposed activities that includes a detailed budget for the staffing and operation of the Institute and

identifies all funding sources. Provide that release of funds to the WISE appropriation (which would sunset on June 30, 1997) would be subject to the Committee's approval of the report under a 14-day passive review process. (Funding for the program is shown under "Program Supplements.")

Assembly: Delete provision. No funding would be provided for payments to WISE.

Senate/Legislature: Restore provision as modified by Joint Finance.

[Act 27 Sections: 598 and 9137(1j)]

34. MILWAUKEE PUBLIC SCHOOLS -- CONTRACTING FOR EDUCATIONAL PROGRAMS [LFB Paper 776]

Governor: Allow the Board of Directors of the Milwaukee Public Schools to contract with any nonprofit, private school or agency located in the City of Milwaukee to provide educational programs to pupils enrolled in the district. Require the Board to ensure that each private school or agency under contract comply with specific state and federal laws relating to confidentiality of pupil records and prohibiting pupil discrimination as well as all health and safety laws and rules that apply to public schools. Allow any MPS pupil to attend, at no charge, any private school or agency with which the Board has contracted provided space is available. Require the Board to annually report the number of pupils taught under contract and provide that such pupils would be included in the district's membership for state aid purposes.

Require each private school or agency under contract with the MPS Board to: (a) offer a full, school-year educational program; (b) participate in the MPS parent information program; (c) offer diverse opportunities for parental participation; (d) meet insurance and financial requirements set by the Board; and (e) report any information requested by the Board. In addition, the school or agency would have to develop a pupil recruitment and enrollment plan that incorporates: a good faith effort to achieve racial balance; a pupil selection process that gives preference to siblings of enrolled pupils and no other preferences except those approved by the Board; and a description of how the plan will serve low-academic achievers and pupils from low-income families. Require the Board to establish appropriate, quantifiable performance standards for pupils served under the contracts; monitor the program's performance (standardized basic skills tests may be used); and include a summary of its findings in its annual report to the State Superintendent.

Provide that the Board's decision to enter into such a contract or that decision's impact on the wages, hours or conditions of employment of MPS employees would be a prohibited subject of collective bargaining; this provision would first apply to employees on the date on which their collective bargaining agreement expires or is extended, modified or renewed.

Joint Finance/Legislature: Modify provision by requiring that private schools and agencies under contract with MPS be nonsectarian. In addition, clarify that such agencies must be private and nonprofit.

Veto by Governor [A-14]: Delete the requirement that a private school or agency under contract with MPS be nonprofit.

[Act 27 Sections: 3793am, 3801, 4010, 4042 and 9320(1)]

[Act 27 Vetoed Section: 4010]

35. MILWAUKEE PUBLIC SCHOOLS -- CONTRACTING FOR MANAGEMENT SERVICES
[LFB Paper 776]

Governor: Allow the Board of Directors of the Milwaukee Public Schools to contract with any person to manage or operate one or more schools. Provide that the Board's decision to enter into such a contract or that decision's impact on the wages, hours or conditions of employment of MPS employees would be a prohibited subject of collective bargaining; this provision would first apply to employees on the date on which their collective bargaining agreement expires or is extended, modified or renewed.

Joint Finance/Legislature: Delete provision.

36. MILWAUKEE PUBLIC SCHOOLS -- SCHOOL CLOSING AUTHORITY [LFB Paper 768]

Governor/Legislature: Provide that the Board of Directors of the Milwaukee Public Schools may close any school that it determines is low in performance by adopting a resolution to that effect. Require the MPS Superintendent, upon recommending that a school be closed, to state the reasons for the recommendation in writing. Allow the MPS Superintendent to either reassign the staff members of a closed school or to reassign staff members to a reopened school, without regard to seniority in service. Provide that the reassignment of MPS employees or its impact on the employees' wages, hours or conditions of employment would be a prohibited subject of collective bargaining; this provision would first apply to employees on the date on which their collective bargaining agreement expires or is extended, modified or renewed.

[Act 27 Sections: 3793am, 3801, 4000 and 9320(1)]

37. MILWAUKEE PUBLIC SCHOOLS -- SUPERINTENDENT OF SCHOOLS AND BUSINESS MANAGER [LFB Paper 769]

Governor/Legislature: Repeal the July 1, 1999, sunset date for the provision which permits the Board of Directors of the Milwaukee Public Schools to elect a superintendent of schools who is not

licensed by the Department. In addition, allow the Board to employ a business manager who is not licensed by the Department.

[Act 27 Sections: 4013 and 4014]

38. COMPULSORY SCHOOL ATTENDANCE [LFB Paper 771]

Governor: Lower the age of compulsory school attendance from 18 to 17 years of age; therefore, once a child becomes 17 years of age, he or she would not be required to attend school regularly.

Under current law, a child who is 17 years of age or over may be excused from attendance by the school board if the child, with the written approval of the child's parent or guardian, requests and agrees to participate in a program or curriculum modification leading to high school graduation or an equivalency diploma. The bill would provide that a school board, upon the request of a child who is 17 years of age or over, may allow the child to participate in such a program or curriculum modification (parental approval would not be required).

In addition, under current law, a child who is 17 or older must be excused from attendance by the school board if the child began a program leading to a high school equivalency diploma in a secured correctional facility and the child and his or her parent agree that the child will continue to participate in such a program. The bill would repeal this provision.

Joint Finance/Legislature: Delete provision. Instead, provide that upon the child's request and with the written approval of the child's parent or guardian, any child age 16 or older shall be excused by the school board from regular school attendance if the child presents evidence satisfactory to the board that he or she is: (a) employed on a full-time basis; or (b) participating in an adult apprenticeship program. Provide that the excuse would apply only during the period of time in which the child is participating in one of these activities.

Veto by Governor [A-6]: Delete Joint Finance provision. As a result no language remains in the budget regarding compulsory school attendance.

[Act 27 Vetoed Section: 3941m]

39. SCHOOL BOARD DUTIES AND POWERS [LFB Paper 774]

Governor: Provide that the statutory duties and powers of school boards shall be broadly construed to authorize any school board action that is within the comprehensive meaning of the terms of the duties and powers, if the action is not prohibited by federal or state law. In addition, permit school boards to do all things reasonable to promote the cause of education, including establishing, providing and improving school district programs, functions and activities for the benefit of pupils.

Assembly: Delete the provision which would permit school boards to do all things reasonable to promote the cause of education.

Senate/Legislature: Restore the provision deleted by the Assembly.

[Act 27 Sections: 3931, 3997, 3998, 3999 and 4024]

40. DEBT SERVICE REESTIMATE

Governor/Legislature: Reestimate debt service costs by \$76,300 in 1995-96 and \$56,200 in 1996-97 over the base level of \$781,900.

Chg. to Base	
GPR	\$132,500

41. FEDERAL REVENUE REESTIMATES

Governor/Legislature: Reestimate federal revenues by \$54,289,700 FED and \$1,034,700 PR-S in 1995-96 and \$58,625,800 FED and \$1,041,000 PR-S in 1996-97. (The PR-S funds represent federal monies transferred to DPI from other state agencies). Of the total, \$44,476,700 annually is a reestimate of federal aid distributed to local school districts. The remainder consists of: \$8,393,300 in 1995-96 and \$12,729,800 in 1996-97 in federal aid to individuals and nongovernmental organizations (primarily child nutrition programs); \$2,771,300 in 1995-96 and \$2,777,200 in 1996-97 in federal funds for DPI operations; -\$560,000 annually for the Chapter 2 block grant and grants to local libraries; and \$243,100 annually for federal indirect cost reimbursements. In most cases, these amounts do not represent an increase in federal revenue in the 1995-97 biennium, but rather they reflect reestimates of federal revenues actually received during the 1993-95 biennium which were not included in DPI's federal appropriations established for the 1993-95 budget.

Chg. to Base	
FED	\$112,915,500
PR	2,075,700
Total	\$114,991,200

42. INFORMATION TECHNOLOGY DEVELOPMENT [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$125,000	- \$125,000	\$0

Governor: Provide \$101,000 in 1995-96 and \$24,000 in 1996-97 through a new, continuing PR-S appropriation for information technology development projects. In the 1995-97 biennium, the funds would be used to purchase and install an interactive voice response system for the agency. Funding for the appropriation would be derived from the information technology investment fund which would be created in the bill (see "Administration").

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"]

[Act 27 Section: 576]

43. PROGRAM AND SEGREGATED REVENUE REESTIMATES

Governor/Legislature: Adjust program revenue expenditure authority as follows:

	Chg. to Base
PR	\$554,600
SEG	32,000
Total	\$586,600

a. Increase funding by \$588,700 in 1995-96 and \$589,000 in 1996-97 (which includes reestimates of \$400,000 annually for charges paid by schools and other agencies for the storage and shipping of commodities; \$80,000 annually for charges paid by school districts for weekend transportation costs at the residential schools; and \$50,000 annually from school personnel licensing fees).

b. Decrease funding by \$623,100 over the biennium (which includes reestimates of -\$269,900 for intra-agency data processing revenues; -\$78,100 annually for gifts and grants; -\$34,500 annually for publications; and -\$30,000 annually to reflect elimination of support for the administrative leadership academy).

In addition, adjust segregated revenue expenditure authority by \$2,000 SEG in 1995-96 and \$30,000 SEG in 1996-97 to reflect estimated revenues from the environmental fund.

44. APPROPRIATION STRUCTURE

Governor/Legislature: Create a third program in the Department's appropriation structure entitled Aids to Libraries, Individuals and Organizations. Currently, there are two programs in DPI's appropriation structure: Program 1--Educational Leadership (which primarily consists of state operations and aids to individuals and organizations) and Program 2--Aids for Educational Programming (which primarily consists of local assistance programs). Transfer the following appropriations from Program 1 to the new Program 3: (a) aid to public library systems; (b) youth village program; (c) Wisconsin geography alliance; (d) Very Special Arts; (e) Special Olympics; (f) minority group pupil scholarships; (g) federal funds, local assistance; and (h) federal funds, individuals and organizations. In addition, transfer the GPR and SEG appropriations for environmental education grants from Program 1 to Program 2. Although there would be a few exceptions, the Governor's proposal would divide the Department's appropriations for state operations, local assistance to school districts, and aids to individuals, organizations and libraries into three separate programs.

Create a sum certain appropriation (in Program 3) for library service contracts. Transfer \$865,100 GPR annually from the agency's general program operations appropriation (through which the contracts are currently funded) to the new appropriation.

[Act 27 Sections: 569, 570m thru 575, 577 thru 579, 596, 597, 1978, 1980, 3856, 3879, 3880 and 3885]

45. SUMMER SCHOOL FOR VISUALLY HANDICAPPED MINORS

Governor/Legislature: Permit the Department to maintain a summer school program for visually handicapped minors at the School for the Visually Handicapped. Under current law, the Department is allowed to maintain a summer school for deaf persons at the School for the Deaf and is required to maintain a summer school for visually handicapped adults at the School for the Visually Handicapped.

[Act 27 Section: 3890]

46. UNALLOCATED BUDGET REDUCTION [LFB Paper 764]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$2,318,000	- \$2,110,800	- \$4,428,800

Governor: Reduce the agency's general program operations appropriation by \$772,700 in 1995-96 and \$1,545,300 in 1996-97. Require the Department to submit a report to the Governor and the Joint Committee on Finance by October 1, 1995, recommending the allocation of these reductions among its GPR appropriations; the bill does not indicate that approval of the report would be required.

Joint Finance/Legislature: Increase the unallocated reduction by \$132,100 in 1995-96 and \$1,978,700 in 1996-97. The total amount of the unallocated reduction would be \$904,800 in 1995-96 and \$3,524,000 in 1996-97. Modify the reporting requirement by directing DPI 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 (excluding local assistance appropriations and the appropriation for library service contracts). Provide that the recommendations would be subject to the Committee's approval under a 14-day passive review process.

Veto by Governor [C-24]: Delete the language regarding the 14-day passive review process. As a result, the procedures under s. 13.10 of the statutes would apply to the agency's recommendations.

[Act 27 Section: 9145(7)]

[Act 27 Vetoed Section: 9145(7)]

47. BUDGET REDUCTIONS: DIVISION FOR LEARNING SUPPORT -- INSTRUCTIONAL SERVICES [LFB Paper 764]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$2,303,100	- 26.54	\$2,110,800	24.04	-\$192,300	- 2.50
FED	0	- 19.40	0	19.40	0	0.00
PR	0	- 13.73	0	13.73	0	0.00
Total	-\$2,303,100	- 59.67	\$2,110,800	57.17	-\$192,300	- 2.50

Governor: Delete \$164,500 GPR and 3.0 GPR positions in 1995-96 and \$2,138,600 GPR and an additional 23.54 GPR positions in 1996-97 from the Division for Learning Support--Instructional Services (whose functions include teacher education and licensing programs; early childhood education; curriculum development assistance; and the administration of various state and federal grant programs). The GPR reductions would be allocated as follows:

a. *Divisionwide.* Delete 0.5 administrative officer position (-\$32,400 annually). Delete 2.0 positions beginning in 1996-97 (-\$127,500).

b. *Integrated and Applied Curricula Team.* Delete 2.5 positions (-\$132,100 annually). Delete 15.15 positions beginning in 1996-97 (-\$1,290,600). Included in these reductions would be 9.5 consultants in the areas of vocational education and vocational student organizations which the Department would continue to be statutorily required to provide within the Integrated and Applied Curricula Team.

c. *Instructional Strategies Team.* Delete 5.39 positions beginning in 1996-97 (-\$460,300).

d. *Bright Beginnings Team.* Delete 1.0 position beginning in 1996-97 (-\$95,700).

In addition, the bill would delete position authority beginning in 1996-97 for 19.4 FED and 13.73 PR positions within the Division; however, there would be no corresponding decrease in funding. The deletions would be allocated as follows: Integrated and Applied Curricula (12.8 FED and 4.25 PR positions), Instructional Strategies (1.6 FED and 8.08 PR positions) and Bright Beginnings (5.0 FED and 1.4 PR positions). These reductions, combined with the above deletions of GPR positions, would result in the elimination of these three teams in 1996-97.

Joint Finance: Restore 2.5 GPR positions in 1995-96 and 24.04 GPR positions in 1996-97 (the positions identified under (b), (c) and (d) above). Funding for the positions would not be restored; instead, the amounts (\$132,100 in 1995-96 and \$1,978,700 in 1996-97) would be added to the agency's unallocated budget reduction. In addition, restore 19.4 FED and 13.73 PR positions in 1996-97.

Assembly/Legislature: Provide that of the amount appropriated for the Department's general program operations in 1996-97 (\$9,807,100 GPR), \$741,100 GPR shall be allocated to fund the positions specified under s. 115.28(30) of the statutes. Under that statute, the Department is required to provide 9.5

full-time consultants in specific areas related to vocational education and vocational student organizations and 1.0 full-time apprenticeship education consultant).

Veto By Governor [A-10]: Delete the Assembly provision regarding the earmarking of funds for the consultant positions; however, the Department would still be required to provide the consultants specified under s. 115.28(30).

[Act 27 Vetoed Section: 9145(15e)]

48. BUDGET REDUCTIONS: OFFICE OF THE STATE SUPERINTENDENT [LFB Paper 764]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$687,600	- 5.50	\$0	1.00	-\$687,600	- 4.50
FED	0	0.00	0	- 0.50	0	- 0.50
Total	-\$687,600	- 5.50	\$0	0.50	-\$687,600	- 5.00

Governor: Delete \$343,800 and 5.5 positions annually by eliminating the staff within the State Superintendent's Office who are responsible for intergovernmental relations and public information. Because this function is currently authorized only 4.5 GPR positions within DPI's budget, this reduction would result in negative position authority. According to DOA, the intent of the Governor's proposal was to delete only 4.5 GPR positions and 0.5 FED position (which was not deleted).

Joint Finance/Legislature: Restore 1.0 GPR position and delete 0.5 FED position to conform to the intent of the Governor's proposal.

49. BUDGET REDUCTIONS: DIVISION FOR EDUCATIONAL ACCOUNTABILITY, POLICY AND MANAGEMENT SUPPORT [LFB Paper 764]

Chg. to Base Funding Positions		
GPR	-\$635,600	- 10.00

Governor/Legislature: Delete \$203,800 and 4.0 positions in 1995-96 and \$431,800 and an additional 6.0 positions in 1996-97 from the Division for Educational Accountability, Policy and Management Support (whose functions include data collection and reporting; pupil assessment programs; agency support and legal services; and budget and administrative rules development). The reductions would be allocated as follows:

a. *Bureau for Management Services.* Delete 1.0 general services section chief (-\$44,000 annually). Delete 3.0 positions beginning in 1996-97 (-\$112,000).

b. *Bureau for Policy and Budget.* Delete 1.0 administrative budget and management officer position (-\$54,800 annually). Delete 1.0 position beginning in 1996-97 (-\$33,700).

c. *Bureau for Information on Management.* Delete 1.0 management information specialist position (-\$38,200 annually). Delete 2.0 positions beginning in 1996-97 (-\$82,300).

d. *Bureau for Management Services and the Bureau for Human Resource Services.* Delete 1.0 supervisor position (-\$66,800 annually) which would result from the merger of the two bureaus as proposed in the Executive Budget Book.

50. BUDGET REDUCTIONS: DIVISION FOR LEARNING SUPPORT -- EQUITY AND ADVOCACY [LFB Paper 764]

Chg. to Base Funding Positions		
GPR	-\$565,200	- 5.75

Governor/Legislature: Delete \$282,600 and 5.75 positions annually from the Division for Learning Support--Equity and Advocacy (whose functions include assistance to the state's residential schools; administration of state and federal laws regarding handicapped and bilingual education; and pupil services programs). The reductions would be allocated as follows:

- a. *Exceptional Education Team.* Delete 1.0 position (-\$32,800 annually).
- b. *Student Services/Prevention and Wellness Team.* Delete 2.75 positions (-\$141,600 annually).
- c. *Educational Equity Team.* Delete 2.0 positions (-\$108,200 annually).

51. BUDGET REDUCTIONS: DIVISION FOR LIBRARIES AND COMMUNITY LEARNING [LFB Paper 764]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$515,300	- 5.65	\$300,900	2.90	-\$214,400	- 2.75

Governor: Delete \$190,000 and 3.65 positions in 1995-96 and \$325,300 and an additional 2.0 positions in 1996-97 from the Division for Libraries and Community Learning (whose functions include instructional technology; community education; and assistance to, and administration of aid programs for, school and public libraries). The reductions would be allocated as follows:

- a. *Library Development Team.* Delete 0.4 library consultant position (-\$30,200 annually). Delete 1.0 library consultant position beginning in 1996-97 (-\$69,500).

b. *Resource Sharing Team.* Delete 1.0 library services assistant position (-\$30,000 annually). Delete 1.0 administrative officer position beginning in 1996-97 (-\$54,000). Reduce supplies and services funding by \$35,600 in 1995-96 and \$47,400 in 1996-97.

c. *Community Services and Publications Team.* Delete 0.5 photographic technician position (-\$17,000 annually). Delete 1.75 positions (-\$77,200 annually). Because the Team is currently authorized only 1.75 positions, these reductions would result in negative position authority. According to DOA, the 0.5 photographic technician position was inadvertently deleted twice.

Joint Finance/Legislature: Restore the following: (a) 0.4 library consultant (\$30,200 annually); (b) 1.0 library consultant (\$69,500 in 1996-97); (c) 1.0 administrative officer (\$54,000 in 1996-97); (d) 0.5 position as a technical correction (\$17,000 annually) and (e) supplies and services funding for the Resource Sharing Team (\$35,600 in 1995-96 and \$47,400 in 1996-97).

52. BUDGET REDUCTIONS: RESIDENTIAL SCHOOLS [LFB Paper 764]

	Chg. to Base Funding Positions	
GPR	- \$512,400	- 8.00

Governor/Legislature: Delete 3.0 positions at the School for the Deaf (-\$61,100 annually) and 5.0 positions at the School for the Visually Handicapped (-\$170,000 annually). In addition, reestimate utility costs by -\$27,800 in 1995-96 and -\$22,400 in 1996-97.

53. BUDGET REDUCTIONS: DIVISION FOR FINANCIAL RESOURCES AND MANAGEMENT SERVICES [LFB Paper 764]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov.) Funding Positions		Net Change Funding Positions	
GPR	- \$333,200	- 4.00	\$130,000	1.00	- \$203,200	- 3.00

Governor: Delete \$135,700 and 2.0 positions in 1995-96 and \$197,500 and an additional 2.0 positions in 1996-97 from the Division for Financial Resources and Management Services (whose functions include school finance consultation; state aid administration; state and federal child nutrition programs; and services to minority and disadvantaged students). The reductions would be allocated as follows:

- Divisionwide.* Delete 2.0 positions beginning in 1996-97 (-\$61,800).
- Bureau for Educational Opportunity Programs/Office of Urban Education.* Delete 1.0 school administration consultant (-\$70,700 annually).

c. *Bureau for Food and Nutrition Services.* Delete 1.0 school food service team leader (-\$65,000 annually).

Joint Finance/Legislature: Restore 1.0 school food service team leader position (\$65,000 annually).

54. 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	-\$215,600	- 1.00	\$0	1.00	-\$215,600	0.00

Joint Finance: Delete \$107,800 and 1.0 position annually to reflect the elimination of the Department's executive assistant position.

Senate/Legislature: Restore position authority (but not funding) for the executive assistant position.

55. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Reduce the Department's budget (excluding the residential schools) each year by \$74,500 GPR and 1.60 GPR positions; \$83,000 FED and 2.0 FED positions; and \$98,900 PR and 3.25 PR positions. In addition, reduce the residential schools' budget each year by \$44,000 GPR and 1.08 GPR positions; and \$77,200 FED and 1.93 FED positions.

	<u>Chg. to Base</u> <u>Funding Positions</u>	
GPR	-\$237,000	- 2.68
FED	- 320,400	- 3.93
PR	- 197,800	- 3.25
Total	-\$755,200	- 9.86

56. TRANSFER OF SELECTED LOCAL AID PROGRAMS TO DEPARTMENT OF REVENUE [LFB Paper 763]

	<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	-\$3,471,799,800	- 12.00	\$3,471,667,000	10.00	-\$132,800	- 2.00
SEG	- 14,300,000	0.00	14,300,000	0.00	0	0.00
Total	-\$3,486,099,800	- 12.00	\$3,485,967,000	10.00	-\$132,800	- 2.00

Governor: Effective July 1, 1996, transfer seven local assistance programs from the Department of Public Instruction to the Department of Revenue. Delete \$3,485,303,300 in 1996-97 to reflect the transfer of the following programs to appropriations under Shared Revenue and Tax Relief: general equalization

aids (\$3,151,027,800 GPR), handicapped education aid (\$275,548,700 GPR), pupil transportation aid (\$17,742,500 GPR), school library aid (\$14,300,000 SEG), public library system aid (\$11,772,200 GPR), bilingual-bicultural education aid (\$8,291,400 GPR) and tuition payments (\$6,620,700 GPR).

In addition, delete \$796,500 GPR and 12.0 GPR positions in 1996-97 from DPI's Division for Financial Resources and Management Services (6.0 positions on the Financial Services Team and 6.0 positions on the Consultative Services Team). Transfer the responsibilities for calculating and distributing the local aid programs to DOR which would be provided \$663,700 GPR and 10.0 GPR positions for this purpose. The Secretary of DOA would be allowed to determine the actual number of positions to be transferred from DPI to DOR and if any incumbent employees holding such positions in DPI would be transferred.

Joint Finance/Legislature: Delete the provisions which would transfer the responsibility for calculating and distributing the seven local assistance programs from DPI to DOR. However, include the funding and position reductions recommended by the Governor (\$132,800 GPR and 2.0 GPR positions in 1996-97).

57. TRANSFER OF HIGHER EDUCATIONAL AIDS BOARD FUNCTIONS [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>	
	<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	\$52,001,700	8.50	-\$1,066,700	0.00	\$80,000	0.00	\$51,015,000	8.50
FED	1,795,100	0.00	0	0.00	0	0.00	1,795,100	0.00
PR	1,000	0.00	0	0.00	0	0.00	1,000	0.00
SEG	100,100	1.50	0	0.00	0	0.00	100,100	1.50
Total	\$53,897,900	10.00	-\$1,066,700	0.00	\$80,000	0.00	\$52,911,200	10.00

Governor: Effective July 1, 1996, transfer the functions of the Higher Educational Aids Board (HEAB) to the Department of Education (DOE). Under current law, HEAB's responsibilities include: state-funded student financial aid programs (including setting criteria for the treatment of financially independent students and determining financial need eligibility); negotiating interstate reciprocity agreements; the state's dental education contract; student loan collection programs; and the Academic Excellence Higher Education Scholarship Program (including the designation of certain scholars).

Provide that the Council on Financial Aids (consisting of seven students and seven financial aid officers) would advise the Secretary of Education on matters pertaining to the state's student financial aid programs. Under current law, this council advises the Executive Secretary of HEAB on such matters. Provide that current members would continue to serve on the council until they are replaced by the Secretary of Education. Repeal the provision requiring a semi-annual report to the Joint Committees on Finance and Audit on HEAB's loan collection activities.

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, provide \$603,100 GPR and 8.5 GPR positions and \$100,100 SEG and 1.5 SEG positions in 1996-97 for program administration.

Effective July 1, 1996, transfer all assets, liabilities, tangible personal property, records, contracts, rules and pending matters of HEAB to DOE. Transfer all incumbent employees holding positions in HEAB, except for the Board's Executive Secretary and Deputy Secretary. 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 the provision as follows:

a. Eliminate the Council on Financial Aids, effective January 1, 1996. Instead, the Education Commission would assume the policy-making responsibilities of HEAB.

b. Divide the Wisconsin Higher Education Grant (WHEG) appropriation for 1996-97 (\$25,269,400) into three new appropriations: (1) grants for UW students (\$14,283,200 GPR); (2) grants for technical college students (\$10,863,200 GPR); and (3) grants to handicapped students (\$123,800 GPR).

c. Beginning with student financial aid for the 1996-97 academic year, require the UW Board of Regents, the Wisconsin Technical College System State Board and the Wisconsin Association of Independent Colleges and Universities to annually submit, by April 10, to the Education Commission proposed formulas for the distribution of WHEG or Tuition Grants to students attending their respective institutions. Require the Commission to approve the formulas by May 10 of each year.

d. Adjust the amount of funding to be transferred from HEAB 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 recommendations on programs currently administered by HEAB.

[Act 27 Sections: 93, 207, 208m, 558, 558n, 558p, 558s, 560, 562, 563, 568, 1200, 1758m, 1800n, 1853 thru 1887, 1887g thru 1890; 1892, 1893, 1894, 1895, 1896, 1900 thru 1911, 1914 thru 1933, 1934m, 1935 thru 1945, 6266, 9127(1) and 9427(1)&(1g)]

58. TRANSFER OF EDUCATIONAL APPROVAL BOARD FUNCTIONS [LFB Paper 761]

	<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>
FED	\$315,200	4.50	- \$20,000	0.00	\$295,200	4.50
PR	288,300	3.50	- 35,000	0.00	253,300	3.50
Total	\$603,500	8.00	- \$55,000	0.00	\$548,500	8.00

Governor: Effective July 1, 1996, transfer the functions of the Educational Approval Board (EAB) to the Department of Education. Under current law, the seven-member EAB (appointed by the Governor) is responsible for approving education and training programs for veterans and war orphans and regulating private, nonprofit and for-profit schools that offer vocational, technical or degree programs (except baccalaureate or higher degree programs) to Wisconsin residents. The EAB and its staff are attached to the Wisconsin Technical College System (WTCS) Board for administrative purposes.

Under AB 150, the EAB would be replaced by a seven-member Educational Approval Council appointed by the Secretary of DOE. Provide that the individuals serving on the EAB at the time of the transfer would continue to serve as members of the Council until they are removed by the Secretary of DOE or their successors are appointed.

Provide \$315,200 FED and 4.5 FED positions and \$288,300 PR and 3.5 PR positions in 1996-97 to support the functions transferred to DOE. According to DOA, the amount of funding provided for DOE (\$603,500 all funds) is not correct because it should be equal to the amount deleted from the WTCS Board's budget (\$548,500).

Effective July 1, 1996, transfer from the WTCS Board to DOE all assets, liabilities, tangible personal property, records, contracts, rules and pending matters that are primarily related to the functions of the EAB, as determined by the Secretary of DOA. Transfer all incumbent employees holding positions primarily related to the EAB, as determined by the Secretary of DOA, except for the executive secretary of the EAB. 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/Legislature: Delete the provision which would create an Educational Approval Council. Instead, the Education Commission would assume the responsibilities currently assigned to the EAB. Reduce funding for EAB functions by \$20,000 FED and \$35,000 PR to equal the amount deleted from the WTCS Board's budget.

[Act 27 Sections: 99, 223m, 599, 620 thru 623, 1815 thru 1840, 9154(1) and 9454(2)]

59. **STUDENT ACHIEVEMENT GUARANTEE IN EDUCATION INITIATIVE**

	Chg. to Base
GPR	\$4,787,000

Joint Finance/Legislature: Create a student achievement guarantee in education initiative program and provide \$4,591,000 in 1996-97 for aid to participating school districts and to study the effects of the program. Provide \$196,000 in 1995-96 for preliminary research and to design the study. The structure of the aid program, which would sunset on June 30, 2001, would be as follows:

a. *Eligibility.* A school district containing at least one school with an enrollment of 50% or more low-income pupils (based on the low-income measure used by the school district under Chapter 1 of the federal Improving America's Schools Act) in the prior year would be eligible to participate in the program. A school in such a school district would be eligible to receive funding under the program if, in the prior year, 30% or more of the school's enrollment consisted of low-income pupils and the school does not receive funds under DPI's preschool to grade five (P-5) grant program.

One school in each eligible school district could receive funding, except that in the Milwaukee Public Schools up to 10 schools could receive funding. If more than one school in an eligible district request to participate in the program, priority would be given to the school which has the largest number of low-income pupils in kindergarten and first grade.

If an eligible school district elects not to participate in the program, a participating district (excluding MPS) could apply to the Department to receive funding for one additional school located in the district. If more than one eligible district applies to fund an additional school, the Department would be required to consider the following two factors in determining which school would be permitted to participate in the program: (a) the number of low-income pupils in grades K-1 enrolled in the school; and (b) the balance of rural and urban schools participating in the program.

No additional schools would be permitted to participate in the program after 1996-97.

b. *Distribution of Aid.* In 1996-97, each participating school would receive an amount calculated by dividing the total amount appropriated for aid payments by the number of low-income pupils enrolled in kindergarten and first grades. In 1997-98, aid payments would be based on enrollments in grades K-2. In 1998-99 and each year thereafter, payments would be based on enrollments in grades K-3. In any year, aid payments could not exceed \$2,000 per pupil.

c. *Program Requirements.* Each participating school district would be required to enter into a five-year achievement guarantee contract with the Department, on behalf of the participating school(s) located in the district and to use the aid provided under the program to satisfy the terms of the contract. The school would be required to do all of the following:

Class Size Reduction. Reduce class size in the grades for which funding is provided, to 15 pupils per teacher.

Education and Human Services. Keep the school open every day from early in the morning until late in the day, as specified in the contract, and collaborate with community organizations to make educational and recreational opportunities, as well as community and social services, available in the school to all school district residents.

Curriculum

1. Provide a rigorous academic curriculum designed to improve pupil academic achievement and to prepare pupils to live and work with people of all backgrounds, cultures and beliefs.
2. In consultation with the Department and with participation of the school's teachers and administrators and school district residents, review the school's current curriculum to determine how well it promotes pupil academic achievement and prepares pupils for life and work and the extent to which it includes the contributions of women and minorities to our history and culture.
3. If necessary, outline any changes necessary to make the curriculum more accurate and relevant to the lives of the pupils and provide a schedule for accomplishing those changes.
4. Encourage the school's teachers and administrators to participate in training designed to help them learn about multicultural education and how to infuse it into the curriculum to help improve pupil academic achievement.

Staff Development and Accountability

1. Develop a one-year program for all newly hired employees that helps them make the transition from their previous employment or school to their current employment.
2. Provide time for employees to collaborate and plan.
3. Require that each teacher and administrator submit to the school board a professional development plan that focuses on how the individual will help improve pupil academic achievement and includes a method by which the individual will receive evaluations on the success of his or her efforts from a variety of sources.
4. Regularly review staff development plans to determine if they are effective in helping to improve pupil academic achievement.
5. Establish an evaluation process for professional staff members that does all of the following:
 - Identifies individual strengths and weaknesses.
 - Clearly describes areas in need of improvement.
 - Includes a support plan that provides opportunities to learn and improve.
 - Systematically documents performance in accordance with the plan.

- Allows professional staff members to comment on and contribute to revisions in the evaluation process.

- Provides for the dismissal of professional staff members whose failure to learn and improve has been documented over a two-year period.

d. *Contract Provisions.* A contract would have to include all of the following:

1. A description of how the school will implement each of the above requirements, including any alternative class configurations for specific educational activities that may be used to meet the class size requirement.

2. A description of the method that the school district will use to evaluate the academic achievement of the pupils enrolled in the school.

3. A description of the school's performance objectives for the academic achievement of the pupils enrolled in the school and the means that will be used to evaluate success in attaining the objectives. Performance objectives shall include all of the following:

- Where applicable, improvement in pupil scores on the state's third grade reading test.
- The attainment of any educational goals adopted by the school board.
- Professional development with the objective of improving pupil academic achievement.
- Methods by which the school involves pupils, parents or guardians of pupils and other school district residents in decisions affecting the school.

4. A description of a waiver of any school board or school district requirement in Chapters 115 through 121 or DPI administrative rules granted to the school district if the waiver is related to the district's achievement improvement contract.

5. A description of the means by which the Department will monitor compliance with the terms of the contract.

e. *Annual Review.* After the first year of the program, the Department could terminate a contract with any school district if the participating school has failed to fully implement the four program requirements. At the end of each subsequent year, a committee consisting of the State Superintendent, the chairpersons of the education committees in the Assembly and Senate, and the individual chiefly responsible for the evaluation of the program, would review the progress made by each participating school. The committee could recommend that the Department terminate a contract if the committee determines that the school board has violated the contract or that the school has made insufficient progress toward achieving the performance objectives specified in the contract. Provide that the Department may terminate the contract if it agrees with the committee's recommendation.

f. *Program Evaluation.* Of the amount appropriated annually for aid payments to participating schools, provide that \$250,000 be allocated to pay for an evaluation of the program.

Veto by Governor [A-5]: Modify the provisions relating to curriculum requirements for participating schools as follows:

1. Under AB 150, a participating school would have been required to provide a rigorous academic curriculum designed to improve pupil academic achievement and to prepare pupils to live and work with people of all backgrounds, cultures and beliefs. The Governor's veto deletes the phrase "and to prepare pupils to live and work with people of all backgrounds, cultures and beliefs."

2. Under the bill, in consultation with the Department of Education and with the participation of the school's teachers and administrators and school district residents, the school would have been required to review its current curriculum to determine how well it promotes pupil academic achievement and prepares pupils for life and work and the extent to which it includes the contributions of women and minorities to our history and culture. The Governor's veto deletes the phrase "and prepares pupils for life and work and the extent to which it includes the contributions of women and minorities to our history and culture."

3. The bill would have required that the school, if necessary, outline any changes necessary to make the curriculum more accurate and relevant to the lives of the pupils and provide a schedule for accomplishing those changes. In addition, the school would have been required to encourage its teachers and administrators to participate in training designed to help them learn about multicultural education and how to infuse it into the curriculum to help improve pupil academic achievement. Through the deletion of words, the Governor's veto combines these two items to result in the following sentence: "If necessary, outline any changes to the curriculum to improve pupil academic achievement."

[Act 27 Sections: 586r, 3994m, 3997 and 9145(1)(b)&(13q)]

[Act 27 Vetoes Section: 3994m]

60. COLLABORATIVE SERVICES GRANT PROGRAMS

Chg. to Base	
GPR	- \$625,000

Joint Finance/Legislature: Delete \$625,000 in 1996-97 to reflect the repeal of two programs, effective July 1, 1996: (a) social services collaborative projects under which grants are awarded to a rural school district, a suburban district and an urban district (excluding the Milwaukee Public Schools) to support projects, conducted with county social services or human services departments, that integrate social and educational services (-\$300,000); and (b) collaborative service grants which are awarded to school districts, public agencies or private, nonprofit community-based organizations to implement programs designed to provide greater access to community-based support services for preschool and/or elementary school pupils and their families (-\$325,000).

[Act 27 Sections: 588g, 588r, 3857m and 3884m]

61. YOUTH INITIATIVES PROGRAM

Chg. to Base	
GPR	- \$500,000

Joint Finance/Legislature: Effective July 1, 1996, repeal the youth initiatives program and delete funding of \$500,000 in 1996-97. Under the program, grants are awarded to community-based organizations in Milwaukee for standardized assessment, basic skills instruction and work experience for 14- to 21-year-olds who are high school dropouts or are considered at-risk of dropping out.

[Act 27 Sections: 587g and 3854m]

62. YOUTH ALCOHOL AND OTHER DRUG ABUSE GRANT PROGRAM

Chg. to Base	
GPR	- \$200,000

Joint Finance/Legislature: Reduce funding for the youth alcohol and other drug abuse (AODA) grant program by \$200,000 to \$1,800,000 in 1996-97. Under the program, grants are awarded to school districts and CESAs for the development or expansion of K-12 AODA prevention and intervention curricula or programs.

63. SCHOOL AND HOME COORDINATORS

Chg. to Base	
GPR	- \$120,000

Joint Finance/Legislature: Repeal the program under which a grant is awarded to support the costs of two full-time coordinator positions in a school district with a high concentration of American Indian pupils and delete base level funding of \$60,000 annually.

[Act 27 Sections: 586g and 3893m]

64. INDO-CHINESE REFUGEE COMMUNITY GRANT

Chg. to Base	
GPR	- \$100,000

Joint Finance/Legislature: Repeal the program which provides a grant to a nonprofit organization in Milwaukee to support the costs of bilingual personnel to serve as liaisons between the Indo-Chinese refugee community and MPS and delete base level funding of \$50,000 annually.

[Act 27 Sections: 592g and 3855m]

65. JAPANESE LANGUAGE AND CULTURE GRANTS

Chg. to Base	
GPR	- \$100,000

Joint Finance/Legislature: Repeal the Japanese language and culture grants program and delete base level funding of \$50,000 annually. The program provides grants to one or two school districts annually for implementation of a Japanese language and culture program for middle and high school students.

[Act 27 Sections: 592r and 3881m]

66. AID TO CESAS FOR SUICIDE PREVENTION PROGRAMS

Chg. to Base	
GPR	- \$72,000

Joint Finance/Legislature: Repeal the program which provides \$3,000 per year to each CESA for assistance to school districts for suicide prevention programs and delete base level funding of \$36,000 annually.

[Act 27 Section: 593m]

67. CERTIFICATION OF ATHLETIC ASSOCIATIONS

Joint Finance/Legislature: Effective July 1, 1996, require the Department to certify school athletic associations and prohibit a public school or school district from being a member of any athletic association that is not certified. Require that in order to be certified, an athletic association must allow private schools to join the association and to participate in conference play during the regular season and in all postseason tournaments. Specify that nothing prohibits an association from adopting uniform rules governing its affairs, including suspending schools or their students from the athletic association for violation of rules. Allow private schools and school districts that are members of certified associations to appeal any decision of the association that may adversely affect the school or school district to the Department.

Veto by Governor [A-8]: Delete provision.

[Act 27 Vetoed Sections: 3866m and 3997 (as it relates to s. 115.32)]

68. DEFINITION OF SCHOOL BUS

Joint Finance/Legislature: Modify the current definition of school bus to mean a motor vehicle which carries 16 or more passengers (in addition to the operator). Under current law, a school bus is defined as a motor vehicle which carries 10 or more passengers (in addition to the operator) for the purpose of transporting private and public school pupils to or from school, curricular or extracurricular activities, religious instruction (on days when school is in session). If a school board uses a school bus to transport pupils through a contract or the use of its own motor vehicles, the operation of the bus is

subject to certain requirements regarding bus operator licensure and physical examinations, vehicle insurance, school bus painting and traffic safety rules.

Provide that a school board can use, as an alternative method of transportation, a motor vehicle transporting 15 or less passengers (in addition to the operator). Under current law, a school board can use, as an alternative, a motor vehicle transporting 9 or less passengers (in addition to the operator); in such cases, the school district is not subject to the same requirements applicable to the operation of a school bus.

Veto by Governor [A-9]: Delete provision.

[Act 27 Vetoes Sections: 4080g, 4080m, 6409m and 6416v]

69. STATE TRUST FUND LOANS TO MILWAUKEE PUBLIC SCHOOLS

Joint Finance/Legislature: Direct the Board of Directors of the Milwaukee Public Schools, when it applies for a state trust fund loan, to adopt a resolution stating its intention to include in its budget transmitted to the City of Milwaukee Common Council a written notice specifying the amount of money necessary to pay the principal and interest on the loan. Under current law, a school district that applies for a state trust fund loan is required to adopt a resolution levying a tax for the purpose of paying the principal and interest on the loan. The Milwaukee Public Schools is not currently authorized to levy taxes; instead, the MPS Board transmits its budget to the Common Council which then levies the amount required by the Board. Under this provision, the MPS Board would include in its budget to the Common Council the amount necessary to pay off the state trust fund loan.

[Act 27 Section: 1377m]

70. ENVIRONMENTAL EDUCATION GRANT PROGRAM

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	- \$400,000	\$400,000	\$0
SEG	- 32,000	32,000	0
Total	- \$432,000	\$432,000	\$0

Assembly: Repeal the environmental education grant program and delete base level funding (\$200,000 GPR annually and \$2,000 SEG in 1995-96 and \$30,000 SEG in 1996-97) for grants to corporations and public agencies for the development, dissemination and presentation of environmental education programs. The SEG funds are derived from 50% of the assessment collected for violations of environmental regulations.

Senate/Legislature: Delete provision.

71. SCHOOL PERSONNEL CERTIFICATION FEES

Chg. to Base	
GPR-REV	\$420,000

Assembly/Legislature: Provide that 10% of all revenues generated by school personnel certification fees be deposited in the general fund. It is estimated that this provision would increase GPR-Earned revenues by \$210,000 annually.

[Act 27 Section: 575m]

72. SCHOOL PRINCIPAL LICENSURE

Assembly/Legislature: Allow the Department to promulgate rules establishing requirements for licensure as a school principal. Require that a school principal license issued or renewed by the Department authorize the license holder to serve as principal for any K-12 grade level. Under current DPI administrative rules, there are separate licenses for elementary/middle school principals (grades 1-9) and middle/secondary school principals (grades 6-12). This provision would first apply to applications for renewal of school principal licenses which are received by the Department on the effective date of the bill.

[Act 27 Sections: 3951m and 9345(10m)]

73. ADULT LITERACY ADVOCATE

Assembly: Require the State Superintendent to designate an employee of the Department as the adult literacy advocate to establish a statewide program to improve adult literacy. No additional funding or position authority would be provided for this purpose.

Senate/Legislature: Delete provision. Instead, a family literacy advocate position would be created in the Office of the Governor (see "Governor").

74. AUTHORITY FOR CESAS TO BORROW FROM STATE TRUST FUND LOAN PROGRAM

Assembly/Legislature: Authorize CESAs to borrow funds from the state trust fund loan program on behalf of two or more school districts belonging to the CESA for the purpose of conducting a distance education project by the school districts. Direct the Board of Commissioner of Public Lands to treat the application for a loan from a CESA as a loan to each of the school districts in the amount determined on the application. Require that the CESA application for a loan include: (a) information on the property valuation, existing indebtedness and approval of each school district; and (b) a resolution by each school

board to levy an annual property tax levy sufficient to pay off its share of the loan to the CESA. Provide that if the CESA fails to repay the loan, the school districts in that CESA would be liable for repayment of the debt. Finally, provide that the current law provision that requires a school board to hold a referendum for approval of promissory note borrowing if petitioned by the electors does not apply to borrowing by a school district from the state trust fund loan program if the loan is for a distance education project and has been approved by the CESA board of control.

[Act 27 Sections: 1368b, 1368c, 1370i thru 1377, 1377h thru 1378b, 1379m, 1386m, 1387b, 3340m and 3921m]

75. TEACHER TRAINING IN PHONICS

Assembly: Provide that, beginning July 1, 1998, the Department may not issue or renew a license that authorizes the holder to teach reading or language arts to pupils in any prekindergarten class or in grades kindergarten to eight unless the applicant has successfully completed instruction preparing the applicant to teach reading and language arts using intensive systematic phonics. Provide that "intensive systematic phonics" would be defined as a method of teaching beginners to read and pronounce words by learning the phonetic value of letters, letter groups and syllables.

Senate/Legislature: Delete provision.

PUBLIC SERVICE 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
FED	\$179,400	\$193,200	\$193,200	\$193,200	\$193,200	\$13,800	7.7%
PR	<u>24,467,600</u>	<u>24,861,600</u>	<u>25,030,800</u>	<u>25,030,800</u>	<u>25,030,800</u>	<u>563,200</u>	<u>2.3</u>
TOTAL	\$24,647,000	\$25,054,800	\$25,224,000	\$25,224,000	\$25,224,000	\$577,000	2.3%

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
FED	1.00	1.00	1.00	1.00	1.00	0.00
PR	<u>191.50</u>	<u>183.50</u>	<u>187.75</u>	<u>188.75</u>	<u>188.75</u>	<u>- 2.75</u>
TOTAL	192.50	184.50	188.75	189.75	189.75	- 2.75

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the Commission's base budget as follows: (a) turnover reductions (-\$212,100 PR annually); (b) removal of noncontinuing elements from the base (-\$141,200 PR and -1.5 PR positions in 1995-96 and -\$167,100 and -1.5 PR positions in 1996-97); (c) full funding of salary costs (-\$13,100 FED and \$373,100 PR annually); (d) full funding of financial services charges (\$1,200 PR annually); (e) fifth week of vacation as cash (\$35,600 PR annually); (f) full funding of lease and moving costs (\$55,400 PR annually); (g) minor transfers within the same appropriation (-\$19,500 PR annually); and (h) full funding of delayed pay adjustments (\$58,400 PR annually).

	Chg. to Base Funding Positions	
FED	- \$26,200	0.00
PR	<u>275,900</u>	<u>- 1.50</u>
Total	\$249,700	- 1.50

2. COMMISSIONER OF RAILROADS BASE LEVEL REDUCTION

Governor/Legislature: Delete \$8,100 annually currently budgeted in unallotted reserve for the Office of the Commissioner of Railroads.

	Chg. to Base
PR	- \$16,200

3. COMMISSIONER OF RAILROADS -- TRANSFER OF FUNCTIONS [LFB Paper 810]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	-\$82,700		\$40,100		\$18,200		-\$24,400	
PR-REV	0		0		182,000		182,000	
PR	-\$471,300	- 8.00	\$375,200	6.00	\$0	0.00	-\$96,100	- 2.00

Governor: Eliminate the Office of the Commissioner of Railroads, effective July 1, 1996, and delete \$471,300 PR and 8.0 PR positions in 1996-97. Transfer the Office's functions, funding and positions to other state agencies as follows:

Abolition of the Office. Repeal all statutory provisions creating the Office, attaching the Office administratively to the PSC, describing the powers and duties of the Office, providing for a Commissioner of Railroads, setting the term and manner of appointment of the Commissioner and assigning the Commissioner to an executive salary group.

Transfer Railroad Regulatory Functions to DOT. Provide that DOT shall be responsible for railroad regulatory matters with respect to the following general statutory provisions: Chapter 190 (railroad organization and management); Chapter 191 (railroad construction activity); Chapter 192 (general railroad regulation and liabilities); Chapter 195 (general railroad rates, schedules, service and safety provisions); and other minor statutory provisions relating to harbor railroads (Chapter 30) and railroad grade crossing and rights-of-way regulations (Chapters 84 and 86). In general, these changes would be accomplished by replacing all references to the Office's duties and responsibilities with corresponding references to DOT.

Transfer Resolution of Contested Railroad Cases to the Division of Hearings and Appeals. For the purpose of resolving contested matters relating to railroad regulation, transfer this authority to the Division of Hearings and Appeals (Division) in DOA. Specify that administrative hearing procedures under Chapter 227 of the statutes would generally apply to these proceedings. Require the Division to assign a hearing examiner to preside over any hearing or review relating to the regulation of any of the following matters: adequacy of railroad fire protection devices; allocation of costs of railroad crossing improvements; adequacy of bridges, culverts and drainage facilities near railroad rights-of-way; allocation of costs when two railroads intersect; allocation of costs of railroad spur tracks; safety and adequacy of railroad bridges, drawbridges and fences; removal or transfer of railroad terminals and shops; adequacy and cost allocations of grade and highway crossing protections; and the determination of direct and remainder assessments for the costs of railroad regulation. Specify that failure to provide the Division with necessary documents or information relevant to a proceeding may result in a forfeiture of not less than \$100 or more than \$1,000 per offense and that violation of an order of the Division may result in a forfeiture of not less than \$100 or more than \$10,000 per offense.

Provide that in hearing these matters, the Division must give due weight to the experience, technical competence and specialized knowledge of DOT as well as to the discretionary authority conferred upon DOT. Require the Division to give great weight to DOT's interpretation of the statutes and the rules that it administers. Provide that if there is a conflict between this new provision and any other statute relating to a hearing or review conducted by the Division, these new procedures take precedence.

Require that DOT pay the costs of the hearing examiner in accordance with a schedule of charges developed by the Division. Specify that any appeals arising from examiners' decisions be heard by the Administrator of the Division, and the determination of the Administrator be final. Allow appeal of the Administrator's decision to a circuit court.

Transfer Railroad Corporate Registration Functions to DOR. Require railroad corporations to file the following types of documents with DOR, rather than the Office of Secretary of State as currently required: all books of account or stock books as may be required by DOR, the Legislature or a court of record; designation of a principal office within the state; and the annual report to the railroad's stockholders; certified copies of plans of reorganization following bankruptcy; certificates of authority issued by DOT; and, with respect to foreign railroad corporations, appointment of DOR as the corporation's agent for the purpose of filing actions or proceedings against the corporation.

Modify Railroad Regulatory Authority. In transferring railroad regulatory functions to other agencies, make the following changes to the current level of railroad regulation:

Repeal the requirement that before any railroad track construction may proceed in the state, the railroad must have a certificate which is issued only after a public hearing and upon a finding of "public convenience and necessity." Under the bill, a certificate would be issued by DOT but a hearing would be discretionary and there would be no public convenience and necessity standard required. Also, repeal that standard for issuance of certificates of authority for ferry boat operations.

Additionally, repeal:

- The authority and the procedures to investigate and remedy complaints of unreasonable or unjustly discriminatory rates, including interstate rates, and of inadequate service within the state;
- The requirement that railroads furnish reasonably adequate service and facilities and that the charges made be reasonable and just;
- The prohibitions against discriminatory rates, undue or unreasonable carrier preferences, and rebates and concessions received in the furtherance of discriminatory rates;
- The standards with respect to providing free transportation, reduced rates and passes;

- The authority to prescribe the time and form of rate schedule filings, use of free passes by shippers, rates and charges at elevators and warehouses, the manner of weighing and testing railroad cars and freight, and the use of private tracks by common carriers;
- The authority to collect information on railroad income and expenditures, construction costs and debt level;
- The requirements that railroads maintain transportation contracts, freight bills and pass lists for certain periods of time and make them available for inspection, as required; and
- The requirement that railroads maintain overhead warning devices ("telltale") to alert workers of low clearances and providing penalties.

Repeal current law specifications with respect to railroad grade crossing and safety signage. Provide instead that such standards would have to be consistent with DOT's required uniform system of signs manual.

Provide that, with respect to the installation of protective devices, signs or safety improvements at railroad crossings or the determination of the type of grade crossing to be used where a railroad intersects a street or another railroad, DOT may issue orders on such matters without holding a public hearing. Provide that DOT shall issue the order based on its investigation and criteria promulgated by rule with respect to the adequacy of grade crossing protection. Specify that the Division hear appeals from such orders. Under current law, a public hearing must be held on all of these matters.

Railroad Assessments. On the effective date of the transfer, create two new appropriations under DOT funded from the transportation fund (one appropriation would be for state funds and the other appropriation would be for federal funds) to support the transferred railroad regulation activities. Authorize DOT to collect direct and remainder assessments from railroads sufficient to support railroad regulatory activities and provide that 10% of the amounts collected be deposited in the general fund for the costs of state government operations.

Transition Provisions. On July 1, 1996:

Transfer 1.0 FTE hearing examiner position and the incumbent occupying that position to the DOA's Division of Hearings and Appeals. [Funding and position authority for the transferred position are included under DOA and funded from the transportation fund.]

Transfer 1.0 FTE program assistant position and 3.0 FTE regulation compliance investigator positions and the incumbents occupying those positions, as identified by the Secretary of DOT, to DOT. [Funding and position authority for the transferred position will be included under DOT.]

Delete the remaining 3.0 FTE positions of the Office not transferred.

Specify that: (a) all persons transferred would retain the same rights and employee status they held prior to the transfer; and (b) no employee 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, contracts, rules and orders and all pending matters from the Office to DOT. Provide that in the event of any disagreements between the Commissioner and the Secretary of DOT with respect to assets and liabilities, tangible personal property, contracts, rules and orders and pending matters, the Secretary of DOA would be authorized to determine the matter.

The net effect of the funding and position transfers and deletions associated with this item is as follows:

<u>Agency</u>	<u>1996-97 Funding Change</u>	<u>1996-97 Position Change</u>
PSC	-\$471,300	-8.00
DOT	170,700	4.00
DOA	<u>96,800</u>	<u>1.00</u>
Total	-\$203,800	-3.00

Net GPR-Earned receipts are estimated to decrease by \$14,200 in 1995-96 and by \$68,500 in 1996-97 for the PSC and to increase by a total of \$19,000 in 1996-97 for DOT.

Joint Finance: Delete provisions eliminating the Office of the Commissioner of Railroads, transferring the Office's functions, funding and positions to other state agencies and modifying existing levels of railroad regulatory authority, thereby retaining the Office in the PSC and restoring funding of \$471,300 and 8.0 positions.

Include statutory language increasing from 1% to 1.75%, effective July 1, 1996, the amount which may be assessed against the total gross operating revenues of railroads derived from intrastate operations for the purpose of supporting the railroad regulatory functions of the Office of the Commissioner of Railroads.

Effective July 1, 1996, eliminate 1.0 PR administrative officer position and 1.0 PR stenographic reported position in the Office and delete \$96,100 PR of related salary and fringe benefits amounts in 1996-97. Also, reestimate GPR-Earned collections for the PSC by a total of \$40,100 in 1996-97.

Assembly/Legislature: Change from July 1, 1996, to July 1, 1995, the effective date for increasing from 1% to 1.75% the amount which may be assessed against the prior year's total gross operating revenues of railroads derived from intrastate operations for the purpose of supporting railroad regulatory functions in the Office of the Commissioner of Railroads. It is estimated that this change would permit the PSC to assess and receive an additional \$182,000 PR-REV in 1995-96, of which \$18,200 would be deposited to the general fund.

[Act 27 Sections: 5224m and 9346(1)]

4. STRAY VOLTAGE PROGRAM [LFB Paper 811]

Chg. to Base Funding Positions		
PR	\$340,300	1.50

Governor: Make the following changes to the Commission's stray voltage program (operated in cooperation with DATCP):

Program Made Permanent. Delete all current statutory provisions which sunset the stray voltage program on September 1, 1995, to make the program permanent.

Program Funding and Staffing. Provide \$157,200 in 1995-96 and \$183,100 in 1996-97 and 1.5 positions to continue, on a permanent basis, staffing and associated costs of the current program. The authorization and funding for the existing 1.5 project positions currently attached to the program expires on September 1, 1995.

Change Program Focus. Repeal specification that the purpose of the stray voltage program is to provide on-site technical assistance related to stray voltage to farmers. Instead, specify that the program shall focus on regulation, education, inspection and investigation. Provide that the current focus of the program (that the PSC, in cooperation with DATCP, investigate the causes of stray voltage on individual farms, recommend to farmers solutions to stray voltage problems and evaluate the effectiveness of on-site technical assistance) be one of four program priorities. Specify that, in addition, the PSC:

- Identify standardized test procedures check lists and equipment to be used by public utilities to investigate stray voltage and audit those investigations;
- Conduct classroom and on-farm stray voltage training sessions for public utilities, cooperatives, electricians or other interested parties;
- Conduct unannounced spot checks of on-farm stray voltage testing by public utilities, with the farmer's permission, and inspect the operation of the public utilities' stray voltage programs to ensure that proper equipment and procedures are being used and that investigators are properly trained.

Repeal the requirement that DATCP undertake research on the incidence, levels and effects of stray voltage on agriculture, including an assessment of the prevalence and economic effects of stray voltage on milk production in the state. Repeal the associated agricultural research appropriation under DATCP and the authority of the PSC to assess public utilities for the costs of agricultural research.

Program Fees and Assessments. Authorize the PSC to charge an "other services fee" for services which do not include on-farm, site-related activities. Such fees would presumably be associated with recovering the costs of standardized testing activities, training sessions and inspections of public utility stray voltage programs.

Delete the requirement that the PSC must assess a fee, not to exceed \$100, to farmers for on-site investigations. Provide instead that the PSC may assess a reasonable fee. Delete the \$500 maximum on

the fee to be charged to electric cooperatives for stray voltage on-site investigations within their service area. Retain the current law requirement that the fee be reasonable. All of these fees, including the new "other services fee," would be credited to the appropriation supporting the PSC's stray voltage program. Electric utilities with annual gross operating revenues in excess of \$100 million would continue to be assessed annually for the costs of the program after deducting any fee revenues received.

Stray Voltage Program Administration Study. Direct DOA to evaluate the benefits of consolidating the administrative responsibility over the stray voltage program in a single agency and to report the results of this review to the Governor before January 1, 1996.

Joint Finance/Legislature: Modify program fees and assessments provisions by specifying that: (a) the "other services fee" shall not exceed the actual costs of any standardized testing activities, training sessions and inspections of public utility stray voltage programs; (b) the fees charged to farmers for on-site investigations may not exceed \$300 per farm; and (c) the fees chargeable to farmers and the fees chargeable to electric cooperatives both be in accordance with standardized schedules established by the Commission by rule.

Delete the requirement that DOA undertake a study to evaluate the benefits of consolidating the administrative responsibility over the stray voltage program in a single agency and report the results of the review to the Governor by January 1, 1996.

[Act 27 Sections: 486, 487, 528, 529, 3561, 3562 and 5247 thru 5255]

5. VIDEO, DATA PROCESSING AND ANALYTICAL EQUIPMENT ENHANCEMENTS

	Chg. to Base
PR	\$178,100

Governor/Legislature: Provide funding for the following video, data processing and analytical equipment: (a) one-time funding of \$150,000 in 1995-96 for the purchase and installation of equipment to enable the PSC to provide video conferencing access to public hearings at its new offices; (b) \$6,400 in 1995-96 to purchase a copy of U. S. Courts of Appeals decisions in CD-ROM format; (c) \$7,500 annually for a software package to allow the PSC to project gas pipeline capacity, cost and reliability of service data; and (d) \$6,700 in 1995-96 to purchase a sophisticated electric power quality analyzer and associated software to permit the monitoring of electric utility service quality and adequacy.

Provide that the PSC may conduct its hearings and investigations using interactive video conferencing or other electronic technology. Further, modify current law stenographic records requirements to: (a) permit the PSC to receive into evidence a transcribed copy of an audiotape or videotape of evidence and proceedings provided the transcriber certifies that the copy is true and correct; (b) require the PSC to furnish a copy of an audiotape or videotape to any party to the investigation or hearing from which the tape was taken and authorize the agency to charge a reasonable price for the tape; and (c) repeal the requirements that the Commission must appoint a stenographer to record all testimony

presented at its formal proceedings and that a stenographic record is the only type of record which may be taken at such an investigation or hearing.

[Act 27 Sections: 5237, 5238 and 5240 thru 5245]

6. TRANSFER OF HIGH-LEVEL RADIOACTIVE WASTE DISPOSAL REVIEW FUNCTIONS TO THE COMMISSION

Governor: Repeal the 10-member Radioactive Waste Review Board and its associated advisory Radioactive Waste Policy Council and Radioactive Waste Technical Council. The Board and associated councils are currently administratively attached to the UW System. The Board: (a) is the state's principal intermediary between the U. S. Department of Energy (DOE) and other federal agencies in matters relating to the possible selection of a repository site in the state for high-level radioactive waste; (b) serves as an advocate before federal agencies on behalf of the citizens of the state with respect high-level radioactive waste site selection decisions; and (c) is authorized to negotiate repository site agreements with the DOE which must then be submitted to the Legislature for approval or modification.

Transfer all of the duties and responsibilities of the Radioactive Waste Review Board to the PSC. Under the transfer, the DNR would now cooperate with the PSC with respect to the issuance of permits and approvals for radioactive waste site explorations in the state, and the Attorney General would represent the PSC, at its request, in relevant federal proceedings on radioactive waste matters. All assets and liabilities, tangible personal property, contracts, rules and order and all pending matters would be transferred from the Board to the PSC. Further, repeal the requirements that: (a) educational programs be offered to the public concerning high-level radioactive waste and its disposal; and (b) the University's geological and natural history survey provide staff and other administrative assistance to the Board.

Joint Finance/Legislature: Require that the PSC conduct public hearings on any proposed agreement between the state and the federal DOE on any matter related to the long-term disposal of high-level radioactive waste in Wisconsin.

[Act 27 Sections: 95, 220, 221, 1779 thru 1799, 4333, 4334, 4453 and 9157(3)]

7. TECHNICAL ADJUSTMENT TO THE BASE

Governor/Legislature: Provide \$43,600 annually as a technical adjustment to the base to reverse negative expenditure authority for project position salaries incorrectly included in one of the agency's subprograms.

Chg. to Base	
PR	\$87,200

8. FEDERAL REVENUE REESTIMATES

Chg. to Base	
FED	\$40,000

Governor/Legislature: Provide: (a) \$15,000 annually for increased natural gas pipeline safety program costs; and (b) \$5,000 annually for increased federal indirect cost reimbursement expenditures (funds from the federal government to reimburse the agency indirect costs of administration of a federal grant or contract).

9. ELIMINATION OF EXECUTIVE ASSISTANT

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$160,000	- 1.00	\$0	1.00	-\$160,000	0.00

Joint Finance: Delete \$80,000 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.

10. REGULATION OF PUBLIC UTILITY INTERCONNECTIONS

Joint Finance/Legislature: Include a reference to a public utility in addition to the existing reference to a telecommunications provider under s. 196.04(1)(b)1 of the statutes which currently authorizes the PSC to order interconnections between other telecommunications providers.

When 1993 Wisconsin Act 496, which deregulated the telecommunications industry, was enacted a reference under s. 196.04(1)(b)1 to a "public utility" was changed to a "telecommunications provider" under the belief that the entire section related exclusively to telecommunications provider interconnections. It was subsequently determined that this statutory provision contained the Commission's authority to order interconnections between all types public utilities, not just telecommunications providers. Thus, as a result of the Act 496 change, the PSC no longer has statutory authority to order interconnections between other types of public utilities under current law.

[Act 27 Section: 5235s]

11. COLLECTION OF PUBLIC FIRE PROTECTION CHARGES BY MUNICIPAL WATER UTILITIES

Joint Finance/Legislature: Revise s. 196.03(3)(b) of the statutes to permit a municipal water utility to bill public fire protection charges to any person who: (a) is not a customer of the municipal utility; and (b) owns land that is located in the city, village or town in which the municipal water utility has an obligation to provide water for public fire protection. Under current law, a municipal water utility may not collect the fire protection charge from municipal residents who benefit from the municipality's fire protection but who have private wells and are not customers of the water utility.

[Act 27 Section: 5235m]

12. GENERAL POSITION AND FUNDING REDUCTION

Joint Finance/Legislature: Delete \$23,000 annually and 0.75 position.

Chg. to Base Funding Positions		
PR	- \$46,000	- 0.75

REGULATION AND LICENSING

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	\$14,896,400	\$15,914,700	\$15,726,700	\$15,726,700	\$15,726,700	\$830,300	5.6%

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	123.50	124.50	123.00	124.00	124.00	0.50

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	\$446,000

Governor/Legislature: Annually, adjust the agency's base budget as follows: (a) turnover reduction (-\$114,800); (b) removal of noncontinuing elements from the base (-\$13,100); (c) full funding of salary costs (\$310,200); (d) full funding of financial services charges (\$2,200); (e) reclassifications (\$1,100); (f) risk management costs (\$100); (g) overtime (\$4,500); (h) night and weekend salary differential costs (\$100); (i) fifth week of vacation as cash (\$11,100); and (j) full funding of delayed pay adjustments (\$21,600).

Also included as a standard budget adjustment item is a transfer of \$26,000 annually within the same appropriation from supplies and services to permanent property. This reallocation will be used to fund a portion of the agency's information technology initiative described below.

2. HEALTH CARE PROVIDER ASSESSMENT [LFB Paper 401]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR-REV	\$8,595,900	- \$8,595,900	\$0

Governor: Require R&L to levy a biennial health care provider assessment of \$300 on all persons licensed to practice medicine and surgery, podiatry and chiropractic at the time the provider seeks biennial

renewal of his or her license. Provide that the assessment is in addition to the statutory credential renewal fees required for these professions. Exempt these assessments from the requirement that 90% of the amounts received be credited to R&L's general program operations appropriation as program revenue so that the entire amount of the assessments will be deposited in to the general fund. Estimate GPR-Earned collections from the health care provider assessment at \$7,903,200 in 1995-96 and \$692,700 in 1996-97. These amounts are based on assessments to be levied on an estimated 25,829 physicians and surgeons and 515 podiatrists who are subject to license renewal in 1995-96 and on an estimated 2,309 chiropractors who are subject to license renewal in 1996-97.

Specify that R&L may not deny renewal of the credential of a health care professional subject to the assessment solely on the ground that the licensee has failed to pay the assessment. Provide that any late payment of a provider assessment also be subject to a late payment fee to be assessed by R&L.

Direct that, if a health care professional subject to the assessment fails to remit the assessment at the time of credential renewal, R&L shall request DOR to collect the health care provider assessment. Authorize DOR to collect the assessment using methods currently applicable to the collection of income taxes in arrears. These procedures include levying the property of the licensee or requiring an employer of the licensee to withhold compensation.

Specify that the health care provider assessment first apply to applications for license renewals which are submitted to R&L on or after the general effective date of the bill.

For information on how the proposed health care provider assessment impacts the Governor's recommendations relating to budgeted funding of medical assistance rate increases for physicians, podiatrists and chiropractors, see "H&SS--Medical Assistance."

Joint Finance/Legislature: Delete provision.

3. INFORMATION TECHNOLOGY (IT) INITIATIVES

Governor/Legislature: Provide: (a) \$71,300 in 1995-96 and \$30,000 in 1996-97 for replacement of the agency's current computer network with a local area network (LAN) based system; (b) \$75,000 in 1995-96 and \$25,000 in 1996-97 for redesign and development of new software; (c) \$50,500 in 1996-97 for automation of current manual credential application processes; (d) \$5,000 annually for communication enhancements to provide greater agency access to external databases; and (e) \$43,000 in 1995-96 and \$48,600 in 1996-97 and 1.0 management information specialist project position for additional staff on a project basis to assist in implementation of these IT projects.

Chg. to Base Funding Positions		
PR	\$353,400	1.00

4. ADDITIONAL ENFORCEMENT AND ADMINISTRATIVE STAFF

Chg. to Base Funding Positions		
PR	\$101,100	1.00

Governor/Legislature: Provide funding of: (a) \$35,600 annually and authorize 1.0 position to convert an administrative assistant project position to permanent status in the agency's enforcement division in order to meet current caseload increases resulting from the regulation of social workers, marriage and family therapists and professional counselors by 1991 Wisconsin Act 160; and (b) \$29,900 in 1995-96 and continuation of 1.0 program assistant project position through the end of that fiscal year to help process the heavy initial licensing workload resulting from Act 160.

5. SOCIAL WORKER TRAINING CERTIFICATE [LFB Paper 815]

Governor: Create a social worker training certificate, establish a certificate renewal date of July 1 of each odd-numbered year and provide for a \$41 biennial renewal fee. Specify that the certificate be valid for 24 months and, notwithstanding the renewal fee established above, that a training certificate may not be renewed. Provide that although a certificate may be valid for a 24-month period, it would expire earlier if, during that period, the certificate holder receives the results of competency examination required for licensure as a social worker. This earlier expiration would appear to apply regardless of the nature of the examination results.

Provide that a person is eligible for a social worker training certificate if he or she: (a) submits the appropriate application to the agency; (b) pays an apprentice fee of \$10; (c) provides evidence of a bachelor's degree in psychology, sociology, criminal justice or other human services program approved by the social worker section of the Social Workers, Marriage and Family Therapists and Professional Counselors Examining Board; and (d) submits a statement indicating the person is seeking to attain a social workers degree equivalency while holding the training certificate. Further, provide that a person holding a training certificate may use the title "social worker" and be considered certified as a social worker for the purpose of any state law governing that profession. Under current law, no person may use the title "social worker" unless he or she has received a bachelor's, master's or doctoral degree in social work, has passed a minimum competency examination approved by the social worker section of the Examining Board and has been duly certified by the social worker section.

During the period an individual holds a valid social worker training certificate, require the person to do all of the following: (a) seek to attain a social worker degree equivalency by completing courses in a social work program on social welfare policies, social work practice methods and human behavior at an accredited college or university; and (b) complete either a 400-hour supervised human service internship involving direct practice with clients or one year of supervised social work employment involving direct practice with clients. Provide that the social worker section shall determine whether a course, internship or employment satisfies these requirements. Require the section to apply course work, internships or relevant employment as part of any prior psychology, sociology, criminal justice or other human services training, if those experiences helped satisfy the above requirements.

Finally, specify that after 24 months or at the first opportunity after the completion of the above training requirements, whichever is earlier, the certificate holder must take the national social worker examination. If the individual passes the examination, specify that he or she shall be permitted to take the examination approved by the social worker section which tests knowledge of state law relating to social work. Provide that, if the certificate holder fails any of these examinations, he or she may retake the examination and that the social worker section may not set a limit on the number of time the person may retake the examination(s). When an individual has passed both examinations, direct that the social worker section shall grant a social worker certificate to the individual.

Joint Finance/Legislature: Make the following modifications: (a) delete the provision establishing a \$41 biennial renewal fee for the social worker training certificate; (b) specify that certificate holders may seek to attain a social worker degree equivalency by completing courses in "other human services programs" in addition to courses in a social work program; and (c) delete the provision stipulating that after 24 months or at the first opportunity after the completion of the social worker training requirements, whichever is earlier, the certificate holder must take the national social work examination and specify instead that a certificate holder may take the national social work examination at any time after the individual completes the necessary educational and experience requirements for a holder of the training certificate.

Veto by Governor [C-25]: Delete requirement that the holder of the training certificate who elects the supervised human services internship option must complete at least 400 hours of direct practice with clients.

[Act 27 Sections: 6619 and 6620]

[Act 27 Vetoed Section: 6620]

6. TRANSFER OF MORTGAGE BANKING REGULATION [LFB Papers 340 and 816]

Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov.) Funding Positions		Net Change Funding Positions	
GPR-REV	- \$13,800		- \$37,900		- \$51,700
PR-REV	- \$138,000		- 249,900		- 387,900
PR	- \$37,600 - 1.00		\$0 0.00		- \$37,600 - 1.00

Governor: Effective July 1, 1996, transfer regulatory responsibility over mortgage bankers, loan solicitors and loan originators from R&L to the new Department of Financial Institutions (DFI) created by this bill. Delete \$37,600 and 1.0 position in R&L in 1996-97 to reflect the transfer to DFI of the position in R&L performing duties primarily relating to the regulation of the mortgage banking industry, as determined by the Secretary of DOA. Direct that on that date, R&L transfer to DFI all assets and liabilities, furniture, equipment, supplies, records, contracts, pending matters, rules and orders, all as

determined by the Secretary of DOA, which relate to the regulation of the mortgage banking industry. Specify that: (a) the incumbent employee holding that position would also be transferred to DFI; (b) the individual transferred would retain all rights and employee status held prior to the transfer; and (c) no transferred employee who had attained permanent status in his or her classified position would be required to serve a new probationary period.

Specify that effective with the transfer, applicants for registration as a mortgage banker, loan solicitor or loan originator would pay an initial fee of \$34. During 1995-96, prior to the transfer from R&L, such initial registrants would pay a proposed fee of \$39. A temporary registration fee of \$10 and a transfer of loan originator registration fee of \$5 would be retained, as under current law. Following the transfer, the current law registration renewal fees and renewal dates (January 1 of each odd-numbered year) would continue to apply and would not be adjusted to reflect current regulatory and enforcement costs. These current renewal fees are \$155 for loan originators, \$210 for loan solicitors and \$330 for mortgage bankers. Finally, reduce in 1996-97 PR license fee revenues by \$138,000 and GPR-Earned collections by \$13,800 to reflect this transfer.

Joint Finance/Legislature: Modify provision to specify that with the transfer of the program to the Department of Financial Institutions, applicants for registration as a mortgage banker, loan solicitor or loan originator would pay an initial fee of \$39. Provide that after the transfer, the following biennial renewal fee levels are payable on January 1 of each odd-numbered year: \$486 for mortgage bankers; \$94 for loan originators; and \$105 for loan solicitors.

Adjust GPR-Earned collections by \$400 in 1995-96 and -\$38,300 in 1996-97 and adjust PR license fee and other revenue collections by \$49,100 in 1995-96 and -\$299,000 in 1996-97 to reflect the actual revenue impacts due to: (a) the mortgage banking transfer; and (b) miscellaneous, minor fee adjustments based on revised estimates of the numbers of regulated credential holders.

[Act 27 Sections: 6172, 6203, 6209, 6210, 6302 thru 6304, 6466, 6527m, 6528m, 6535m, 6589, 6591 thru 6604, 6611, 7066, 7230, 9147(3) and 9447(7)]

7. REVISED INITIAL AND RENEWAL LICENSING FEES

Governor/Legislature: Provide the existing initial fee and the renewal license fee schedule for the various regulated occupations, effective the later of September 1, 1995, of the first day of the second month after publication of the bill.

Chg. to Base	
GPR-REV	\$337,300
PR-REV	\$3,371,700

Initial Credential or Licensing Fee. Increase the amount of the initial credential fee which a first-time applicant must pay when submitting application materials for an initial license from \$34 to \$39. As a result of this change, the agency expects to receive a total of \$530,600 annually in initial credential fees. Reestimate agency PR revenues by \$75,600 annually and GPR-Earned collections by \$7,600 annually.

Credential or License Renewals. Increase the basic non-variable component of the biennial license renewal fee from \$36 to \$41. All license holders who renew their license each biennium pay this basic fee representing shared administrative costs. In addition to the basic renewal fee, some licensees are charged a variable fee based on each occupation's portion of selected enforcement costs. Increase the variable renewal fees of certain professions based on the amount of enforcement staff time associated with complaints processing for those professions during the 1993-95 biennium.

Provide for a new renewal fee for advance practice nurse practitioners, a professional status created by 1993 Wisconsin Act 138. Further, establish separate renewal fees for real estate corporations (proposed to be \$72) and for real estate partnerships (proposed to be \$69). Currently, these entities are combined for licensing purposes and pay a renewal fee of \$46.

As a result of these increases in the basic renewal fee and the increases in some variable fees, the agency expects to receive a total of \$7,090,600 in 1995-96 and \$5,923,300 in 1996-97 from license renewal fees. Accordingly, reestimate agency PR revenues by \$2,193,900 in 1995-96 and \$1,026,600 in 1996-97 and GPR-Earned collections by \$219,400 in 1995-96 and \$102,700 in 1996-97. Current and proposed license renewal fees and the amount of change are shown by occupation in the following table.

CURRENT AND PROPOSED LICENSE RENEWAL FEES

Credential Type	Renewal Fee			Credential Type	Renewal Fee		
	Current	Proposed	Change		Current	Proposed	Change
Accountant, Certified Public	\$44	\$47	\$3	Hearing Instrument Specialist	\$179	\$287	\$108
Accountant, Corp. or Partnership	36	41	5	Independent Clinical Social Worker	36	50	14
Acupuncturist	36	95	59	Independent Social Worker	36	41	5
Advanced Practice Nurse Prescriber	0	41	41	Land Surveyor	54	73	19
Advanced Practice Social Worker	36	47	11	Landscape Architect	36	41	5
Aesthetician	54	70	16	Loan Originator	155	94	-61
Aesthetics Establishment	111	116	5	Loan Solicitor	210	105	-105
Aesthetics Instructor	85	117	32	Manicuring Establishment	36	41	5
Aesthetics School	36	74	38	Manicuring Instructor	90	138	48
Aesthetics Specialty School	36	41	5	Manicuring School	102	85	-17
Animal Technician	42	42	0	Manicuring Specialty School	36	41	5
Appraiser, Real Estate, General	58	82	24	Manicurist	42	52	10
Appraiser, Real Estate, Residential	49	82	33	Marriage and Family Therapist	36	63	27
Appraiser, Real Estate, Licensed	57	49	-8	Mortgage Banker	330	486	156
Architect	40	46	6	Nurse, Licensed Practical	40	49	9
Architectural or Engineering Corp.	36	41	5	Nurse, Registered	40	46	6
Auction Company	37	41	4	Nurse-Midwife	36	41	5
Auctioneers	37	41	4	Nursing Home Administrator	63	114	51
Audiologist	59	41	-18	Occupational Therapist	37	42	5
Barber or Cosmetologist	42	48	6	Occupational Therapy Assistant	36	41	5
Barbering or Cosmetology Establish.	36	41	5	Optometrist	66	69	3
Barbering or Cosmetology Instructor	101	83	-18	Pharmacist	78	76	-2
Barbering or Cosmetology Manager	40	52	12	Pharmacy	36	41	5
Barbering or Cosmetology School	100	78	-22	Physical Therapist	40	45	5
Cemetery Authority	271	372	101	Physician	111	102	-9
Cemetery Preneed Seller	44	59	15	Physician's Assistant	36	48	12
Cemetery Salesperson	42	65	23	Podiatrist	79	187	108
Certified Dietitian	36	41	5	Private Detective	120	212	92
Chiropractor	106	151	45	Private Detective Agency	36	41	5
Dental Hygienist	36	41	5	Private Practice School Psychologist	36	65	29
Dentist	67	96	29	Professional Counselor	36	53	17
Designer of Engineering Systems	36	41	5	Professional Geologist	36	41	5
Drug Distributor	36	41	5	Psychologist	82	124	42
Drug Manufacturer	36	41	5	Real Estate Broker	74	106	32
Electrologist	50	56	6	Real Estate Corporation	46	72	26
Electrology Establishment	36	41	5	Real Estate Partnership	46	69	19
Electrology Instructor	107	73	-34	Real Estate Salesperson	55	70	15
Electrology School	107	63	-44	Respiratory Care Practitioner	38	42	4
Electrology Specialty School	36	41	5	Social Worker	36	43	7
Engineer, Professional	36	43	7	Speech-Language Pathologist	41	46	5
Funeral Director	80	94	14	Time Share Salesperson	36	102	66
Funeral Establishment	36	41	5	Veterinarian	67	80	13

[Act 27 Sections: 6473, 6480 thru 6519, 6521 thru 6526, 6527m, 6528m, 6529 thru 6534, 6535m, 6536 thru 6552, 6554 thru 6563, 6565 thru 6567 and 9447(1)]

8. ACCOUNTING OF MISCELLANEOUS REVENUES

Governor/Legislature: Provide increased expenditure authority of \$60,000 annually for the costs of preparing lists of credential holders' names, addresses, credential type and credential status in response to public information requests. Currently, the agency treats the revenues it receives from requestors of these lists as a refund of expenditures. State accounting procedures specify that such fees should instead be recorded as revenues and that the costs of preparing the lists should be treated as increased expenditures.

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

9. EXAMINATION EXPENSES FOR NEWLY REGULATED PROFESSIONS

Governor/Legislature: Provide funding for increased costs associated with the recent regulation of auctioneers, geologists and landscape architects as follows: (a) \$11,400 in 1995-96 and \$17,100 in 1996-97 for professional examination contractual costs; and (b) \$1,800 in 1995-96 and \$5,100 in 1996-97 for LTE salary and fringe benefits costs associated with the hiring of examination proctors.

	Chg. to Base
PR	\$35,400

10. PHASE-OUT OF INACTIVE STATUS FOR REAL ESTATE LICENSEES

Governor/Legislature: Effective November 1, 1995, prohibit R&L from registering a licensed real estate broker or salesperson as an inactive licensee. Under current law, such persons may apply for registration as an inactive licensee upon payment of a \$15 fee, provided the person's license has not been revoked or suspended. An inactive licensee may not engage in real estate practice. Inactive licensees may be reinstated upon payment of a late renewal fee.

Establish the following new procedures for inactive real estate licensees who apply for reinstatement:

Applications before January 1, 1996. Provide that applications for reinstatement would be granted in accordance with current law.

Applications on or after January 1, 1996. For persons registered as inactive prior to November 1, 1990, provide that R&L shall reinstate the original license if the inactive licensee pays the statutory initial credential fee and any required additional examination fee, passes a real estate practice competency examination and completes any educational requirements which R&L, by rule, shall establish for reinstatement of real estate licenses.

For persons registered as inactive on or after November 1, 1990, provide that R&L shall reinstate the original license if the inactive licensee pays the appropriate statutory renewal fee and completes twelve hours of continuing education which R&L, by rule, shall establish for reinstatement of real estate licenses. Provide that any inactive licensee subject to this provision would have to complete the requirements for

reinstatement before the later of January 1, 1996, or five years after the date on which the person registered as an inactive licensee. Stipulate that if a person registered as inactive on or after November 1, 1990, does not complete these procedures within the time periods specified, then R&L may reinstate the original license only if the inactive licensee pays the statutory initial credential fee and any required additional examination fee, passes a real estate practice competency examination and completes any educational requirements which shall be established by R&L.

[Act 27 Sections: 6612 thru 6614]

11. CHANGES IN RENEWAL DATES FOR CHARITABLE ORGANIZATIONS AND PROFESSIONAL FUND-RAISERS [LFB Paper 817]

Governor: Modify the renewal dates for charitable organizations and for professional fund-raisers and fund-raising counsels as follows:

Charitable Organizations. Effective August 1, 1995, establish a uniform annual renewal date for charitable organizations of August 1 and delete the current requirement that certificates of registration for charitable organizations expire six months after the end of the organization's most recently completed fiscal year.

Establish an initial annual renewal fee of \$15, the same as under current law. However, provide that the \$15 renewal fee be newly included under the statutory schedule of renewal fees so that in the future this fee would be subject to the requirement that the agency biennially recalculate its administrative and enforcement costs attributable to the regulation of the occupations and businesses which it regulates and, on the basis of these costs, recalculate all fees for initial registrations and renewals. The bill does not modify a \$15 registration fee under s. 440.42(1)(b)3. This fee is apparently intended to be the initial registration fee.

Specify that a charitable organization must submit an annual financial report to R&L if the organization received more than \$5,000 annually in contributions (the report must be an audited financial report if the charitable organization received more than \$100,000 annually in contributions) within six months of the end of the organization's fiscal year. Under current law, these annual financial reports must be submitted with the registration statement submitted at the time of renewal.

Provide that the expiration date of any annual certificate of registration for a charitable organization issued before August 1, 1995, and which expires after that date shall be extended automatically to August 1, 1996.

Professional Fund-Raisers and Fund-Raising Counsels. Convert the annual registration of professional fund-raisers and professional fund-raising counsels to a biennial basis and establish the biennial renewal date as September 1 of each even-numbered year. Delete the current statutory annual fee of \$50 for the registration of such persons. Establish a new biennial renewal fee of \$41 under the

current statutory schedule of renewal fees so that in the future this fee would be subject to biennial recalculation by the agency based on costs.

Provide that credentials renewed on September 1, 1994, shall remain valid until and renewable on September 1, 1996. Further, specify that any initial registration for a professional fund-raiser or professional fund-raising counsel issued on or after September 1, 1994, and before the general effective date of the bill shall remain valid until and renewable on September 1, 1996.

Finally, clarify that if a licensee pays any fee required by R&L including a renewal fee, and the check does not clear, R&L may cancel the credential on or after the 60th day following notice from the bank. Although the Department has been canceling licenses as a result of receiving bad checks for the payment of renewal fees, the statutes do not currently specifically authorize this practice with respect to a renewal fee payment. This statutory change corrects that situation by inserting the reference.

Joint Finance/Legislature: Modify provision by including a specific statutory reference under s. 440.05 of the statutes that the initial fees to be collected to register charitable organizations and professional fund-raisers and fund-raising counsels are the fees specifically referenced under ss. 440.42, 440.43 and 440.44 of the statutes and delete an inappropriate current law reference to initial registration fees collected under s. 440.41 of the statutes.

Currently, under s. 440.05 of the statutes, a \$34 initial credential fee is established for all registrants unless there is a specific statutory reference to another initial fee provision. Under current law, there is a reference to s. 440.41 of the statutes, which defines charitable organizations and professional fund-raisers but does not actually provide for any initial fees. The statutory sections which currently establish an initial fee for these entities are not now referenced under s. 440.05. As a result, two different types of initial fees appear to be authorized for charitable organizations, and professional fund-raisers and fund-raising counsels. The modification eliminates this ambiguity and clarifies that the initial fees established under ss. 440.42 through 440.44 are the fees which apply.

[Act 27 Sections: 6472m, 6478, 6479, 6506, 6520, 6553, 6577 thru 6585, 9147(1)&(2) and 9447(5)]

12. MISCELLANEOUS FEE REVISIONS

Governor/Legislature: Make the following miscellaneous statutory fee changes:

Reciprocal Credential Fee. Effective July 1, 1996, delete the current, uniform \$50 reciprocal credential fee and specify instead that the reciprocal credential fee shall be the same as the appropriate renewal fee established for the regulated occupation or practice, including any required additional examination fee. Under current law, persons with a license in another jurisdiction that authorizes or qualifies the person to undertake activities there which are substantially the same as those authorized by a license granted by R&L may seek a reciprocal credential in Wisconsin. Further, clarify that: (a) a reciprocal credential includes a credential which permits temporary practice in the state because an

individual holds an equivalent credential in another state; and (b) the current temporary credential (with a lower fee of \$10) is only for those persons completing educational, apprenticeship or examination requirements.

Late Renewal Fee. Effective July 1, 1996, delete the current two-tier late renewal fee and establish a single \$25 late renewal fee for any application for credential renewal that is received after its statutory renewal date. Under current law, if the renewal application is received less than 30 days after the statutory renewal date, a \$5 late fee is imposed. If the renewal application is received 30 or more days after the statutory renewal date, a \$25 late fee is imposed.

Credential Replacement Fee. Effective July 1, 1996, increase from \$5 to \$10 the fee charged for the replacement of a lost credential, name or address change on a credential, issuance of a duplicate credential or transfer of a credential.

Credit Card Service Fee. Authorize R&L to: (a) accept payment by credit card of any fee required to be paid to the agency; and (b) enter into contracts for services relating to the payment of credential fees by credit card. Provide that if the agency permits the payment of credential fees by credit card, it shall charge a credit card service charge for each such transaction sufficient to defray all the department's costs of providing the service, including any charges associated with the use of a credit card. Stipulate that all funds received from the service charge be deposited to the agency's general program operations appropriation and not be subject to the requirement that 10% of the amounts received be deposited in the general fund as GPR-Earned.

[Act 27 Sections: 531, 6474 thru 6477, 6571m, 6572, 9347(1),(2)&(3) and 9447(2),(3)&(4)]

13. ELIMINATION OF EXECUTIVE ASSISTANT

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$160,800	- 1.00	\$0	1.00	-\$160,800	0.00

Joint Finance: Delete \$80,400 and 1.0 position annually 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.

14. USE OF THE TERM "MEDICAL DOCTOR" BY CERTAIN LICENSED GRADUATES OF FOREIGN MEDICAL SCHOOLS

Joint Finance/Legislature: Authorize a person licensed as a physician by the Department's Medical Examining Board who has satisfied the medical degree requirements of the Board by possessing a medical degree that was conferred by a medical school recognized and listed as such by the World Health Organization to use the title "doctor of medicine" and the initials "M. D."

Currently, an applicant for a license to practice medicine in the state who is a graduate of a foreign medical school must supply evidence satisfactory to the Board that the applicant is a graduate and possesses a diploma from a medical college approved by the Board and has completed 12 months of postgraduate work. If the Board is satisfied that these criteria are met, the applicant is admitted to examination for a license to practice medicine.

Once licensed, the licensee may assume the title "doctor of medicine" and use the initials "M. D." However, the statutes currently specify that no person may use the term "doctor of medicine" or use the initials "M. D." unless the person actually possesses a degree of doctor of medicine. Some foreign medical schools do not grant degrees with that specific degree title. As a result, graduates from these schools may meet all relevant training and licensure standards required by the state but may not use the term "doctor of medicine" because they do not hold a degree with the same title as required by statute.

[Act 27 Sections: 6608e, 6608m and 6608s]

15. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$13,600 annually and 0.5 position.

Chg. to Base Funding Positions		
PR	- \$27,200	- 0.50

REVENUE

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	\$113,605,400	\$111,523,500	\$108,876,900	\$108,876,900	\$108,876,900	- \$4,728,500	- 4.2%
FED	100,800	100,000	100,000	100,000	100,000	- 800	- 0.8
PR	22,882,400	26,859,300	27,395,300	27,609,900	27,609,900	4,727,500	20.7
SEG	<u>3,330,600</u>	<u>3,570,700</u>	<u>68,388,800</u>	<u>68,388,800</u>	<u>68,388,800</u>	<u>65,058,200</u>	<u>1,953.3</u>
TOTAL	\$139,919,200	\$142,053,500	\$204,761,000	\$204,975,600	\$204,975,600	\$65,056,400	46.5%

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
GPR	992.20	947.05	912.75	913.75	913.75	- 78.45
PR	191.30	231.00	232.80	232.80	232.80	41.50
SEG	<u>30.50</u>	<u>26.00</u>	<u>154.50</u>	<u>154.50</u>	<u>154.50</u>	<u>124.00</u>
TOTAL	1,214.00	1,204.05	1,300.05	1,301.05	1,301.05	87.05

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide adjustments of \$106,700 GPR, -\$307,300 PR, -\$137,100 SEG and -\$400 FED annually for standard budget adjustments. Annual adjustments are for: (a) turnover reduction (-\$955,200 GPR and -\$122,300 PR); (b) removal of noncontinuing funding and positions (-\$297,200 GPR, -\$359,800 PR and -8.00 PR positions, -\$149,700 SEG and -4.00 SEG positions and -\$500 FED); (c) full funding of continuing position salaries and fringe benefits (\$935,800 GPR, \$91,100 PR and -\$2,300 SEG); (d) full funding of financial services costs (\$8,900 GPR, \$2,100 PR and \$1,000 SEG); (e) risk management costs (\$4,700 GPR, \$6,900 PR and \$1,200 SEG); (f) fifth week vacation as cash (\$84,800 GPR, \$10,600 PR and \$2,600 SEG); (g) full funding of lease costs (\$4,500 GPR and \$1,500 PR); and (h) full funding of delayed pay adjustments (\$320,400 GPR, \$62,600 PR, \$10,100 SEG and \$100 FED). In total, changes due to standard budget adjustments would reduce funding by \$338,100.

	Chg. to Base Funding Positions	
GPR	\$213,400	0.00
FED	- 800	0.00
PR	- 614,600	- 8.00
SEG	<u>- 274,200</u>	<u>- 4.00</u>
Total	- \$676,200	- 12.00

2. BUSINESS TAX REGISTRATION [LFB Paper 820]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$100,000	0.00	- \$1,197,300	- 16.80	- \$1,097,300	- 16.80
PR	0	0.00	2,004,300	19.80	2,004,300	19.80
Total	\$100,000	0.00	\$807,000	3.00	\$907,000	3.00

Governor: Provide \$50,000 annually for the Department to contract for computer programming assistance to develop a centralized registration computer system for required permits, certificates and licenses issued by the Department to businesses. Authorize the Department to establish by rule the terms and annual fees for the following: (a) employer income tax withholding registrations; (b) sales tax sellers, resellers, direct pay and exemption permits; (c) motor fuel supplier, exporter and receiver licenses; (d) general aviation fuel licenses; (e) alternate fuels licenses; (f) alcohol beverage warehouse permits; (g) fermented malt beverage industrial, brewer, wholesaler and out-of-state shipper permits; (h) intoxicating liquor manufacturer or rectifier, limited manufacturer, wholesaler, combination and out-of-state shipper permits; (i) industrial and wholesale alcohol permits; (j) permits to solicit wholesale sales of intoxicating liquor for future sales; (k) wine manufacturing and bottling and industrial permits; and (l) cigarette manufacturer, distributor, jobber, retailer, vending machine, warehouse and salesperson permits. The current fees charged for these licenses and permits are shown in the table below.

**CURRENT LICENSE AND PERMIT FEE
AMOUNTS AND TERMS**

<u>Permit, License</u>	<u>Amount</u>	<u>Term</u>
Employer Withholding	\$0	N/A
Sales Tax		
Sellers	5	2 years
Resellers	0	N/A
Exemption	0	N/A
Direct Pay	5	1 year
Motor Fuel		
Supplier	0	permanent
Exporter	0	permanent
Receiver	0	permanent
Alternate Fuel	0	permanent
General Aviation Fuel	0	permanent
Alcohol Warehouse	100	1 year
Fermented Malt Beverage		
Industrial	25	2 years
Brewer	25	2 years
Out-of-State Shipper	50	1 year
Intoxicating Liquor		
Manufacturer and Rectifier	500	1 year
Limited Manufacturer	25	2 years
Wholesaler	500	1 year
Combination	1,000	1 year
Out-of-State Shipper	250	1 year
Alcohol		
Industrial	25	2 years
Wholesale	50	1 year
Permits to Solicit Wholesale		
Liquor Sales	25	2 years
Wine		
Manufacturing and Bottling	100	1 year
Industrial	25	2 years
Cigarette		
Manufacturer	50	1 year
Distributor	50	1 year
Jobber	50	1 year
Retailer	50	1 year
Vending Machine	50	1 year
Warehouse	50	1 year
Sales person	2	permanent

Joint Finance/Legislature: Delete the Governor's recommendation. Instead, delete 16.8 GPR positions with \$365,800 GPR in 1995-96 and \$731,500 GPR in 1996-97 and provide 16.8 PR permanent positions and 3.0 PR project positions with \$756,700 PR in 1995-96 and \$1,247,600 PR in 1996-97 to establish a centralized business tax registration system. DOR would be required to develop a system through which a business taxpayer could use a single application for all licenses, permits and certificates.

The Department would also be required to develop a registration fee schedule that reflected traditional differentials in fees and costs for the businesses, with the minimum registration fee established at \$20 and the minimum renewal fee at \$10. DOR would be directed to submit the schedule and an estimate of the point at which revenues generated by the fees exceeded the costs of administering the fee system to the Joint Committee on Finance at its first meeting under s. 13.10 in 1995-96. A two-year renewal cycle would be established for all permits. The proposed fee schedule would be effective on January 1, 1996 and the renewal fee cycle would begin on January 1, 1998. A separate PR appropriation would be established to fund the business tax registration system with registration and renewal fees as the source of revenue for the appropriation. Annually, the year-end unencumbered balance in the appropriation in excess of 10% of fiscal year expenditures would lapse to the general fund. This provision would reduce GPR-Earned by an estimated \$180,400 in 1995-96 and \$360,700 in 1996-97.

[Act 27 Sections: 1111mm, 3419, 3440m, 3481g thru 3484e, 3484rm, 3484rr, 3485c, 3485L, 3497 thru 3500g, 4117b thru 4123d, 4124m thru 4142m, 4190, 4190c, 4190u thru 4191t, 4194, 4195m, 6620m, 9148(3z)(a)&(b) and 9448(8z)]

3. POSTAGE RATE INCREASE

Governor/Legislature: Provide \$185,200 GPR, \$32,200 PR and \$2,800 SEG annually to cover the cost of the 1995 postal rate increase.

	Chg. to Base
GPR	\$370,400
PR	64,400
SEG	<u>5,600</u>
Total	\$440,400

4. REENGINEERING INDIVIDUAL INCOME TAX PROCESSING [LFB Paper 821]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$125,000	- \$125,000	\$0

Governor: Provide \$125,000 in 1996-97 to hire a consultant to assist in reengineering individual income tax processing systems.

Joint Finance/Legislature: Delete provision.

5. BRANCH OFFICE RELOCATIONS

Governor/Legislature: Provide \$2,100 GPR and \$2,200 PR in 1995-96 and \$2,200 GPR and \$2,400 PR in 1996-97 to relocate the Superior, Tomah and Hayward branch offices. The new locations would be handicapped accessible and provide more adequate service space for taxpayer assistance activities.

	Chg. to Base
GPR	\$4,300
PR	<u>4,600</u>
Total	\$8,900

6. DELINQUENT TAX COLLECTION PROGRAM

Governor/Legislature: Authorize the following program modifications and funding changes to the delinquent tax collection program.

	Chg. to Base Funding Positions	
GPR	- \$1,050,900	- 25.40
PR	<u>1,679,700</u>	<u>25.40</u>
Total	\$628,800	0.00

a. Provide \$314,400 PR and 7.0 PR management information specialist positions annually to complete redesign and to maintain the automated delinquent tax system. In addition, 7.0 PR revenue agent positions would be converted from permanent to project positions and scheduled to terminate on June 25, 1997. Currently, 8.0 project positions that are funded through June 30, 1995, are performing redesign activities.

b. Reduce funding by \$1,050,900 GPR and 25.40 GPR positions in 1996-97 and provide \$1,050,900 PR and 25.40 PR positions in 1996-97 to convert the funding source for Compliance Bureau personnel who perform delinquent tax collection activities.

c. Effective December 31, 1995, increase the delinquent tax administrative fee from its current level of the greater of \$25 or 4.5% of the delinquent balance due (taxes, fees, interest and penalties) to the greater of \$35 or 6.5% of the delinquent balance. Also, effective for accounts that are delinquent on December 31, 1995, an additional fee would be imposed that would be the greater of \$10 or 2% of the delinquent balance. The current administrative fee generated approximately \$6.5 million in 1993-94. The proposed fee would generate an estimated \$9.0 million in 1995-96 and \$11.0 million in 1996-97.

[Act 27 Sections: 3438, 9148(2) and 9448(1)]

7. EQUALIZATION SECTION POSITION REDUCTIONS

Governor/Legislature: Reduce positions and related funding in the Equalization Section of the Bureau of Property Tax.

	Chg. to Base Funding Positions	
GPR	- \$544,800	- 10.00

a. Delete \$126,200 and 3.5 positions annually to eliminate 2.5 property assessment technician positions and a property assessment supervisor position. These positions are vacant.

b. Delete \$110,900 and 2.0 positions in 1996-97 to eliminate a property assessment supervisor and property assessment specialist position in different district offices. The related workload would be assigned to existing personnel.

c. Delete \$181,500 and 4.5 positions in 1996-97 to eliminate property assessment positions. The related workload would be assigned to existing staff.

8. BUREAU OF PROPERTY TAX POSITION AND FUNDING REDUCTIONS

	Chg. to Base Funding Positions	
GPR	- \$351,100	- 3.00

Governor/Legislature: Reduce positions and funding for the Bureau of Property Tax as follows.

- a. Delete \$125,200 and 2.0 positions annually to eliminate the bureau director position and a related clerical support position. These savings would be generated by reorganization.
- b. Delete \$22,400 and 0.5 position in 1995-96 and \$44,900 and 1.0 position in 1996-97 to eliminate a property assessment specialist position in the Assessment Practices Section.
- c. Delete \$8,400 in 1996-97 for professional and technical conferences for appraisal staff.
- d. Delete \$25,000 in 1996-97 for training-related travel.

9. ADMINISTRATIVE SUPPORT FUNDING CONVERSION

	Chg. to Base Funding Positions	
GPR	- \$338,200	- 3.05
PR	628,500	3.05
SEG	61,000	0.00
Total	\$351,300	0.00

Governor/Legislature: Delete \$169,100 GPR and 3.05 GPR positions annually and provide \$312,300 PR and \$30,100 SEG in 1995-96 and \$316,200 PR and \$30,900 SEG in 1996-97 and 3.05 PR positions annually to convert the funding source for administrative support activities from GPR to PR and SEG. A separate PR appropriation for internal services would be created to fund the costs of budget management, appropriation accounting, purchasing, personnel, payroll and employment relations that are related to current operations that are PR or SEG funded. Currently, the direct operational costs of certain departmental activities are PR and SEG funded whereas general administrative support for those operations is funded by GPR. This provision would convert the funding source for administrative support to reflect the program operations for which such support is provided.

[Act 27 Section: 1116]

10. MANUFACTURING PROPERTY ASSESSMENT POSITION AND FUNDING REDUCTIONS

	Chg. to Base Funding Positions	
GPR	- \$301,300	- 4.70

Governor/Legislature: Reduce manufacturing property assessment funding and positions as follows:

- a. Delete \$105,500 and 2.5 positions in 1995-96 and \$124,400 and 3.0 positions in 1996-97 to eliminate two property assessment positions and a property technician position. The related workload would be assigned to existing staff.

b. Delete \$58,500 and 1.7 positions in 1996-97 to reflect elimination of portions of three property assessment technician positions in three different districts. The related workload would be assigned to existing staff.

c. Delete \$12,900 in LTE funding in 1996-97.

11. OCCASIONAL VEHICLE SALES SYSTEM [LFB Paper 822]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$5,400,000		\$2,533,700		\$7,933,700	
GPR	-\$224,200	- 3.00	\$0	0.00	-\$224,200	- 3.00
PR	959,200	5.00	0	0.00	959,200	5.00
Total	\$735,000	2.00	\$0	0.00	\$735,000	2.00

Governor: Delete \$112,100 GPR and 3.0 GPR positions annually and provide \$401,400 PR and 5.0 PR permanent and 1.0 PR project positions in 1995-96 and \$557,800 PR and 5.0 PR positions in 1996-97 to improve the Department's verification activities related to occasional vehicle sales. The PR funding would be used to fund departmental activities related to occasional vehicle sales and to contract with a vendor for database and data processing services that would be used to develop an upgraded valuation audit system and improved data processing services. The Department would be specifically authorized to enter into contracts for database and data processing services for audits of occasional vehicle sales.

A PR appropriation would be created to fund these activities and the Department would retain 25% of the sales taxes collected from the upgraded motor vehicle occasional sales audit program. Any year-end unencumbered balance in the appropriation in excess of 10% fiscal year expenditures and encumbrances would lapse to the general fund. On or before November 15, 1996, the Department would be required to report to the Department of Administration on the net additional sales tax revenues generated for the general fund and counties as a result of the improved audit program.

Occasional motor vehicle sales are sales of automobiles, trucks, motorcycles, and motor homes between private parties. Such sales must be reported to the Department of Transportation and are subject to the sales or use tax.

Additional collections of an estimated \$1.7 million in 1995-96 and \$3.7 million in 1996-97 would be attributable to this provision, and are reflected as increased GPR-Earned amounts in the bill.

Joint Finance/Legislature: Reestimate sales and use tax collections to reflect additional collections from detecting underreporting of sales of motor vehicles that are less than six years old. Consequently, increase general fund sales and use tax estimates by \$2,250,000 in 1995-96 and \$4,500,000 in 1996-97. In addition, reduce estimated GPR-Earned from this provision to be \$295,000 in 1995-96 and \$888,700

in 1996-97 under the lapse provision. This would represent a decrease in GPR-Earned from AB 150 of \$1,405,000 in 1995-96 and \$2,811,300 in 1996-97, because the additional sales and use tax collections were included as GPR-Earned in the bill. The net effect of these reestimates would be to increase estimated general fund revenues by \$845,000 in 1995-96 and \$1,688,700 in 1996-97. Total additional collections due to improved verification activities would be \$2,545,000 in 1995-96 and \$5,388,700 in 1996-97.

[Act 27 Sections: 1112, 3437 and 9148(1)]

12. CENTRAL FILES SECTION POSITION AND FUNDING REDUCTIONS

Chg. to Base Funding Positions		
GPR	- \$185,900	- 2.00

Governor/Legislature: Reduce funding and positions for the Tax Processing Bureau Central Files Section.

a. Delete \$57,000 and 2.0 positions (1.0 supervisor and 1.0 clerical position) annually to reflect reorganization of the section through the use of batch filing.

b. Delete \$37,400 in 1995-96 and \$34,500 in 1996-97 to reflect conversion of the central files system to automated records request and retrieval processes. The savings would be generated by decreased use of LTEs.

13. SOFTWARE PROGRAMMING DEVELOPMENT

Chg. to Base		
GPR	- \$135,900	

Governor/Legislature: Delete \$33,200 in 1995-96 and \$102,700 in 1996-97 to reflect savings from reduced mainframe computer usage charges. Savings would be generated by performing software testing and development on personal computers. Funding of \$237,500 would be transferred from permanent salaries and supplies and services lines in 1994-95 to purchase software and personal computers for applications development staff.

14. BUREAU OF INFORMATION SYSTEMS FUNDING REDUCTIONS

Chg. to Base		
GPR	- \$88,700	

Governor/Legislature: Reduce funding for the Bureau of Information Systems in the following manner.

a. Delete \$39,100 in 1995-96 and \$39,300 in 1996-97 in supplies and services funding used for out-of-state training and related travel expenses and for computer paper and forms purchases.

b. Delete \$10,300 in 1996-97 in LTE funding used for Bureau internship programs.

15. TAXPAYER ASSISTANCE

Governor/Legislature: Delete \$69,900 and 2.0 positions in 1996-97 to eliminate two revenue agent positions that provide taxpayer assistance.

Chg. to Base Funding Positions		
GPR	- \$69,900	- 2.00

16. ELIMINATE ATTORNEY POSITION

Governor/Legislature: Delete \$67,100 and 1.0 position in 1996-97 to eliminate an attorney position from the Legal Services section.

Chg. to Base Funding Positions		
GPR	- \$67,100	- 1.00

17. INVESTMENT AND LOCAL IMPACT FUND ADMINISTRATION

Governor/Legislature: Delete \$32,500 GPR and 0.5 GPR position annually and provide \$36,200 PR in 1995-96 and \$41,400 PR in 1996-97 and 0.5 PR position annually to convert the funding source for administration of the Investment and Local Impact Fund (ILIF) from GPR to PR. The conversion would provide the ILIF Board with its own employee and funds to cover administrative expenses. A separate PR appropriation would be created to fund administrative expenses. The source of funding for the appropriation would be an annual assessment on all mining operations that had gross proceeds. The amount of an assessment would equal a company's proportionate share of total gross proceeds for the prior year times the Board's administrative expenses for the previous fiscal year. The annual administrative assessment would be deductible from gross proceeds in determining state mining tax liability.

Chg. to Base Funding Positions		
GPR	- \$65,000	- 0.50
PR	<u>77,600</u>	<u>0.50</u>
Total	\$12,600	0.00

[Act 27 Sections: 1119 and 3363 thru 3367]

18. ELIMINATE LTE PROCESSING OF WITHHOLDING ANNUAL RECONCILIATIONS

Governor/Legislature: Delete \$26,100 annually to eliminate funding for LTE processing of withholding annual reconciliation forms. Existing staff would be reallocated to this function.

Chg. to Base	
GPR	- \$26,100

19. MAINFRAME COMPUTER SYSTEM OPERATIONS

Chg. to Base	
GPR	- \$30,800

Governor/Legislature: Delete \$15,000 in 1995-96 and \$15,800 in 1996-97 to reflect implementation of more efficient usage of DOA's mainframe computer system. Efficiency measures would include reducing the frequency of computer runs, reducing tape mounts, elimination of job streams and running more jobs during off-hours at reduced rates.

20. REDUCE LTE CORPORATE TAX PROCESSING

Chg. to Base	
GPR	- \$19,700

Governor/Legislature: Delete \$5,800 in 1995-96 and \$13,900 in 1996-97 to reduce funding for LTE screening of corporate income and franchise tax returns to reflect procedural changes associated with the redesign of the corporate income tax computer system.

21. REDUCE RESEARCH & ANALYSIS CLERICAL POSITION

Chg. to Base Funding Positions		
GPR	- \$17,000	- 0.50

Governor/Legislature: Delete \$17,000 and 0.5 position in 1996-97 to eliminate 0.5 clerical position in the Division of Research and Analysis.

22. MILWAUKEE REFUND INQUIRY SYSTEM [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$9,000	- \$14,400	- \$23,400
PR	<u>37,800</u>	<u>- 37,800</u>	<u>\$0</u>
Total	\$28,800	- \$52,200	- \$23,400

Governor: Authorize installation of a voice response unit in the Department's Milwaukee office. Provide \$18,900 PR annually from the proposed information technology fund for lease payments. Decrease funding by \$11,700 GPR in 1995-96 and increase funding by \$2,700 GPR in 1996-97. The reduced GPR funding for 1995-96 reflects savings from decreased use of LTEs. This savings would be offset by ongoing maintenance costs beginning in 1996-97.

Joint Finance/Legislature: Delete agency funding for receipt of grants from the information technology investment fund for purchase of a voice response unit in the Milwaukee office. 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."] Because no GPR funding would be provided for ongoing maintenance costs, delete \$14,400 GPR in 1996-97.

23. ELIMINATE LTE WORD PROCESSING

Governor/Legislature: Delete \$3,000 annually to eliminate word processing activities in the Compliance Bureau due to decreased workloads resulting from increased automation.

Chg. to Base	
GPR	- \$6,000

24. ELIMINATE BUREAU OF LOCAL FINANCIAL ASSISTANCE TRAVEL FUNDING

Governor/Legislature: Delete \$1,000 in 1996-97 used for out-of-state travel by the Bureau of Local Financial Assistance.

Chg. to Base	
GPR	- \$1,000

25. MINNESOTA-WISCONSIN RECIPROCITY SAMPLE [LFB Paper 670]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
PR	\$214,600	- \$214,600	\$214,600	\$214,600

Governor: Provide \$87,400 in 1995-96 and \$127,200 in 1996-97 to develop the tax sample upon which the state's annual income tax reciprocity payment to Minnesota is based. The funding for this PR appropriation would be drawn from a GPR appropriation under Miscellaneous Appropriations for this purpose.

Joint Finance: Delete provision.

Senate/Legislature: Provide \$87,400 in 1995-96 and \$127,200 in 1996-97 to restore funding to develop the reciprocity tax sample.

26. PETROLEUM INSPECTION FEE COLLECTION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$343,200	2.50	- \$38,400	- 0.50	\$304,800	2.00

Governor: Provide \$219,800 in 1995-96 and \$123,400 in 1996-97 and 2.5 positions annually to shift responsibility for collection of the petroleum inspection fee from DILHR to DOR. A separate, SEG appropriation would be created to fund the cost of collecting the fee. The source of funding for the appropriation would be the petroleum inspection fund.

Persons who ship petroleum products into the state would be required to have a motor fuel tax supplier or exporter license under current law or a petroleum products shipper license issued by DOR. DOR would prescribe and furnish a shipper license application which would be verified by the owner if an individual, a member of an unincorporated association, a partner of a partnership or the president and secretary of a corporation. DOR would be authorized to require any person who was liable for the fee to place a security with it in an amount of up to three times the person's average monthly fee liability as determined by DOR. If any person failed to provide the security, DOR could refuse to issue or revoke the person's motor fuel shipper or exporter license or petroleum products shipper license. If a taxpayer was delinquent in paying the inspection fee, the Department, upon 10 days notice, could recover the fee, interest, penalties, costs and disbursements from the person's security. DOR could not pay interest on any security deposit.

The required security could be a surety bond furnished to DOR and payable to the state. DOR would be authorized to prescribe the form and contents of the bond. The surety responsible for a bond could cancel the bond by filing written notice with the person liable for the fee and DOR. The notice would not discharge the surety from any liability that accrued within 60 days after filing the notice. DOR would be required to revoke a person's license, if the person who was liable for the fee did not file a new bond that was satisfactory with DOR, within 60 days after receiving the notice. If the person furnished a new bond, DOR would be required to cancel and surrender the old bond when the department was satisfied that all liability under the old bond was discharged.

If the liability covered by the bond was discharged or reduced or if DOR determined that the bond was insufficient, DOR would have to require additional surety or new bonds. Any person who failed to file the additional bond coverage within five days after being notified by DOR would have the motor fuel exporter or supplier or petroleum products shipper license revoked. Suspension, revocation or cancellation of a license, partial recovery on a bond or execution of a new bond would not affect the validity of a previously filed bond.

DOR would have authority to inspect relevant records and documents. Suppliers would be required to maintain required books, records and other papers and documents for four years, rather than for three years as currently required. Certain reporting requirements would be modified to reflect imposition of the fee on suppliers at the terminal level.

Provisions which govern DOR administration and enforcement of the motor fuel, general aviation fuel and special fuel taxes relating to suspension of licenses, records, timely filing, returns and refunds, appeals, actions to collect tax and various penalties, rulemaking, examinations and prosecution and place of trial would also apply to the petroleum inspection fee. DOR would begin imposing the fee for petroleum products received on and after January 1, 1996.

Currently, the \$0.03 per gallon petroleum inspection fee is collected by DILHR.

Joint Finance/Legislature: Modify the Governor's recommendation to delete \$16,900 in 1995-96 and \$21,500 in 1996-97 and 0.5 management information specialist position annually.

[Act 27 Sections: 978, 1114, 1185, 4474 thru 4480, 4482 thru 4495 and 9348(4)]

27. LOTTERY CREDIT ADMINISTRATION

Governor/Legislature: Provide \$113,000 and 3.0 positions annually for administration of the lottery property tax credit. Currently, administrative activities are performed by 4.0 project positions which expire on June 30, 1995.

Chg. to Base Funding Positions		
SEG	\$226,000	3.00

28. LIQUOR TAX ADMINISTRATION

Governor/Legislature: Delete \$139,000 and 3.25 positions annually to reflect a permanent reduction in liquor tax audit activities. The reduced activity is due to increased automation of processing and auditing of reports filed by liquor tax permittees. Also, beginning with fiscal year 1995-96, any unencumbered year-end balance in the appropriation for administration of the liquor tax in excess of 10% of that fiscal year's expenditures would lapse to the general fund. Under current law, funding for the appropriation is provided by an administrative fee of \$0.03 per gallon of intoxicating liquor. This provision would increase GPR-Earned by an estimated \$335,000 in 1995-96 and by \$125,000 in 1996-97.

Chg. to Base Funding Positions		
GPR-REV	\$460,000	
PR	- \$278,000	- 3.25

[Act 27 Sections: 1113 and 9348(8)]

29. MOTOR FUEL TAX ADMINISTRATION FUNDING AND POSITION REDUCTIONS

Governor/Legislature: Reduce funding and positions for motor fuel tax administration as follows.

Chg. to Base Funding Positions		
SEG	- \$137,800	- 1.50

- Delete \$3,400 in 1996-97 for funding mainframe computer costs.
- Delete \$12,200 annually to eliminate funding for LTE processing of motor fuel tax exemption reports. LTEs are no longer used for this process.
- Delete \$24,600 and 1.0 position annually to eliminate a vacant clerical position in the Tax Processing Bureau. The duties of this position are no longer required due to collection of the motor fuel tax at the terminal.

d. Delete \$20,000 annually to reduce funding for postage. Reduced postage costs are due to the change in the point of collection for the motor fuel tax.

e. Delete \$20,800 and 0.5 position in 1996-97 to eliminate an office auditor position in the Excise Audit Section. The position will no longer be required after a new motor fuel tracking system is developed and operational in 1996.

30. MOTOR FUEL TAX MODERNIZATION

Governor/Legislature: Delete \$9,800 in 1995-96 and \$35,500 in 1996-97 and 4.5 positions annually to reflect efficiencies gained from upgrading and automating the motor fuel tax tracking, collection and computer systems.

Chg. to Base Funding Positions		
SEG	- \$45,300	- 4.50

31. COUNTY SALES TAX ADMINISTRATION FUNDING TRANSFER TO GENERAL FUND [LFB Paper 823]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
GPR-REV	\$1,000,000	\$150,000	\$71,600	\$1,221,600

Governor: Transfer \$1,000,000 from the appropriation for funding administration of the county sales tax to the general fund on June 30, 1997.

Under current law, Wisconsin counties are authorized to adopt and impose a 0.5% sales tax on the same goods and services that are subject to the state sales tax. The county tax is "piggybacked" onto the state sales tax in that the county tax is administered, enforced and collected by the Department. The Department retains 1.5% of the sales taxes it collects to cover administrative costs. This provision would transfer funds from the balance of the appropriation used to fund the Department's administrative costs to the general fund.

Joint Finance: Modify provision to transfer an additional \$150,000 from the county sales tax administration appropriation balance to the general fund on June 30, 1997. Also, require amounts not approved for the Department's pending s. 16.515 request be lapsed to the general fund. (Under this request \$165,200 PR expenditure authority was approved by DOA; the Joint Finance Committee has not yet met to consider this matter.) Finally, reduce the amount of county sales taxes retained by DOR for administrative expenses from 1.5% to 1.3% of total collections, beginning on July 1, 1997.

Senate/Legislature: Reestimate the amount of the transfer from the appropriation for funding administration of the county sales tax to the general fund by \$71,600 in 1996-97. The Joint Committee on Finance met on June 23, 1995, on the s. 16.515 request and did not approve \$71,600, which would lapse under AB 150. This item reestimates the transfer amount to reflect the Committee's action.

Veto by Governor [E-15]: Delete provisions which reduced the amount of county sales taxes retained by DOR for administrative expenses from 1.5% to 1.3% of total collections, beginning July 1, 1997.

[Act 27 Section: 9248(1)]

[Act 27 Vetoed Sections: 1150m, 3485v, 3485x and 9448(8t)]

32. MINOR ADJUSTMENTS BETWEEN APPROPRIATIONS

Governor/Legislature: Authorize minor adjustments of appropriations within the same funding source for the following purposes: (a) transfer a position from the Audit Bureau in the Division of Income, Sales and Excise taxes to the Division of Research and Analysis to provide word processing and other clerical assistance; (b) transfer central supplies funding of \$4,300 in each year to the cost centers responsible for expenditure of the funding; and (c) transfer funding of \$14,200 in each year for space rental costs.

33. TRANSFER OF RAILROAD REGULATORY FUNCTIONS

Governor: Require railroad corporations to file the following types of documents with the Department rather than with the Office of the Commissioner of Railroads, as is currently required: all books of account or stock books as may be required by the Department, the Legislature or a court of record; designation of principal office within the state; and the annual report to the railroad's stockholders.

Joint Finance/Legislature: Delete provision.

34. SCHOOL AID DISTRIBUTION

	<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	\$663,700	10.00	- \$663,700	- 10.00	\$0	0.00

Governor: Effective July 1, 1996, transfer the responsibility for calculating and distributing seven local assistance programs from the Department of Public Instruction to the Department of Revenue. Provide \$663,700 and 10.0 positions in 1996-97 to administer the following programs: general equalization aid, handicapped education aid, pupil transportation aid, school library aid, public library system aid, bilingual-bicultural education aid and tuition payments. Funding for these programs (a total of \$3,485,303,300) would be appropriated under "Shared Revenue and Tax Relief."

Provide for the transfer from DPI to DOR of all assets, liabilities, tangible personal property, records, contracts, rules and pending matters that are primarily related to calculating and distributing the aid programs, as determined by the Secretary of DOA (a technical correction to the bill would be necessary to include public library system aid in the transfer provisions). Allow the Secretary of DOA to transfer to DOR any position in DPI primarily related to calculating and distributing the aid programs and to transfer any incumbent DPI employee holding such a position.

Provide that the annual report which is currently submitted to DPI by all school districts (except MPS) would also be filed with DOR; this report contains not only financial and accounting information, but also other data such as the school census, enrollment, names and salaries of teachers and number of school days taught. The annual financial report submitted to DPI by the Milwaukee Public Schools would also be filed with DOR; this report contains attendance data (including number of suspensions/expulsions and high school graduation rates) and third grade reading test scores.

Joint Finance/Legislature: Delete provision.

35. BUSINESS ORGANIZATION FILINGS [LFB Paper 836]

	<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	\$1,203,100	17.00	-\$1,203,100	- 17.00	\$0	0.00

Governor: Provide \$1,203,100 and 17.0 positions in 1996-97 to transfer, from the Office of the Secretary of State (Office) to the Department, responsibility for filing and maintaining business organization records. A PR appropriation would be created to fund general program operating expenses. The source of funding for the appropriation would be document filing and copying fees and fees for expedited services. Annually, \$200,000 would be transferred from this appropriation to the general program operations appropriation for the Office of the Secretary of State. At the end of each fiscal year, any unencumbered balance in the appropriation in excess of 10% of the year's expenditures would lapse to the general fund.

A second PR appropriation would be created to fund the costs of photocopying and microfilm copying of documents, generation of copies from optical disk storage, publication of books and other related services. The source of funding for the appropriation would be fees or charges for such services.

Current law requirements related to filing and recording documents, penalties for refusal to file or late filing, administrative or involuntary dissolution, appeal department actions, legal remedies and other related current law administrative provisions would continue to apply.

The assets and liabilities that were primarily related to the Office's business organization recordkeeping and filing functions, as determined by the Secretary of DOA, would become the assets and liabilities of DOR. All tangible personal property, including records, that were primarily related to the Office's business organization recordkeeping and filing functions, as determined by the Secretary of DOA, would be transferred to DOR. All contracts that were primarily related to the business organization filing and recordkeeping function, as determined by the Secretary of DOA, that were in effect would remain in effect and would be transferred to and be binding on the Department, unless the obligations were modified or rescinded to the extent allowed under the contract. All rules promulgated and orders issued by the Secretary of State that were primarily related to business organization filing activity, as determined by the Secretary of DOA, that were in effect would remain in effect until their specified expiration date or until they were amended, repealed, modified or rescinded by the Department. All matters pending with the Office, that were primarily related to its business organization recordkeeping and filing function, as determined by the Secretary of DOA, would be transferred to DOR. All materials submitted to or actions taken by the Office concerning the pending matter would be considered as having been submitted or been taken by DOR.

Specify that the unencumbered balances in the Secretary of State's program fee appropriation immediately before July 1, 1996, would lapse to the general fund, which would result in an estimated total lapse of \$500,000 in 1995-96.

Joint Finance/Legislature: Delete provision.

36. ELIMINATE 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	-\$180,400	- 1.00	\$0	1.00	-\$180,400	0.00

Joint Finance: Delete \$90,200 and 1.0 position annually to reflect elimination of state agency executive assistant positions.

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

37. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$232,900 GPR and 6.5 GPR positions, \$26,400 PR and 1.0 PR position, and \$21,700 SEG and 1.0 SEG position annually.

	<u>Chg. to Base</u>	
	<u>Funding</u>	<u>Positions</u>
GPR	-\$465,800	- 6.50
PR	- 52,800	- 1.00
SEG	- 43,400	- 1.00
Total	-\$562,000	- 8.50

38. SETOFF OF UNPAID MUNICIPAL AND COUNTY FINES, FEES AND FORFEITURES

Joint Finance/Legislature: Authorize municipalities and counties to apply to the Department to certify unpaid municipal and county fines, fees and forfeitures for setoff against state income tax refunds and credits. Under this provision, DOR would offset the unpaid fee, fine or forfeiture amounts against tax refunds or refundable credits and return the unpaid amounts to the appropriate local governmental unit. The Department would retain, from collections, amounts that were necessary to administer the setoff activities. DOR would be required to notify the taxpayer of its actions and to develop an appeals procedure. Setoffs for child and spousal support would have priority over setoffs for these unpaid municipal and county debts.

Under current law, the Department of Revenue is authorized to setoff against state tax refunds and credits amounts owed for state taxes, debts to state agencies and delinquent child and spousal support and maintenance payments. The Department receives a share of amounts collected through the setoff program to fund administrative costs.

Veto by Governor [E-14]: Delete the requirement that DOR develop an appeals process.

[Act 27 Sections: 1112m, 3414m, 3415r, 3419m, 3420m, 3423g thru 3423t, 3424dm and 3429m]

[Act 27 Vetoed Section: 3429m]

39. ELECTRONIC FILING OF TAX WARRANTS

Joint Finance/Legislature: Authorize the Department of Revenue to file a warrant electronically with the clerk of circuit court and issue a copy of the warrant to the sheriff upon nonpayment of any income or franchise tax by the due date. Delete a current requirement that the sheriff file a copy of the warrant within five days with the clerk of court, to codify current practice.

Under current law, taxes become delinquent when they are not paid by the due date. After taking a number of specified actions to collect delinquent taxes without result, DOR sends a warrant to the taxpayer and the circuit court. The warrant places a lien on the delinquent taxpayer's property for the amount of tax, interest and penalties.

This provision would authorize DOR to use the Circuit Court Automation Project (CCAP) to electronically file warrants for unpaid taxes.

[Act 27 Sections: 3424g, 3424m and 3424r]

40. BADGER FUND TRANSFER [LFB Paper 110]

Chg. to Base	
GPR-REV	\$1,900,000

Joint Finance/Legislature: Transfer the June 30, 1997, balance in the badger fund to the general fund. Due to current mining activity in Wisconsin, a substantial amount of net proceeds tax revenues are projected to be transferred to the badger fund between 1995-95 and 1996-97. This provision would transfer the estimated ending balance in the badger fund of \$1.9 million to the general fund on June 30, 1997.

Under current law, the greater of 60% of all net proceeds tax revenues or an amount necessary to make first dollar payments is transferred to the investment and local impact fund (ILIF). Any revenues not transferred to the ILIF are transferred to the badger fund. In addition, any revenues in the ILIF in excess of \$20 million on January 1, of any year are required to be transferred to the badger fund, but placed in a separate account. However, if the balance in the ILIF drops below \$20 million or if there are not sufficient funds to make required and discretionary payments to counties, municipalities or Native American communities, a sufficient amount of transferred funds will be returned to the ILIF.

[Act 27 Section: 9248(2x)]

41. DOMESTIC ABUSE PROGRAM CHECK-OFF

Chg. to Base	
PR	\$40,000

Joint Finance/Legislature: Modify the existing PR appropriation that receives funding for the administration and data processing costs of the endangered resources check-off to also apply to the proposed domestic abuse program check-off, which is summarized under "General Fund Taxes." This modification reflects the creation of a domestic abuse check-off effective for tax year 1995.

Veto by Governor [E-11]: Delete this provision, except for the \$20,000 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: 473 (as it relates to s. 20.435(1)(hk) and 20.566(1)(hp)), 817m, 1113m, 2345j, 3395e and 9348(4q)]

42. TRANSFER STATE LOTTERY TO THE DEPARTMENT OF REVENUE

Chg. to Base Funding Positions		
SEG	\$64,961,500	130.00

Joint Finance/Legislature: Provide \$64,961,500 and 130.0 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. [See "Gaming Commission -- Lottery."]

43. TRANSFER CHILD SUPPORT ENFORCEMENT PROGRAMS

	Assembly (Chg. to Base)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$3,878,200	19.16	- \$3,878,200	- 19.16	\$0	0.00
FED	45,927,900	46.72	- 45,927,900	- 46.72	0	0.00
PR	73,613,600	6.12	- 73,613,600	- 6.12	0	0.00
Total	\$123,419,700	72.00	- \$123,419,700	- 72.00	\$0	0.00

Assembly: Transfer child support enforcement programs from H&SS to DOR 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. As passed by the Joint Committee on Finance, the bill would have transferred child support programs to DILHR on July 1, 1996.

Senate/Legislature: Retain child support enforcement programs in H&SS.

44. ADMINISTRATION OF OIL COMPANY FRANCHISE FEE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate (Chg. to JFC)	Legislature (Chg. to Sen.)	Net Change
SEG	\$61,600	- \$61,600	\$61,600	- \$61,600	\$0

Governor: Increase funding by \$56,400 in 1995-96 and \$5,200 in 1996-97 to administer the proposed oil company franchise fee. Modify the Department's appropriation from the transportation fund for motor fuel tax administration to allow it to be used for costs incurred in administering the oil company franchise fee.

Joint Finance: Delete provision.

Senate: Restore provision.

Legislature: Delete provision.

45. ADMINISTRATION OF OIL COMPANY FRANCHISE FEE (AB 557)

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$162,700	- \$162,700	\$0

Governor: Increase funding by \$120,800 in 1995-96 and \$41,900 in 1996-97 for the Department of Revenue to administer the proposed oil company franchise fee. Amend the Department's appropriation from the transportation fund for motor fuel tax administration to allow it to be used for costs incurred in administering the oil company franchise fee.

Relative to prior budget action, the administration indicates it has increased the proposed funding for this provision to reflect higher costs associated with administering the proposed refund for farmers.

Joint Finance/Legislature: Delete provision.

46. ADMINISTRATION OF LOCAL PETROLEUM STORAGE FEE (AB 557)

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$450,000	- \$450,000	\$0

Governor: Direct the Department of Revenue to administer the proposed local petroleum storage fee. Require 1.5% of the revenues received from these fees to be deposited in a new annual appropriation to be created for this purpose. Provide \$150,000 in 1995-96 and \$300,000 in 1996-97 for administrative costs.

Joint Finance/Legislature: Delete provision.

SAVINGS AND LOAN

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	\$2,121,000	\$1,141,200	\$1,141,200	\$1,141,200	\$1,141,200	- \$979,800	- 46.2%

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	16.00	0.00	0.00	0.00	0.00	- 16.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget by \$39,100 in 1995-96 and \$52,100 in 1996-97 for: (a) full funding of salaries and fringe benefits (\$1,000 annually); (b) reclassifications (\$26,000 in 1995-96 and \$39,000 in 1996-97); (c) fifth week vacation as cash (\$6,400 annually); and (d) delayed adjustment pay plan funding (\$5,700 annually).

Chg. to Base	
PR	\$91,200

2. COMPUTER EQUIPMENT

Governor/Legislature: Provide funding of \$41,600 in 1995-96 and \$18,700 in 1996-97 for computer equipment replacement and for installing a local area network.

Chg. to Base	
PR	\$60,300

3. TRANSFER OF FUNCTIONS TO DEPARTMENT OF FINANCIAL INSTITUTIONS

Governor: Delete \$1,131,300 in 1996-97 and transfer the functions of the Office of the Commissioner of Savings and Loan to the new Department of Financial

Chg. to Base Funding Positions		
PR	- \$1,131,300	- 16.00

Institutions, effective July 1, 1996. Transfer 10.0 positions and their incumbent employees to the new Department, and deauthorize 6.0 positions.

The Office of the Commissioner of Savings and Loan regulates and examines state-chartered savings and loan institutions and savings banks for safety and solvency. The Commissioner of Savings and Loan is appointed by the Governor, with the Senate's approval, and the agency is funded by examination and assessment fees of the institutions regulated. Both savings and loan institutions and savings banks are required by law to be examined every 18 months.

There is a seven-member Savings and Loan Review Board and a seven-member Savings Bank Review Board, both appointed by the Governor upon the advice and consent of the Senate. Both boards serve staggered four-year terms. The Boards perform review the acts and decisions of the Commissioner, conducts hearings and approves administrative rules.

Joint Finance/Legislature: Modify the Governor's recommendation to attach the Division of Savings and Loan 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"]

SECRETARY OF STATE

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	\$5,706,400	\$3,464,800	\$6,087,300	\$3,464,800	\$3,464,800	- \$2,241,600	- 39.3%

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	49.50	6.50	51.00	6.50	6.50	- 43.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide \$34,900 in 1995-96 and \$32,800 in 1996-97 for standard budget adjustments. Adjustments include: (a) removal of noncontinuing funding and positions (-\$32,100 in 1995-96, -\$35,900 in 1996-97 and -0.5 position annually); (b) full funding of continuing position salaries and fringe benefits (\$18,800 annually); (c) full funding of financial service charges (\$1,100 annually); (d) reclassifications (\$25,900 in 1995-96 and \$26,700 in 1996-97); (e) risk management costs (\$6,800 annually); (f) fifth week vacation as cash (\$5,000 in 1995-96 and \$5,900 in 1996-97); and (g) full funding of delayed pay adjustments (\$9,400 annually).

	Chg. to Base Funding Positions	
PR	\$67,700	- 0.50

2. OPTICAL IMAGING [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	198,900	- \$198,900	\$0

Governor: Provide \$198,900 in 1996-97 from the DOA information technology fund to implement optical imaging for activities related to business organization filings. Funding of \$148,900 would be

provided for master lease payments for equipment and one-time funding of \$50,000 to convert images to the new system.

Joint Finance: Delete funding of \$198,900 in 1996-97 for receipt of grants from the information technology investment fund to implement optical imaging for activities related to business organization filings. Under a modified information technology development grant process, provide for funding to be allocated through an annual s. 16.515 for all agencies submitted by DOA. [See "Information Technology Investment Fund"] .

Assembly/Legislature: Restore funding authority under the Department of Financial Institutions (DFI) appropriations schedule to reflect transfer of business organization filing activities to DFI. DFI would not be funded through the information technology grant process.

3. AGENCY COLLECTIONS APPROPRIATION ADJUSTMENT

Chg. to Base	
PR	\$105,200

Governor/Legislature: Provide \$52,600 annually for expenses related to copying and publishing documents and providing other related services to the public. Revenues from the sale of these documents and related services are the source of funding.

4. LIMITED LIABILITY COMPANY PROJECT POSITION

Chg. to Base Funding Positions		
PR	\$53,000	1.00

Governor/Legislature: Provide \$26,500 and 1.0 project position annually to meet the additional workload increases associated with limited liability company (LLC) document filing activities. The position would terminate December 31, 1997.

Authority to create LLCs was established in 1993 Wisconsin Act 112. Under the Act, LLCs are required to file certain documents with the office of the Secretary of State (Office). In January, 1994, 1.0 project position was approved by the Joint Committee on Finance to meet anticipated related workload increases in the Office. The position is scheduled to terminate on June 30, 1995.

5. UNIFORM COMMERCIAL CODE LIEN SYSTEM HELP DESK

Chg. to Base Funding Positions		
PR	\$25,800	0.50

Governor/Legislature: Provide \$11,000 in 1995-96 and \$14,800 in 1996-97 and 0.5 project position annually to provide Help Desk services for the Uniform Commercial Code (UCC) lien information system. The position would combine with an existing half-time permanent position to provide technical assistance and training to system users. The project position would terminate September 30, 1997. Currently, these services are provided by a half-time project position which is scheduled to terminate on September 30, 1995.

6. PERMANENT PROPERTY

Chg. to Base	
PR	\$38,000

Governor/Legislature: Provide \$19,000 annually to establish base level funding for permanent property purchases.

7. PUBLICATION OF CORPORATE DISSOLUTION OR REVOCATION

Chg. to Base	
PR	\$28,000

Governor/Legislature: Authorize the Secretary of State to publish a class 2 notice, in the official state newspaper of the grounds for administrative dissolution of a domestic corporation, or the grounds for revocation of the certificate of authority to conduct business for a foreign corporation, in cases where the corporation or its agent cannot be directly notified. Provide \$28,000 in 1995-96 to cover the cost of publishing such notices.

Under current law, in certain specified cases, the Secretary of State is authorized to bring a proceeding to administratively dissolve a domestic corporation or revoke a foreign corporation's certificate of authority to transact business in the state. The Secretary is first required to serve notice on the corporation's registered agent. If a corporation has no registered agent or the agent cannot be served through a diligent effort, the corporation may be served by certified or registered mail. If notice of the proceeding cannot be served to the corporation because the corporation has failed to provide a valid address, the Secretary is required to publish the notice in a newspaper in the community where the corporation's principal office was most recently recorded.

[Act 27 Sections: 3779, 4583 thru 4586b, 4634 thru 4637b and 9450(4bt)]

8. UNIFORM COMMERCIAL CODE EXPEDITED SERVICES

Chg. to Base Funding Positions		
PR	\$27,600	0.50

Governor/Legislature: Provide \$13,700 in 1995-96 and \$13,900 in 1996-97 and 0.5 two-year project position to implement an expedited search service for information from Uniform Commercial Code (UCC) filings. The expedited service fee would be set at \$25 per request (in addition to the normal search fee). Through the service, customers would receive expedited processing of requests for information from UCC filings. The new service would take effect on the effective date of the budget bill. The expedited service would increase GPR-Earned by an estimated \$46,300 in 1995-96 and by \$92,800 in 1996-97.

Under current law, customers can request information from UCC filings by paying statutory fees for various types of requests. Fee collections are placed in a separate search fees PR appropriation. The appropriation is used to fund the costs associated with the search service. Any year-end unencumbered amounts in excess of 10% of the prior fiscal year's expenditures is lapsed to the general fund. The

Secretary of State also provides an expedited search service for requests for information from business organization filings. The fee for such expedited search services is generally \$25.

[Act 27 Sections: 3297, 3298b, 6461, 6462b and 9450(1)]

9. POSTAGE RATE INCREASE

Governor/Legislature: Provide \$12,200 annually to cover the additional costs resulting from the January 1, 1995 postage rate increase.

	Chg. to Base
PR	\$24,400

10. AFFIRMATIVE ACTION INTERN

Governor/Legislature: Provide \$5,600 annually to fund agency participation in the summer affirmative action program.

	Chg. to Base
PR	\$11,200

11. LIMITED LIABILITY COMPANY ANNUAL REPORTS, DISSOLUTIONS AND REVOCATIONS [LFB Paper 835]

Governor: Require domestic and foreign limited liability companies (LLC) to file annual reports, authorize and establish procedures for administrative dissolution of domestic LLCs and revocation of certificates of authority to conduct business for foreign LLCs and establish filing fees for related documents.

a. *Annual Reports.* Domestic LLCs and foreign LLCs registered to transact business in the state would be required to file an annual report. The report would include: (a) the name of the LLC and the state or country under whose law it was organized; (b) the address of its registered office and name of its registered agent; (c) the address of its principal office; (d) the name and business address of each business manager, if management of the company is vested in one or more managers; (e) the name and business address of each member; and (f) a brief description of the nature of the company's business. A domestic LLC would be required to file its annual report in the calendar quarter in which the anniversary date of its organization occurs. A foreign LLC would be required to file its annual report in the first calendar quarter of each year. Information would have to be current as of the date the report was executed, except that names and addresses of members would have to be current as of the end of the company's fiscal year. If the annual report did not contain the required information the company would be notified in writing and the report would be returned for correction. An annual report would be effective on its filing date.

b. *Administrative Dissolution.* The Secretary of State would be authorized to bring a proceeding to administratively dissolve a domestic LLC if any of the following occurred:

1. The LLC did not pay within one year of the due date, any fees or penalties.

2. The LLC did not file its annual report within one year after it is due.
3. The LLC was without a registered agent or registered office in Wisconsin for at least one year.
4. The LLC did not notify the Secretary, within one year after its registered agent or office changed, its registered agent resigned or its registered office was discontinued.

If the Secretary determined that one or more grounds existed for dissolving a LLC, the Secretary would be required to serve the LLC with written notice of the determination. The LLC would be required to correct the grounds for dissolution or demonstrate that they did not exist within 60 days after service of the notice. If the LLC failed to comply, the Secretary would administratively dissolve the LLC by issuing a certificate that listed each ground for dissolution and its effective date. The original certificate would be filed, while a copy would be served on the LLC. Current law provisions related to winding up operations, the powers of managers and members, the distribution of assets and claims against LLCs would apply to administrative dissolutions. The Secretary would be authorized to serve notice on the LLC by publishing a class 2 notice in the official state newspaper of the grounds for administrative dissolution in cases where the corporation or its agent could not be directly notified. The LLCs use of its name would terminate on the effective date of the administrative dissolution.

A LLC that was administratively dissolved could apply for reinstatement within two years after the date of dissolution. The application for reinstatement would be required to include: (a) the name of the LLC and effective date of its dissolution; (b) a statement that each ground for dissolution did not exist or has been eliminated; and (c) a statement that the LLC's name satisfied statutory requirements. The Secretary would reinstate the LLC if it was determined that the LLC reinstatement application was correct and that all fees and penalties owed by the LLC had been paid. The Secretary would issue a certificate of reinstatement that stated those determinations and the effective date of the reinstatement, and provide a copy of the certificate to the LLC.

The Secretary would be required send the LLC written notice if the request for reinstatement was denied. The LLC could appeal the denial to the circuit court for the county of its principal office, or its registered office within 30 days after receiving notice of the denial. The court could order the reinstatement of the LLC or could take other appropriate actions. The court decision could be appealed as in other civil proceedings.

c. *Revocation of a Certificate of Registration to Transact Business.* The Secretary could bring a proceeding to revoke the certificate of registration to transact business of a foreign LLC if any of the following applied:

1. The foreign LLC did not pay any fees or penalties within four months of the due date.
2. The foreign LLC failed to file its annual report within four months after it is due.

3. The foreign LLC was without a registered agent or registered office in the state for at least six months.

4. The foreign LLC did not inform the Secretary, within six months, after its registered agent or office changed, its registered agent resigned or its office was discontinued.

5. The foreign LLC obtained its certificate of registration through fraud.

6. The Secretary received authenticated notice from an official having custody of the foreign LLC's records that the LLC had been dissolved or disappeared as a result of merger.

The procedure for and effect of revocation and appeal of revocation would be similar to those related to administrative dissolution of LLCs.

d. *Filing Fees.* Filing fees for annual reports would be \$25 for domestic LLCs and \$50 for foreign LLCs. Applications for reinstatement after administrative dissolution and certificates of reinstatement would be \$10. No fees could be charged for filing certificates of administrative dissolution or certificates of revocation of registration to transact business.

These provisions would take effect January 1, 1996, and would increase GPR-Earned by an estimated \$28,300 in 1995-96 and \$56,600 in 1996-97. The provisions related to annual reports, administrative dissolution, revocation of registrations and filing fees for domestic and foreign LLCs are similar to current law for corporations.

Joint Finance/Legislature: Modify provisions to delete: (a) the requirement that domestic LLCs file annual reports; and (b) the authority for the Secretary of State to administratively dissolve domestic LLCs. In addition, increase the initial filing fee for domestic LLCs from \$90 to \$130, beginning January 1, 1996. The provisions would increase GPR-Earned by an estimated \$1,700 in 1995-96 and \$3,400 in 1996-97.

[Act 27 Sections: 4748, 4749b, 4766, 4767, 4778, 4784, 4785b, 4786, 4791m, 4793, 4796, 4797, 4821, 4823, 4828, 4830, 4832, 9350(1) and 9450(3)]

12. BUSINESS ORGANIZATION FILINGS TRANSFER [LFB Paper 836]

	<u>Governor</u> (Chg. to Base)		<u>Jt. Finance</u> (Chg. to Gov.)		<u>Assembly/Leg.</u> (Chg. to JFC)		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$1,203,100	- 17.00	\$1,203,100	17.00	-\$1,004,200	- 17.00	-\$1,004,200	- 17.00

Governor: Delete \$1,203,100 and 17.0 positions in 1996-97 to transfer responsibility for filing and maintaining business organization records to the Department of Revenue. The appropriation used to fund

expedited search services and telephone application for reservation of name would be eliminated. The transfer would be effective July 1, 1996.

The Office is responsible for filing, maintaining and reproducing information from a number of documents submitted by a variety of business organizations. Business organizations which are required to submit documents include: associations producing agricultural products; cemetery associations; limited partnerships; stock corporations; nonstock corporations; limited liability companies; cooperatives; railroad corporations; turnpike corporations; and common law trusts. Documents that are required to be filed include: certificates of limited partnerships; articles of incorporation; articles of association; certificates of authority to do business; amendments and restatements; name registration; annual reports; certificates of cancellation; changes of registered agent or office; agent's change of registered office or statement of resignation; articles of dissolution; articles of merger or share exchange; and conveyances of railroad property. The Office is also responsible for producing certificates or statements of status for corporations and certain other businesses that file documents. The Office provides expedited services and telephone reservation of business organization names. Fees are charged for document filings and other services provided by the Office.

The Office is responsible for filing organization documents, articles of incorporation, changes of name or dissolutions for organizations such as county and local historical societies, religious corporations and fraternal or beneficial organizations such as veterans groups and the Salvation Army. The Office also acts as an agent or attorney for service of notices of process for entities such as nonresident taxpayers with nexus to the state, out-of-state parties to workers compensation or unfair labor practice hearings, out-of-state mobile home dealers, nonresident cigarette tax permittees, certain distributors or producers of agricultural products and certain limited partnerships.

Joint Finance: Delete provision.

Assembly/Legislature: Delete \$1,004,300 and 17.0 positions in 1996-97 to transfer responsibility for filing and maintaining business organization records to the Department of Financial Institutions (DFI). Eliminate the appropriation used to fund expedited search services and telephone application for reservation of name. Transfer the current Office 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, effective July 1, 1996.

[Act 27 Sections: Shown under "Financial Institutions"]

13. UNIFORM COMMERCIAL CODE FILING TRANSFER [LFB Paper 836]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Assembly/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>	<u>Funding</u>	<u>Positions</u>
PR	-\$1,097,000	- 14.00	\$1,097,000	14.00	-\$1,097,000	- 14.00	-\$1,097,000	- 14.00

Governor: Delete \$1,097,000 in 1996-97 to transfer responsibility for uniform commercial code (UCC) and federal lien filings and the UCC lien information system to the newly-created Department of Financial Institutions (DFI). Transfer 14.0 positions and the incumbent employees holding those positions to DFI. The appropriations used to fund the costs of administering UCC lien filing activities and the UCC lien information system would be eliminated. The transfer would be effective July 1, 1996.

Under the UCC, certain documents must be filed with either the Secretary of State or the county register of deeds in order to document the agreement between lender and borrower. Similarly, notices of federal liens on real or personal property must be filed with the Office of Secretary of State (Office) or local register of deeds. The type of transaction determines where the document must be filed. Fees paid to the Office or forwarded by the county register of deeds are used to cover administrative costs related to filing and maintaining the documents. The Office is responsible for filing and maintaining documents related to the UCC and federal liens.

The Office is also responsible for the statewide UCC lien information system. The system provides access to information from UCC documents through computer terminals in the Office and the office of each county register of deeds. Funding for implementation and operation of the system is provided by designated fees that are submitted with certain UCC documents.

Joint Finance: Delete provision.

Assembly/Legislature: Restore Governor provision. Transfer the current Office 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 UCC document filings and the statewide UCC lien information system, effective July 1, 1996.

[Act 27 Sections: Shown under "Financial Institutions"]

14. OTHER BUDGET REDUCTIONS

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Assembly/Leg.</u> <u>(Chg. to JFC)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	- \$521,300	- 13.50	\$521,300	13.50	- \$521,300	- 13.50	- \$521,300	- 13.50

Governor: Delete \$521,300 and 13.5 positions in 1996-97 to reflect reduced workload resulting from the transfer of responsibilities for filing and maintaining business organization records and for uniform commercial code (UCC) and federal lien filings and the UCC lien information system to other agencies.

Remaining Responsibilities of the Office of Secretary of State. The net effect of the transfers would leave the Office with 6.5 positions and funding of \$408,100. The Office's remaining responsibilities would include issuing notary public commissions, registering trademarks and tradenames, publishing state laws, recording official acts of the Governor and Legislature, and performing related audits and filing activities.

Joint Finance: Delete provision. However, require that the unencumbered balances in the Office's appropriations lapse to the general fund in 1995-96. In addition, require the Office to generate \$521,300 in additional savings during the 1995-97 biennium and specify that these monies would lapse to the general fund on June 30, 1997. The required lapse and savings provisions would maintain GPR-Earned amounts at the levels estimated under the Governor's recommendations.

Assembly: Delete Joint Finance provision and restore Governor provisions. As a result, \$521,300 and 13.5 positions would be deleted in 1996-97. The Office would retain 6.5 positions and \$408,100 for its remaining functions.

Senate/Legislature: Provide that, annually, \$200,000 of amounts received be transferred from the general program operations program revenue appropriation of the Department of Financial Institutions to the program fees appropriation of the Office. This is similar to the provision in the Governor's recommendation that would have annually transferred \$200,000 from the Department of Revenue's business organization filing fees to the Office. The funding transfer is necessary to cover the Office's annual operating expenses.

[Act 27 Sections: Shown under "Financial Institutions"]

SECURITIES

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	\$4,035,800	\$2,111,300	\$2,111,300	\$2,111,300	\$2,111,300	-\$1,924,500	- 47.7%

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	30.00	0.00	0.00	0.00	0.00	- 30.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Increase the base budget by \$93,400 in 1995-96 and \$94,100 in 1996-97 for: (a) full funding of salaries and fringe benefits (\$73,300 annually); (b) full funding of financial services costs (\$300 annually); (c) fifth week vacation as cash (\$4,700 in 1995-96 and \$5,400 in 1996-97); and (d) full funding of delayed pay adjustments (\$15,100 annually).

Chg. to Base	
PR	\$187,500

2. TRANSFER FUNCTIONS TO DEPARTMENT OF FINANCIAL INSTITUTIONS

Governor: Delete \$2,112,000 in 1996-97 and transfer the functions of the Office of the Commissioner of Securities (OCS), including the investor education program, into the Department of Financial Institutions (DFI). The merger would be effective July 1, 1996. Transfer 22.0 positions and the incumbent employees holding the positions to DFI, and deauthorize 8.0 positions.

Chg. to Base Funding Positions		
PR	-\$2,112,000	- 30.00

Under current law, OCS is responsible for regulating the offer and sales of securities, franchise investment offerings and corporate takeovers. The uniform securities law requires that securities may not be offered or sold in the state unless they are registered or exempted. OCS examines and registers

security offerings and reviews and allows registration exemptions. OCS has similar responsibilities under the provisions of the state franchise investment law. OCS reviews and registers applications for franchise registrations, reviews amendments and renewal requests, reviews conditional exemption notices and reviews requests for discretionary orders of exemption.

OCS is authorized to engage in certain enforcement activities. These activities include initiating and conducting investigations, consulting with and assisting other law enforcement agencies, recommending legal sanctions and imposing administrative assessments against violators and negotiating repurchase orders or monetary settlements on behalf of investors through stipulations between staff and respondents. OCS is also responsible for enforcing the state corporate takeover law. The law regulates takeover activity directed at target companies. Certain information must be filed for review and registration. Registration can be denied through a hearing process.

Funding for the regulation of the state securities, corporate take-overs and franchise investments is from registration, exemption and license fees.

Joint Finance/Legislature: Modify the Governor's recommendation to attach the Division of Securities 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.

[Act 27 Sections: Shown under "Financial Institutions"]

3. INVESTOR EDUCATION APPROPRIATION LAPSE

Chg. to Base	
GPR-REV	\$500,000

Joint Finance/Legislature: Provide that \$500,000 from the investor education fund appropriation would lapse to the general fund on the later of August 15, 1995, or the effective date of the bill. In addition, require that any unencumbered year-end balance in this appropriation in excess of \$100,000, lapse to the general fund beginning in 1995-96.

Under current law, OCS provides an investor education program to inform Wisconsin residents about their rights and responsibilities as investors, how to evaluate investment decisions and ways to protect themselves against fraudulent securities and franchise investment schemes. Funding for the appropriation comes from administrative assessments. Because of a negotiated nationwide settlement with the Prudential Company for federal and state securities law violations, approximately \$500,000 accrued to the appropriation in addition to standard assessments. Under the provisions of AB 150, expenditure authority of \$100,000 is provided for each year of the biennium. This provision would leave a balance in the appropriation that, along with estimated annual assessments, should be sufficient to fund expenditures.

[Act 27 Sections: 536b, 536c and 9251(3g)]

SHARED REVENUE AND PROPERTY TAX RELIEF

Budget Summary by Funding Source							
	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 27	<u>1995-97 Change Over: Base Year Doubled</u>	
						Amount	Percent
Shared Revenue	\$1,831,058,600	\$1,860,919,600	\$1,860,919,600	\$1,860,919,600	\$1,860,919,600	\$29,861,000	1.6%
Expenditure Restraint Program	84,000,000	96,000,000	96,000,000	96,000,000	96,000,000	12,000,000	14.3
County Mandate Relief	9,450,400	40,318,000	40,318,000	40,318,000	40,318,000	30,867,600	326.6
Small Municipalities Shared Revenue	20,000,000	14,000,000	24,000,000	24,000,000	24,000,000	4,000,000	20.0
Payments for Municipal Services	33,657,600	33,657,600	33,657,600	33,657,600	33,657,600	0	0.0
County Assessment Aid	1,903,000	930,000	1,405,700	1,405,700	1,405,700	- 497,300	- 26.1
School Levy Tax Credit	638,610,000	638,610,000	638,610,000	638,610,000	638,610,000	0	0.0
Homestead Tax Credit	201,600,000	192,000,000	200,900,000	200,900,000	200,900,000	- 700,000	- 0.3
Farmland Preservation Credit	60,260,000	52,000,000	55,400,000	55,400,000	55,400,000	- 4,860,000	- 8.1
Earned Income Tax Credit	114,400,000	126,100,000	126,000,000	126,000,000	126,000,000	11,600,000	10.1
Cigarette Tax Refunds	9,100,000	9,030,000	9,030,000	9,030,000	9,030,000	- 70,000	- 0.8
Development Zones Jobs Credit	1,400,000	950,000	1,600,000	1,600,000	1,600,000	200,000	14.3
Development Zones Sales Tax Credit	200,000	105,000	130,000	130,000	130,000	- 70,000	- 35.0
Development Zones Investment Credit	5,000	5,000	5,000	5,000	5,000	0	0.0
Development Zones Location Credit	4,000	4,000	4,000	4,000	4,000	0	0.0
General Equalization Aid	0	3,151,027,800	0	0	0	0	0.0
Aids for Handicapped Education	0	275,548,700	0	0	0	0	0.0
Aid for Pupil Transportation	0	17,742,500	0	0	0	0	0.0
Aid for Public Library Systems	0	11,772,200	0	0	0	0	0.0
Bilingual-Bicultural Education Aids	0	8,291,400	0	0	0	0	0.0
Tuition Payments	0	6,620,700	0	0	0	0	0.0
Total GPR	\$3,005,648,600	\$6,535,632,500	\$3,087,979,900	\$3,087,979,900	\$3,448,233,500	\$82,331,300	2.7%
Lottery Credit	\$278,747,000	\$279,184,800	\$292,503,900	\$292,503,900	\$292,503,900	\$13,756,900	4.9%
Lottery Credit Precertification	1,250,000	1,281,500	1,218,500	1,218,500	1,218,500	- 31,500	-2.5
Farmland Tax Relief Credit	32,600,000	29,600,000	30,000,000	30,000,000	30,000,000	- 2,600,000	-8.0
School Library Aids	0	14,300,000	0	0	0	0	0.0
Total SEG	\$312,597,000	\$324,303,300	\$323,722,400	\$323,722,400	\$323,722,400	\$11,125,400	3.6%
TOTAL	\$3,318,245,600	\$6,859,935,800	\$3,411,702,300	\$3,411,702,300	\$3,411,702,300	\$93,456,700	2.8%

Direct Aid Payments

1. COUNTY MANDATE RELIEF PAYMENTS -- FUNDING LEVEL

Governor/Legislature: Provide \$20,159,000 annually for county mandate relief payments. This represents an increase of \$15,433,800 annually over the \$4,725,200 base funding level. On a year-to-year basis, the total amount would increase

	Chg. to Base
GPR	\$30,867,600

by 326.6% in 1995-96 (for calendar year 1995), with no increase for 1996-97 (for calendar year 1996). This item funds the distribution level established during the 1993-94 legislative session.

2. MUNICIPAL SHARED REVENUE -- FUNDING LEVEL

	Chg. to Base
GPR	\$29,861,100

Governor/Legislature: Provide \$761,478,000 annually for municipal shared revenue payments. This represents an increase of \$14,930,500 annually over the \$746,547,500 base funding level. On a year-to-year basis, the total amount would increase by 2.0% in 1995-96 (for calendar year 1995), with no increase for 1996-97 (for calendar year 1996). This item funds the distribution level established during the 1993-94 legislative session.

3. EXPENDITURE RESTRAINT PAYMENTS -- FUNDING LEVEL

	Chg. to Base
GPR	\$12,000,000

Governor/Legislature: Provide \$48,000,000 annually for expenditure restraint payments. This represents an increase of \$6,000,000 annually over the \$42,000,000 base funding level. On a year-to-year basis, the total amount would increase by 14.3% in 1995-96 (for calendar year 1995), with no increase for 1996-97 (for calendar year 1996). This item funds the distribution level established during the 1993-94 legislative session.

4. SMALL MUNICIPALITIES SHARED REVENUE (SCIP) -- FUNDING LEVEL [LFB Paper 845]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$6,000,000	\$10,000,000	\$4,000,000

Governor: Provide \$14 million in 1995-96 and \$0 in 1996-97 for small municipalities shared revenue payments. This represents an increase of \$4,000,000 in 1995-96 and a decrease of \$10,000,000 in 1996-97 compared to the \$10,000,000 base funding level. Establish the program's distribution level at \$0 for 1996 and thereafter, but retain the current law language authorizing the program and establishing its distribution formula.

Joint Finance/Legislature: Provide \$10,000,000 in 1996-97 for small municipalities shared revenue payments. Set the funding level for the distribution in 1996 and thereafter at \$10,000,000. This represents a \$10 million increase over the Governor's recommendation and a \$4 million reduction compared to the 1995 funding level. Funding for 1996-97 would be identical to the program's base year funding level.

[Act 27 Sections: 3505, 3506 and 9448(3m)]

5. COUNTY ASSESSMENT AID

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$973,000	\$475,700	- \$497,300

Governor: Reduce funding for the county assessment aid program by \$21,500 in 1995-96 and by \$951,500 in 1996-97 to reflect a reestimate of the sum sufficient appropriation at \$930,000 in the first year and repeal of the county assessment aid program in the second year. Permit counties currently receiving county assessment aid (Kenosha County) and counties adopting county-wide assessment in the future to charge the underlying municipalities for the costs incurred in performing the assessment function. Continue to require counties adopting county-wide assessment to comply with staffing and performance requirements, which are currently tied to the receipt of state aid. The repeal of the aid program would be effective with the 1995 assessment year, for which payments would otherwise be made in 1996.

Joint Finance: Delay the repeal of the county assessment aid program from 1996-97 to 1997-98. Set the 1996-97 aid payment equal to half of the amount generated under the current formula and provide \$475,700 to fund the payment. Delete the recommendations to permit counties with county assessment systems to charge the underlying municipalities for the costs incurred in performing the assessment function and to require counties with county assessment systems to comply with staffing requirements determined by DOR. Allow counties to discontinue county assessment systems by a majority vote of the county board, provided the county notifies the underlying municipalities in the county of its intent no later than two months prior to the start of the assessment year.

Assembly: Set the 1996-97 aid payment to Kenosha County at \$475,700, rather than at an amount equal to half of the amount generated under the current formula. This would allow Kenosha County to reduce its 1995 expenditures for the assessment function without affecting its aid payment.

Senate/Legislature: Restore the provision to set the 1996-97 aid payment to Kenosha County at an amount equal to half of the amount generated under the current formula (estimated at \$475,700 if Kenosha County expends its entire 1995 assessment budget). If Kenosha County increases or decreases its 1995 budgeted expenditures, the estimated 1996 aid payment under this provision would increase or decrease in response.

[Act 27 Sections: 1152, 3367d thru 3373am and 9448(6g)]

6. SHARED REVENUE -- PUBLIC UTILITY AID ON PROPERTY OF QUALIFIED WHOLESALE ELECTRIC COMPANIES [LFB Paper 109]

Governor/Legislature: Modify the public utility aid distribution formula to include property of qualified wholesale electric companies as eligible utility property for purposes of making payments, effective with payments made in 1996. The provision would extend to cogeneration facilities licensed by

the state Public Service Commission (PSC). Currently, there are no eligible cogeneration facilities in the state, although a facility is scheduled to begin operation in 1996 in the City of Whitewater (Jefferson County) and other facilities could receive PSC approval in future years. The proposal would have a redistributive effect, shifting shared revenue payments estimated at \$375,000 to Jefferson County and \$750,000 to the City of Whitewater and away from other counties and municipalities once the facility is fully constructed.

[Act 27 Sections: 3507 thru 3509 and 9448(3)]

7. SHARED REVENUE -- EARMARK STATE AID PAYMENTS TO OFFSET CERTAIN COUNTY COSTS [LFB Paper 847]

Governor: Require counties to first use mandate relief payments to offset probation and parole hold costs not elsewhere funded. Require counties to first use shared revenue payments to offset probation and parole hold, circuit court and youth services costs not elsewhere funded. Require any remaining mandate relief or shared revenue amounts to be used to offset costs otherwise funded with the property tax. Direct that these provisions first apply to payments received on the bill's effective date (this would likely first affect November, 1995, payments).

Joint Finance/Legislature: Delete provision.

8. SHARED REVENUE -- MINIMUM GUARANTEE [LFB Paper 846]

Joint Finance: Modify the minimum guarantee under the shared revenue program by setting the guarantee at the following percentages of the prior year's shared revenue payment, exclusive of utility and mandate relief aids: 94% in 1997, 93% in 1998, 92% in 1999, 91% in 2000 and 90% in 2001 and thereafter. Currently, the minimum guarantee is set at 95%. This provision would have the effect of increasing payments to local governments with payments "capped" under the maximum growth component of the shared revenue formula.

Assembly/Legislature: Delete provision.

9. SHARED REVENUE -- MAXIMUM PAYMENT FOR CERTAIN COUNTIES

Joint Finance/Legislature: Exclude counties that do not contain any incorporated municipalities from the maximum payment provision of the shared revenue program, beginning in 1996. This provision would exempt Florence and Menominee counties from the maximum payment provision of the shared revenue program, which is used to fund minimum payments for counties experiencing decreases of more than 5%.

[Act 27 Sections: 3509s and 9348(8g)]

10. SHARED REVENUE -- PUBLIC UTILITY AID FOR MUNICIPALITIES WHERE SPENT NUCLEAR FUEL IS STORED

Joint Finance/Legislature: Modify the utility aid provision that requires splitting the \$50,000 payment to municipalities containing a nuclear storage facility if the facility lies in more than one municipality so that the payment would be shared with other municipalities within one mile of the storage facility. Provide that any municipality within one mile of a storage facility shall receive a payment of \$10,000 and the municipality containing the storage facility shall receive the remainder of the \$50,000 payment, effective with 1996 payments. This provision would reduce the current \$50,000 payment to the Village of Genoa by \$10,000 and extend a \$10,000 payment to the Town of Genoa.

[Act 27 Sections: 3509b and 9348(11g)]

11. EXPENDITURE RESTRAINT PAYMENTS -- BUDGET TEST

Joint Finance: Modify the limitation on increases in municipal operating budgets under the expenditure restraint program by replacing the percent change in the CPI with a rate of 3% and by lowering the maximum percentage adjustment due to new construction from 2% to 1%, effective with 1996 budgets. Currently, a municipality must restrict the rate of year-to-year growth in its budget to a percentage equalling the change in the CPI plus 60% of the percentage change in the municipality's equalized value due to new construction, net of any property added or removed, but not less than 0% nor more than 2%.

Assembly/Legislature: Delete the provision that would lower the maximum percentage adjustment due to new construction from 2% to 1%.

Veto by Governor [E-17]: Delete provision.

[Act 27 Vetoed Sections: 3509d, 3509m, 3509mi and 9348(9t)]

12. PAYMENTS FOR MUNICIPAL SERVICES -- AGENCY CHARGEBACKS [LFB PAPER 848]

Chg. to Base
GPR-REV - \$2,519,100

Joint Finance/Legislature: Reestimate GPR-Earned through agency chargebacks at \$7,625,000 in 1995-96 and \$7,239,100 in 1996-97 to reflect actual chargebacks in 1994-95. These represent reductions of \$1,066,600 in 1995-96 and \$1,452,500 in 1996-97 from AB 150 levels.

Property Tax Credits

1. SCHOOL LEVIES TAX CREDIT [LFB Paper 790]

Governor/Legislature: Increase the school levies tax credit distribution for 1996(97) and thereafter by \$150,000,000, from \$319,305,000 to \$469,305,000. Since the school levies tax credit appearing on December, 1996, property tax bills would not be paid until July, 1997, additional funding for the credit would not be needed until 1997-98. Therefore, although this provision would not increase appropriations in the 1995-97 biennium, an increase of \$150,000,000 annually over the base funding level would need to be provided in the 1997-99 biennium for this purpose.

[Act 27 Section: 3511]

2. HOMESTEAD TAX CREDIT -- REESTIMATE COST [LFB Paper 855]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$9,600,000	\$8,900,000	- \$700,000

Governor: Increase the sum sufficient appropriation by \$200,000 in 1995-96 and decrease the appropriation by \$9,800,000 in 1996-97 to reflect anticipated costs under the current law credit. With these adjustments, estimated total funding is increased from the adjusted base level of \$100,800,000 to \$101,000,000 in 1995-96 and decreased to \$91,000,000 in 1996-97.

Joint Finance/Legislature: Increase the sum sufficient appropriation by \$3,600,000 in 1995-96 and \$5,300,000 in 1996-97 to reestimate the cost of the current formula. With these adjustments, estimated total funding is \$104,600,000 in 1995-96 and \$96,300,000 in 1996-97.

3. FARMLAND PRESERVATION CREDIT -- REESTIMATE COST [LFB Paper 856]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$8,260,000	\$3,400,000	- \$4,860,000

Governor: Decrease the sum sufficient appropriation by \$1,130,000 in 1995-96 and \$7,130,000 in 1996-97 to reflect anticipated costs under the current law credit. With these adjustments, estimated total

funding is decreased from the adjusted base level of \$30,130,000 to \$29,000,000 in 1995-96 and \$23,000,000 in 1996-97.

Joint Finance/Legislature: Increase the sum sufficient appropriation by \$200,000 in 1995-96 and \$3,200,000 in 1996-97 to reestimate the cost of the current formula. With these adjustments, estimated total funding is \$29,200,000 in 1995-96 and \$26,200,000 in 1996-97.

4. FARMLAND TAX RELIEF CREDIT -- REESTIMATE COST [LFB Paper 354]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	- \$3,000,000	\$400,000	- \$2,600,000

Governor: Decrease the sum sufficient appropriation by \$500,000 in 1995-96 and \$2,500,000 in 1996-97 to reflect anticipated costs under the current law credit. With these adjustments, estimated total funding is decreased from the adjusted base level of \$16,300,000 to \$15,800,000 in 1995-96 and \$13,800,000 in 1996-97.

Joint Finance/Legislature: Increase the sum sufficient appropriation by \$400,000 in 1996-97 to reflect a reestimate of the farmland tax relief credit to \$14,200,000, based on estimated reductions in tax rates under the bill.

5. LOTTERY CREDIT -- REESTIMATE COST [LFB Paper 354]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$437,800	\$13,319,100	\$13,756,900

Governor: Decrease the sum sufficient appropriation by \$798,000 in 1995-96 and increase the appropriation by \$1,235,800 in 1996-97 to reflect reestimated lottery revenues and expenditures under the bill. With these adjustments, estimated total funding is decreased from the adjusted base level of \$139,373,500 to \$138,575,500 in 1995-96 and increased to \$140,609,300 in 1996-97. Based on these amounts, the average 1994-95 lottery credit of \$112 would rise to \$113 in 1995-96 and \$115 in 1996-97 (the average 1995-96 credit increases because actual expenditures in 1994-95 are estimated at \$137,000,000).

Joint Finance/Legislature: Increase the sum sufficient appropriation by \$12,156,100 in 1995-96 and \$1,163,000 in 1996-97 based on reestimated lottery sales and adjusted administrative expenses. The modification would provide \$150,731,600 in 1995-96 and \$141,772,300 in 1996-97 for the lottery credit. These amounts would provide an average lottery credit of \$123 in 1995-96 and \$116 in 1996-97.

6. LOTTERY CREDIT PRECERTIFICATION

Chg. to Base	
SEG	- \$31,500

Governor: Decrease the sum sufficient appropriation by \$16,500 in 1995-96 and \$15,000 in 1996-97 to reflect reestimated costs of the reimbursements under the current law rate of 50 cents per precertification. With these adjustments, estimated total funding is decreased from the adjusted base level of \$625,000 to \$608,500 in 1995-96 and \$610,000 in 1996-97.

Joint Finance/Legislature: Modify the lottery credit precertification procedure, beginning with the January 1, 1996, precertification, as follows: (a) authorize taxpayers to apply for the lottery credit by filing a precertification application once every five years, by filing an application in an interim year or by indicating on a real estate transfer return that they are eligible for the credit; (b) reimburse counties and the City of Milwaukee for their precertification costs every five years upon completion of the precertification application procedure; (c) require DOR to revise the real estate transfer return to include an application for the lottery credit; (d) eliminate DOR's ability to authorize cities, other than the City of Milwaukee, to administer the precertification procedure; and (e) authorize DOR to require counties and the City of Milwaukee to provide lottery credit application information to the Department.

[Act 27 Sections: 3475m, 3476m, 3510g, 3510m, 3510p, 3510t, 3510u and 9448(9x)]

7. ROLLBACK TAX FOR FARMLAND PRESERVATION TAX CREDITS [LFB Paper 857]

Governor: Eliminate the requirement for a rollback tax 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. Under current law, early cancellation of a preservation agreement or early release or rezoning of agricultural land by an owner eligible for this credit results in the filing of a lien, or rollback tax, against the land. The rollback tax equals the amount of the tax credits received in the last ten years, plus interest, on the farmland taken out of agricultural use.

Provide that any liens previously filed have no effect. Require the Department of Agriculture, Trade and Consumer Protection 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.

Joint Finance/Legislature: Delete the Governor's recommendation. Instead, require DATCP to examine alternative methods for administering a tax credit payback requirement under the farmland preservation tax credit program and submit the results of its findings to the Governor and Legislature by January 1, 1996. Require the report to include, at a minimum: (a) a cost-benefit analysis of a system under which the amount of the tax is based on a payback 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 the local unit of government of a request to rezone farmland from exclusive agricultural use.

[Act 27 Section: 9104(2g)]

Property Taxation

1. TAX INCREMENTAL FINANCING [LFB Paper 865]

Governor: Allow a planning commission of a city or village that has created a tax incremental financing district (TID) to amend the project plan of the TID to allocate positive tax increments generated by that district to another TID created by the same planning commission. Specify that the "donor" and "recipient" districts must: (a) have the same overlying taxing jurisdictions; and (b) have been created before October 1, 1994. Allow the city or village that created the TIDs to determine the portion of the donor TID's positive tax increment that is in excess of the amount necessary to pay for its project costs in that year and that shall be allocated to the recipient TID. Require the city or village to inform DOR of these amounts. Provide that a project plan amendment may initially authorize such an allocation for a period not to exceed five years but may, during the fourth year, extend that authorization for up to an additional five years. Provide that positive tax increments from one donor TID may not be allocated for a period longer than ten years.

Extend the maximum life span of TIDs created before October 1, 1994, from 23 years to 27 years. Allow tax increments to be allocated until 20 years, rather than 16 years, after the last expenditure identified in the project plan is made. For TIDs created after September 30, 1994, retain current provisions regarding the maximum life span and allocation of tax increments.

Joint Finance: Modify the Governor's recommendation by changing the October 1, 1994, date to October 1, 1995. For TIF projects created before October 1, 1995, allow project expenditures to be made up to 10 years, rather than up to seven years under current law, after the TIF district is created. Specify that in no case could a TIF project last longer than 27 years after the date of its creation.

Modify the current law definition of project costs to prohibit the inclusion of any expenditures by a city or village for newly-platted residential development for any TIF district for which a project plan is approved after September 30, 1995.

Specify that, not more than once during the seven years after the TIF district is created, a planning commission could, by resolution, adopt an amendment to the project plan to modify the boundaries of that district so as to add contiguous territory served by public works or improvements created as part of that district's project plan. Allow project cost expenditures for public works or improvements in the area

annexed to the district to be made for up to three years from the date the local legislative body adopts the resolution amending the project plan. Specify that the maximum life of the TIF district would not be affected by incurring project costs for the annexed area. Specify that the tax incremental base for the district whose boundaries are amended would be redetermined by DOR as of the January 1 following the effective date of the amendment. These provisions would not be limited to TIF districts created as of any specific date.

Assembly: Modify the Committee's recommendation by requiring that the tax incremental base of a TIF district that is amended to modify the boundaries of the district to add contiguous territory be redetermined as of the next preceding January 1 (rather than the following January 1), if the effective date of the amendment is between January 2 and September 30. Specify that the redetermination of the tax incremental base under current law provisions related to the adoption of project plan amendments which include additional project costs would also be modified as described above.

Senate\Legislature: Clarify that the redetermination of the tax incremental base of a TIF district where contiguous territory is added would be made by adding to the base value of the district the equalized value of the taxable property located within the area added to the district.

Veto by Governor [E-20]: Eliminate references to additional project costs so that the tax incremental base of a TIF district whose boundaries are expanded would be redetermined whether or not additional project costs are incurred under the amendment to the project plan.

[Act 27 Sections: 3330c thru 3337]

[Act 27 Vetoed Section: 3330n]

2. PROPERTY TAX -- EXEMPTION FOR CERTAIN HEALTH CARE PROVIDERS [LFB Paper 105]

Governor/Legislature: Repeal the property tax exemptions for certain organizations that offer a health maintenance organization or a limited service health organization plan, effective with property taxes levied in 1996, payable in 1997. Those exemptions currently extend to cooperative sickness care associations, domestic stock and mutual insurance companies, service insurance corporations and fraternal benefit and mutual benefit societies that offer the specified types of health care plans. Exemptions for similar organizations that do not offer the specified types of health care plans would not be affected. The provision would return an estimated \$20 to \$25 million in value to local tax rolls.

[Act 27 Sections: 3344, 3345, 4873, 7029, 7032 and 9348(5m)]

3. PROPERTY TAX -- EXEMPTION OF INSTITUTIONS FOR THE DEVELOPMENTALLY DISABLED

Governor/Legislature: Modify the property tax exemption for institutions serving at least 150 mentally deficient children to include all nonprofit institutions subject to examination by the Department of Health and Social Services with a full-time population of at least 150 individuals with developmental disabilities (regardless of their age), effective with property taxes levied in 1996, payable in 1997.

[Act 27 Sections: 3346 and 9448(6)]

4. EXCLUDE RAIL PROPERTY FROM PROPERTY TAX EXEMPTION REPORTING REQUIREMENT

Governor: Specify that DOT does not have to file property tax exemption reports for abandoned rail property or for property it acquires for purposes of preserving or improving freight rail service. Provide that the exclusion takes effect on March 31, 1996 (the date by which the next reports must be filed). Currently, DOT must include this property on reports filed every two years with municipal clerks.

Legislature: Delete provision.

5. EXCLUDING RAIL PROPERTY FROM PROPERTY TAX EXEMPTION REPORTING REQUIREMENT (AB 557)

Governor: Specify that DOT does not have to file property tax exemption reports for abandoned rail property or for property it acquires for purposes of improving freight rail service. Provide that the exclusion takes effect on March 31, 1996 (the date by which the next reports must be filed). Currently, DOT must include this property on reports filed every two years with municipal clerks.

Senate/Legislature: Modify the provision to cover all circumstances under which DOT is allowed to acquire rail property.

[Act 113 Sections: 37b and 9455(5)]

6. PROPERTY TAX -- EXEMPTION FOR SOLAR AND WIND ENERGY SYSTEMS

Joint Finance/Legislature: Repeal the statutory provision that would sunset the property tax exemption for solar and wind energy systems. The exemption is scheduled to expire as of December 31, 1995, effective with 1996 assessments.

[Act 27 Section: 3348n]

7. PROPERTY TAX -- TAX EQUIVALENT FOR MUNICIPAL UTILITIES

Joint Finance/Legislature: Establish a minimum payment in lieu of taxes for public utilities operated by any town, village or city governing body equal to the payment made on the property for taxes levied in 1994, payable in 1995, unless a lower payment is authorized by the governing body of the municipality. Payments in lieu of taxes made on municipal utility property are expected to decrease as a result of the property tax relief provisions in the bill. This provision would establish a minimum payment for a municipal utility equal to the amount paid this year.

[Act 27 Section: 3316m]

8. PROPERTY TAX -- COUNTY LEVY LIMIT

Joint Finance: Require counties to restrict the year-to-year increase in their operating levies, as defined in the county tax rate limit program, to a percentage determined by formula, effective with taxes levied in 1995, payable in 1996. Define the percentage for each county as 3% plus the year-to-year percentage change in the county's population, as determined by DOA. Permit counties to exceed the limit if authorized through referendum and provide an adjustment for transfers of responsibility between units of government, as under the county tax rate limit program. Provide that if any county's operating levy exceeds the limit established under the program, the county's shared revenue and transportation aid payments in the year following the year in which the levy violates the limit shall be reduced by the amount of the excess. Require DOR to administer the control. Counties would continue to be subject to the tax rate limit adopted in 1993 Act 16.

Assembly: Modify the provision by defining the base year levy, from which allowable levies for 1995(96) would be calculated, as the greater of the 1994(95) operating levy or the 1993(94) operating levy increased by 3%. Adjust the base year levy by any decrease in total state and federal aids between the current (base) year and the preceding year. For example, if total aids are less in 1995 than in 1994, the difference would be added to the 1994(95) levy and the allowable 1995(96) levy would equal the sum of those amounts multiplied by 1.03. As a result, an aid reduction that occurs in one year could be recaptured through a higher levy in the succeeding year.

Senate: Increase the annual allowable growth rate in operating levies from 3% to 4%. The higher percentage also would apply to the calculation of the base year levy using the 1993(94) levy. Delete the proposed adjustment for decreases in total state and federal aid.

Assembly/Legislature: Provide an adjustment to the allowable levy equal to 75% of the difference between the allowable levy in the previous year and the actual levy in the previous year.

Veto by Governor [E-18]: Delete provision.

[Act 27 Vetoed Sections: 3337e thru 3337s]

9. PROPERTY TAX -- FORMAT FOR TAX BILLS

Joint Finance: Modify the current tax bill format, effective with tax bills issued for taxes levied in 1996, payable in 1997, as follows:

a. Repeal provisions in the current "full disclosure" tax bill format which require the display of the assessed value, estimated fair market value, taxes before estimated state aids allocable to the property, the school levy tax credit and municipal solid waste collection and disposal costs;

b. Require the tax bill to display:

- the property's taxable value;
- the amount of school taxes allocable to the property, net of the school levy tax credit, for the prior year and current year and the percent change between the years;
- the amount of tax allocable to the property levied by each other taxing jurisdiction for the prior year and the current year and the percent change between the years;
- the sum of the amounts allocated for each taxing jurisdiction, the lottery credit, if applicable, and the net tax payable for the prior year and the current year and the percent change between years; and
- the net tax rate on the property, after application of the lottery credit.

c. Permit tax bills to exclude the tax amounts allocable in the prior year and the percent change in taxes if the property does not have the same parcel identification number and a comparable composition in both years;

d. Require DOR to form a committee of departmental personnel and local officials to design a bill meeting the preceding requirements which is 8.5 by 11 inches in size, or larger;

e. Require DOR to hire an expert in the design of billing forms to assist the committee;

f. Require DOR to submit the design to the Joint Committee on Finance by January 15, 1996, for the Committee's approval and to recommend further statutory changes, if necessary, to assist implementation of the new design;

g. Authorize DOR to prescribe the design for use if the Co-chairs of the Joint Committee on Finance do not notify DOR that the Committee intends to schedule a meeting for the purpose of reviewing the design within 14 working days of the design's receipt and forbid DOR from prescribing a tax bill format without the Committee's approval if the Co-chairs do so notify DOR; and

h. Require all municipalities (or counties, where appropriate) to use the tax bill design prescribed by DOR, except authorize DOR to permit the use of other forms where those forms display the same information as on the prescribed bill.

Senate/Legislature: Modify the provision to require the tax bill to report the property's assessed value for the current tax year.

Veto by Governor [E-19]: Delete the requirement that the net tax rate be shown after application of the lottery credit, retaining only the requirement that the bill must show the net tax rate. This would allow DOR to design a bill that retains the current practice of calculating the net tax rate using assessed values and taxes before deduction of the lottery credit.

[Act 27 Sections: 3446g, 3446r, 3446s, 3446t, 3446u, 3446v, 3446w, 3446x, 3510h, 9148(3x) and 9348(10x)]

[Act 27 Vetoed Section: 3446r]

10. PROPERTY TAX -- ASSESSMENT OF AGRICULTURAL LAND ON THE BASIS OF ITS USE

Assembly: Provide for the assessment of agricultural land as follows:

A. Phase-in use value assessment of agricultural land. For 1996 assessments, "freeze" assessments of agricultural land at the 1995 amount. Continue to value agricultural land at that amount until the assessment for 2008 or until the Farmland Advisory Council makes its recommendation. (The bill requires the Council to make recommendations on implementing a penalty and on adjusting state aid formulas.)

For 1997 assessments, value agricultural land at its 1995 assessment minus a percentage of the difference between the property's 1995 assessment and its use value assessment. Set the percentage at 10% times the number of years the property has been assessed under this provision. Continue to value agricultural land under this provision until the assessment for 2008. Presumably, the assessment on agricultural land would equal its use value assessment if the adjustment under this provision would cause the property's assessment to fall below its use value. Agricultural land could be valued under this provision in 1996 if the Council has made its recommendation and if DOR has promulgated administrative rules by the 1996 assessment date. Presumably, the phase-down provision would take precedence over the freeze provision in this case.

For assessments beginning in 2008, require local assessors to value agricultural land based on the income that is or could be generated from the land's rental for agricultural use. Presumably, this would occur sooner if the phase-down provision results in a value that would be lower than the use value.

B. Define agricultural land as land devoted primarily to agricultural use. Require agricultural use to be defined through administrative rule. Establish an additional classification of property to be called

"other" for land that is currently classified as agricultural, but would no longer meet that definition as a result of this provision.

C. Require DOR to do the following: (1) include in the property assessment manual, or a supplement to the manual, guidelines for categorizing and valuing agricultural land within each municipality and per acre value guidelines for each municipality; (2) determine, on or before each August 15, the full value of agricultural land using the same procedures established for local assessors; (3) appoint a Farmland Advisory Council consisting of nine individuals; (4) adopt administrative rules to implement use value assessment of agricultural property, which shall include definitions of agricultural use and the capitalization rate; and (5) administer penalties on agricultural land that is transferred.

D. Create a Farmland Advisory Council consisting of the Secretary of DOR (who would serve as a nonvoting chairperson), an agribusiness person, a person knowledgeable about agricultural lending practices, an agricultural economist employed by the University of Wisconsin System, a farmer, a mayor of a city that has a population of more than 40,000, an expert in the environment, a nonagricultural business person and a professor of urban studies. Provide that the Council remain in existence until December 31, 2007. Direct the Council to do the following: (1) advise DOR on use value assessment and on ways to reduce urban sprawl; (2) recommend a penalty for converting agricultural land to another use to discourage urban sprawl; (3) create a review process for objections to use value assessment; (4) report annually to the Legislature on the usefulness of use value assessment as a way to preserve farmland and to reduce the conversion of farmland to other uses; (5) recommend a way to adjust state aid formulas to compensate counties, municipalities and school districts adversely affected by use value assessment; (6) calculate the federal land bank's five-year capitalization rate; (7) calculate per acre values based on actual or estimated income generated from rental for agricultural use; and (8) cooperate with the strategic growth task force of the Governor's Land Use Council.

E. Establish a penalty for the owner of property that has been assessed on a use value basis and is sold if the seller has owned the property for less than five years. Set the penalty at 5% of the difference between the property's sale price and the property's value under use value during the last year of ownership. This provision would not be affected by the penalty to be recommended by the Farmland Advisory Council.

F. Establish a reimbursement program for technical college districts which apply for a grant and which have a property tax rate for operations at the 1.5 mill rate limit under current law. Calculate the reimbursement for each district as 1.5 mills times the difference between the current year value of agricultural land and the value of agricultural land in 1996. Establish a sum sufficient, GPR appropriation to make these payments. Discontinue reimbursements after December 31, 2001. The first payment under this provision would occur in 1997-98, so there is no fiscal effect in the 1995-97 biennium.

G. Modify the assessment standards program to include "other" property and exclude agricultural property.

Senate/Legislature: Extend the "freeze" on assessments of agricultural land through 1997 and begin the "phase down" of assessments from their frozen level to their assessment under use value in 1998 rather than 1997. Delay the other directives associated with use value assessment for one year, with the exception of the creation of the Farmland Advisory Council and the submission of administrative rules.

Veto by Governor [E-16]: Delete references to the actual income from the rental of property for agricultural use, so that the use value assessment would be made based on the estimated income from the rental of property for agricultural use. Establish the Secretary of DOR as a voting chairperson of the Farmland Advisory Council, delete the sunset date for the Council and delete the requirement that the Council create a review process for objections to use value assessment. Delete the reimbursement program for technical college districts.

[Act 27 Sections: 3343wb, 3362b thru 3362h, 3367c, 3434g, 3439m, 3446y, 3459m, 3488m, 6611b, 7215m, 9148(1x) and 9448(1x)(a)]

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.292(1)(am)), 615r, 1803m, 3362h, 3434g, 3439m, 9148(1x) and 9448(1x)(b)]

Other Credits

1. EARNED INCOME TAX CREDIT [LFB Papers 103 and 104]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$11,700,000	- \$100,000	\$11,600,000

Governor: Provide \$3,100,000 in 1995-96 and \$8,600,000 in 1996-97 for the estimated costs of the state earned income tax credit. Funding for the credit would total an estimated \$60.3 million in 1995-96 and \$65.8 million in 1996-97. Proposed changes to the credit are shown under "General Fund Taxes."

Joint Finance/Legislature: Increase funding by \$200,000 in 1995-96 and decrease funding by \$300,000 in 1996-97 to reflect recoupling the state EITC to the federal EITC.

2. DEVELOPMENT ZONES JOBS TAX CREDIT [LFB Paper 870]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$450,000	\$650,000	\$200,000

Governor: Reestimate the development zones jobs tax credit by -\$250,000 in 1995-96 and by -\$200,000 in 1996-97 to reflect lower than anticipated credit claims. Funding for the credit would total \$450,000 in 1995-96 and \$500,000 in 1996-97.

Joint Finance/Legislature: Increase the GPR sum sufficient estimates for the development zones jobs tax credit by \$250,000 in 1995-96 and \$400,000 in 1996-97 to reflect higher than anticipated participation in the program in 1994-95 and anticipated claims by businesses in development opportunity zones. Total funding for the credit would be \$700,000 in 1995-96 and \$900,000 in 1996-97.

3. DEVELOPMENT ZONES SALES TAX CREDIT [LFB Paper 870]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$95,000	\$25,000	- \$70,000

Governor: Reestimate the development zones sales tax credit by -\$55,000 in 1995-96 and by -\$40,000 in 1996-97 to reflect lower than anticipated credit claims. Funding for the credit would total \$45,000 in 1995-96 and \$60,000 in 1996-97.

Joint Finance/Legislature: Increase the GPR sum sufficient estimates for the development zones sales tax credit by \$15,000 in 1995-96 and by \$10,000 in 1996-97 to reflect greater than anticipated participation in the development zones program in 1994-95 and anticipated claims by businesses in development opportunity zones. Total funding for the credit would be \$60,000 in 1995-96 and \$70,000 in 1996-97.

4. REESTIMATE CIGARETTE TAX REFUNDS

	Chg. to Base
GPR	- \$70,000

Governor/Legislature: Reestimate cigarette tax refunds to Indian retailers by -\$70,000 in 1996-97. Total funding would be \$4,550,000 in 1995-96 and \$4,480,000 in 1996-97.

5. LOCAL EXPOSITION DISTRICT CONTINUING APPROPRIATION

Governor/Legislature: Modify an existing PR appropriation for distribution of local taxes to support a local exposition district (Milwaukee convention center) to be a continuing, rather than an annual, appropriation and specify that 97% of all monies received be transferred, rather than a sum certain amount.

[Act 27 Section: 1151]

School Aid Payments

1. TRANSFER OF SELECTED LOCAL AID PROGRAMS FROM DEPARTMENT OF PUBLIC INSTRUCTION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$3,471,003,300	- \$3,471,003,300	\$0
SEG	14,300,000	- 14,300,000	0
Total	\$3,485,303,300	- \$3,485,303,300	\$0

Governor: Effective July 1, 1996, transfer seven local assistance programs from the Department of Public Instruction to the Department of Revenue. Provide \$3,485,303,300 in 1996-97 to reflect the transfer of the following programs to appropriations under Shared Revenue and Tax Relief: general equalization aids (\$3,151,027,800 GPR), handicapped education aid (\$275,548,700 GPR), pupil transportation aid (\$17,742,500 GPR), school library aid (\$14,300,000 SEG), public library system aid (\$11,772,200 GPR), bilingual-bicultural education aid (\$8,291,400 GPR) and tuition payments (\$6,620,700 GPR).

Joint Finance/Legislature: Delete provision.

[Act 27 Sections: Shown under "Revenue"]

STATE FAIR PARK 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
PR	\$23,772,600	\$27,558,600	\$26,755,400	\$26,755,400	26,755,400	2,982,800	12.5%

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	40.38	42.38	45.70	45.70	45.70	5.32

1. STANDARD BUDGET ADJUSTMENTS

	Chg. to Base
PR	\$229,000

Governor/Legislature: Adjust the base budget by \$113,700 in 1995-96 and \$115,300 in 1996-97 for: (a) full funding of continuing position salaries and fringe benefits (-\$125,000 annually); (b) overtime (\$187,900 annually); (c) full funding of law enforcement salary adjustments (\$22,200 annually); (d) risk management costs (\$13,000 in 1995-96 and \$14,600 in 1996-97); (e) delayed pay plan adjustment (\$8,000 annually); (f) night and weekend differential (\$4,300 annually); and (g) financial services charges (\$3,300 annually).

2. SUPPLIES AND SERVICES INCREASES [LFB Paper 875]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$2,181,000	- \$752,000	\$1,429,000

Governor: Provide \$947,400 in 1995-96 and \$1,233,600 in 1996-97 for the following: (a) \$393,400 in 1995-96 and \$556,600 in 1996-97 for concession items and other supplies purchased for State Fair Park events; (b) \$357,000 in 1995-96 and \$395,000 in 1996-97 in unallotted reserve for additional costs that may occur due to expanded use of Park Board facilities; (c) \$166,900 in 1995-96 and \$230,900 in 1996-97

for increased payments to entertainers at the grandstand and free stages at the annual state fair; and (d) \$30,100 in 1995-96 and \$51,100 in 1996-97 for expansion of the advertising campaigns for the state fair.

Joint Finance/Legislature: Delete \$357,000 in 1995-96 and \$395,000 in 1996-97 from unallotted reserve relating to unspecified additional events at Park Board facilities.

3. MAINTENANCE PLAN

Chg. to Base	
PR	\$400,000

Governor/Legislature: Provide \$175,000 in 1995-96 and \$225,000 in 1996-97 to fund a portion of the maintenance projects identified in a DOA study on the State Fair Park facilities. Projects include concrete and pavement replacement, roof repairs and replacements and electrical and lighting improvements. Maintenance funds would be provided on a one-time basis in the 1995-97 biennium.

4. LTE FUNDING INCREASES

Chg. to Base	
PR	\$509,600

Governor/Legislature: Provide \$222,200 in 1995-96 and \$287,400 in 1996-97 for the following: (a) \$186,700 in 1995-96 and \$250,200 in 1996-97 for a 10% increase in limited-term employee and union stagehand funding in the first year and an additional 3% increase in 1996-97; and (b) \$35,500 in 1995-96 and \$37,200 in 1996-97 for retirement benefits for certain limited-term employees who are eligible to participate in the Wisconsin Retirement System.

5. DEBT SERVICE REESTIMATE

Chg. to Base	
PR	\$360,200

Governor/Legislature: Increase funding by \$24,500 in 1995-96 and \$335,700 in 1996-97 to reflect a reestimate of debt service. Increased debt service costs in the second year primarily reflect annual principal payments for the Pettit National Ice Training Center. Prior to 1996-97, payments on the facility are for interest only.

6. MARKETING DIRECTOR

Chg. to Base Funding Positions		
PR	\$94,000	1.00

Governor/Legislature: Provide \$40,300 in 1995-96 and \$53,700 in 1996-97 for 1.0 marketing director position.

7. FINANCIAL SPECIALIST

Governor/Legislature: Provide \$5,200 in 1995-96 and \$7,000 in 1996-97 in fringe benefits associated with the conversion of an LTE position to a permanent financial specialist position.

Chg. to Base Funding Positions		
PR	\$12,200	1.00

8. STATE FAIR PARK STAFF

Joint Finance/Legislature: Convert \$87,200 in 1995-96 and \$116,200 in 1996-97 in LTE funding for salary and fringe benefits for 2.0 four-year project positions and 1.82 permanent labor specialist positions.

Chg. to Base		
PR		3.82

9. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$25,600 annually and 0.5 position.

Chg. to Base Funding Positions		
PR	- \$51,200	- 0.50

10. STATUTORY CHANGES

Governor/Legislature: Make the following statutory changes: (a) provide the State Fair Park Board with the authority to accept and administer gifts, grants and bequests; (b) remove the requirement that the Board enter into a lease with a nonprofit corporation to operate and maintain the Olympic ice training center, rather allow the Board the option of entering into a lease for the facility; and (c) provide the State Fair Park Board with the authority to use its capital expenses continuing appropriation for payment of principal and interest costs incurred in financing State Fair Park facilities. Currently, this appropriation receives the surplus of any moneys received from State Fair Park operations for construction projects at the park.

[Act 27 Sections: 539, 540, 1159, 1965 and 1966]

11. CAPITAL PROJECTS--YOUTH AND ATHLETE FACILITY AND COLISEUM RENOVATION [LFB Paper 876]

Building Commission: Provide \$16,050,000 of self-amortizing general obligation bonds and \$5,000,000 of general fund supported stewardship program bonding authority for the following projects and improvements at State Fair Park:

- | | | |
|----|------------------------------------|---|
| a. | Youth and athlete facility. | \$5,000,000 PR-GO Bonds* |
| | | 5,000,000 Stewardship (Gen. Fund Bonds) |
| | | <u>5,000,000</u> Donations |
| | | \$15,000,000 |
| b. | Coliseum enclosure and renovation. | \$5,000,000 PR-GO Bonds* |
| c. | Racetrack improvements. | \$1,250,000 PR-GO Bonds* |
| d. | Maintenance projects. | \$2,300,000 PR-GO Bonds* |
| e. | Roads and utility repairs. | \$2,500,000 PR-GO Bonds* |

*PR-GO bonds denotes program revenue supported, general obligation bonds.

Joint Finance: Replace \$5,000,000 in stewardship bonding for the youth and athlete facility with \$5,000,000 in general obligation bonding. Delete \$2,500,000 self amortizing general obligation bonding for unspecified road and utility repairs. In addition, require the following: (a) an independent analysis of the financial viability of the youth and athlete facility and enclosure of the Park's coliseum facility be approved by the Building Commission prior to the release of the bonds for the facilities; and (b) prior to proceeding with construction of the youth and athlete facility, State Fair Park Board and DOA jointly submit for Joint Committee on Finance approval, a review of the most cost-effective construction options for the facility, which may include construction by a private contractor and a lease with an option for the state to purchase the facility.

Senate/Legislature: Specify that the \$15 million youth and athlete facility enumerated in the bill may only be used for participants at State Fair Park activities and for athletes, their chaperons and trainers utilizing the Pettit National Ice Center.

Veto by Governor [B-13]: Delete the submission and Joint Finance review of a State Fair Park Board and DOA report on most cost-effective construction options for the youth and athlete facility enumerated in the bill. Also, delete the Senate provision specifying that the facility may only be used for participants at State Fair Park activities and for athletes, their chaperons and trainers utilizing the Pettit National Ice Center.

[Act 27 Sections: 538m, 1168m, 1168s, 1965c, 1966j, 9108(1)(i)&(12) and 9152(1x)&(1z)]

[Act 27 Vetoed Sections: 1965c, 1966j and 9152(1x)]

12. ADMINISTRATIVE ATTACHMENT TO DEPARTMENT OF TOURISM [LFB Paper 890]

Joint Finance: Attach the State Fair Park Board to the newly established Department of Tourism for administrative purposes effective July 1, 1996. In addition:

(a) Require the Department of Tourism to process all personnel and biennial budget requests by the State Fair Park Board without change except as requested and concurred in by the State Fair Park Board.

(b) Replace the Secretary of the Department of Development with the Secretary of the Department of Tourism as a Park Board member.

(c) Reclassify the State Fair Park Director position from Executive Salary Grade 4 to ESG 5.

(d) Require the Department of Tourism and the State Fair Park Board to enter a memorandum of understanding setting forth Tourism's responsibilities relating to promoting fairs, exhibits and promotional events at the State Fair Park, and the methods that the Department of Tourism and the State Fair Park Board would use to cooperate in promoting and carrying out those activities.

(e) Allow (rather than the current requirement) the State Fair Park Board to enter into a memorandum of understanding with the Department of Agriculture, Trade and Consumer Protection to coordinate the activities of the State Fair Park Board and that department.

(f) Allow the State Fair Park Board to procure business interruption insurance, fire insurance and property insurance.

(g) Exempt construction of State Fair Park facilities from any municipal building codes (state building codes would still apply) and from any city planning, zoning or other requirements.

Senate/Legislature: Move the effective date of Park Board's administrative attachment to the Department of Tourism to January 1, 1996.

[Act 27 Sections: 24c, 24f, 93s, 218e, 1205d, 1965e, 1965m, 1965s and 9452(1g)]

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

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	\$393,300	\$590,000	\$590,000	\$590,000	\$590,000	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	6.00	6.00	6.00	6.00	6.00

1. CREATION OF OFFICE [LFB Paper 760]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$393,300	6.00	\$196,700	0.00	\$590,000	6.00

Governor: Effective July 1, 1996, create an office which would be under the direction and supervision of the State Superintendent of Public Instruction and provide \$393,300 and 6.0 positions in 1996-97 for the operations of the Office. While the Office would be attached to the Department of Education, for limited administrative purposes, it would function as a distinct unit of the Department and would have its own appropriation structure. Require the State Superintendent to do all of the following:

- a. Visit, ascertain the condition of and stimulate public interest in Wisconsin's public elementary and secondary schools.
- b. Advocate for the needs of the state's children and school districts.
- c. Provide information to the public on state public elementary and secondary schools and school districts.

d. Annually submit to the Governor and Legislature, a plan for improving state public elementary and secondary schools and the academic achievement of public school pupils.

e. Annually, by October 1, report to the Legislature his or her activities during the prior fiscal year.

In addition, provide that the State Superintendent may designate a staff member as his or her representative on any body on which the State Superintendent is required to serve. Under the bill, the State Superintendent would continue to serve on the state's delegation on the Education Commission of the States. Permit the State Superintendent to attend educational meetings and make investigations which he or she deems important and which will provide information on different systems of public schools in the nation.

Repeal the provision which allows the State Superintendent to appoint an executive assistant. Under the bill, the Office would be authorized 3.0 unclassified positions (the State Superintendent, a Deputy State Superintendent and a stenographer). (A technical correction to this provision would be required.)

Article X, section 1, of the Wisconsin Constitution states that "the supervision of public instruction shall be vested in a State Superintendent and such other officers as the Legislature shall direct; and their qualifications, powers, duties and compensation shall be prescribed by law." The Constitution provides that the State Superintendent is an elected office with a term of four years.

Joint Finance: Change the provision's effective date to January 1, 1996. Provide \$196,700 in 1995-96 and authorize 6.0 positions beginning January 1, 1996, for the Office. Place these funds and the \$393,300 provided in 1996-97 in unallotted reserve to be released by the Joint Committee on Finance upon its approval of a plan for the expenditure of the funds submitted by the State Superintendent. In addition, include a technical change to provide the correct number of unclassified positions authorized to the Office of the State Superintendent.

Assembly/Legislature: Modify the provision by specifying that all 6.0 positions authorized for the Office would be unclassified.

[Act 27 Sections: Shown under "Public Instruction."]

STATE TREASURER

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	\$832,000	\$380,900	\$380,900	\$0	\$0	- \$832,000	- 100.0%
FED	0	0	105,400	105,400	105,400	105,400	N.A.
PR	<u>2,831,600</u>	<u>900,000</u>	<u>3,552,900</u>	<u>4,314,700</u>	<u>4,314,700</u>	<u>1,483,100</u>	<u>52.4</u>
TOTAL	\$3,663,600	\$1,280,900	\$4,039,200	\$4,420,100	\$4,420,100	\$756,500	20.6%

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	7.38	0.00	0.00	0.00	0.00	- 7.38
PR	<u>10.12</u>	<u>0.00</u>	<u>15.75</u>	<u>22.50</u>	<u>23.50</u>	<u>13.38</u>
TOTAL	17.50	0.00	15.75	22.50	23.50	6.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Annually, adjust the Office's base budget as follows: (a) removal of noncontinuing elements from the base budget (-\$41,000 PR and -1.0 PR project accountant position); (b) full funding of continuing salaries and fringe benefits (-\$1,900 GPR and \$5,800 PR); (c) reclassifications of existing positions (\$2,200 GPR); (d) risk management costs (\$200 GPR and \$8,600 PR); and (e) full funding for delayed pay adjustments (\$2,300 GPR and \$2,600 PR).

	Chg. to Base Funding Positions	
GPR	\$5,600	0.00
PR	<u>- 48,000</u>	<u>- 1.00</u>
Total	- \$42,400	- 1.00

2. REALLOCATE ADMINISTRATIVE COSTS AMONG PROGRAMS

Governor/Legislature: Annually, reallocate salary and fringe benefit costs for management positions between certain GPR and PR funded programs of the Office as follows: (a) delete \$21,000 GPR

	Chg. to Base Funding Positions	
GPR	- \$68,800	- 0.75
PR	<u>68,800</u>	<u>0.75</u>
Total	\$0	0.00

and 0.50 GPR accountant position and provide \$21,000 PR and 0.50 PR position; and (b) delete \$13,400 GPR and 0.25 GPR financial supervisor position and provide \$13,400 PR and 0.25 PR position.

3. ELIMINATE SECURITIES SECTION

Governor/Legislature: Make the following changes:

	Chg. to Base	
	Funding	Positions
GPR	- \$7,000	- 0.06
PR	- 196,400	- 1.94
Total	- \$203,400	- 2.00

(a) Repeal the Office's statutory responsibilities for the safekeeping of securities purchased by SWIB effective September 1, 1995. Currently, the Office has a securities section to handle the Office's statutorily assigned custodial responsibilities for securities safekeeping. A Legislative Audit Bureau report recommended the elimination of these responsibilities based on the existence of sufficient accounting controls being in place at SWIB plus the technological improvements with regard to securities handling that have occurred in the investments industry;

(b) Delete \$116,000 PR in 1995-96 and \$139,200 PR in 1996-97 and 2.46 PR positions to reflect the elimination of the Office's securities section effective September 1, 1995; and

(c) Annually, delete \$3,500 GPR and 0.06 GPR position and provide \$29,400 PR and 0.52 PR position to reflect a reestimate of the allocation of salary and fringe benefit costs for the Treasurer, Deputy Treasurer and confidential stenographer among the remaining GPR and PR programs within the Office because of the elimination of the securities section.

[Act 27 Sections: 1135, 1389, 1399, 1400 and 9456(1)]

4. SUPPLIES AND SERVICES BUDGET REDUCTION

Governor/Legislature: Delete \$3,700 in 1996-97 from the agency's general program operations supplies and services budget.

	Chg. to Base
GPR	- \$3,700

5. CONVERT ACCOUNTANT PROJECT POSITION TO PERMANENT [LFB Paper 881]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$120,800	1.00	- \$120,800	- 1.00	\$0	0.00

Governor: Provide \$60,400 annually and, beginning January 1, 1996, authorize 1.0 permanent position to reflect the conversion of an existing project, senior-level accountant position to permanent status. The project position was authorized in the 1993-95 budget to perform allocation of bank charges

and provide cash management assistance to the Office of the Treasurer and state agencies. The amounts provided include \$19,500 in 1995-96 to extend the current project position from the current expiration date of June 30, 1995, to January 1, 1996, and \$40,900 in 1995-96 and \$60,400 in 1996-97 for the permanent position.

Joint Finance/Legislature: Delete provision.

6. UNCLAIMED PROPERTY ADVERTISING COSTS

Chg. to Base	
PR	- \$500,000

Governor/Legislature: Delete \$500,000 in 1995-96 from base funding for the unclaimed property program to reflect actual expenditures for advertising costs related to providing notices to owners of unclaimed property once every two years (in the second year of the biennium).

7. LGIP ADMINISTRATIVE EXPENSE DEDUCTION [LFB Paper 882]

Governor: Provide that the statutory maximum that the State Treasurer may deduct from interest earnings quarterly for the Office's cost of administering the local government investment pool (LGIP) be increased from 0.25% to 0.50%. These amounts are deducted from the gross amount of income received from investment earnings on the deposits in the LGIP. This change would be effective for expenses incurred for the calendar quarter beginning July 1, 1995. In 1993-94, the State Treasurer deducted \$179,500 from LGIP interest earnings of \$141,525,100, for a percentage deduction of 0.13%.

Joint Finance/Legislature: Delete provision.

8. TRAINING CONFERENCES

Governor/Legislature: Provide that the Treasurer may conduct conferences for the purpose of training county and municipal clerks and treasurers, and employees of their offices, in their official capacities. Permit the Treasurer to charge conference participants a fee which does not exceed the proportionate cost of conducting the conference and require the fees to be credited to a new, continuing program revenue appropriation created to pay for the costs of conducting such conferences.

[Act 27 Sections: 59 and 1132]

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

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Veto (Chg. to Leg.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$2,461,000		\$2,461,000		\$0		\$0	
GPR	- \$377,200	- 6.57	\$355,600	6.13	\$0	0.00	- \$21,600	- 0.44
PR	- 1,376,800	- 8.93	1,349,200	8.37	0	1.00	- 27,600	0.44
Total	- \$1,754,000	- 15.50	\$1,704,800	14.50	\$0	1.00	- \$49,200	0.00

Governor: *Delete Stenographer Position.* Repeal, effective June 30, 1996, the statutory provisions relating to an unclassified stenographer position for the State Treasurer. Delete \$16,700 GPR and \$21,300 PR and 1.0 position (0.44 GPR and 0.56 PR) in 1996-97 to reflect the elimination of this position.

Transfer Office. Delete \$360,500 GPR and 6.13 GPR positions and \$1,355,500 PR and 8.37 PR positions and \$2,461,100 GPR-Earned in 1996-97 to reflect the transfer of the Office of the State Treasurer and its duties and responsibilities as a new subunit required to be created in DOA. Specify that these positions and the incumbent employees in the positions be transferred on July 1, 1996, 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.

Joint Finance/Legislature: *Transfer Office.* Delete Governor's provision and restore \$355,600 GPR and \$1,349,200 PR in 1996-97 and 6.13 GPR and 8.37 PR positions, beginning July 1, 1996, and \$2,461,000 GPR-Earned to retain the Office as an independent agency.

Veto by Governor [E-21]: Delete provision repealing the statutory authority of the State Treasurer to appoint an unclassified stenographer, thereby restoring 1.0 PR position in 1996-97. Although no funding is provided for the restored position, the restored position would be entirely PR-funded to reflect the shift in the fund source of the State Treasurer's general program operations from GPR to PR under other provisions in the bill.

[Act 27 Section: 1961]

[Act 27 Vetoed Sections: 1214, 6258 and 9456(4)]

10. TRANSFER CASH MANAGEMENT FUNCTIONS TO DOA [LFB Paper 880]

	Jt. Finance (Chg. to Base)		Assembly (Chg. to JFC)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	-\$2,461,000	0.00	\$2,461,000		\$0		\$0	
GPR	-\$300,500	- 5.25	\$300,500	5.25	\$0	0.00	\$0	0.00
PR	- 21,600	- 0.50	82,000	0.50	- 60,400	0.00	0	0.00
Total	-\$322,100	- 5.75	\$382,500	5.75	- \$60,400	0.00	\$0	0.00

Joint Finance: Delete \$300,500 GPR and \$21,600 PR in 1996-97 and 5.25 GPR and 0.50 PR positions, beginning July 1, 1996, and \$2,461,000 GPR-Earned to reflect the transfer of the cash management functions and 5.75 positions from the Office to the DOA Bureau of Financial Operations.

Assembly: Delete provision and restore \$300,500 GPR and \$82,000 PR in 1996-97 and 5.25 GPR and 0.50 PR positions. The PR amount in the Assembly provision inadvertently restored \$60,400 PR more than the amount transferred to DOA by the Joint Committee on Finance.

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

Veto by Governor [E-22]: Delete two bill sections which were inadvertently retained in the Assembly version of the bill when all cash management transfer provisions should have been deleted, as technical corrections to the bill.

[Act 27 Section: 3459m]

[Act 27 Vetoed Sections: 3459m and 4454t]

11. ELIMINATE DEPUTY TREASURER AND SHIFT REMAINING POSITION FUND SOURCES [LFB Paper 880]

	Jt. Finance (Chg. to Base)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$55,100	- 0.88	\$55,100	0.88	\$0	0.00
PR	- 3,700	- 0.12	3,700	0.12	0	0.00
Total	-\$58,800	- 1.00	\$58,800	1.00	\$0	0.00

Joint Finance: Make the following funding and position changes:

(a) *Delete Deputy Treasurer Position.* Delete \$25,900 GPR and \$32,900 PR and 0.44 GPR and 0.56 PR position to reflect elimination of the position of Deputy Treasurer, beginning July 1, 1996.

(b) *Shift Fund Source for Treasurer.* Delete \$29,200 GPR and 0.44 GPR position and provide \$29,200 PR and 0.44 PR position to reflect the transfer of funding for the Treasurer position to program revenue funding from the unclaimed property and local government investment pool (LGIP) programs.

Assembly/Legislature: Delete provision and restore \$55,100 GPR and \$3,700 PR in 1996-97 and 0.88 GPR and 0.12 PR positions.

12. TRANSFER DIVISION OF TRUST LANDS AND INVESTMENTS

	Chg. to Base Funding Positions	
FED	\$105,400	0.00
PR	<u>1,449,800</u>	<u>9.00</u>
Total	\$1,555,200	9.00

Joint Finance: Provide \$52,700 FED annually and \$723,800 PR in 1995-96 and \$726,000 PR in 1996-97 and 9.0 PR positions, beginning July 1, 1995, to reflect the transfer of the administrative attachment of the Division of Trust Lands and Investments from DOA, including 3.0 related forester positions in DNR, to the Office of the State Treasurer. The Board consists of the Secretary of State, State Treasurer and State Attorney General. The Division of Trust Lands and Investments is currently attached for administrative purposes to DOA and is under the direction and supervision of the Board of Commissioners of Public Lands. The Executive Secretary for the Board is appointed by the Board outside the classified service. Under the direction of the Board, the Division is responsible for: (a) the management and sale of public lands granted to the state by the federal government, and (b) the operation of a state trust fund loan program.

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. Provide that the Division's assets and liabilities, tangible personal property, records, contracts and all pending matters be transferred from DOA to the Office of the State Treasurer on the effective date of the bill. All promulgated rules and orders relating to the Division remain in effect until their specified expiration date or until modified or rescinded by the Office of the State Treasurer.

Senate/Legislature: Provide a technical correction to apply to the incumbent employees of the 3.0 DNR forester positions the same rights and status as prior to their transfer to the State Treasurer. The Joint Finance Committee included this provision for the 6.0 administrative positions associated with the Division but inadvertently did not reference the DNR forester positions.

[Act 27 Sections: 101m, 1074m, 1079m, 1080m, 1139r, 9101(20g) and 9142(13p)]

13. SHIFT FUND SOURCE FOR OFFICE'S GENERAL PROGRAM OPERATIONS

	Chg. to Base Funding Positions	
GPR	- \$736,500	- 6.13
PR	<u>736,500</u>	<u>6.13</u>
Total	\$0	0.00

Assembly/Legislature: Substitute \$380,900 PR for \$380,900 GPR in 1995-96 and substitute \$355,600 PR for \$355,600 GPR in

1996-97 and delete 6.13 GPR positions and provide 6.13 PR positions, beginning July 1, 1995, to reflect a shift in the fund source of the Office's general program operations from GPR to program revenue received from the DOA Bureau of Financial Operations (BFO). Create an annual program revenue appropriation for the general program operations of the Office, funded from moneys transferred from BFO. Modify BFO's appropriation which receives moneys from state agencies for the provision of accounting, auditing, payroll and other financial services to require that the PR amounts appropriated for the State Treasurer be transferred to that Office.

[Act 27 Sections: 1059m, 1126g, 1126s and 9156(2e)]

SUPREME COURT

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	\$15,921,400	\$16,302,200	\$16,302,200	\$16,302,200	\$16,302,200	\$380,800	2.4%
PR	16,901,200	4,142,800	13,729,600	13,729,600	13,729,600	- 3,171,600	- 18.8
SEG	<u>1,264,800</u>	<u>1,272,800</u>	<u>1,272,800</u>	<u>1,272,800</u>	<u>1,272,800</u>	<u>8,000</u>	<u>0.6</u>
TOTAL	\$34,087,400	\$21,717,800	\$31,304,600	\$31,304,600	\$31,304,600	- \$2,782,800	- 8.2%

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	108.50	108.50	108.50	108.50	108.50	0.00
PR	66.50	27.75	66.75	66.75	66.75	0.25
SEG	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
TOTAL	180.00	141.25	180.25	180.25	180.25	0.25

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Make the following annual adjustments:

(a) nonrecurring costs (-\$2,026,100 PR and -23.0 PR project positions for the court automation project); (b) full funding of salaries and fringe benefits (\$138,300 GPR, \$105,000 PR and \$2,400 SEG); (c) State Bureau of Financial Operations charges (\$1,400 GPR, \$1,200 PR and \$300 SEG); (d) risk management costs (\$700 GPR and \$1,000 PR); (e) fifth week vacation as cash for certain long-term employees (\$7,000 GPR and \$2,900 PR); and (f) delayed pay adjustments (\$43,300 GPR, \$21,800 PR and \$1,300 SEG).

	Chg. to Base Funding Positions	
GPR	\$381,400	0.00
PR	- 3,788,400	- 23.00
SEG	<u>8,000</u>	<u>0.00</u>
Total	- \$3,399,000	- 23.00

2. INFORMATION TECHNOLOGY

Governor/Legislature: Provide one-time funding of \$145,600 PR in 1995-96 to convert from the Court's mainframe computer to a local area network. In addition, delete \$30,300 GPR annually to reflect savings in

	Chg. to Base
GPR	- \$60,600
PR	<u>145,600</u>
Total	\$85,000

maintenance costs of the existing hardware. Funding for the network would come from the DOA justice information system fee revenues (formerly CCAP).

3. LAW LIBRARY NETWORK

	Chg. to Base
PR	\$68,200

Governor/Legislature: Provide \$59,100 in 1995-96 and \$9,100 in 1996-97 to upgrade the state law library mainframe computer to establish a statewide law library network. Funding would be provided from justice information system fee revenues (formerly CCAP).

4. MUNICIPAL JUDGE PROGRAM

	Chg. to Base Funding	Positions
PR	\$19,800	0.25

Governor/Legislature: Provide \$9,900 and .25 positions annually associated with the municipal judge training program. The program is funded from fees paid by participants. Base level funding is \$85,800 with a one-half time position.

5. INCREASED POSTAGE

	Chg. to Base
PR	\$7,200

Governor/Legislature: Provide \$3,600 annually for increased postage for the following programs: (a) the municipal judge program (\$400); (b) the Board of Bar Examiners (\$1,300); (c) the Board of Attorneys Professional Responsibility (\$1,800) and (d) the law library (\$100).

6. CIRCUIT COURT AUTOMATION PROJECT [LFB Paper 889]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$60,000	0.00	\$0	0.00	\$60,000	0.00
PR	- 2,377,400	0.00	2,753,400	23.00	376,000	23.00
Total	- \$2,317,400	0.00	\$2,753,400	23.00	\$436,000	23.00

Governor: Reduce base funding by \$1,078,900 PR in 1995-96 and \$1,298,500 PR in 1996-97 to complete implementation of the Circuit Court automation project, including financial management software, and to provide ongoing support and training to counties in case, jury and financial management. The bill would provide \$3,526,500 in 1995-96 and \$3,306,900 in 1996-97 for 16 permanent staff and related supplies and for permanent property for upgrading software, replacing personal computers and printers and increasing disk storage capacity. In addition, the bill would provide one-time funding of

\$60,000 GPR in 1995-96 for 20 simultaneous translation reporting systems to allow participants with hearing impairments to read transcriptions of court proceedings on a courtroom monitor as they occur.

Joint Finance/Legislature: Provide an additional \$1,266,900 PR in 1995-96 and \$1,486,500 PR in 1996-97 and extend 23.0 project positions for two additional years to allow the Circuit Court automation project to continue implementation of case and financial management software while providing technical support to all counties currently installed. Funding available for CCAP would total \$4,793,400 annually with 39.0 staff (16 permanent and 23 project).

7. TRANSFER CIRCUIT COURT AUTOMATION FUNCTIONS TO DOA [LFB Paper 889]

	<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-REV	\$0		- \$1,386,000		- \$1,386,000	
PR	- \$6,833,400	- 16.00	\$6,833,400	16.00	\$0	0.00

Governor: Delete \$3,526,500 in 1995-96 and \$3,306,900 in 1996-97 and transfer 16.0 unclassified positions (and the incumbent employees) from the Circuit Court automation project to DOA to establish the Division of Technology Management's Judicial Information System. Under the bill, DOA would complete implementation of the Circuit Court automation project and provide support and ongoing maintenance for the system. In addition, the bill would delete the December 31, 1995, sunset date on court automation fees, and provide that court automation fees (which currently support CCAP) be transferred to DOA for automation relating to the Courts, State Public Defender, District Attorneys and Departments of Justice and Corrections. It should be noted, that \$1 of the court automation bill is deposited to the general fund. Under the bill, this would continue to be deposited under the Supreme Court.

Joint Finance/Legislature: Eliminate the transfer of the Circuit Court automation project positions and related functions to DOA. In addition, provide that civil filing fees under s. 814.61, 814.62 and 814.635(1) would continue to be deposited to the Supreme Court to fund CCAP. Further, provide that the \$3 automation fee (of which \$1 is deposited to the general fund) would be increased by \$2, effective October 1, 1995, and renamed the "justice information system fee." The fee would be deposited to DOA (as recommended by the Governor) and would support the Bureau of Justice Information Systems. Revenues to DOA from the \$5 justice information system fee (exclusive of the \$1 deposited to the general fund) would be approximately \$2.2 million in 1995-96 and \$2.6 million in 1996-97. Appropriations for both CCAP and DOA would be changed from continuing to annual appropriations.

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

TOURISM

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	\$16,601,600	\$11,472,400	\$17,185,000	\$17,185,000	\$17,185,000	N.A.
FED	0	591,900	0	0	0	0	N.A.
PR	0	138,900	324,200	486,300	486,300	486,300	N.A.
SEG	0	9,547,000	241,800	362,700	362,700	362,700	N.A.
TOTAL	\$0	\$26,879,400	\$12,038,400	\$18,034,000	\$18,034,000	\$18,034,000	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	118.97	58.00	58.00	58.00	58.00
FED	0.00	15.25	0.00	0.00	0.00	0.00
PR	0.00	0.00	5.00	5.00	5.00	5.00
SEG	0.00	131.31	3.00	3.00	3.00	3.00
TOTAL	0.00	265.53	66.00	66.00	66.00	66.00

1. CREATION OF DEPARTMENT [LFB Paper 890]

Governor: Create a Department of Tourism and Parks (DTAP). DTAP would perform the same general functions currently assigned to the Department of Natural Resources (DNR) regarding state parks, southern forests and trails and to the Department of Development (DOD) regarding tourism promotion. DTAP would also assume administrative responsibility for the Kickapoo Valley Governing Board and the Arts Board from the Department of Administration.

Specify that DTAP would be headed by a Secretary appointed by the Governor, with the advice and consent of the Senate. Assign the Secretary to executive salary group six (currently, from \$62,331 to \$96,572). Current law provides all department secretaries with the power to appoint a deputy and executive assistant in the unclassified service. In addition, provide DTAP with three unclassified division administrator positions.

Joint Finance: Modify provision to create a Department of Tourism. Tourism would perform the same functions as the current Division of Tourism in the Department of Development and would assume

some responsibilities relating to parks and recreation promotion from the Department of Natural Resources. The State Fair Park Board would be attached to Tourism for administrative purposes and Tourism would also assume administrative responsibility for the Kickapoo Valley Governing Board and the Arts Board from the Department of Administration.

Specify that the principal subunit of Tourism would be bureaus rather than divisions as in other agencies. Provide that Tourism would have four unclassified positions, including the Secretary and Deputy Secretary as well as two positions associated with the Kickapoo Valley Governing Board.

Senate/Legislature: Create the Department effective January 1, 1996, rather than July 1, 1996.

[Act 27 Sections: 76c, 190 thru 193, 1211, 1964d, 1964dg, 1964dm, 1964dp, 1964dr, 1964w and 4454b]

2. TRANSFER STATE PARKS FROM DEPARTMENT OF NATURAL RESOURCES

	<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	\$6,389,200	84.47	- \$6,389,200	- 84.47	\$0	0.00
FED	591,900	15.25	- 591,900	- 15.25	0	0.00
PR	134,700	0.00	- 134,700	0.00	0	0.00
SEG	<u>9,357,900</u>	<u>129.31</u>	<u>- 9,357,900</u>	<u>- 129.31</u>	<u>0</u>	<u>0.00</u>
Total	\$16,473,700	229.03	- \$16,473,700	- 229.03	\$0	0.00

Governor: Provide \$6,389,200 GPR and 84.47 GPR positions, \$591,900 FED and 15.25 FED positions, \$134,700 PR and \$9,357,900 SEG and 129.31 SEG positions in 1996-97 to reflect funding and positions transferred from DNR as part of the proposal to transfer responsibility for state parks and related recreational facilities from DNR to DTAP. The transfer would be effective July 1, 1996.

Transitional Provisions. Specify that assets and liabilities, incumbent employees, tangible personal property, contracts, administrative rules, orders and pending matters primarily related to the functions of DNR's Bureau of Parks and Recreation, as determined by the Secretary of Administration, would be transferred from DNR to DTAP. Require the Secretary of Administration to determine which DNR employees holding positions related to general administration and program support would be transferred to DTAP. Specify that the secretaries of DNR and DTAP would have to submit a request to the Joint Committee on Finance under s. 13.10 by December, 1996, to adjust their appropriations if necessary to reflect the actual personnel transferred. Provide that all employees transferred from DNR to DTAP would have the same rights and status as they had in DNR.

Specify that tangible personal property and contracts primarily related to the functions of the State Trails Council, as determined by the Secretary of Administration, would be transferred from DNR to DTAP.

Statutory language changes associated with this proposal are described in "Parks and Forests" under DNR.

Joint Finance/Legislature: Delete provision and, instead, direct DNR and Tourism, beginning in 1995-96, to work jointly to establish an automated campground reservation system.

3. TRANSFER OF STAFF FROM DNR [LFB Paper 890]

	<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	\$968,000	18.50	\$484,100	0.00	\$1,452,100	18.50
SEG	52,700	1.00	26,400	0.00	79,100	1.00
Total	\$1,020,700	19.50	\$510,500	0.00	\$1,531,200	19.50

Joint Finance: Provide \$968,000 GPR and 18.5 GPR positions and \$52,700 SEG and 1.0 SEG position from the conservation fund in 1996-97 to reflect a transfer of funding and positions from DNR for general administration and program operations. [See "DNR -- Parks and Forests"]

Senate/Legislature: Provide \$484,100 GPR and 18.5 GPR positions and \$26,400 SEG and 1.0 SEG position in 1995-96 to create the Department of Tourism on January 1, 1996, rather than July 1, 1996.

4. TRANSFER OF STAFF FROM UW-EXTENSION

	<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	\$124,400	3.00	\$62,200	0.00	\$186,600	3.00

Joint Finance: Provide \$124,400 and 3.0 positions in 1996-97 transferred from the UW-Extension Tourism Resource Center.

Senate/Legislature: Provide \$62,200 and 3.0 positions in 1995-96 to create the Department of Tourism effective January 1, 1996, rather than July 1, 1996.

5. TRANSFER TOURISM FROM DEPARTMENT OF DEVELOPMENT [LFB Paper 890]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$10,212,400	34.50	\$167,600	2.00	\$5,166,300	0.00	\$15,546,300	36.50
PR	4,200	0.00	320,000	5.00	162,100	0.00	486,300	5.00
Total	\$10,216,600	34.50	\$487,600	7.00	\$5,328,400	0.00	\$16,032,600	41.50

Governor: Provide \$10,212,400 GPR, \$4,200 PR and 34.50 GPR positions in 1996-97 to transfer the Division of Tourism in the Department of Development (DOD), to be a separate Division of Tourism in the Department of Tourism and Parks (DTAP). All existing appropriations under the Division of Tourism in DOD would transfer to DTAP. The transfer would be effective July 1, 1996.

Transitional Provisions. Specify that assets and liabilities, incumbent employees, tangible personal property, contracts, administrative rules, orders and pending matters primarily related to the functions of DOD's Division of Tourism, as determined by the Secretary of Administration, would be transferred from DOD to DTAP. Specify that the secretaries of DNR and DTAP would have to submit a request to the Joint Committee on Finance under s. 13.10 by December, 1996, to adjust their appropriations if necessary to reflect the actual personnel transferred. Provide that all employees transferred from DOD to DTAP would have the same rights and status as they had in DOD. In addition, all tourism offices and tourism information centers in existence on July 1, 1996 would be transferred to DTAP.

The current statutory duties relating to tourism promotion would be transferred without change from DOD to DTAP. Consistent with this transfer, DTAP would replace DOD in its current role several councils and activities, including: (a) the Council on Tourism; (b) the Inland Lakes Protection and Rehabilitation Council; (c) the Milwaukee River Revitalization Council; (d) the Badger board; (e) the Historic Markers Council; (f) the Submerged Cultural Resources Council; (g) publicizing hunting and fishing waivers with DNR; (h) assisting the Arts Board in evaluating arts incubator grants and loans; and (i) dairy promotion.

A representative of DTAP would be added to the technical advisory committee to the Minnesota-Wisconsin Boundary Area Commission; a representative of DOD would continue to serve on the committee. The Secretary of DTAP or designee would be added as a nonvoting member of the Mississippi River Parkway Commission; the Secretary of DOD or designee would continue to serve in this capacity. An employee of DTAP would be added to the technical committee to advise the Commission; a DOD employee would remain on this committee. DTAP would take over DOD's current role in supporting certain tourism related programs recommended by the Commission. DTAP would be added to the current list of agencies required to file a plan with the Land Information Board biennially; DOD would continue to be subject to this requirement.

Under current law, there is an exemption from state ethics law restrictions that allows state public officials at DOD to solicit and receive anything of value for certain activities, including for hosting

individuals in order to promote economic development or tourism. In addition, state public officials generally may receive anything of value from DOD that DOD can lawfully provide under the exemption. These provision would be modified to also apply to DTAP in hosting individuals in order to promote tourism. DTAP would be required to file an report with the Ethics Board by April 30 each year on the source and amount of anything of value received by DTAP under these provisions, and the nature, date and location of the related activity or program.

Joint Finance: Include provisions with the following modifications:

(a) Transfer an additional \$206,000 GPR and 3.0 GPR positions in 1996-97;

(b) Provide \$320,000 PR and 5.0 PR positions in 1996-97 to establish a marketing clearinghouse. The clearinghouse would provide consulting services to state agencies including: marketing plans, market research, public relations and advertising. The Department would charge state agencies for services at a rate that would cover the Department's costs. A separate program revenue appropriation would be created to fund the clearinghouse. The Department of Administration would be directed to collect payments from state agencies and to deposit them in the program revenue appropriation. Tourism would also be authorized to enter into agreements with state agencies for specific projects and products that would reimbursed directly by those agencies.

(c) Delete \$38,400 GPR and 1.0 GPR position in 1996-97; and

(d) Require that at least \$125,000 of the amount appropriated for tourism marketing annually be used to conduct sports marketing activities.

Senate/Legislature: Provide \$5,166,300 GPR and 36.5 GPR positions and \$162,100 PR and 5.0 PR positions in 1995-96 to create the Department of Tourism effective January 1, 1996, rather than July 1, 1996.

[Act 27 Sections: 36, 65 thru 68, 126c, 128, 170, 173, 189, 210, 211, 212bc, 212bg, 403, 450, 455 thru 458, 515b thru 515m, 752, 753c, 758bc, 759, 765 thru 772, 1068, 1501m, 1501r, 1627, 1964d thru 1964dr, 1994, 3560, 6246, 6916 thru 6923, 9116(4) and 9416(2)&(2to)]

6. TRANSFER KICKAPOO VALLEY GOVERNING BOARD FROM DEPARTMENT OF ADMINISTRATION

	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: Provide \$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, on July 1, 1996. The Board is currently attached to the DOA, which is responsible for determining boundaries of the reserve, and providing fiscal and accounting services to the Board. Under the bill, these responsibilities would be transferred to Tourism.

Transitional Provisions. Specify that assets and liabilities, incumbent employees that request transfer, tangible personal property and contracts in DOA primarily related to the administration of the Kickapoo Valley Reserve as determined by the DOA Secretary, would be transferred from DOA to Tourism. Require the Secretary of Tourism to appoint any incumbent who requests transfer from DOA to the corresponding position in Tourism.

Senate/Legislature: Provide \$94,500 and 2.0 positions in 1995-96 to create the Department of Tourism effective January 1, 1996, rather than July 1, 1996.

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

7. TRANSFER ARTS BOARD ATTACHMENT FROM DEPARTMENT OF ADMINISTRATION

Governor: Transfer the attachment of the Arts Board from DOA to the Department of Tourism on 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 proposal.

Senate/Legislature: Transfer attachment of the Arts Board for limited administrative purposes from DOA to the Department of Tourism effective January 1, 1996, rather than July 1, 1996.

[Act 27 Sections: 104, 1073m, 1074, 9105(1) and 9405(1)]

8. STATE FAIR PARK BOARD -- ADMINISTRATIVE ATTACHMENT TO TOURISM

Joint Finance/Legislature: Attach the State Fair Park Board to the newly established Department of Tourism for administrative purposes effective July 1, 1996. In addition, require the Department of Tourism to process all personnel and biennial budget requests by the State Fair Park Board without change except as requested and concurred in by the State Fair Park Board and replace the Secretary of the Department of Development with the Secretary of the Department of Tourism as a Park Board member.

Require the Department of Tourism and the State Fair Park Board to enter a memorandum of understanding setting forth Tourism's responsibilities relating to promoting fairs, exhibits and promotional events at the State Fair Park, and the methods that the Department of Tourism and the State Fair Park

Board would use to cooperate in promoting and carrying out those activities. [See "State Fair Park Board"]

9. LWSR TRANSFER FROM DNR TO TOURISM [LFB Paper 890]

Joint Finance: Transfer the attachment of the Lower Wisconsin State Riverway (LWSR) Board for limited administrative purposes from the Department of Natural Resources (DNR) to the proposed Department of Tourism, effective July 1, 1996. Transfer employees, assets and liabilities, tangible personal property and contracts primarily related to the functions of the LWSR Board (as determined by the DOA Secretary) from DNR to Tourism.

Senate/Legislature: Transfer attachment of the LWSR Board for limited administrative purposes from DNR to the Department of Tourism effective January 1, 1996, rather than July 1, 1996.

[Act 27 Sections: 93m, 166m, 192, 1674m, 9139(1g) and 9439(1)]

TRANSPORTATION

Budget Summary							
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature	1995-97 Act 113	Act 113 Change Over Base Year Doubled	
						Amount	Percent
FED	\$770,427,800	\$729,317,000	\$729,317,000	\$707,317,000	\$707,317,000	- \$63,110,800	- 8.2%
PR	559,200	287,200	287,200	514,400	514,400	- 44,800	- 8.0
SEG	1,870,606,000	2,117,552,100	2,059,539,600	1,882,057,100	1,882,057,100	11,451,100	0.6
SEG-L	102,656,600	106,555,800	102,624,000	98,906,600	98,906,600	- 3,750,000	- 3.7
SEG-S	250,133,600	260,620,500	275,428,500	319,142,100	279,142,100	29,008,500	11.6
TOTAL	\$2,994,383,200	\$3,214,332,600	\$3,167,196,300	\$3,007,937,200	\$2,967,937,200	- \$26,446,000	- 0.9%

FTE Position Summary						
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	1996-97 Act 113	Act 113 Change Over 1994-95 Base
FED	986.59	987.04	950.19	950.19	950.19	- 36.40
PR	3.00	1.00	1.00	3.00	3.00	0.00
SEG	3,023.03	2,972.58	2,969.43	2,969.43	2,969.43	- 53.60
SEG-S	28.00	20.00	20.00	20.00	20.00	- 8.00
TOTAL	4,040.62	3,980.62	3,940.62	3,942.62	3,942.62	- 98.00

Transportation Finance

1. TRANSPORTATION FUND CONDITION STATEMENT

The following condition statement is based on transportation fund revenues and appropriations as provided in Act 113.

	<u>1995-96</u>	<u>1996-97</u>
<u>Revenues</u>		
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>
Total Annual Revenues	\$974,283,800	\$983,027,600
Total Available	\$1,001,224,400	\$996,349,300
<u>Appropriations and Reserves</u>		
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>
Net Appropriations and Reserves	\$987,902,700	\$994,176,800
Unappropriated Balance, June 30	\$13,321,700	\$2,172,500

2. OIL COMPANY FRANCHISE FEE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$180,760,000	- \$180,760,000	\$0

Governor: Establish an oil company franchise fee, effective December 1, 1995. Estimate increased transportation fund revenues at \$65,790,000 in 1995-96 and \$114,970,000 in 1996-97 to reflect imposition of the fee.

Impose the fee on all motor vehicle fuel (gasoline and diesel fuel) received by a supplier for sale in Wisconsin, for sale for shipment to Wisconsin or for shipment to Wisconsin. Exclude from the fee motor vehicle fuel that is: (a) shipped from storage at a refinery, marine terminal, pipeline terminal, pipeline tank farm or place of manufacture to a person for storage at another such facility; (b) exported by a licensed supplier or exporter, or (c) diesel fuel that is dyed because it is intended for an exempt use. Modify provisions in state law regarding the international fuel tax agreement (IFTA) by authorizing the inclusion of all of the cost per gallon related to the oil company franchise fee in IFTA settlements (this

reduces potential revenue by \$480,000 in 1995-96 and \$820,000 in 1996-97). Provide for a refund of the oil company franchise fee for farmers who use fuel for off-road purposes (this reduces potential revenues by \$840,000 in 1995-96 and \$1,440,000 in 1996-97).

Impose the fee at a rate of 3.5% of the average weighted retail price of motor vehicle fuel. Define the average weighted retail price as \$1.10 per gallon for motor vehicle fuel received from December 1, 1995, to March 31, 1997, and as an amount to be determined by the Department of Revenue (DOR) for fuel received on April 1, 1997, and thereafter. Establish a minimum average weighted price at \$1.10 per gallon and a maximum average weighted retail price at \$1.30 per gallon for the price set by DOR. Specify that these amounts would be adjusted annually on April 1 based on the percentage change in the average consumer price index for all urban consumers during the previous year. Provide that DOR must promulgate rules regarding the method for determining the average weighted retail price. The bill does not specify how frequently the price would be adjusted or when the minimum and maximum amounts would first be indexed.

Authorize DOT to pledge oil company franchise fee revenues to repay transportation revenue bonds. Current law authorizes DOT to pledge the revenues from motor vehicle registration fees to repay these bonds.

Require the Department of Revenue to administer the oil company franchise fee. Extend cross-references to existing motor vehicle fuel tax statutes to establish administrative procedures for the fee, including provisions related to: (a) suspension or revocation of licenses; (b) records to be kept by licensees; (c) timely filing; (d) returns, failure to pay and refunds of overpayments; (e) appeals; (f) actions to collect tax and penalties; (g) taxes being preferred claims; (h) enforcement action preference; (i) criminal penalties; (j) cumulative remedies and penalties; (k) DOR enforcement duty and rulemaking authority; (l) DOR examinations, information and penalty; and (m) prosecution and place of trial.

Require persons liable for the fee to include the number of gallons of motor vehicle fuel subject to the fee and their fee liability in the reports currently required for the motor vehicle fuel tax. Extend current statutory provisions governing payment of the motor vehicle fuel tax to the oil company franchise fee.

The effect of this proposal would be to impose an oil company franchise fee of 3.85 cents per gallon on motor vehicle fuel, beginning December 1, 1995, through March 31, 1997. The rate per gallon after that time would depend on the average weighted retail price determined by DOR.

Joint Finance/Legislature: Delete provision.

3. MOTOR VEHICLE FUEL TAX

	Jt. Finance (Chg. to Base)	Assem./Leg. (Chg. to JFC)	Net Change
SEG-REV	\$137,300,000	- \$137,300,000	\$0

Joint Finance: Increase the tax on motor vehicle and alternate fuels by 2.9 cents per gallon by setting the rate at 26.3 cents per gallon, effective December 1, 1995. Increase estimated transportation fund revenues by \$49,100,000 in 1995-96 and \$88,200,000 in 1996-97.

Assembly/Legislature: Delete provision.

4. GASOLINE TAX REFUNDS FOR RETAILERS IN BORDER AREAS

Joint Finance: Create a refund program for gasoline retailers to be implemented when the total state tax and fees per gallon of gasoline in Wisconsin exceeds the total state tax and fees per gallon in a neighboring state by at least five cents per gallon, effective July 1, 1997. Authorize retailers in border areas to apply to the Department of Revenue (DOR) for the creation of refund areas to last for a period of one year. Authorize DOR to make quarterly refunds to retailers in the designated areas based on the number of gallons of gasoline sold by each retailer and the tax and fee differential in excess of five cents per gallon between Wisconsin and the closest border state. Require DOR to administer the refund program. Create a sum sufficient appropriation from which payments will be made.

No fiscal effect is shown for this provision due to its July 1, 1997, effective date. Based on the current spread in tax rates between states, it is estimated that potential refunds could equal \$3.8 million annually. The actual level of refunds would depend on the number of retailers that apply under the refund program.

Assembly/Legislature: Delete provision.

5. FUEL TRIP PERMITS

Chg. to Base	
SEG-REV	\$293,000

Governor/Legislature: Authorize DOT to issue trip permits, at a fee of not less than \$15, in lieu of collecting the tax on motor vehicle and alternate fuel purchased outside the state and brought into the state in tanks of certain vehicles, effective December 1, 1995. Require DOT to promulgate administrative rules on the issuance and use of these permits. Increase estimated transportation fund revenues by \$108,000 in 1995-96 and \$185,000 in 1996-97 to reflect this change. This provision would apply to interstate commercial carriers of passengers or commodities.

[Act 113 Sections: 23, 132, 133, 138 and 140]

6. MOTOR FUEL TAX PROVISIONS -- SNOWMOBILES, ALL-TERRAIN VEHICLES AND MOTORBOATS

Governor: Define recreational motorboats as motorboats used predominantly for entertainment, amusement or recreation, whether or not they are used in a trade or business. Allow owners of nonrecreational motorboats to claim refunds for motor vehicle fuel and alternate fuel taxes paid, on amounts of 100 gallons or more. Clarify that gasoline sold for nonhighway use in snowmobiles, all-terrain vehicles and recreational motorboats is subject to the motor vehicle fuel tax. Remove the motor vehicle fuel tax exemption for diesel fuel sold for nonhighway use in snowmobiles, all-terrain vehicles and recreational motorboats. Provide that the tax on alternate fuels delivered into the tanks of snowmobiles, all-terrain vehicles and recreational motorboats attaches at the time of delivery and must be paid to the Department of Revenue by the fuel dealer (a technical correction would need to be made to fully accomplish this change). Specify that these changes would be effective with fuel purchases on the first day of the first month following publication of this act.

Joint Finance/Legislature: Modify the proposed definition of recreational motorboat so that it extends only to boats used for recreational purposes by their owners, as opposed to nonowners. Clarify other provisions to specify that gasoline and diesel fuel sold for nonhighway use in snowmobiles, all-terrain vehicles and recreational motorboats is subject to the motor vehicle fuel tax.

[Act 113 Sections: 41, 42, 43, 47, 50, 51 and 9348(1)]

7. FUEL TAX PAYMENT AND REPORTING DATES

	Governor (Chg. to Base)	Assem./Leg. (Chg. to Gov.)	Net Change
SEG-REV	- \$726,000	\$726,000	\$0

Governor: Delay the payment date for the motor vehicle fuel tax and the alternate fuels tax from the 15th day of the month to the 20th day of the month, effective with payments made in December, 1995. Advance the date for motor vehicle fuel tax and alternate fuels tax reports from the last day of the month to the 20th day of the month, effective with reports filed in December, 1995. Reduce estimated transportation fund revenues by \$286,000 in 1995-96 and \$440,000 in 1996-97 to reflect lower interest earnings due to this change.

Assembly/Legislature: Delete provision.

8. MOTOR FUEL TAX INDEXING FORMULA

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG-REV	\$16,000,000	- \$16,000,000	\$0

Governor: Modify the motor vehicle fuel tax and alternate fuels tax indexing formula by suspending the consumption factor when it is less than 1.0. Increase estimated transportation fund revenue by \$2,900,000 in 1995-96 and \$13,100,000 in 1996-97. Under current law, the fuel tax rate is adjusted annually on April 1 to reflect changes in fuel consumption and inflation. The consumption factor influences the tax rate inversely to changes in consumption of motor fuel. Decreases in consumption result in a factor exceeding 1.0 and have an upward influence on the tax rate. Increases in consumption result in a factor of less than 1.0 and have a downward influence on the tax rate.

Under current law, the motor fuel tax rate is projected to increase to 23.7 cents per gallon on April 1, 1996, and to 24.3 cents per gallon on April 1, 1997. Under the revised indexing formula, these rates are projected to be 24.1 cents per gallon and 24.9 cents per gallon, respectively.

This provision differs from the Assembly proposal in AB 150 that sought to eliminate, rather than suspend, the consumption factor from the formula.

Joint Finance/Legislature: Delete provision.

9. FEDERAL HIGHWAY AID

Governor: Reestimate federal highway aid at \$328 million in both 1995-96 and 1996-97. Although the 1993-95 biennial budget estimated federal funding at \$351 million per year, actual federal aid in 1993-94 was \$341.4 million and the current estimate of federal aid for 1994-95 is \$339.1 million. The administration's estimates for 1995-97 assume helmet law sanctions (\$4.4 million per year) will be removed but that Wisconsin will receive less obligation authority than in past years.

Specify that if federal funding in 1995-96 or 1996-97 is less than the amounts budgeted in the most recently enacted budget act that DOT may increase the use of bond proceeds in the major highway development program over the levels specified in the most recent budget act in order to replace the decreased federal funding. Specify that DOT may not increase the use of bond proceeds that would result in a major highway development program in excess of the size approved in the most recent budget act.

The following table shows, by appropriation, how the transportation budget would allocate federal aid during 1995-97. The first column shows the base level for each appropriation, as modified by standard budget adjustments. The second and third columns show the proposed funding and the change to the modified base.

The changes shown in the third column reflect the following proposals (described in more detail in separate items): (a) funding the current level of activity in the major highway development program with revenue bond proceeds (55%), federal aid (36%) and SEG funds (9%); (b) deletion of federal congestion mitigation and air quality improvement funds in the state trunk highway (STH) maintenance appropriation for the Milwaukee County freeway traffic management system and in the departmental management appropriation; (c) an increase in the STH administration and planning appropriation for consultant research; (d) retaining all local assistance federal highway aid appropriations at their modified base level; and (e) absorbing all remaining decreases in estimated federal highway aid in the STH rehabilitation appropriation.

The fiscal effect of these changes is shown under each of the individual programs.

<u>Appropriation</u>	<u>Base and Standard Adjustments</u>	<u>Governor 1995-97</u>	<u>Governor Change to Modified Base</u>
Local Bridge Improvement	\$49,076,400	\$49,076,400	\$0
Local Transportation Facilities Improvement	115,076,000	115,076,000	0
Railroad Crossing Improvement	3,698,600	3,698,600	0
Surface Transportation	8,000,000	8,000,000	0
Congestion Mitigation and Air Quality Improvement	17,659,000	17,659,000	0
Major Highway Development	123,476,800	120,887,500	-2,589,300
STH Rehabilitation	367,160,200	323,545,500	-43,614,700
STH Maintenance	1,305,600	0	-1,305,600
STH Administration and Planning	4,565,400	6,565,400	2,000,000
Departmental Management	<u>11,971,600</u>	<u>11,491,600</u>	<u>-480,000</u>
TOTAL	\$701,989,600	\$656,000,000	-\$45,989,600

Joint Finance: Delete provision that would allow DOT to increase the use of bond proceeds in the major highway development program over the levels specified in the budget act in order to replace decreased federal funds.

Reallocate federal highway aid totaling \$5,500,000 annually to the STH rehabilitation program from the following programs: (a) transportation enhancements (\$1,400,000 annually); (b) surface transportation discretionary grants (\$1,280,000 annually); and (c) congestion mitigation and air quality improvement (\$2,820,000 annually). The fiscal effect of these changes is shown under each of the individual programs.

The following table shows the federal highway aid allocation after these changes and compares this allocation to the modified base level and the recommendation of the Governor.

<u>Appropriation</u>	<u>JFC/Assem. 1995-97</u>	<u>JFC/Assem. Change to Modified Base</u>	<u>JFC/Assem. Change to Governor</u>
Local Bridge Improvement	\$49,076,400	\$0	\$0
Local Transportation Facilities Improvement	112,276,000	-2,800,000	-2,800,000
Railroad Crossing Improvement	3,698,600	0	0
Surface Transportation	5,440,000	-2,560,000	-2,560,000
Congestion Mitigation and Air Quality Improvement	12,019,000	-5,640,000	-5,640,000
Major Highway Development	120,887,500	-2,589,300	0
STH Rehabilitation	334,545,500	-32,614,700	11,000,000
STH Maintenance	0	-1,305,600	0
STH Administration and Planning	6,565,400	2,000,000	0
Departmental Management	<u>11,491,600</u>	<u>-480,000</u>	<u>0</u>
TOTAL	\$656,000,000	-\$45,989,600	\$0

Assembly: Require DOT to submit two plans to the Joint Committee on Finance outlining how it proposes to allocate actual federal aid amounts. The plan outlining 1995-96 allocations must be submitted by December 1, 1995, or 30 days after the effective date of the applicable federal legislation for that year, whichever is later. The plan outlining 1996-97 allocations must be submitted by December 1, 1996, or 30 days after the effective date of the applicable federal legislation for that year, whichever is later. In submitting these plans, DOT could not propose reducing the local bridge improvement or local transportation facilities improvement appropriations. Federal aid adjustments could not be made until approved by the Joint Committee on Finance.

Senate: Delete the provision specifying that plans submitted by DOT to reallocate federal highway aid could not propose any reductions in the local bridge improvement or local transportation facilities improvement appropriations. This would allow these plans to affect any federal appropriations. Budget federal highway aid at \$351 million annually to reflect a policy to make adjustments to federal aid appropriations pursuant to the plans submitted by DOT to the Joint Committee on Finance.

<u>Appropriation</u>	<u>Senate 1995-97</u>	<u>Senate Change to Modified Base</u>	<u>Senate Change to JFC/Assem.</u>
Local Bridge Improvement	\$49,076,400	\$0	\$0
Local Transportation Facilities Improvement	112,276,000	-2,800,000	0
Railroad Crossing Improvement	3,698,600	0	0
Surface Transportation	5,440,000	-2,560,000	0
Congestion Mitigation & Air Quality Improvement	12,019,000	-5,640,000	0
Major Highway Development	123,476,800	0	2,589,300
STH Rehabilitation	378,160,200	11,000,000	43,614,700
STH Maintenance	1,305,600	0	1,305,600
STH Administration & Planning	4,565,400	0	-2,000,000
Departmental Management	<u>11,971,600</u>	<u>0</u>	<u>480,000</u>
TOTAL	\$701,989,600	\$0	\$45,989,600

Conference Committee/Legislature: Budget federal highway aid at \$320 million in 1995-96 and at \$314 million in 1996-97 to reflect updated federal aid estimates.

<u>Appropriation</u>	<u>Conf. Comm./ Legislature 1995-97</u>	<u>Conf. Comm./ Legislature Change to Modified Base</u>	<u>Conf. Comm./ Legislature Change to Senate</u>
Local Bridge Improvements	\$49,076,400	\$0	\$0
Local Transportation Facilities Improvement	107,076,000	-8,000,000	-5,200,000
Railroad Crossing Improvement	3,698,600	0	0
Surface Transportation	5,440,000	-2,560,000	0
Congestion Mitigation & Air Quality Improvement	12,019,000	-5,640,000	0
Major Highway Development	72,765,500	-50,711,300	-50,711,300
State Highway Rehabilitation	366,081,900	-1,078,300	-12,078,300
State Highway Maintenance	0	-1,305,600	-1,305,600
State Highway Administration & Planning	6,351,000	1,785,600	1,785,600
Departmental Management	<u>11,491,600</u>	<u>-480,000</u>	<u>-480,000</u>
TOTAL	\$634,000,000	-\$67,989,600	-\$67,989,600

[Act 113 Section: 9155(2u)]

10. REVENUE BONDING FOR MAJOR HIGHWAY CONSTRUCTION AND ADMINISTRATIVE FACILITIES

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 Vetoes Section: 57]

11. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Conf. Comm./Legislature (Chg. to Assem.)	Veto (Chg. to Leg.)	Net Change
SEG-REV	-\$23,254,800	-\$149,700	\$862,300	-\$427,800	\$427,800	-\$22,542,200
SEG	-\$6,041,100	\$0	\$0	\$0	\$0	-\$6,041,100

Governor: Increase the estimated revenue reduction for revenue bond debt service by \$8,364,900 in 1995-96 and \$14,889,900 in 1996-97. Estimate that gross vehicle registration revenues will be reduced by \$60,559,000 in 1995-96 and \$67,084,000 in 1996-97 in order to repay principal and interest on revenue bonds. The statutes require that debt service payments on transportation-related revenue bonds be deducted from vehicle registration revenues prior to their deposit in the transportation fund. Consequently, revenue bond debt service is shown as a reduction in revenues, not as an appropriation.

Decrease funding by \$2,138,400 in 1995-96 and \$3,902,700 in 1996-97 to reestimate the level of funding needed for payment of principal and interest on currently authorized transportation-related general obligation bonds at \$9,008,400 in 1995-96 and \$7,244,100 in 1996-97.

Joint Finance: Increase estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$149,700 in 1996-97 to reflect funding the acceleration of the STH 29 project through 100% bonding. By increasing the debt service deduction, this action decreases net vehicle registration revenues.

Assembly: Decrease estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$813,800 in 1995-96 and \$48,500 in 1996-97 to reflect

actual bond issuances to date and the proposed level of revenue bonding authority. By decreasing the debt service deduction, this action increases net vehicle registration revenues.

Conference Committee/Legislature: Increase estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$427,800 in 1996-97 to reflect an increased use of bond proceeds of \$20 million annually in the major highway development program. By increasing the debt service deduction, this action decreases net vehicle registration revenues. In total, gross vehicle registration revenues would be reduced by an estimated \$59,745,200 in 1995-96 and \$67,613,000 in 1996-97 in order to repay principal and interest on revenue bonds.

Veto by Governor [1]: Decrease estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$427,800 in 1996-97 to reflect the veto of \$40,000,000 in increased revenue bonding authority. By decreasing the debt service deduction, this action increases net vehicle registration revenues. In total, gross vehicle registration revenues would be reduced by an estimated \$59,745,200 in 1995-96 and \$67,185,200 in 1996-97 in order to repay principal and interest on revenue bonds.

12. SURPLUS LAND SALES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate/Leg. (Chg. to JFC)	Net Change
SEG-REV	\$3,400,000	\$1,100,000	- \$2,000,000	\$2,500,000

Governor: Increase revenues by \$1,700,000 annually to reflect estimated proceeds from the sale of surplus lands.

Joint Finance: Specify that DOT must sell enough surplus land during the 1995-97 biennium to produce at least \$4,500,000 in transportation fund revenue. Increase estimated revenue by \$550,000 annually to reflect these sales.

Senate/Legislature: Delete the requirement that DOT must sell enough surplus land in the 1995-97 biennium to produce at least \$4,500,000 in transportation fund revenue. Decrease estimated revenue by \$1,000,000 annually to reestimate surplus land sales at \$1,250,000 annually.

13. RENT OR LEASE PAYMENTS

	Chg. to Base
SEG-REV	\$6,000,000

Governor/Legislature: Increase revenues by \$3,000,000 annually to reflect estimated rent or lease payments for property acquired, but not yet used, for highway right-of-way. Previously, these amounts have been applied as a reduction to expenditures in the Division of Highways.

14. TRANSPORTATION FINANCING STUDY

Joint Finance: Create a committee, consisting of three members appointed by the Secretary of the Department of Transportation and four legislators, one each appointed by the Speaker of the Assembly, the majority leader of the Senate, and the two minority leaders. Direct the committee to study revenue sources for transportation funding, including the oil franchise fee and all other funding sources used in other states, and make recommendations for appropriate transportation funding sources for Wisconsin. Require the committee to issue its report to the Governor and Legislature by July 1, 1996.

Assembly: Require the committee to include in its study the impact of differences in tax rates between Wisconsin and bordering states on retailers in border areas and delete the specific requirement that the committee study the oil franchise fee and all other funding sources used in other states.

Conference Committee/Legislature: Specify that the committee shall also study state and local revenue sources for financing mass transit and possible alternatives to the current formulas used to distribute state mass transit aid.

Veto by Governor [3]: Delete the July 1, 1996, completion date. In his veto message, the Governor indicates that he will ask the committee to submit its report by December 1, 1996.

[Act 113 Section: 9155(3y)]

[Act 113 Vetoed Section: 9155(3y)]

15. PROPERTY TAX EXEMPTION FOR RAILROAD ROLLING STOCK

	Senate (Chg. to Base)	Conf. Comm./Legislature (Chg. to Sen.)	Veto (Chg. to Leg.)	Net Change
SEG-REV	- \$4,500,000	\$3,000,000	\$1,500,000	\$0

Senate: Provide an exemption from the state ad valorem tax on railroads for rolling stock, effective with the 1996 tax year. Decrease estimated transportation fund revenues by \$1,500,000 in 1995-96 and \$3,000,000 in 1996-97 to reflect this change.

Conference Committee/Legislature: Delay the effective date of the exemption to the 1997 tax year. Increase estimated transportation fund revenues by \$1,500,000 annually to reflect this delay.

Veto By Governor [4]: Delete provision.

[Act 113 Vetoed Sections: 40t, 40u, 40v, 40w, 40x, 9348(3xg) and 9448]

Local Transportation Aid

1. GENERAL TRANSPORTATION AID -- MUNICIPALITIES

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Sen./Legislature (Chg. to Assem.)	Net Change
SEG	\$27,718,500	- \$6,972,100	\$3,600,000	\$24,346,400

Governor: Increase funding by \$9,900,300 in 1995-96 and \$17,818,200 in 1996-97 to provide total funding of \$213,556,100 in 1995-96 and \$221,474,000 in 1996-97. Increase the rate per mile from \$1,350 for 1995 to \$1,415 for 1996 and \$1,480 for 1997 and thereafter. Set calendar year distributions at \$217,615,200 in 1996 and \$225,332,700 in 1997 and thereafter. These represent a 4.8% increase in 1996 and a 4.6% increase in 1997 for rate per mile aid and 3% annual increases for share of costs aid.

Assembly: Decrease funding by \$2,116,700 in 1995-96 and by \$4,855,400 in 1996-97 to provide total funding of \$211,439,400 in 1995-96 and \$216,618,600 in 1996-97. Decrease the rate per mile to \$1,390 for 1996 and \$1,432 for 1997 and thereafter. Set calendar year distributions at \$213,381,800 for 1996 and \$219,855,300 for 1997 and thereafter. Cap first class cities (Milwaukee) at \$15,750 per mile for 1996 and at \$15,900 per mile for 1997 and thereafter. These funding levels represent 3% annual increases for both rate per mile and share of costs aid (except Milwaukee).

Senate/Legislature: Increase funding by \$1,200,000 in 1995-96 and \$2,400,000 in 1996-97 to provide total funding of \$212,639,400 in 1995-96 and \$219,018,600 in 1996-97. Set calendar year distributions at \$215,781,800 for 1996 and \$222,255,300 for 1997 and thereafter. Delete the proposed cap on payments to first class cities (Milwaukee). These funding levels reflect 3% annual increases for both rate per mile and share of costs aid.

[Act 113 Sections: 76m, 77m, 78m, 79m and 80m]

2. GENERAL TRANSPORTATION AID -- COUNTIES

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$12,301,600	- \$5,080,200	\$7,221,400

Governor: Increase funding by \$3,818,600 in 1995-96 and \$8,483,000 in 1996-97 to provide total funding of \$68,809,500 in 1995-96 and \$73,473,900 in 1996-97. Set calendar year distributions at

\$71,030,000 in 1996 and \$75,917,700 in 1997 and thereafter. These represent 6.7% and 6.9% increases, respectively, over prior year amounts.

Assembly/Legislature: Decrease funding by \$1,221,700 in 1995-96 and \$3,858,500 in 1996-97 to provide total funding of \$67,587,800 in 1995-96 and \$69,615,400 in 1996-97. Set calendar year distributions at \$68,586,600 for 1996 and \$70,644,200 for 1997 and thereafter. These represent 3% annual increases.

[Act 113 Section: 80m]

3. MASS TRANSIT OPERATING ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
SEG	\$14,000,000	\$2,069,800	- \$8,128,800	\$1,499,900	\$12,000	\$9,452,900

Governor: Increase funding by \$4,281,500 in 1995-96 and \$9,718,500 in 1996-97 to provide total funding of \$73,121,600 in 1995-96 and \$78,558,600 in 1996-97. Establish separate appropriations for transit aid to small communities (populations under 50,000), medium-sized communities (populations from 50,000 through 200,000) and large communities (populations over 200,000), effective January 1, 1996. Split the total funding level between these appropriations as follows: (a) \$1,053,500 in 1995-96 and \$4,374,000 in 1996-97 for small communities; (b) \$3,502,500 in 1995-96 and \$14,383,600 in 1996-97 for medium-sized communities; and (c) \$14,731,625 in 1995-96 and \$59,801,000 in 1996-97 for large communities. The remaining \$53,833,975 appropriated in 1995-96 would fund the last three quarterly payments for calendar year 1995.

Delete the current mass transit operating assistance formulas (42% of operating expenses, plus a supplement for Madison and Milwaukee) and replace them with a new formula, effective with 1996 aid payments. Provide that the new formula would make state aid payments so that combined state and federal aid would equal a uniform percentage of operating expenses for each system. Specify that DOT would set this percentage. The percentage would vary for each of the three sizes of systems, based on state appropriations and federal aid policy, but would be uniform for all systems within a size group. These percentages are estimated to be 47.0% for large systems, 51.7% for medium-sized systems and 70.0% for small systems.

Specify that all net proceeds generated by the local petroleum products storage fee be devoted to mass transit (see "Local Petroleum Storage Fee").

Specify that DOT must establish cost efficiency standards for mass transit systems by administrative rule. Direct DOT to establish a transit committee to assist in developing cost efficiency standards. Specify that the transit committee shall also advise the Department on implementation of cost efficiency standards. Provide that transit aid contracts beginning on January 1, 1997, must give DOT the

authority to do either of the following if a system incurs costs that are inconsistent with these standards: (a) exclude the costs from eligible operating expenses; or (b) reduce state aid payments.

Joint Finance: Delete the proposed change in the mass transit operating assistance formula. Increase funding by \$1,291,200 in 1996-96 and \$778,600 in 1996-97 to provide total funding of \$74,412,800 in 1995-96 (\$70,460,000 for basic aid and \$3,952,800 for the supplement to Madison and Milwaukee) and \$79,337,200 in 1996-97 (\$73,406,200 in 1996-97 for basic aid and \$5,931,000 for the supplement to Madison and Milwaukee). Delete the local petroleum products storage fee provision. Retain the establishment of cost efficiency standards.

Assembly: Decrease funding by \$2,111,300 in 1995-96 and by \$6,017,500 in 1996-97 to provide total funding of \$72,301,500 in 1995-96 and \$73,319,700 in 1996-97. Repeal the current basic (42% of operating expenses) and supplemental (Madison and Milwaukee) mass transit aid appropriations, effective in 1996, and create separate appropriations for transit aid to four categories of systems. Allocate total funding for transit aid as follows: (a) \$52,267,600 in 1995-96 for 1995 basic aid; (b) \$1,747,600 in 1995-96 for 1995 supplemental aid; (c) \$10,782,900 in 1995-96 and \$43,131,700 in 1996-97 for systems operating in an urban area served by a mass transit system with annual operating expenses exceeding \$80,000,000 (Milwaukee County); (d) \$2,499,600 in 1995-96 and \$9,998,500 in 1996-97 for systems operating in an urban area served by a mass transit system with annual operating expenses between \$20,000,000 and \$80,000,000 (Madison); (e) \$3,930,100 in 1995-96 and \$15,858,100 in 1996-97 for systems operating in an urban area having a 1990 population exceeding 50,000, except for those systems under (c) and (d); and (f) \$1,073,700 in 1995-96 and \$4,331,400 in 1996-97 for systems operating in an urban area having a 1990 population of less than 50,000. Total funding for mass transit would increase by \$3,461,400 in 1995-96 and \$4,479,600 in 1996-97 over the 1994-95 base.

Delete the current mass transit operating assistance formulas and replace them with the mass transit formula proposed by the Governor, effective with 1996 aid payments (except with four tiers of systems, rather than three). The first tier would include only Milwaukee County, with 1996 and 1997 payments at \$43,131,700. The second tier would include only Madison, with 1996 and 1997 payments at \$9,998,500. The third tier would include those systems included in the second tier under the Governor's proposal plus Waukesha (city and county), with 1996 and 1997 payments to the tier as a whole equal to 42% of estimated operating expenses. The fourth tier would include those systems included in the third tier under the Governor's proposal, with 1996 and 1997 payments to the tier as a whole equal to 42% of estimated operating expenses. Retain the establishment of cost efficiency standards.

Senate: Delete the proposed change in the mass transit operating assistance formula. Create a second supplemental appropriation and direct DOT to make supplemental payments to eligible systems in an urban area having a population of more than 200,000 and meeting the federal definition of urbanized area for the purpose of federal mass transit aid and not qualifying for existing supplemental aid (Waukesha County and the City of Waukesha). Distribute the supplemental funds so that the sum of state and federal aid to each system is equal to a uniform percentage of operating expenses (this is the same formula used under the Madison and Milwaukee supplement).

Increase funding by \$224,800 in 1995-96 and \$1,275,100 in 1996-97 to provide total funding of \$72,526,300 in 1995-96 (\$70,138,600 for basic aid, \$2,344,700 for the supplement to Madison and Milwaukee and \$43,000 for the supplement to Waukesha County and the City of Waukesha) and \$74,594,800 in 1996-97 (\$72,019,500 for basic aid, \$2,403,300 for the supplement to Madison and Milwaukee and \$172,000 for the supplement to Waukesha County and the City of Waukesha). These funding levels represent 42% of estimated operating expenses for basic aid and 2.5% annual increases for the supplement to Madison and Milwaukee. Retain the establishment of cost efficiency standards.

Conference Committee/Legislature: Increase funding by \$1,400 in 1995-96 and \$10,600 in 1996-97 to provide total funding of \$72,527,700 in 1995-96 and \$74,605,400 in 1996-97. Repeal the current basic (42% of operating expenses) and supplemental (Madison and Milwaukee) mass transit aid appropriations, effective in 1996, and create separate appropriations for transit aid to five categories of systems. Allocate total funding for transit aid as follows: (a) \$52,267,600 in 1995-96 for 1995 basic aid; (b) \$1,747,600 in 1995-96 for 1995 supplemental aid; (c) \$10,782,900 in 1995-96 and \$43,455,200 in 1996-97 for systems operating in an urban area served by a mass transit system with annual operating expenses exceeding \$80,000,000 (Tier I: Milwaukee County); (d) \$2,722,900 in 1995-96 and \$10,973,400 in 1996-97 for systems operating in an urban area served by a mass transit system with annual operating expenses between \$20,000,000 and \$80,000,000 (Tier II: Madison); (e) \$546,400 in 1995-96 and \$2,201,800 in 1996-97 for systems in an urbanized area having a population of more than 200,000 or receiving federal mass transit aid for such areas, which are not included under Tiers I or II (Tier III: Waukesha County and the City of Waukesha); (f) \$3,395,600 in 1995-96 and \$13,684,300 in 1996-97 for systems in an urbanized area having a population of at least 50,000 or receiving federal mass transit aid for such areas (Tier IV); and (g) \$1,064,700 in 1995-96 and \$4,290,700 in 1996-97 for systems in an urbanized area having a population of less than 50,000 or receiving federal mass transit aid for such areas (Tier V). Total funding for mass transit would increase by \$3,687,600 in 1995-96 and \$5,765,300 in 1996-97 over the 1994-95 base.

Specify the following calendar year distributions: (a) \$43,131,700 in 1996 and \$44,425,700 in 1997 and thereafter for Tier I; (b) \$10,891,700 in 1996 and \$11,218,500 in 1997 and thereafter for Tier II; (c) \$2,185,400 in 1996 and \$2,251,000 in 1997 and thereafter for Tier III; (d) \$13,582,400 in 1996 and \$13,989,900 in 1997 and thereafter for Tier IV; and (e) \$4,258,800 in 1996 and \$4,386,600 in 1997 and thereafter for Tier V.

Delete the current mass transit operating assistance formulas and replace them with a new formula, effective with 1996 aid payments. Provide that the new formula would make state aid payments so that combined state and federal aid would equal a uniform percentage of operating expenses for each system within a tier. Retain the establishment of cost efficiency standards.

Veto by Governor [11]: Eliminate the reference to an "urbanized" area from the definition of Tier V systems. As vetoed, Tier V would include systems operating within an area having a population less than 50,000 or receiving federal mass transit aid for such an area. This reflects federal terminology, which refers to these areas as being nonurbanized.

[Act 113 Sections: 2p, 2pm, 8dm thru 8rm, 62 thru 68b, 9155(1), 9355(9t) and 9455(8)]

[Act 113 Vetoed Section: 63m]

4. LOCAL PETROLEUM STORAGE FEE

Governor: Permit counties with populations of 500,000 or more (Milwaukee County) to impose a fee on owners of facilities in the county where petroleum products are stored. Establish the fee at 2 cents per gallon on petroleum products, defined as gasoline, gasoline-alcohol fuel blends, kerosene, fuel oil, burner oil and diesel fuel oil, but not home heating fuel. Require a county imposing the fee to authorize the fee by resolution of its board, notify DOR of its resolution at least 90 days before the fee's effective date and devote the fee's net proceeds to its mass transit system. Require DOR to administer the fee and reimburse counties imposing the fee 98.5% of the amount collected in the previous month on the fifth of the month. Extend cross-references to existing motor vehicle fuel tax statutes to establish administrative provisions for the fee, including provisions related to: (a) suspension or revocation of licenses; (b) records to be kept by licensees; (c) timely filing; (d) returns, failure to pay and refunds of overpayments; (e) appeals; (f) actions to collect tax and penalties; (g) taxes being preferred claims; (h) enforcement action preference; (i) criminal penalties; (j) cumulative remedies and penalties; (k) DOR examinations, information and penalty; and (l) prosecution and place of trial. Authorize DOR to require persons subject to the fee to provide security, including a surety bond, for payment of the fee. Extend current statutory provisions governing payment of the motor vehicle fuel tax to the fee.

The administration has estimated that the fee could be imposed on up to 1 billion gallons of petroleum products annually in facilities in Milwaukee County. At 2 cents per gallon, the fee would generate \$20 million annually, of which \$19,700,000 would be distributed to Milwaukee County.

Joint Finance/Legislature: Delete provision.

5. CONNECTING HIGHWAY AID

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$1,158,100	- \$693,600	\$464,500

Governor: Increase funding by \$373,100 in 1995-96 and \$785,000 in 1996-97. Total funding would be \$11,584,500 in 1995-96 and \$11,996,400 in 1996-97. This reflects fully funding current connecting highway mileage and a 3% annual increase in the current aid rates per lane mile. Increase aid rates per mile by 3% annually as follows:

<u>Population</u>	<u>1996</u>	<u>1997</u>
Over 500,000	\$10,782	\$11,105
150,001 to 500,000	9,987	10,287
35,001 to 150,000	8,900	9,167
10,000 to 35,000	7,840	8,075
Under 10,000	6,755	6,958

Assembly: Decrease funding by \$172,100 in 1995-96 and by \$521,500 in 1996-97 to fully fund current connecting highway aid rates in 1996 and 1997. Total funding would be \$11,412,400 in 1996 and \$11,474,900 in 1996-97. Delete the proposed increases in the aid rates per mile.

Senate/Legislature: Specify that the 1995 aid rates per mile will apply to payments made in succeeding years.

[Act 113 Section: 83m]

6. ELDERLY AND DISABLED TRANSPORTATION ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assem./Legislature (Chg. to JFC)	Net Change
SEG	\$537,500	\$2,500,000	- \$1,937,500	\$1,100,000
SEG-L	16,100	0	- 16,100	0
Total	\$553,600	\$2,500,000	- \$1,953,600	\$1,100,000

Governor: Increase funding for elderly and disabled specialized transportation services as follows:

a. *County Assistance Program*

Increase funding by \$156,000 SEG in 1995-96 and \$316,700 SEG in 1996-97. Total funding would equal \$5,355,600 SEG in 1995-96 and \$5,516,300 SEG in 1996-97. This would provide a 3% annual increase over base funding.

b. *Capital Grant Program*

Increase funding by \$26,700 (\$21,400 SEG and \$5,300 SEG-L) in 1995-96 and \$54,200 (\$43,400 SEG and \$10,800 SEG-L) in 1996-97. Total funding would be \$2,292,100 (\$733,700 SEG, \$458,400 SEG-L and \$1,100,000 FED) in 1995-96 and \$2,319,600 (\$755,700 SEG \$463,900 SEG-L and \$1,100,000 FED) in 1996-97. This would provide a 3% annual increase in state funds.

Specify that DOT must conduct a study to determine the amount and sources of money spent statewide on elderly and disabled transportation services and report the results of the study to the Governor and Legislature by July 1, 1996. Require all state agencies to cooperate with DOT in conducting the study.

Joint Finance: Increase funding for the county assistance program by \$1,250,000 SEG annually to provide total funding of \$6,605,600 SEG in 1995-96 and \$6,766,300 SEG in 1996-97. Allocate \$250,000 annually for service improvement projects designed to improve the availability and effectiveness of transportation services for the elderly and disabled, including service in rural areas and intercounty services and service innovations that are not otherwise funded under this program. Specify that DOT shall give priority to projects designed to provide transportation services to areas that are not adequately served by public transportation.

Assembly/Legislature: Decrease funding for the county assistance program by \$856,000 SEG in 1995-96 and by \$1,016,700 SEG in 1996-97 to provide total funding of \$5,749,600 SEG annually (10.6% over base level funding). Delete the proposed set-aside for service improvement projects.

Decrease funding for the capital grant program by \$26,700 (-\$21,400 SEG and -\$5,300 SEG-L) in 1995-96 and \$54,200 (-\$43,400 SEG and -\$10,800 SEG-L) in 1996-97 to provide total funding of \$2,265,400 annually (\$712,300 SEG, \$453,100 SEG-L and \$1,100,000 FED). This would fund the capital grant program at the base level.

[Act 113 Section: 9155(5)]

7. EXPRESSWAY POLICING AIDS

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$73,100	- \$73,100	\$0

Governor: Increase expressway policing aids for Milwaukee County by \$24,100 in 1995-96 and \$49,000 in 1996-97. Total funding would be \$828,400 in 1995-96 and \$853,300 in 1996-97.

Assembly/Legislature: Delete provision.

8. COUNTY FOREST ROAD AID

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
SEG	\$775,000	- \$361,000	- \$361,000	\$180,600	\$233,600

Governor: Increase funding by \$387,500 annually and increase the aid rate per mile from \$200 to \$600. Total funding would be \$541,500 annually. These payments reimburse counties for the improvement of public roads within county forests. Currently, aid to counties is prorated at approximately \$194 per mile.

Assembly: Decrease funding by \$180,500 annually and decrease the proposed aid rate per mile from \$600 to \$400. Total funding would be \$361,000 annually.

Senate: Decrease funding by \$180,500 annually and retain the current aid rate of \$200 per mile. Total funding for these payments would be \$180,500 annually.

Conference Committee/Legislature: Increase funding by \$90,300 annually and increase the aid rate per mile from \$200 to \$300. Total funding would be \$270,800 annually.

[Act 113 Section: 82m]

9. EMPLOYMENT TRANSIT ASSISTANCE PROGRAM (JOB RIDE)

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
FED	- \$1,158,200	\$0	- \$1,158,200
SEG	<u>596,500</u>	<u>- 17,400</u>	<u>579,100</u>
Total	- \$561,700	- \$17,400	- \$579,100

Governor: Increase funding by \$596,500 SEG in 1995-96 and \$614,400 SEG in 1996-97 and decrease funding by \$579,100 FED annually to reflect the following: (a) the conversion of base funding for the program (\$579,100) from federal oil overcharge funds to SEG funds; and (b) a 3% annual increase over the base funding level (\$17,400 SEG in 1995-96 and \$35,300 SEG in 1996-97). Create and transfer the FED and SEG appropriations to DILHR (responsibility for the employment transit assistance program was transferred in Act 27 from DOT to DILHR, effective July 1, 1996). Transfer \$614,400 SEG in 1996-97 from DOT to DILHR to reflect this transfer.

Restrict eligible applicants to those who provide employment, training or job placement services in counties with populations over 500,000 (Milwaukee County). Limit the local public bodies or private organizations eligible for funding to those located in such a county. Allow two or more state agencies

coordinating these services to apply for funding. Currently, eligible applicants include local public bodies or private organizations, without any geographic restrictions.

Assembly/Legislature: Decrease funding by \$17,400 SEG in 1995-96 (from the DOT appropriation) and \$35,300 SEG in 1996-97 (from the DILHR appropriation) to delete the proposed 3% inflationary increase. Delete the proposed statutory changes to the program.

[Act 113 Sections: 2m, 2r, 2t, 36m and 9455(1x)]

10. LIFT BRIDGE AID

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$50,000	- \$50,000	\$0

Governor: Decrease funding by \$44,700 in 1995-96 and increase funding by \$94,700 in 1996-97 to reflect payments made on July 1. Total funding would be \$1,355,300 in 1995-96 and \$1,494,700 in 1996-97. Municipalities are reimbursed for 100% of the actual costs of operating and maintaining the 10 lift bridges located on connecting highways. Payments are prorated if costs exceed the appropriation.

Assembly/Legislature: Delete provision.

Local Transportation Projects

1. LOCAL ROAD IMPROVEMENT PROGRAM (LRIP)

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$832,400	- \$832,400	\$0
SEG-L	<u>832,400</u>	<u>- 832,400</u>	<u>0</u>
Total	\$1,664,800	- \$1,664,800	\$0

Governor: Increase funding by \$275,200 SEG and \$275,200 SEG-L in 1995-96 and \$557,200 SEG and \$557,200 SEG-L in 1996-97. Total funding would be \$11,281,400 SEG and \$11,281,400 SEG-L in 1995-96 and \$11,563,400 SEG and \$11,563,400 SEG-L in 1996-97. Increase the annual set-aside for town road improvement projects with eligible costs of \$100,000 or more from \$500,000 SEG to \$515,000 SEG

in 1995-96 and \$530,500 SEG in 1996-97. These changes would establish a 2.5% annual increase for the basic allocation and a 3% annual increase for the town set-aside.

Assembly/Legislature: Delete provision.

2. ACCELERATED LOCAL BRIDGE PROGRAM

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$8,403,000	- \$8,403,000	\$0
SEG-L	<u>2,100,800</u>	<u>- 2,100,800</u>	<u>0</u>
Total	\$10,503,800	- \$10,503,800	\$0

Governor: Provide \$9,253,800 (\$7,403,000 SEG and \$1,850,800 SEG-L) in 1995-96 and \$1,250,000 (\$1,000,000 SEG and \$250,000 SEG-L) in 1996-97 to fund the replacement of high-cost local bridges. Funding would be split 75% state/25% local and would be distributed as follows:

	<u>State</u>	<u>Local</u>
6th Street Bridge in Milwaukee		
Real estate acquisition	\$750,000	\$187,500
Utilities	375,000	93,750
East Side Bridge in Chippewa Falls		
Real estate acquisition	37,500	9,400
Design	225,000	56,250
County Trunk Highway HH Bridge in Portage County		
Construction	<u>7,015,500</u>	<u>1,753,900</u>
TOTAL	\$8,403,000	\$2,100,800

Assembly/Legislature: Delete provision.

3. LOCAL BRIDGE IMPROVEMENT PROGRAM

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$1,791,700	- \$1,791,700	\$0
SEG-L	449,900	- 449,900	0
Total	\$2,241,600	- \$2,241,600	\$0

Governor: Increase funding by \$407,900 (\$325,800 SEG and \$82,100 SEG-L) in 1995-96 and by \$1,833,700 (\$1,465,900 SEG and \$367,800 SEG-L) in 1996-97. Total funding would be \$40,513,800 (\$7,833,100 SEG, \$8,142,500 SEG-L and \$24,538,200 FED) in 1995-96, and \$41,939,600 (\$8,973,200 SEG, \$8,428,200 SEG-L and \$24,538,200 FED) in 1996-97. The total funding level reflects projected construction inflation of 2.5% per year, no increase in federal funds and local funding equal to 20% of project costs. This program funds the improvement of local bridges not on the state trunk highway system.

Assembly/Legislature: Delete provision.

4. REESTIMATE OF TRANSPORTATION ASSISTANCE FEDERAL AND LOCAL FUNDING

	Chg. to Base
FED	\$8,695,400
SEG-L	- 1,000,000
Total	\$7,695,400

Governor/Legislature: Increase funding by \$7,947,700 FED in 1995-96 and \$747,700 FED in 1996-97 and decrease funding by \$500,000 SEG-L annually to reflect the following reestimates: (a) federal transit aid increases of \$10,800,000 in 1995-96 and \$3,600,000 in 1996-97; (b) federal aeronautics assistance decreases of \$2,920,300 annually; (c) federal transit administration aid increases of \$68,000 annually; and (d) rail service assistance decreases of \$500,000 SEG-L annually. The federal transit aid increases include an additional \$3,600,000 annually to reflect estimates of ongoing federal aid and \$7,200,000 in 1995-96 to reflect a federal discretionary transit aid earmark for Wisconsin. The aeronautics assistance decrease is in response to Congress decreasing funds in the air improvement program and providing airports with the authority to implement a passenger facility charge. The SEG-L decrease is based on anticipation of fewer rail projects that require recording a local match.

5. FREIGHT RAIL ASSISTANCE PROGRAM

	Chg. to Base
BR	\$4,500,000
SEG	578,500
Total	\$5,078,500

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. Provide \$193,000 SEG in 1995-96 and \$385,500 SEG in 1996-97 to reflect an increased level of funding needed for payment of principal and interest on railroad-related general obligation bonds. Bonding in this program may be used to acquire rail property and fund grants and loans for rehabilitation and construction on state-owned railroad property.

Delete an appropriation created in 1993 Act 16 to process bond-funded repayments of temporary financing for this program, which was provided from the freight rail infrastructure improvement loan appropriation.

Change the title of the railroad administration and planning SEG appropriation to rail service assistance. This reflects a partial veto in 1993 Act 16 that allows this appropriation to be used for railroad acquisition and rehabilitation, instead of limiting it to administrative purposes. Allow the appropriation for freight rail infrastructure improvement loans to also be used for the loan component of the local share of rehabilitation projects on publicly-owned railroad lines.

[Act 113 Sections: 9, 10, 11, 30 and 58]

6. BONDING FOR HARBOR IMPROVEMENTS

Governor/Legislature: Increase general obligation bonding authority by \$3,000,000 for harbor improvements to provide total bonding authority of \$12,000,000. Provide \$128,700 SEG in 1995-96 and \$257,000 SEG in 1996-97 to reflect an increased level of funding needed for payment of principal and interest on harbor-related general obligation bonds.

	Chg. to Base
BR	\$3,000,000
SEG	<u>385,700</u>
Total	\$3,385,700

[Act 113 Section: 29]

7. TRANSPORTATION ECONOMIC ASSISTANCE (TEA) PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assem./Legislature (Chg. to JFC)	Net Change
SEG-L	\$1,500,000	- \$1,181,800	- \$318,200	\$0
SEG	<u>1,500,000</u>	<u>- 1,181,800</u>	<u>- 318,200</u>	<u>0</u>
Total	\$3,000,000	- \$2,363,600	- \$636,400	\$0

Governor: Increase funding by \$750,000 SEG and \$750,000 SEG-L annually to provide \$4,250,000 SEG and \$4,250,000 SEG-L each year. The TEA program allows local governments to apply for 50% grants or loans in cooperation with private business for the improvement of transportation facilities in order to retain or create jobs in the state.

Joint Finance: Decrease funding by \$645,000 SEG and \$645,000 SEG-L in 1995-96 and by \$536,800 SEG and \$536,800 SEG-L in 1996-97. This would provide a 3% annual increase for this program.

Assembly: Delete the proposed funding increases. Specify that DOT may not require repayment of aid under the program based on the number of jobs that a project causes to be retained or created if all of the following apply:

a. The project agreement was executed after December 31, 1994;

b. Prior to the execution of the project agreement, a petition signed by at least 50% of the number of electors voting in the last general election is submitted to the municipality in which the TEA project is to be located that requests either a referendum on whether the project should be constructed or a referendum in which the ballot question is "shall the ...(name of the municipality) guaranty that... (description of the proposed project) will directly create or retain... (number of jobs guaranteed in the jobs guarantee) jobs?", together with a statement that, if the proposed project does not directly create or retain that number of jobs, the municipality is obligated to repay up to the full amount of aid; and

c. The municipality takes no action on the petition, denies the request for a referendum or holds a referendum, as detailed above and the question is rejected.

Senate/Legislature: Delete provision.

Veto by Governor [10]: Eliminate an initial applicability date that was retained in the bill when the rest of the provision was deleted.

[Act 113 Vetoed Section: 9355(9j)]

8. LOCAL AIRPORT DEVELOPMENT PROGRAM

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$1,800,000	- \$1,300,000	\$500,000

Governor: Increase funding by \$900,000 annually to offset increased program delivery costs and reduce project backlogs. Total funding for this program would be \$32,973,400 annually (\$12,973,400 SEG and \$20,000,000 FED).

Assembly/Legislature: Delete the proposed increase in general funding for the program and instead provide \$500,000 in 1996-97 to fund a runway widening project at the Fond du Lac County airport. Specify that this increase would not be included in the base level for DOT's 1997-99 budget.

[Act 113 Section: 9155(10g)]

9. AIRCRAFT REGISTRATION

	Governor (Chg. to Base)	Sen./Legislature (Chg. to Gov.)	Net Change
SEG-REV	\$96,700	- \$4,900	\$91,800

Governor: Establish biennial, rather than annual, registration for aircraft with a maximum gross weight of 3,000 pounds or less, effective November 1, 1996. All other aircraft would continue to be registered annually. Double the current fees for small aircraft as follows to reflect this change: (a) from \$30 to \$60 for aircraft under 2,000 pounds; (b) from \$39 to \$78 for aircraft from 2,000 pounds to 2,500 pounds; and (c) from \$50 to \$100 for aircraft from 2,500 pounds to 3,000 pounds.

Establish a \$50 minimum fee for registering any aircraft after the November 1 due date. Specify that if the current late fee (10% of the required fee if late by less than six months or 20% of the required fee if late by more than six months) is greater than \$50, the current fee would apply. Eliminate the \$5 unairworthy aircraft registration and late fees and require that these fees be set by administrative rule. Eliminate the aircraft dealer exemption, which exempts dealers from registering aircraft for one year from the date the exemption is granted or until sold, whichever occurs first. Change the definition of an antique aircraft from an aircraft more than 35 years old to an aircraft manufactured before 1945. Specify that these changes would go into effect November 1, 1996.

Increase estimated transportation fund revenues by \$4,900 in 1995-96 and \$91,800 in 1996-97. It is estimated that the change from annual to biennial registration would result in a one-time impact due to doubling the fee in 1996-97. The additional revenue in 1996-97 is estimated at \$86,900. This will be offset by no collection in 1997-98. Eliminating the dealer exemption would generate an estimated \$1,500 of additional revenue in each year. Raising the late penalty fee would generate an estimated \$3,400 in additional revenue each year.

Joint Finance: Include provision and change the definition of an antique aircraft from an aircraft manufactured before 1945 to an aircraft manufactured on or before December 31, 1955.

Senate/Legislature: Decrease estimated transportation fund revenues by \$4,900 in 1995-96 to reflect the November 1, 1996, effective date.

[Act 113 Sections: 87 thru 105 and 9455(7)]

10. RAILROAD CROSSING REPAIR ASSISTANCE

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Sen./Legislature (Chg. to Assem.)	Net Change
SEG	- \$500,000	\$500,000	- \$500,000	- \$500,000

Governor: Delete \$250,000 annually to eliminate all new funding for this program. Continuing balances within the appropriation (\$400,000) would be used to meet 1995-97 program needs, which are estimated at \$320,000. This program provides a financial incentive to railroad companies, by reimbursing 85% of their costs, to alter their maintenance schedules to address the worst crossings on the state trunk highway system.

Assembly: Delete provision.

Senate/Legislature: Restore provision.

11. DIVISION OF TRANSPORTATION ASSISTANCE (DTA) TECHNICAL ADJUSTMENTS

	Governor (Chg. to Base)		Assembly (Chg. to Gov.)		Sen./Legislature (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$0	- 0.55	\$0	0.55	\$0	- 0.55	\$0	- 0.55
SEG	48,000	0.55	- 48,000	- 0.55	0	0.55	0	0.55
Total	\$48,000	0.00	- \$48,000	0.00	\$0	0.00	\$0	0.00

Governor: Provide \$24,000 SEG annually and transfer 0.55 positions from FED to SEG to reflect the following adjustments: (a) \$24,000 SEG annually for the rail service assistance appropriation and a transfer of 0.55 positions from FED to SEG to reflect a position transfer from the Division of Highways to DTA in the 1991-93 biennium; (b) a transfer of \$59,700 SEG and 1.0 SEG position annually from DOT's general departmental operations appropriation to the local administration assistance appropriation to reflect a position transfer from the Division of Motor Vehicles to DTA in the 1991-93 biennium; and (c) a transfer of \$8,200 SEG annually from the rail service assistance appropriation to the harbor assistance appropriation to reflect that a portion of the time of the director of the Bureau of Railroads and Harbors is associated with the administration of the harbor program.

Assembly: Delete provision.

Senate/Legislature: Transfer 0.55 positions from FED to SEG, transfer \$59,700 SEG and 1.0 SEG position annually from DOT's general departmental operations appropriation to the local assistance administration appropriation and transfer \$8,200 SEG annually from the rail service assistance appropriation to the harbor assistance appropriation.

12. SURFACE TRANSPORTATION DISCRETIONARY GRANTS PROGRAM

JFC/Legislature Chg. to Base	
FED	- \$2,560,000
SEG-L	- 640,000
Total	- \$3,200,000

Governor: Authorize DOT to conduct projects and make grants to other state agencies under this program. Currently, DOT may only make grants to local public bodies. This program funds projects that promote nonhighway use or that otherwise supplement existing transportation activities, with priority given to projects that foster alternatives to single-occupancy vehicle trips. This program would be funded at its base level of \$4,000,000 FED annually.

Joint Finance: Decrease funding by \$1,600,000 annually (\$1,280,000 FED and \$320,000 SEG-L) to reflect a transfer of federal funds to the STH rehabilitation program.

Assembly/Legislature: Delete the proposed changes to the program.

13. PRIVATE ROAD CROSSINGS

Governor/Legislature: Establish the following definition for the private road crossing program: "Rehabilitated" means a significant rebuilding of railroad track that restores severely deteriorated track to a minimum service standard or, for track that is at or above a minimum service standard, that increases the service standard of the track. Specify that the user's responsibility to pay costs to maintain, repair and renew a private road crossing applies to any costs occurring up until the crossing is rebuilt in conjunction with any subsequent rehabilitation of the same tracks.

[Act 113 Sections: 59, 60 and 61]

14. RAILROAD CROSSING REIMBURSEMENT

Governor: Require the Commissioner of Railroads and the Public Service Commission to develop a plan to phase in 100% state reimbursement of the costs incurred by railroads for fencing, farm crossings and cattle guards. Specify that the plan shall be reported to the Joint Committee on Finance by January 1, 1996.

Assembly/Legislature: Delete the requirement for the PSC to aid the Commissioner of Railroads in developing the plan. Change the required reporting date to the first day of the sixth month after the effective date of the bill.

Veto by Governor [7]: Eliminate the requirement that the plan phase in 100% state reimbursement of these costs. The requirement for a phase-in of state reimbursement is retained, but without a specific percentage.

[Act 113 Section: 9146 (1)]

[Act 113 Vetoes Section: 9146(1)]

15. PASSENGER RAIL SERVICE

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
Reserves	\$250,000	- \$250,000	\$250,000	- \$250,000	\$0

Joint Finance: Create a \$250,000 reserve in the transportation fund for future transfer to WHEDA in order to allow WHEDA to provide grants to passenger rail service providers for service on the Hiawatha (Milwaukee to Chicago) route. Specify that the reserve fund shall expire on January 1, 2000.

Divide the \$250,000 into two awards as follows:

1. \$50,000 Grant. Specify that \$50,000 may not be released until a private rail company submits a preliminary plan that details the following: (a) how it would operate without state subsidy; (b) how it would expand service to Green Bay and Madison; and (c) the possibility of expanding to other locations. Specify that if the private rail company is applying to operate via an agreement with Amtrak, the applicant must also submit evidence that Amtrak has agreed to negotiate with the applicant. Specify that WHEDA shall review the request and if it determines that the conditions have been met, WHEDA shall submit a request to the Joint Committee on Finance for transfer of the funds to WHEDA.

2. \$200,000 Grant. Specify that \$200,000 may not be released until a private rail company submits a plan that details the following: (a) how it would operate without state subsidy; (b) how it would expand service to Green Bay and Madison; (c) the possibility of expanding to other locations; and (d) a model that contains stand-by agreements for track rights, labor contracts, insurance, equipment leases, dispatching agreements, training and testing of crews, marketing and ticketing. Specify that if the private rail company is applying to operate via an agreement with Amtrak, the applicant must also submit evidence that Amtrak and the applicant have entered into a service agreement. Specify that WHEDA shall review the request and if it determines that the conditions have been met, WHEDA shall submit a request to the Joint Committee on Finance for transfer of the funds to WHEDA.

Authorize WHEDA to provide grants and create an appropriation in WHEDA for this purpose.

Extend the provision allowing DOT to fund capital costs for Amtrak service extension from Green Bay to Milwaukee and from Madison to Milwaukee to any passenger rail service providers. Specify that DOT may not use bond proceeds for this purpose until it submits evidence to the Joint Committee on Finance that the passenger rail service provider has agreed to provide rail passenger service on the route and the Joint Committee on Finance approves the use of the proceeds.

Extend the provision that allows DOT to contract with Amtrak to provide rail passenger service to include other rail passenger providers.

Assembly: Delete the proposed reserve for grants to rail passenger service providers, the authorization for WHEDA to provide grants and the WHEDA appropriation for this purpose.

Senate: Restore Joint Finance provision.

Conference Committee/Legislature: Delete the proposed reserve for grants to rail passenger service providers, the authorization for WHEDA to provide grants and the WHEDA appropriation for this purpose.

[Act 113 Sections: 57p and 57r]

16. TRANSPORTATION ENHANCEMENTS PROGRAM

Joint Finance/Legislature: Decrease funding by \$1,750,000 annually (\$1,400,000 FED and \$350,000 SEG-L) to reflect a transfer of federal funds to the STH rehabilitation program.

	Chg. to Base
FED	- \$2,800,000
SEG-L	- 700,000
Total	- \$3,500,000

17. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM

Joint Finance/Legislature: Decrease funding by \$3,525,000 annually (\$2,820,000 FED and \$705,000 SEG-L) to reflect a transfer of federal funds to the STH rehabilitation program.

	Chg. to Base
FED	- \$5,640,000
SEG-L	- 1,410,000
Total	- \$7,050,000

18. COMMUTER RAIL STUDY

Assembly/Legislature: Direct DOT to conduct a feasibility study of extending commuter rail service between Illinois and Beloit and Janesville and require DOT to report its findings and recommendations to the Legislature by July 1, 1996.

Veto by Governor [6]: Eliminate the July 1, 1996, reporting date. The Governor indicates in the veto message that he will request the Department of Transportation to complete the study by December 31, 1996.

[Act 113 Section: 9155(3tx)]

[Act 113 Vetoed Section: 9155(3tx)]

19. LOCAL TRANSPORTATION FACILITIES IMPROVEMENT

Conference Committee/Legislature: Decrease funding by \$2,600,000 annually to reflect a reduction in federal aid for transportation improvement projects under local jurisdiction.

	Chg. to Base
FED	- \$5,200,000

State Highway Program

1. STATE HIGHWAY REHABILITATION PROGRAM -- BASE PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate (Chg. to JFC)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
FED	-\$43,614,700	\$11,000,000	\$43,614,700	-\$12,078,300	-\$1,078,300
SEG	43,614,700	- 18,539,400	- 43,614,700	12,078,300	- 6,461,100
Total	\$0	- \$7,539,400	\$0	\$0	- \$7,539,400

Governor: Decrease FED funding by \$20,914,100 in 1995-96 and \$22,700,600 in 1996-97 to reflect estimated availability of federal highway aid. Increase SEG funding by \$20,914,100 in 1995-96 and \$22,700,600 in 1996-97 to replace the federal funding decreases.

Joint Finance: Increase funding by \$5,500,000 FED annually to reflect reallocation of federal aid from the following programs to the STH rehabilitation program: (a) congestion mitigation and air quality improvement (\$2,820,000 annually); (b) transportation enhancements (\$1,400,000 annually); and (c) surface transportation discretionary grants (\$1,280,000 annually).

Decrease funding by \$9,269,700 SEG annually to reflect the following: (a) delete SEG to reflect the FED increases (-\$5,500,000 annually); (b) delete base level funding for the installation of noise barriers along existing highways (-\$2,000,000 annually); and (c) delete base level funding for landscaping highway projects (-\$1,769,700 annually).

Assembly: Transfer \$893,300 FED from 1995-96 to 1996-97 to establish even federal funding for the two fiscal years. Direct DOT to encumber at least the following amounts within the state trunk highway rehabilitation program for the rehabilitation of high cost bridges: (a) \$20.8 million in 1995-96; (b) \$21.4 million in 1996-97; (c) \$22.1 million in 1997-98; and (d) \$22.7 million in 1998-99. Define a high cost bridge as a bridge on a state trunk highway with a deck area greater than 40,000 square feet.

Senate: Decrease SEG funding by \$21,807,400 in 1995-96 and \$21,807,300 in 1996-97 and increase FED funding by the same amounts. This reflects a policy to budget federal aid at the base level and to make subsequent adjustments to federal appropriations pursuant to plans submitted by DOT to the Joint Committee on Finance.

Specify that if DOT plans to encumber less than the following amounts for the rehabilitation of high cost bridges, the Department must first obtain the approval of the Joint Committee on Finance under a 14-day passive review, similar to s. 16.515: (a) \$20.8 million in 1995-96; (b) \$21.4 million in 1996-97; (c) \$22.1 million in 1997-98; and (d) \$22.7 million in 1998-99. This replaces the absolute requirement that DOT must encumber these amounts.

Conference Committee/Legislature: Increase SEG funding by \$6,086,800 in 1995-96 and \$5,991,500 in 1996-97 and decrease FED funding by the same amounts. Include lift bridges in the definition of high cost bridges.

Veto by Governor [5]: Eliminate the provision that specifies that DOT must obtain the approval of the Joint Committee on Finance under a 14-day passive review if the Department intends to encumber less than the specified amounts for the rehabilitation of high cost bridges.

[Act 113 Vetoed Section: 56m]

2. STATE HIGHWAY REHABILITATION PROGRAM -- INFLATIONARY INCREASE

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
SEG	\$27,509,500	- \$25,420,200	\$25,420,200	- \$5,778,300	\$21,731,200

Governor: Provide \$8,916,300 in 1995-96 and \$18,593,200 in 1996-97 to fund a 2.5% annual inflationary increase.

Assembly: Decrease funding by \$6,978,400 in 1995-96 and \$18,441,800 in 1996-97.

Senate: Increase funding by \$6,978,400 in 1995-96 and \$18,441,800 in 1996-97 to restore funding for a 2.5% annual inflationary increase.

Conference Committee/Legislature: Decrease funding by \$2,336,800 in 1995-96 and \$3,441,500 in 1996-97 to reduce funding for the inflationary increase.

3. STATE HIGHWAY REHABILITATION PROGRAM -- SUPPLEMENTAL APPROPRIATION

Conference Committee/Legislature: Require DOT to certify estimated 1995-96 and 1996-97 transportation fund revenues to the Joint Committee on Finance by January 1, 1996, for the Committee's approval under a 14-day passive review, similar to s. 16.515. Specify that if the estimated 1995-96 revenues, as approved, exceed \$974,283,800, the 1995-96 SEG appropriation for STH rehabilitation would be increased by an amount equal to the excess. Specify that if the estimated 1996-97 revenues, as approved, exceed \$981,099,800, the 1996-97 SEG appropriation for STH rehabilitation would be increased by an amount equal to the excess.

[Act 113 Section: 9155(3g)]

4. STATE HIGHWAY REHABILITATION PROGRAM -- STORMWATER PERMITTING

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
SEG	\$10,300,000	- \$10,300,000	\$5,100,000	- \$5,100,000	\$0

Governor: Provide \$3,500,000 in 1995-96 and \$6,800,000 in 1996-97 to fund DOT costs associated with the requirements of administrative rule NR 216, which addresses stormwater permitting and erosion control requirements of the federal Clean Water Act.

Assembly: Delete provision.

Senate: Restore \$2,550,000 annually to fund DOT costs associated with the requirements of administrative rule NR 216.

Conference Committee/Legislature: Delete provision.

5. STATE HIGHWAY REHABILITATION PROGRAM -- METRIC CONVERSION

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$3,000,000	- \$3,000,000	\$0

Governor: Provide \$1,500,000 annually to fund the conversion of highway plans and specifications to the metric system, as required by the federal Omnibus Trade and Competitiveness Act.

Assembly/Legislature: Delete provision.

6. STATE HIGHWAY REHABILITATION PROGRAM -- WOMEN AND MINORITIES IN CONSTRUCTION

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$300,000	- \$300,000	\$0

Governor: Provide \$150,000 annually to continue a program to increase the representation of women and minorities in the highway engineering and construction profession.

Assembly/Legislature: Delete provision.

7. STATE HIGHWAY REHABILITATION PROGRAM -- MILWAUKEE STADIUM INFRASTRUCTURE

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$15,000,000	- \$15,000,000	\$0
Reserves	\$0	\$15,000,000	\$15,000,000

Governor: Provide \$3,000,000 in 1995-96 and \$12,000,000 in 1996-97 to fund the state share of infrastructure costs for a new stadium in Milwaukee.

Assembly/Legislature: Delete the proposed funding. Place \$15,000,000 in reserve in the transportation fund until June 30, 1999, for either the state's share of infrastructure work for a new Milwaukee stadium or highway resurfacing and bridge repair activity on the east-west freeway from

downtown Milwaukee to Waukesha. Specify that the Joint Committee on Finance could transfer these funds to the STH rehabilitation appropriation for either of these purposes. Prohibit DOT from encumbering funds for either project unless the funds are provided by transferring reserved funds to the STH rehabilitation appropriation. This prohibition does not apply to the encumbrance of funds from a federal demonstration grant.

Veto by Governor [2]: Delete the requirement that DOT must obtain the approval of the Joint Committee on Finance before using the reserved funds for either of these projects. Eliminate the restriction on using the reserve for only one of the two projects. As vetoed, the Act allows DOT to supplement the STH rehabilitation appropriation for either project without further legislative review.

[Act 113 Section: 57m]

[Act 113 Vetoed Section: 57m]

8. MILWAUKEE TO WAUKESHA FREEWAY REPAIR

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assem./Legislature (Chg. to JFC)	Net Change
SEG	\$36,600,000	- \$12,000,000	- \$51,298,000	- \$26,698,000
Reserves	\$0	\$0	\$26,698,000	\$26,698,000

Governor: Provide \$12,000,000 in 1995-96 and \$24,600,000 in 1996-97 for the rehabilitation of the east-west freeway from downtown Milwaukee to Waukesha. These funds would be used to resurface this section of freeway and to repair bridges in this corridor.

Joint Finance: Decrease funding by \$12,000,000 in 1996-97. Specify that DOT may not encumber more than \$51,300,000 in the 1995-97 biennium for this project.

Assembly/Legislature: Decrease funding by \$25,349,000 in 1995-96 and \$25,949,000 in 1996-97 to delete both the proposed increase and base funding for this project. Place \$13,349,000 each year in reserve in the transportation fund until June 30, 1999, for this project. Specify that DOT can not encumber any funds for this project unless the Joint Committee on Finance transfers reserved funds to the STH rehabilitation appropriation for this purpose. This prohibition does not apply to the encumbrance of funds from a federal demonstration grant.

[Act 113 Section: 57m]

9. STATE TRUNK HIGHWAY 29 ACCELERATION

	Governor (Chg. to Base)	JFC/Legislature (Chg. to Gov.)	Net Change
SEG	\$14,808,000	- \$14,808,000	\$0
SEG-S	<u>18,098,700</u>	<u>14,808,000</u>	<u>32,906,700</u>
Total	\$32,906,700	\$0	\$32,906,700

Governor: Provide \$15,453,100 (\$6,953,900 SEG and \$8,499,200 SEG-S) in 1995-96 and \$17,453,600 (\$7,854,100 SEG and \$9,599,500 SEG-S) in 1996-97 to accelerate the conversion of STH 29 to a four lane highway between Green Bay and Chippewa Falls from the year 2002 to the year 2000. The SEG-S amounts reflect the proposed use of revenue bond proceeds for 55% of these costs.

Joint Finance: Decrease funding by \$6,953,900 SEG in 1995-96 and by \$7,854,100 SEG in 1996-97 and increase funding by \$6,953,900 SEG-S in 1995-96 and by \$7,854,100 SEG-S in 1996-97 to reflect funding the acceleration of the STH 29 project through 100% bonding.

Assembly: Require DOT to complete the major highway development project on STH 29 between Green Bay and I-94 by January 1, 2000.

Senate/Legislature: Delete the Assembly provision and, instead, specify that DOT must complete the segment of the STH 29 project from Green Bay to Chippewa Falls by December 31, 2000.

[Act 113 Section: 51m]

10. MAJOR HIGHWAY DEVELOPMENT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Veto (Chg. to Leg.)	Net Change
FED	-\$2,589,300	\$0	\$0	\$2,589,300	-\$50,711,300	\$0	-\$50,711,300
SEG	14,614,200	- 1,460,600	- 15,014,200	8,711,300	0	0	6,850,700
SEG-S	<u>- 3,713,600</u>	<u>0</u>	<u>3,713,600</u>	<u>0</u>	<u>40,000,000</u>	<u>- 40,000,000</u>	<u>0</u>
Total	\$8,311,300	-\$1,460,600	-\$11,300,600	\$11,300,600	-\$10,711,300	-\$40,000,000	-\$43,860,600

Governor: Increase funding by \$2,108,000 (\$7,278,900 SEG, -\$2,983,000 SEG-S and -\$2,187,900 FED) in 1995-96 and by \$6,203,300 (7,335,300 SEG, -\$730,600 SEG-S and -\$401,400 FED) in 1996-97 in order to maintain the current program level (\$161.2 million in 1994 dollars), adjusted for inflation of 2.5% per year. The SEG-S amounts reflect adjustments needed to fund 55% of the total program size with revenue bond proceeds. The SEG and FED amounts reflect adjustments needed to fund the remaining 45% of the program at 80% FED and 20% SEG.

Specify that if federal funding in 1995-96 or 1996-97 is less than the amounts budgeted in the most recently enacted budget act that DOT may increase the use of bond proceeds in the major highway development program over the levels specified in the most recent budget act in order to replace the decreased federal funding. Specify that DOT may not increase the use of bond proceeds that would result in a major highway development program in excess of the size approved in the most recent budget act.

Joint Finance: Decrease funding by \$730,300 SEG annually to reflect the removal of base level funding for landscaping highway projects.

Delete the provision that would allow DOT to increase the use of bond proceeds in the major highway development program over the levels specified in the budget act in order to replace decreased federal funding.

Assembly: Decrease SEG funding by \$7,478,900 in 1995-96 and \$7,535,300 in 1996-97 to reflect the following: (a) -\$7,278,900 in 1995-96 and -\$7,335,300 in 1996-97 to delete the SEG increase proposed by the Governor; and (b) -\$200,000 annually to reflect lower transportation fund revenues due to debt service associated with accelerating the STH 29 project.

Increase SEG-S funding by \$2,983,000 in 1995-96 and \$730,600 in 1996-97 to maintain the current use of revenue bond proceeds. Transfer \$893,300 FED from 1996-97 to 1995-96 to establish even federal funding for the two fiscal years.

Senate: Increase funding by \$1,294,600 FED in 1995-96 and \$1,294,700 FED in 1996-97 to reflect a policy to budget federal aid at the base level and to make subsequent adjustments to federal appropriations pursuant to plans submitted by DOT to the Joint Committee on Finance. Increase funding by \$2,308,000 SEG in 1995-96 and \$6,403,300 SEG in 1996-97 to restore base funding (\$200,000 annually) and funding for a 2.5% annual inflationary increase (\$2,108,000 in 1995-96 and \$6,203,300 in 1996-97).

Conference Committee/Legislature: Decrease funding by \$2,308,000 in 1995-96 (-\$22,308,000 FED and \$20,000,000 SEG-S) and \$8,403,300 in 1996-97 (-\$28,403,300 FED and \$20,000,000 SEG-S). The FED amounts reflect the deletion of the 2.5% annual inflationary increase (-\$2,108,000 in 1995-96 and -\$6,203,300 in 1996-97) and a decrease in base funding (-\$200,000 in 1995-96 and -\$2,200,000 in 1996-97). The SEG-S amounts reflect an increase in the use of revenue bond proceeds.

Veto by Governor [1]: Eliminate the \$20,000,000 SEG-S annual increase by deleting the amounts shown in the major highway development appropriation (\$128,534,800 in 1995-96 and \$130,535,300 in 1996-97) and writing lower amounts (\$108,534,800 in 1995-96 and \$110,535,300 in 1996-97) in the appropriation schedule. The Governor indicates in the veto message that he will request the Secretary of DOA to not allot these funds.

[Act 113 Vetoed Section: 1 (as it relates to s. 20.395(3)(br))]

11. MAJOR HIGHWAY DEVELOPMENT ENUMERATION

Governor/Legislature: Enumerate the following three major highway projects (listed in order of highway number), as recommended by the Transportation Projects Commission (TPC). Major highway projects must be enumerated in the statutes prior to construction.

<u>State Trunk Highway</u>	<u>Project</u>	<u>County</u>	<u>Estimated Cost In 1994 Dollars</u>
16/67	Oconomowoc Bypass	Jefferson and Waukesha	\$47 million
53	Eau Claire Freeway	Eau Claire and Chippewa	79 million
151	Belmont to Dodgeville	Lafayette and Iowa	63 million

Amend the definition of the major highway project on USH 10 between Appleton and Marshfield to include the part of Appleton in Winnebago County.

[Act 113 Sections: 53 and 54]

12. STATE TRUNK HIGHWAY (STH) MAINTENANCE, REPAIR AND TRAFFIC OPERATIONS

	<u>Governor (Chg. to Base)</u>	<u>Assembly (Chg. to Gov.)</u>	<u>Senate (Chg. to Assem.)</u>	<u>Conf. Comm./Legislature (Chg. to Sen.)</u>	<u>Net Change</u>
SEG	\$14,036,500	- \$6,230,900	\$0	\$0	\$7,805,600
FED	0	0	1,305,600	- 1,305,600	0
Total	\$14,036,500	- \$6,230,900	\$1,305,600	- \$1,305,600	\$7,805,600

Governor: Provide \$4,643,400 SEG in 1995-96 and \$9,393,100 SEG in 1996-97 to increase the STH maintenance program as follows: (a) general and winter maintenance (\$4,453,000 in 1995-96 and \$9,006,600 in 1996-97); and (b) traffic operations (\$190,400 in 1995-96 and \$386,500 in 1996-97).

Assembly: Decrease funding by \$740,600 SEG in 1995-96 and \$5,490,300 SEG in 1996-97 to provide an increase of \$3,902,800 SEG annually over the base funding level.

Senate: Increase funding by \$652,800 FED annually to reflect a policy to budget federal aid at the base level and to make subsequent adjustments to federal appropriations pursuant to plans submitted by DOT to the Joint Committee on Finance.

Conference Committee/Legislature: Decrease funding by \$652,800 FED annually.

13. INCREASED REHABILITATION -- MULTILANE STATE HIGHWAYS

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$6,000,000	- \$6,000,000	\$0

Governor: Provide \$3,000,000 annually for the rehabilitation of multilane state trunk highways outside Milwaukee County that are part of the Corridors 2020 backbone system.

Assembly/Legislature: Delete provision.

14. INACTIVE SITE CLEANUP

	Governor (Chg. to Base)	JFC/Legislature (Chg. to Gov.)	Net Change
SEG	\$4,000,000	- \$4,000,000	\$0

Governor: Create a continuing appropriation for environmental cleanup activities on inactive sites and provide \$2,000,000 annually for this purpose. Authorize DOT to fund environmental cleanup activities on lands acquired by the Department that are not eligible to receive funding for environmental cleanup as part of a highway improvement project. Specify that this does not relieve other parties from any responsibility they have to reimburse DOT for cleanup costs.

Joint Finance/Legislature: Delete provision.

15. MILWAUKEE COUNTY FREEWAY TRAFFIC MANAGEMENT AND SERVICE PATROL

	Governor (Chg. to Base)	JFC/Legislature (Chg. to Gov.)	Net Change
FED	- \$1,305,600	\$0	- \$1,305,600
SEG	3,339,100	- 3,339,100	0
Total	\$2,033,500	- \$3,339,100	- \$1,305,600

Governor: Increase funding by \$971,400 (\$1,624,200 SEG and -\$652,800 FED) in 1995-96 and \$1,062,100 (\$1,714,900 SEG and -\$652,800 FED) in 1996-97 to operate and expand the freeway traffic management system in Milwaukee County. The increased SEG funding would be used as follows: (a) \$85,000 annually for LTE positions; (b) \$29,000 in 1995-96 and \$59,300 in 1996-97 for the service patrol; (c) \$409,400 in 1995-96 and \$469,800 in 1996-97 for equipment and communications costs; and (d) \$1,100,800 annually to replace federal congestion mitigation and air quality improvement funds (\$652,800

deleted here and \$448,000 deleted as a standard budget adjustment). This system includes elements to optimize the operations of the existing highway infrastructure under normal conditions and minimize the effects of incident-induced congestion.

Joint Finance/Legislature: Decrease funding by \$1,624,200 SEG in 1995-96 and \$1,714,900 SEG in 1996-97.

16. STATE PLANNING AND RESEARCH

	Governor (Chg. to Base)	Senate (Chg. to Gov.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
FED	\$2,000,000	- \$2,000,000	\$1,785,600	\$1,785,600

Governor: Provide \$1,000,000 annually for consultant research within the Division of Highways' state planning and research program.

Senate: Decrease funding by \$1,000,000 annually to reflect a policy to budget federal aid at the base level and to make subsequent adjustments to federal appropriations pursuant to plans submitted by DOT to the Joint Committee on Finance.

Conference Committee/Legislature: Increase funding by \$892,800 annually.

17. I-39 SIGN CONVERSION

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$941,000	- \$941,000	\$0

Governor: Provide \$941,000 in 1995-96 for the cost of changing signs to reflect the conversion of STH 51 to interstate status (I-39) from Portage to Wausau.

Assembly/Legislature: Delete provision.

18. DISADVANTAGED BUSINESS DEMONSTRATION AND TRAINING PROGRAM

Governor/Legislature: Extend the sunset date for the disadvantaged business demonstration and training program from June 30, 1995, to September 30, 1997, in order to coordinate it with the expiration

date of the Intermodal Surface Transportation Efficiency Act (ISTEA). This program develops the capabilities of businesses owned by minority group members and women to participate in DOT construction projects.

[Act 113 Sections: 13 thru 21 and 55]

19. COMPENSATION RESERVES

Governor: Specify that compensation increases up to the inflationary percentages provided for the STH rehabilitation, major highway development, STH maintenance and local bridge programs (2.5% per year) would have to be funded within the inflationary funding increases provided for these programs.

Assembly/Legislature: Delete provision.

20. INTERSTATE 43 RESURFACING

Governor: Direct DOT to repave the portion of I-43, beginning before Henry Clay Street and extending beyond Bender and Devon streets in Milwaukee County, which currently has a tined surface, with a non-tined surface. Specify that the highway must be repaved no later than one year after the effective date of the bill.

Assembly: Specify that the highway must be repaved no later than the first day of the eighth month after the effective date of the bill.

Conference Committee/Legislature: Specify that the highway must be repaved no later than October 1, 1996.

[Act 113 Section: 9155(6)]

21. MAIN STREET BRIDGE IN GREEN BAY

Joint Finance/Legislature: Specify that DOT must submit a request to the U.S. Department of Transportation to provide authorization to commit future federal funding to be used for the replacement of the Main Street bridge in Green Bay. Specify that DOT must contract for the replacement of the bridge as expeditiously as possible.

[Act 113 Section: 9155(8y)]

22. TRANSFER OF CTH X IN WINNEBAGO COUNTY

Joint Finance/Legislature: Specify that DOT must negotiate the jurisdictional transfer of CTH X in Winnebago County from county jurisdiction to state jurisdiction. Specify that, upon completion of this transfer, DOT must sign as a new state trunk highway the route following STH 44 from USH 41 to the current CTH X, the current CTH X and the route following STH 116 from the current CTH X to the City of Berlin.

[Act 113 Section: 9155(3x)]

23. REIMBURSEMENT FOR OUTDOOR ADVERTISING SIGNS

Joint Finance/Legislature: Direct DOT to work with the Outdoor Advertising Association and other affected parties to establish a sign relocation cost schedule that reimburses sign owners, whose signs are displaced when DOT acquires new right-of-way, at a mutually agreeable rate. Require DOT to present this schedule to the Joint Committee on Finance, for its approval, by January 1, 1996.

Veto by Governor [9]: Eliminate the January 1, 1996, reporting date. The Governor indicates in his veto message that he is requesting the Department of Transportation Secretary to submit a proposed payment schedule by May 1, 1996.

[Act 113 Section: 9155(6y)]

[Act 113 Vetoed Section: 9155(6y)]

24. DIVISION OF HIGHWAYS POSITION VACANCIES

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Sen./Legislature (Chg. to Assem.)	Net Change
SEG	- 18.00	18.00	- 18.00	- 18.00
FED	- 22.00	22.00	- 22.00	- 22.00
Total	- 40.00	40.00	- 40.00	- 40.00

Joint Finance: Delete 18.0 SEG positions and 22.0 FED positions in the Division of Highways. Require DOT to target vacant positions directly related to highway design and production functions within the Division of Highways for elimination. These provisions would eliminate the authority for an additional 40.0 positions, but maintain the corresponding funding amounts, which would allow DOT to contract with private vendors for these functions.

Assembly: Delete provision.

Senate/Legislature: Restore provision.

[Act 113 Section: 9155(9xg)]

25. HIGHWAY CONSTRUCTION PERFORMANCE AND PAYMENT BONDS

Senate: Exclude state highway construction projects from the requirement that contractors of those projects provide performance and payment bonds issued by surety companies licensed to do business in this state, effective with contracts entered into beginning on February 1, 1996.

Conference Committee/Legislature: Delete provision.

26. GAMING OPERATION SIGNS

Senate: Specify that DOT may not erect or maintain any sign informing motorists of any gaming operation that is not licensed by the Gaming Commission. Require DOT to remove any sign that is not in compliance with this provision by the first day of the fourth month beginning after the effective date of the bill. Allow DOT to provide just compensation to reimburse a gaming operation for any payments it made to DOT for the erection or maintenance of a sign that DOT removes.

Conference Committee/Legislature: Delete provision.

Motor Vehicles

1. BUDGET REDUCTIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly (Chg. to JFC)		Sen./Legislature (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$5,083,000	- 17.50	-\$2,348,600	0.00	-\$755,200	0.00	-\$1,400,000	0.00	-\$9,586,800	- 17.50

Governor: Delete \$2,541,500 and 17.5 positions annually from the Division's base budget. Require DOT to submit a request for any reallocation of the reductions among its SEG appropriations for state operations to the Joint Committee on Finance by December 1, 1995, for its approval under a similar passive review process as s. 16.606/16.515.

Joint Finance: Reduce the Division's base budget by an additional \$1,174,300 annually to provide total reductions equal to \$3,715,800 in each year of the biennium.

Assembly: Reduce the Division's base budget by an additional \$377,600 annually to provide total reductions equal to \$4,093,400 in each year of the biennium.

Senate/Legislature: Reduce the Division's base budget by an additional \$700,000 annually to provide total reductions equal to \$4,793,400 in each year of the biennium. In conjunction with budget reductions in other divisions, DOT's operating budget would be reduced by 5.86% in each year. Retain the ability of DOT to submit a plan to the Joint Committee on Finance to reallocate these reductions among appropriations, but delay the date of submission from December 1, 1995, to January 1, 1996.

[Act 113 Section: 9155(3)]

2. POSTAGE COST INCREASE

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$1,012,900	- \$1,012,900	\$0

Governor: Provide \$568,400 in 1995-96 and \$444,500 in 1996-97 for an expected annual growth of 2.3% in mailing volume and the 10.3% postage rate increase which occurred in January, 1995.

Assembly/Legislature: Delete provision.

3. DRIVER RECORD AND VEHICLE REGISTRATION DATABASE REDESIGN

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$860,500	- \$860,500	\$0

Governor: Provide \$286,800 in 1995-96 and \$573,700 in 1996-97 for costs associated with the redesign of the driver record and vehicle registration databases. This increase would support estimated payments under a seven-year financing agreement for completion of the driver record database redesign and the first of three phases of the vehicle registration database redesign.

Specify that DOT must include, as part of its budget request for the 1997-99 biennium, annual reductions of \$430,600 SEG and 24.2 SEG positions (from the 1996-97 base year amounts) for its vehicle registration and driver licensing appropriation. DOT would have to submit these reductions before submitting any proposed increases or decreases in funding or position authorization for that appropriation.

This reduction is based on projected processing efficiencies associated with completion of phase one of the database redesign.

Assembly/Legislature: Delete provision.

4. EXTEND LICENSE PLATE REPLACEMENT CYCLE

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	- \$475,600	\$475,600	\$0

Governor: Delete \$177,300 in 1995-96 and \$298,300 in 1996-97 related to extending, from seven to 11 or more, the number of years a license plate may be used before it must be replaced. The funding reduction is based on reduced costs for plates (-\$96,500 in 1995-96 and -\$245,700 in 1996-97) and postage (-\$80,800 in 1995-96 and -\$52,600 in 1996-97).

Assembly/Legislature: Delete provision.

5. RAISE ACCIDENT REPORTING THRESHOLD

	Chg. to Base
SEG	- \$142,200

Governor/Legislature: Increase the minimum property damage threshold for accident reporting and security deposit requirements from \$500 to \$1,000. Provide that this increase would first apply to accidents occurring on January 1, 1996. Delete \$47,500 in 1995-96 and \$94,700 in 1996-97 for overtime salary and fringe benefit costs to reflect workload reductions based on a projected decrease in the number of accident reports processed.

[Act 113 Sections: 199 thru 201, 9355(1) and 9455(3)]

6. PHOTO DRIVER LICENSE CONTRACT

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$66,200	- \$66,200	\$0

Governor: Provide \$14,700 in 1995-96 and \$51,500 in 1996-97 for estimated workload and rate increases under two, one-year extensions of the current vendor contract, which provides equipment and materials necessary to produce photo driver licenses and photo identification cards. The original contract expired December 31, 1994.

Assembly/Legislature: Delete provision.

7. SPECIAL LICENSE PLATE ISSUANCE FEE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assem./Legislature (Chg. to JFC)	Net Change
SEG-REV	\$51,400	- \$22,500	- \$28,900	\$0

Governor: Increase the fee charged by DOT for issuance or reissuance of certain special license plates from \$10 or less to \$15, effective January 1, 1996. This fee would apply to the issuance or reissuance of all special plates currently issued or reissued at a charge of \$10 and the endangered resources and Somalia war veteran special plates, which are currently not assessed an issuance or reissuance fee. This fee is in addition to the regular registration fee.

Joint Finance: Delete provisions that would require a \$15 issuance or reissuance fee for endangered resources special plates. Reduce estimated transportation fund revenues by \$7,500 in 1995-96 and \$15,000 in 1996-97.

Assembly/Legislature: Delete provision.

8. REGISTRATION AND TITLE TRANSACTIONS BY DEALERS

Governor: Allow DOT to contract with a motor vehicle dealer for services relating to the processing or distribution of original or renewal vehicle registrations or certificates of title. Specify that a contract with a motor vehicle dealer must contain the following provisions: (a) the amount of fees, if any, that the dealer may charge a person for these services; (b) that within seven business days after the completion of an application, the dealer must process the application and submit any required fees and other documentation to DOT; (c) that the dealer must retain all records related to an application for these registrations or certificates of title for at least five years; and (d) that DOT or its representative may, without any prior notice, conduct random inspections and audits of the dealer. Prohibit DOT from compensating a motor vehicle dealer for the provision of these services.

Under current law, a motor vehicle dealer may accept applications and any required fees for registration or titling of a vehicle purchased from that dealer. The dealer may not process such applications, but must submit the application and fees to DOT within seven days after the vehicle sale.

Senate/Legislature: Modify the provision to allow DOT to contract with any person for services relating to the processing or distribution of original or renewal vehicle registrations or certificates of title.

[Act 113 Section: 128]

9. DIGITIZED IMAGES

Governor: Define "photograph" as an unretouched image recorded by a camera and reproduced on a photosensitive surface, including a digitized image. Allow DOT to retain a photograph of a person applying for a driver license or identification card. Specify that DOT must keep such a photograph confidential, but allow DOT to release a photograph to the following persons: (a) the person whose photograph was taken; (b) any other person, if authorized in writing by the person whose photograph was taken; and (c) a law enforcement agency, a state agency or a federal governmental agency in order to perform a legally authorized function. Specify that any person, except the person whose photograph was taken, who has received a photograph under the above circumstances must keep it confidential and may not disclose or reproduce it except as authorized.

Joint Finance: Delete provision.

Assembly/Legislature: Define "photograph" as an unretouched image recorded by a camera and reproduced on a photosensitive surface, or a digitized image. Allow DOT to maintain such a photograph. Specify that DOT must keep such a photograph confidential, but allow DOT to release it only to the person whose photograph was taken. Allow DOT to maintain a signature collected for purposes of the operators' licenses laws. Specify that DOT must keep such a signature confidential, but allow DOT to release a signature or a facsimile of a signature only to the person to whom the signature relates.

[Act 113 Sections: 142, 143m, 163 and 164]

10. CLASSIFIED DRIVER LICENSE STATUTORY MODIFICATIONS

Governor/Legislature: Include the following modifications related to the classified driver license system:

Licenses Issued by Mexico. Modify current law to include a valid commercial driver license issued by Mexico as an acceptable operator's license for: (a) an operator of a motor vehicle used as an alternative method of providing pupil transportation services; and (b) an operator of a commercial motor vehicle who is a nonresident and has the license in his or her immediate possession.

Motorized Construction Equipment. Define "motorized construction equipment" as motor-driven construction equipment designed principally for off-road use, including a motorscraper, backhoe, motorgrader, compactor, excavator, tractor, trencher and bulldozer. Require a person operating motorized construction equipment upon a highway in this state to possess a valid operator's license issued to the person by DOT which is not revoked, suspended, canceled, disqualified or expired. Current law exempts a person operating motorized construction equipment designed principally for off-road use from licensing requirements.

Occupational License. Provide that a person whose license or operating privilege was revoked or suspended within the previous year for a controlled substance violation or a violation of the financial responsibility law of Wisconsin is not eligible for an occupational license. This restriction would first apply to offenses committed on the effective date of this act, but would not preclude the counting of prior suspensions or revocations for purposes of determining eligibility for an occupational license.

School Bus Endorsement Examinations. Modify current law to require a person to take and pass a special examination prior to renewal, as well as prior to initial issuance, of a school bus endorsement. Provide that, for either initial issuance or renewal, the special examination may include the current examination required for persons over age 70.

Voluntary Surrender of License. Delete the specified time frames and conditions under which DOT may accept the voluntary surrender of the operator's license of a person who has a mental or physical disability, disease or medical condition which prevents or may prevent the person from exercising reasonable control over a motor vehicle and, instead, allow such voluntary surrender at any time. As under current law, these provisions would apply only if the person's operating privilege is not subject to suspension or revocation for any reason.

Knowledge Tests/English Proficiency. Provide that the knowledge test required by DOT for authorization to operate school buses and vehicles transporting hazardous material may be intended as a test for literacy or English language proficiency. Current law provides that knowledge tests may not be intended as a test for literacy or English language proficiency. However, DOT is not prohibited from requiring an applicant to correctly read and understand highway signs.

Reinstatement Fees. Impose a \$50 fee for reinstatement of a previously disqualified authorization to operate a commercial motor vehicle. Provide that this fee would not apply to 24-hour, out-of-service disqualifications for certain alcohol-related offenses.

Impose a \$50 fee for reinstatement of a previously canceled license or endorsement. Provide that the reinstatement would include any classification or endorsement received at the time of original application for the license.

Towing by Commercial Driver License Holder. Allow a tow truck operator holding a valid commercial driver license to tow a disabled or wrecked vehicle that requires a passenger-carrying endorsement for its operation beyond its initial removal site, even if the tow truck operator does not hold

or is not accompanied by a driver who holds this endorsement. Under current law, a tow truck operator may perform subsequent towing of a vehicle for which the operator does not have an endorsement only if the operator is accompanied by a driver who holds the required endorsement.

Commercial Driver License Disqualification. Require DOT to disqualify from operating a commercial motor vehicle any person who is known to be disqualified, unless the required period of disqualification has already expired. Currently, DOT must cancel the commercial driver license of such a person.

Interstate Commerce. Modify current law provisions which prohibit the operation of a commercial motor vehicle by persons with restricted commercial driver licenses outside this state and in interstate commerce to, instead, prohibit such operation only in interstate commerce.

Local Ordinance or Tribal Law. Under current law, if a person's commercial driver license has been suspended or revoked solely for a violation of state laws regarding operating under the influence of an intoxicant or other drug and the person was not operating a commercial motor vehicle at the time of the violation, the person may file a petition directly with DOT seeking issuance of an occupational license authorizing operation of certain vehicles. Specify that this provision would also apply under violations of a local ordinance or law of a federally recognized American Indian tribe or band in Wisconsin that is in conformance with such state laws.

Employer Responsibilities. Modify current law to include, as a condition under which an employer may not knowingly allow, permit or authorize an employee to operate a commercial motor vehicle, any period when the employee does not possess a valid commercial driver license properly endorsed to permit operation of the vehicle. Modify the fine imposed on an employer who knowingly allows, permits or authorizes an employee to operate a commercial motor vehicle when the employee is not validly authorized to do so from a maximum of \$5,000 to not less than \$2,500 nor more than \$10,000.

The increased fines would first apply to offenses committed on the effective date of this act, but would not preclude the counting of prior convictions for purposes of sentencing a person.

Revocation of Commercial Driver License for Refusing Test for Intoxication. Modify current law to include revocation of the person's operating privilege for six months as one penalty for a person who improperly refuses to submit to a test for intoxication when arrested for certain alcohol-related violations while driving, operating or on duty time with respect to a commercial motor vehicle.

Record to Indicate if Commercial Motor Vehicle is Passenger-Carrying. Modify current law to require the court to also include, in a record of conviction of a moving traffic violation or any offense for which revocation of the person's operating privilege is mandatory, whether the offender was operating a vehicle designed to carry, or actually carrying, 16 or more passengers, including the driver. Under current law, the record that is forwarded to DOT must indicate whether the offender was operating a commercial motor vehicle at the time of the offense and, if so, whether the offender was transporting hazardous materials.

Commercial Driver License Disqualification Penalties. Modify current law to require the following disqualification penalties related to serious traffic violations by a driver or operator of a commercial motor vehicle to be applied consecutively, rather than concurrently: (a) for a period of 60 days if convicted of two such violations; and (b) for a period of 120 days if convicted of three such violations, arising from separate occurrences committed within a three-year period.

Disqualify a person from operating a commercial motor vehicle as follows: (a) for a period of 60 days if convicted of violating laws related to the content and issuance of a commercial driver license or for providing false or fraudulent information in an application for such license; (b) for a period of 90 days if convicted of an out-of-service violation, or one year if convicted of two out-of-service violations, or three years if convicted of three or more violations, arising from separate occurrences committed within a ten-year period while driving or operating a commercial motor vehicle. Require the disqualifications for out-of-service violations to be in addition to any penalty imposed for driving while disqualified, out-of-service or after license revocation or suspension. Require DOT to maintain a record of convictions for out-of-service disqualifications for at least ten years.

If an out-of-service violation occurs in the course of transporting hazardous materials or while operating a vehicle designed to carry, or actually carrying, 16 or more passengers, including the driver, require the following disqualification penalties in lieu of those required for other out-of-service violations: (a) 180 days upon a first conviction; or (b) three years for a second or subsequent conviction arising from separate occurrences committed within a ten-year period while driving or operating a commercial motor vehicle.

These disqualifications would first apply to offenses and refusals committed on the effective date of this act, but would not preclude the counting of prior convictions, suspensions, revocations, disqualifications or refusals for purposes of sentencing a person, suspending or revoking a person's operating privilege, disqualifying a person from operating a commercial motor vehicle or determining eligibility for an occupational license or authorization to operate certain vehicles.

Courts to Report Appeals; Stays. Provide that the Secretary of DOT may not disqualify a person from operating a commercial motor vehicle on the basis of a conviction if the Secretary receives from the court a certificate stating that an appeal from the conviction has been taken. Require the Secretary to automatically reinstate authorization to operate a commercial motor vehicle if the certificate is received after disqualification.

Require that, if the conviction has been affirmed on appeal or the appeal has been dropped, the Secretary must disqualify the person from operating a commercial motor vehicle on the same basis as if the appeal had not been taken. Require the period of disqualification to run from the date the conviction was affirmed or the appeal dropped, less any time the person was already disqualified prior to receipt of the court's certificate by the Secretary.

Provide that if a disqualification has been rescinded or withheld because of administrative action, an appeal, or a court order to reopen, stay or vacate a disqualification, and that disqualification is

subsequently reimposed, the period of disqualification so reimposed must be reduced by the period of disqualification previously served.

If a person whose disqualification was stayed is convicted of an offense for which disqualification is mandatory, during the pendency of the appeal of the original conviction, the Secretary must disqualify the person from operating a commercial motor vehicle on account of the latter conviction, notwithstanding the appeal of either or both convictions.

Provide that a disqualification based on grounds other than those of the disqualification in question may still be considered. Require the court to forward to DOT any order reopening, vacating or staying a disqualification.

Under current law, these provisions apply only to appeals of suspension or revocation of operating privileges.

Driving While Ordered Out-of-Service. Extend the current prohibition on operating a commercial motor vehicle while ordered out-of-service for failing or refusing a test for intoxication while driving, operating or on duty time with respect to a commercial motor vehicle to include out-of-service orders under any state or federal law.

Prohibit the use of a refusal to accept or failure to receive an order of disqualification mailed to the person by DOT as a defense to the charge of driving after disqualification. Under current law, this prohibition applies only to orders and charges of revocation or suspension.

Amend Classification of Commercial Motor Vehicle. Prohibit a court, in cases where an alcohol-related offense involved the use of a commercial motor vehicle, from approving a prosecutor's application to amend the vehicle classification from a commercial motor vehicle to a noncommercial motor vehicle unless there is evidence in the record that the motor vehicle being operated by the defendant at the time of his or her arrest was not a commercial motor vehicle.

[Act 113 Sections: 86, 106, 119, 120, 141, 143 thru 162, 166 thru 171, 173 thru 186, 188 thru 198, 206 and 9355(2)]

11. INTERSTATE 39 -- VEHICLE SIZE, WEIGHT AND LOAD LIMITATIONS

Governor/Legislature: Provide that the following current law provisions would apply to vehicles on that portion of USH 51 between Wausau and STH 78 and that portion of STH 78 between USH 51 and the Interstate 90/94 interchange near Portage, upon its federal designation as Interstate 39: (a) exceptions to weight limitations for vehicles transporting dairy supplies and products, certain forest products, scrap metal, septage and livestock; (b) seasonal operation of vehicles hauling certain forest products or abrasives or salt for highway winter maintenance; (c) permission for operators of vehicles transporting livestock to proceed to a destination within 15 miles of the point of apprehension for a

violation of gross weight limitations without having to unload or reload; (d) the prohibition against requiring vehicles transporting certain forest products to proceed to a scale more than one mile away if the estimated weight of the vehicle does not exceed the lawful limit; (e) the issuance of annual or consecutive month industrial interplant permits for vehicles with loads exceeding 102 inches wide; and (f) the issuance of annual or consecutive month permits for vehicles transporting raw forest and agricultural products and scrap metal that exceed weight limitations. Under current law, these provisions do not apply to vehicles on highways designated as parts of the national system of interstate and defense highways.

[Act 113 Sections: 202 thru 205]

12. ELIMINATE STATUTORY REFERENCES TO THE OFFICE OF THE COMMISSIONER OF TRANSPORTATION

Governor: Delete obsolete references to the Office of the Commissioner of Transportation (OCT) relating to motor vehicle dealers and replace them with references to the Division of Hearings and Appeals in DOA. 1993 Act 16 eliminated OCT, effective January 1, 1994, and transferred all motor vehicle dealer hearings previously held before OCT to DOA. Although the bill would provide that three of these sections take effect on July 1, 1996, the remaining sections would take effect on the effective date of the act.

Joint Finance/Legislature: Incorporate technical modifications and delete the July 1, 1996, effective date of three of the sections.

[Act 113 Sections: 109g thru 118 and 9455(2)]

13. HAZARDOUS MATERIAL TRANSPORTATION REGISTRATION FEES

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Assembly</u> <u>(Chg. to Gov.)</u>		<u>Senate</u> <u>(Chg. to Assem.)</u>		<u>Conf. Comm./Legislature</u> <u>(Chg. to Sen.)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG-REV	-\$1,400,000		\$1,400,000		\$1,500,000		-\$1,500,000		\$0	
SEG-Lapse	391,800		- 391,800		0		0		0	
PR	-\$227,200	- 2.00	\$227,200	2.00	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Repeal current law provisions that require the State Emergency Response Board (SERB) to establish, by rule, fees to be paid annually to DOT by persons who are required to file hazardous materials transportation registration statements with the U.S. Department of Transportation and related provisions regarding the basis for the amount of the fees and SERB's ability to establish exemptions from the fees. These provisions would first apply to activities engaged within or through Wisconsin on July

1, 1994. Under current administrative rules, the hazardous materials registration fee must be paid by September 1 annually for activities engaged in during the prior 12 month period of July 1 to June 30.

Decrease estimated transportation fund revenues by \$700,000 annually. Delete \$113,600 PR and 2.0 PR positions annually and repeal DOT's hazardous materials transportation registration fee administration appropriation. Specify that the unencumbered balance of this appropriation on the effective date of the bill shall lapse to the transportation fund. Estimate the lapse at \$391,800.

Assembly: Delete provision.

Senate: Increase estimated transportation fund revenue by \$1,000,000 in 1995-96 and \$500,000 in 1996-97 to reflect a reestimate of total hazardous material transportation registration fees as follows: (a) \$700,000 in 1995-96 for fiscal year 1994-95, as required under the current administrative rule; and (b) \$1,000,000 in 1995-96 for calendar year 1996 and \$1,200,000 in 1996-97 for calendar year 1997, as would be required under a revised administrative rule which will become effective on December 1, 1995.

Conference Committee/Legislature: Specify that hazardous material transportation registration fees would continue to be collected under the administrative rule in effect on June 30, 1995, rather than under the revised rule. Decrease estimated transportation fund revenue by \$1,000,000 in 1995-96 and \$500,000 in 1996-97 to reflect this change.

[Act 113 Sections: 107b and 107g]

14. FARM TRUCK REGISTRATION

Governor: Require a farm truck registration applicant to certify to DOT that not less than \$6,000 in gross farm profits was earned in one of the previous two years, or is expected to be earned in the current year. Require that each application to DOT for a farm truck registration include the applicant's social security number. Prohibit DOT from releasing an applicant's social security number to members of the public.

Delete current law provisions that require the biennial registration period for farm trucks having a gross weight of 12,000 pounds or less to begin on March 1 of an even-numbered year and end on the last day of February of the next even-numbered year. Instead, require that registration plates for these farm trucks be issued for 24 consecutive calendar months and that the registration period for these farm trucks would end on the last day of the month on a monthly series system.

Specify that these provisions would be effective January 1, 1997.

Require DOR to add a line to the appropriate state income tax form for 1996 that would allow a taxpayer to indicate that at least \$6,000 in gross farm profits was earned.

Assembly/Legislature: Delete provision.

15. FEE FOR UNIFORM TRAFFIC CITATION AND ACCIDENT RECORDS

Governor: Allow DOT to furnish to any person, upon request, records on computer tape or other electronic media that contain information from files of uniform traffic citations or motor vehicle accidents produced for or developed by DOT for purposes related to maintenance of the operating record file data base. Require DOT to charge a fee of \$3 for each file of uniform traffic citations or motor vehicle accidents.

Assembly: Delete provision.

Senate: Restore provision, except modify the fee DOT is required to charge for each uniform traffic citation or motor vehicle accident file from \$3 to up to \$3.

In addition, require DOT to conduct a pilot program under which DOT enters into at least one contract to furnish that contractor with such uniform traffic citation and accident records. Require DOT to negotiate in good faith with any contractor to determine the purchase price for a record to be furnished under such a contract. Require DOT to submit a report to the Joint Committee on Finance that details the terms of any contract entered into under the pilot program in advance of the Committee's March, 1996, meeting under s. 13.10 of the statutes. If a contract is entered into after March 1, 1996, require DOT to submit such a report to the Joint Committee on Finance prior to its next meeting under s. 13.10 of the statutes. Require DOT to submit a report to the Joint Committee on Finance if the cost of producing driver abstracts and uniform traffic citation and accident records exceeds total revenues received from the sale of such abstracts and records. Specify that the pilot program would sunset on June 30, 1997.

Conference Committee/Legislature: Specify that DOT would be allowed, rather than required, to conduct a pilot program to furnish uniform traffic citation and accident records to a contractor.

[Act 113 Sections: 172b and 9155(4m)]

16. MILITARY LICENSE GROUP PERSONALIZED PLATE FEE

	Jt. Finance (Chg. to Base)	Assem./Legislature (Chg. to JFC)	Net Change
SEG-REV	- \$207,200	\$207,200	\$0

Joint Finance: Require DOT to transfer, from the transportation fund to the veterans trust fund, revenues received from fees collected for the personalization of military license group plates. Reduce estimated transportation fund revenues by \$103,600 annually.

Assembly/Legislature: Delete provision.

17. ISSUANCE OF VEHICLE REGISTRATION

Joint Finance/Legislature: Specify that DOT must include, as part of its budget request for the 1997-99 biennium, recommended statutory language changes that would provide for the separation of vehicle ownership from vehicle registration. Require that the effective date of the recommended changes be consistent with the completion of the redesign of the vehicle registration database.

[Act 113 Section: 9155(4)]

State Patrol

1. BUDGET REDUCTIONS

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Assembly</u> <u>(Chg. to JFC)</u>		<u>Sen./Legislature</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>	<u>Funding</u>	<u>Positions</u>
SEG	-\$1,465,200	- 4.00	-\$2,482,800	0.00	\$1,588,200	0.00	-\$403,600	0.00	-\$2,763,400	- 4.00

Governor: Delete \$732,600 and 4.0 positions annually from the Division's base budget. Require DOT to submit a request for any allocation of the reductions among its SEG appropriations to the Joint Committee on Finance by December 1, 1995, for its approval under a similar passive review process as s. 16.505/16.515.

Joint Finance: Reduce the Division's base budget by an additional \$1,241,400 annually to provide total reductions equal to \$1,974,000 in each year of the biennium.

Assembly: Increase the Division's base budget by \$794,100 annually to provide total reductions equal to \$1,179,900 in each year of the biennium.

Senate/Legislature: Reduce the Division's base budget by an additional \$201,800 annually to provide total reductions equal to \$1,381,700 in each year of the biennium. In conjunction with budget reductions in other divisions, DOT's operating budget would be reduced by 5.86% in each year. Retain the ability of DOT to submit a plan to the Joint Committee on Finance to reallocate these reductions among appropriations, but delay the date of submission from December 1, 1995, to January 1, 1996.

[Act 113 Section: 9155(3)]

2. ADMINISTRATIVE AND FLEET-RELATED FUNDING REDUCTIONS

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	- \$1,060,600	\$1,060,600	\$0

Governor: Delete \$619,100 in 1995-96 and \$441,500 in 1996-97 as follows: (a) administrative and management inservice training (-\$20,100 annually); (b) office equipment (-\$5,000 annually); (c) overtime associated with court appearances (-\$38,300 annually); (d) fleet costs (-\$548,800 in 1995-96 and -\$370,800 in 1996-97); and (e) fleet expenditures associated with the salvage vehicle inspection program (-\$6,900 in 1995-96 and -\$7,300 in 1996-97).

Assembly/Legislature: Delete provision.

3. REFUND OF EXPENDITURES

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG-REV	\$761,400	\$0	\$761,400
SEG	\$761,400	- \$761,400	\$0

Governor: Provide \$380,700 annually and increase estimated transportation fund revenues by \$380,700 annually to reflect a 1993 Act 16 modification to the authority of agencies to utilize refund of expenditures. Under Act 16 and DOA policy, certain revenues may no longer be treated as a refund of expenditures, but must instead be deposited as unappropriated receipts. There would be no effective expansion of the Division's base budget or net effect on the transportation fund as a result of this provision.

Assembly/Legislature: Delete \$380,700 SEG annually.

4. STATE PATROL CADET CLASS

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$383,400	- \$383,400	\$0

Governor: Provide \$191,700 annually for costs related to conducting the cadet class. Currently, \$111,500 annually is provided to fund cadet class salaries and fringe benefits. The remaining portion of funding for these costs is generated by maintaining vacancies in sworn officer positions.

Assembly/Legislature: Delete provision.

5. COMMUNICATION EQUIPMENT

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$176,400	- \$176,400	\$0

Governor: Provide \$176,400 in 1996-97 for the continued conversion of statewide radio communication system equipment from analog to digital microwave, as mandated by DOA. Under 1993 Act 16, one-time funding of \$201,500 was provided in 1994-95 for this purpose. This funding was removed from DOT's base as part of a standard budget adjustment. This provision would establish an ongoing permanent property base for communication equipment.

Assembly/Legislature: Delete provision.

6. PUBLIC SAFETY RADIO MANAGEMENT PROGRAM

	Governor (Chg. to Base)	JFC/Legislature (Chg. to Gov.)	Net Change
SEG	- \$900	\$4,600	\$3,700
PR	- 64,000	0	- 64,600
Total	- \$65,500	\$4,600	- \$60,900

Governor: Decrease funding by \$24,200 SEG in 1995-96 and provide \$23,300 SEG in 1996-97 for the statewide public safety radio management program as follows: (a) \$32,400 from the Division of State Patrol; and (b) -\$24,200 in 1995-96 and -\$9,100 in 1996-97 from the base budget of the Division of Highways. Require both DOT and DNR to transfer \$47,500 in 1996-97 to the PR appropriation for the public safety radio management program. Reduce the PR appropriation by \$32,300 annually to reestimate the appropriation at \$143,600 annually. Authorize DOT to transfer funding to the public safety radio management PR appropriation from its SEG appropriations. This program was established under 1993 Act 16 to allow DOT to provide statewide tower site management, frequency management, database administration and planning services.

Joint Finance/Legislature: Increase funding by \$4,600 SEG in 1996-97 as follows: (a) \$3,100 in 1996-97 for the Division of State Patrol; and (b) \$1,500 in 1996-97 for the Division of Highways. Modify

the amount DOT and DNR would each be required to transfer to the PR appropriation for this program in 1996-97 from \$47,500 to \$52,100.

[Act 113 Sections: 24, 9242(1) and 9255(1)]

7. PHOTO RADAR SPEED DETECTION

Joint Finance: Prohibit state and local authorities from using photo radar speed detection, defined as the detection of a vehicle's speed by use of a radar device combined with photographic identification of the vehicle, to determine compliance with any speed restriction imposed by state law or a local ordinance in conformity with such laws.

Assembly: Delete provision.

Conference Committee/Legislature: Restore provision.

[Act 113 Section: 205m]

Other Divisions

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget annually for: (a) turnover reduction (-\$3,288,800 SEG and -\$900 FED); (b) removal of noncontinuing funding and positions (-\$1,373,800 SEG and -\$1,648,100 FED and -1.0 SEG position); (c) full funding of continuing position salaries and fringe benefits (-\$599,300 SEG, \$179,200 FED, \$35,900 SEG-S and \$9,600 PR and 1.0 FED position); (d) full funding of financial services charges (\$26,200 SEG); (e) risk management costs (\$252,300 SEG); (f) overtime (\$4,008,600 SEG, \$33,700 FED and \$12,600 SEG-S); (g) night and weekend differentials (\$235,200 SEG, \$5,000 FED and \$200 SEG-S); (h) fifth week of vacation as cash (\$255,400 SEG, \$1,300 FED and \$1,200 SEG-S); (i) full funding of 1994-95 delayed pay adjustments (\$698,300 SEG, \$14,100 FED, \$7,200 SEG-S and \$300 PR); and (j) full funding of late pay adjustments (\$1,197,200 SEG and \$86,500 FED).

Chg. to Base Funding Positions		
FED	- \$2,658,400	1.00
PR	19,800	0.00
SEG	2,822,600	- 1.00
SEG-S	114,200	0.00
Total	\$298,200	0.00

2. BUDGET REDUCTIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly (Chg. to JFC)		Sen./Legislature (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$10,568,400	- 36.50	-\$2,426,600	14.85	-\$4,025,800	0.00	-\$2,911,400	0.00	-\$19,932,200	- 21.65
FED	0	0.00	0 - 14.85		0	0.00	0	0.00	0 - 14.85	
Total	-\$10,568,400	- 36.50	-\$2,426,600	0.00	-\$4,025,800	0.00	-\$2,911,400	0.00	-\$19,932,200	- 36.50

Governor: Delete \$5,284,200 and 36.5 positions annually from the base budgets of the following divisions and offices: (a) Business Management, Executive and Planning (-\$912,900 and -5.0 positions); and (b) Highways and Transportation Assistance (-\$4,371,300 and -31.5 positions). Require DOT to submit a request for any allocation of the reductions among its SEG appropriations to the Joint Committee on Finance by December 1, 1995, for its approval under a similar passive review process as s. 16.505/16.515.

Joint Finance: Reduce the base budgets of the following divisions and offices by an additional \$1,213,300 annually: (a) Business Management (-\$982,800); (b) Executive (-\$129,800); and (c) Planning (-\$100,700). In addition, provide 14.85 SEG positions and delete 14.85 FED positions to reflect a technical correction which appropriately identifies the funding source of these position reductions in the Division of Highways.

Assembly: Delete an additional \$2,012,900 annually as follows: (a) provide \$655,900 in the Divisions of Business Management and Planning and the Executive Offices; and (b) delete \$2,668,800 in the Divisions of Highways and Transportation Assistance.

Senate/Legislature: Delete an additional \$1,455,700 annually as follows: (a) delete \$251,500 annually in the Divisions of Business Management and Planning and the Executive Offices; and (b) delete \$1,204,200 annually in the Divisions of Highways and Transportation Assistance. In conjunction with budget reductions in other divisions, DOT's operating budget would be reduced by 5.86% in each year. Retain the ability of DOT to submit a plan to the Joint Committee on Finance to reallocate these reductions among appropriations, but delay the date of submission from December 1, 1995, to January 1, 1996.

[Act 113 Section: 9155(3)]

3. REFUND OF EXPENDITURES

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Sen./Legislature (Chg. to Assem.)	Net Change
SEG-REV	\$1,740,000	\$0	\$0	\$1,740,000
SEG-S	\$1,740,000	-\$1,740,000	\$1,740,000	\$1,740,000

Governor: Provide \$870,000 SEG-S annually in DOT's fleet service center and increase estimated fleet service center revenues by \$870,000 annually to reflect a 1993 Act 16 modification to the authority of agencies to utilize refund of expenditures. Under Act 16 and DOA policy, certain revenues may no longer be treated as a refund of expenditures, but must instead be deposited as unappropriated receipts. There would be no effective expansion of the service center's base budget or net effect on the transportation fund as a result of this provision.

Assembly: Delete \$870,000 SEG-S annually.

Senate/Legislature: Restore \$870,000 SEG-S annually.

4. DIVISION OF BUSINESS MANAGEMENT -- AUDIO-VISUAL AND GRAPHICS SERVICE CENTER

	Governor (Chg. to Base)		Assembly (Chg. to Gov.)		Sen./Legislature (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$0	8.00	\$0	- 8.00	\$0	8.00	\$0	8.00
SEG-S	- 1,189,800	- 8.00	1,189,800	8.00	- 1,189,800	- 8.00	- 1,189,800	- 8.00
Total	- \$1,189,800	0.00	\$1,189,800	0.00	- \$1,189,800	0.00	- \$1,189,800	0.00

Governor: Delete \$594,900 SEG-S annually related to dissolving the audio-visual and graphics service center. Convert 8.0 SEG-S positions to SEG positions for the continued provision of audio-visual and graphics services. Transfer \$175,100 SEG annually to the Division of Business Management from the following divisions: (a) Highways (\$86,000); (b) Motor Vehicles (\$71,000); (c) State Patrol (\$12,200); and (d) Transportation Assistance (\$5,900). Under the current service center arrangement, these services are funded through fees paid by user divisions and offices. Under this provision, these services would be provided to user divisions and offices without charge.

Assembly: Delete provision.

Senate/Legislature: Restore provision.

5. FACILITIES COST

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$991,400	- \$991,400	\$0

Governor: Provide \$571,700 in 1995-96 and \$419,700 in 1996-97 for the construction, operation and maintenance of DOT owned and rented facilities as follows: (a) minor building projects, those which cost between \$100,000 and \$250,000 (\$382,600 in 1995-96 and \$248,600 in 1996-97); (b) design reports related to future major facility construction projects (\$111,700 in 1995-96 and \$36,000 in 1996-97); (c) emergency and scheduled maintenance and contract services inflation (\$26,300 in 1995-96 and \$54,400 in 1996-97); (d) projected increased utility and contract services costs associated with facilities expected to be completed during the 1995-97 biennium (\$27,100 in 1995-96 and \$55,700 in 1996-97); and (e) rent costs for additional Division of Motor Vehicles space (\$24,000 in 1995-96 and \$25,000 in 1996-97).

Assembly/Legislature: Delete provision.

6. DATA PROCESSING REESTIMATE

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	-\$979,200	\$979,200	\$0

Governor: Delete \$817,100 in 1995-96 and \$162,100 in 1996-97 to reflect estimated data processing expenses in the following divisions and offices: (a) Executive (-\$8,000 in 1995-96 and -\$12,000 in 1996-97); (b) Highways (-\$123,500 in 1995-96 and -\$45,500 in 1996-97); (c) Planning (-\$51,900 in 1995-96 and -\$55,600 in 1996-97); (d) Business Management (-\$72,300 in 1995-96 and -\$149,100 in 1996-97); (e) Motor Vehicles (-\$518,800 in 1995-96 and \$150,400 in 1996-97); (f) State Patrol (-\$65,700 in 1995-96 and -\$71,100 in 1996-97); (g) Public Affairs (\$21,500 annually); and (h) Transportation Assistance (\$1,600 in 1995-96 and -\$700 in 1996-97). These estimates reflect costs to continue current programming levels, a five percent projected rate reduction and workload reestimates.

Assembly/Legislature: Delete provision.

7. DIVISION OF PLANNING -- FEDERAL GRANT FUNDING ADJUSTMENT

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Conf. Comm./Legislature (Chg. to Sen.)	Net Change
FED	-\$480,000	\$0	\$480,000	-\$480,000	-\$480,000
SEG	-\$120,000	120,000	0	0	0
Total	-\$600,000	\$120,000	\$480,000	-\$480,000	-\$480,000

Governor: Delete \$60,000 SEG and \$240,000 FED annually related to a federal congestion mitigation and air quality (CMAQ) improvement grant that was not approved by the federal government. Funding for the state match to this anticipated grant was provided under 1993 Act 16.

Assembly: Restore \$60,000 SEG annually.

Senate: Restore \$240,000 FED annually to reflect a policy to budget federal aid at the base level and to make subsequent adjustments to federal appropriations pursuant to plans submitted by DOT to the Joint Committee on Finance.

Conference Committee/Legislature: Delete \$240,000 FED annually.

8. UTILITY REESTIMATE

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$325,800	- \$325,800	\$0

Governor: Provide \$146,800 in 1995-96 and \$179,000 in 1996-97 for reestimated utility costs. The increase reflects: (a) funding a base year deficit for utility expenses (\$121,100 annually); and (b) funding projected inflationary increases of 2.7% in 1995-96 and 3.3% in 1996-97 (\$25,700 in 1995-96 and \$57,900 in 1996-97).

Assembly/Legislature: Delete provision.

9. DIVISION OF BUSINESS MANAGEMENT -- DATA MANAGEMENT ADJUSTMENTS

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	- \$184,800	\$184,800	\$0

Governor: Provide \$28,900 in 1995-96 and delete \$213,700 in 1996-97 for the following data management adjustments: (a) -\$270,400 in 1996-97 to reflect the anticipated completion, in 1995-96, of an ongoing project to automate motor fuel tax recordkeeping; and (b) \$28,900 in 1995-96 and \$56,700 in 1996-97 for the development of data warehousing technology.

Assembly/Legislature: Delete provision.

10. FUEL OIL TANK TIGHTNESS TESTING AND REMEDIATION

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$183,200	- \$183,200	\$0

Governor: Provide \$40,000 in 1995-96 and \$143,200 in 1996-97 to address conditions related to fuel oil tanks as follows: (a) \$83,200 in 1996-97 for tightness testing and potential removal of 11 underground fuel oil tanks; and (b) \$40,000 in 1995-96 and \$60,000 in 1996-97 for environmental cleanup costs related to a known contaminated site on Military Avenue in Green Bay.

Assembly/Legislature: Delete provision.

11. DIVISION OF BUSINESS MANAGEMENT -- MISCELLANEOUS REDUCTIONS

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	- \$134,800	\$134,800	\$0

Governor: Delete \$67,400 annually as follows: (a) transfer the mail delivery service for west Madison state agencies to DOA (-\$35,400); (b) eliminate printing of the DOT telephone book (-\$9,000); and (c) eliminate fertilization of lawns at Division of Motor Vehicles customer service centers (-\$23,000).

Assembly/Legislature: Delete provision.

12. DIVISION OF BUSINESS MANAGEMENT -- BOILER AND MACHINERY INSURANCE

	Governor (Chg. to Base)	Assem./Legislature (Chg. to Gov.)	Net Change
SEG	\$5,500	- \$5,500	\$0

Governor: Provide \$2,500 in 1995-96 and \$3,000 in 1996-97 to fully fund projected boiler and machinery insurance costs at DOT facilities.

Assembly/Legislature: Delete provision.

13. TELECOMMUNICATIONS AND POSTAGE BUDGET DECENTRALIZATION

Governor: Transfer \$2,202,000 SEG annually from the Division of Business Management to the Divisions of Transportation Assistance (\$79,800), Highways (\$1,000,100), Motor Vehicles (\$688,700) and State Patrol (\$433,400) for decentralization of the Department's telecommunications and postage budget. Currently, these costs are centrally managed by the Division of Business Management.

Assembly: Delete provision.

Senate/Legislature: Restore provision.

14. AUTOMATION SERVICE CENTER

Governor: Reallocate \$206,000 SEG-S annually from supplies and services to limited-term employee salaries (\$150,700) and fringe benefits (\$55,300) in the Department's automation service center for the provision of data processing and computer equipment management services.

Assembly: Delete provision.

Senate/Legislature: Restore provision.

15. RENT TRANSFERS

Governor: Transfer \$41,500 SEG in 1995-96 and \$64,900 SEG in 1996-97 to the Division of Business Management for rent costs as follows: (a) \$22,900 in 1995-96 and \$46,300 in 1996-97 from the Division of Motor Vehicles to reflect the relocation of service centers in leased facilities in Menomonie, Platteville, Port Washington, Rice Lake and Whitehall; and (b) \$18,600 annually from the Division of Highways to reflect a recent reorganization of the district office in Waukesha.

Assembly: Delete provision.

Senate/Legislature: Restore provision.

16. MOTORCYCLE RIDER SAFETY COURSE

Governor: Reallocate \$50,000 SEG annually from alcohol safety awareness activities to the motorcycle rider safety program to meet increasing demands for services provided by this program.

Allow demerit point reductions to occur more than once per person if the person satisfactorily completes an approved motorcycle rider course. Under current law, a person is limited to one reduction

of up to three points for completing this course. DOT administrative rules for other point reduction courses limit their use to once in a five-year period. Under this provision, these rules would also apply to motorcycle rider course point reductions.

Assembly/Legislature: Delete the provision that would reallocate \$50,000 SEG annually from alcohol safety awareness activities to the motorcycle rider safety program.

[Act 113 Section: 187]

17. MULTIMODAL TRANSPORTATION STUDIES

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Sen./Legislature (Chg. to Assem.)	Net Change
SEG	-\$500,000	\$500,000	-\$500,000	-\$500,000

Governor: Delete \$250,000 annually for multimodal transportation studies. This action would establish the multimodal transportation studies appropriation at \$750,000 annually.

Joint Finance: Earmark \$250,000 annually for a study of high speed rail in the southern corridor between Wisconsin and Minnesota from the multimodal transportation studies appropriation. Specify that DOT may not expend these funds for this purpose unless an equal funding match is provided by Minnesota and the federal government provides funding equal to the sum of the amounts provided by Wisconsin and Minnesota. This action would continue to establish the multimodal transportation studies appropriation at \$750,000 annually, of which \$500,000 annually would remain after the earmark for the high speed rail study.

Assembly: Restore \$250,000 annually for multimodal transportation studies. This action would reestablish the multimodal transportation studies appropriation at its 1994-95 base level of \$1,000,000 annually, with \$750,000 annually remaining after the earmark for the high speed rail study.

Senate/Legislature: Decrease funding for multimodal transportation studies by \$250,000 annually. This action would establish the appropriation for these studies at \$750,000 annually, of which \$500,000 annually would remain after the earmark for the high speed rail study.

Veto by Governor [8]: Delete the earmark of \$250,000 annually from the multimodal transportation studies appropriation for the high speed rail study in the southern corridor between Wisconsin and Minnesota. The requirement that DOT conduct this study if Minnesota and the federal government provide an equal funding match is retained.

[Act 113 Section: 57mm]

[Act 113 Vetoed Section: 57mm]

18. REESTIMATE PROVISIONS OF 1995-97 BUILDING PROGRAM

Governor/Legislature: Reestimate funding for building program projects by -\$2,674,000 in 1995-96 and -\$1,888,600 in 1996-97 to reflect provisions of 1995 Act 27.

Chg. to Base	
SEG-S	- \$4,562,600

19. LEGISLATIVE AUDIT BUREAU PERFORMANCE EVALUATION

Joint Finance/Legislature: Request the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to perform a performance evaluation audit of DOT, the scope of which would be determined by the Joint Legislative Audit Committee. If the audit is performed, direct the Legislative Audit Bureau to submit, to the Governor, Legislature and required agencies, a report summarizing the results of the audit by September 1, 1996.

[Act 113 Section: 9137(1gx)]

UNIVERSITY OF WISCONSIN SYSTEM

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	\$1,700,095,000	\$1,662,851,300	\$1,658,632,600	\$1,658,570,400	\$1,658,570,400	-\$41,524,600	- 2.4%
FED	900,468,000	1,065,124,500	1,065,124,500	1,065,124,500	1,065,124,500	164,656,500	18.3
PR	2,484,182,600	2,287,281,000	2,287,158,400	2,287,158,400	2,287,158,400	- 197,024,200	- 7.9
SEG	31,725,400	31,730,200	49,764,600	49,764,600	48,688,400	16,963,000	53.5
TOTAL	\$5,116,471,000	\$5,046,987,000	\$5,060,680,100	\$5,060,617,900	\$5,059,541,700	-\$56,929,300	- 1.1%

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	18,919.43	18,849.56	18,714.88	18,714.88	18,714.88	- 204.55
FED	3,484.82	3,484.82	3,484.82	3,484.82	3,484.82	0.00
PR	8,604.60	5,494.43	6,782.41	6,782.41	6,782.41	- 1,822.19*
SEG	69.00	69.00	81.00	81.00	73.00	4.00
TOTAL	31,077.85	27,897.81	29,063.11	29,063.11	29,055.11	- 2,022.74*

*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 -154.13 rather than -2,022.74.

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Annually, adjust the base budget for:

(a) removal of positions related to 1993-95 administrative cost reductions (-23.12 GPR positions); (b) removal of a noncontinuing item (-\$25,600 GPR and -1.0 GPR position); (c) full funding of pay increases for teaching/research assistants (\$287,500 GPR and

\$126,300 PR); (d) classified salary adjustments resulting from Department of Employment Relations reviews of job classifications (\$207,100 GPR and \$198,200 PR); (e) full funding of fringe benefits (\$6,562,400 GPR and \$2,703,900 PR); (f) full funding of financial services charges (\$35,700 GPR, \$73,900 PR and \$1,600 SEG); (g) risk management costs (\$372,100 GPR, \$5,000 FED, \$262,900 PR and

	Chg. to Base Funding Positions	
GPR	\$29,858,600	- 24.12
FED	72,000	0.00
PR	21,159,800	0.00
SEG	4,800	0.00
Total	\$51,095,200	- 24.12

\$800 SEG); (h) full funding of delayed 1993-95 pay plan adjustments (\$6,930,900 GPR and \$4,780,800 PR); and (i) late full funding of salaries and fringe benefits for contracts recently settled (\$559,200 GPR, \$31,000 FED and \$2,433,900 PR). In total, changes due to standard budget adjustments would increase funding by \$25,547,600 annually.

2. UNALLOCATED BUDGET REDUCTIONS [LFB Paper 951]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$15,000,000	- \$8,749,900	- \$23,749,900

Governor: Reduce the agency's general program operations appropriation by \$5,000,000 in 1995-96 and \$10,000,000 in 1996-97. Require the Board of Regents to submit a report to the Governor and the Joint Committee on Finance, by October 1, 1995, recommending 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.

Joint Finance: Increase the unallocated budget reduction by \$3,049,000 in 1995-96 and \$5,700,900 in 1996-97 to reflect: (a) elimination of the targeted reduction for UW-Extension (\$2,600,000 in 1995-96 and \$5,100,000 in 1996-97); and (b) partial restoration of the reduction to the capital budget staff (\$449,000 in 1995-96 and \$600,900 in 1996-97).

In addition, modify the reporting requirement to provide that the Board of Regent's recommendations would be submitted by September 1, 1995, to the Joint Committee on Finance for its approval under a 14-day passive review process. Further, require that the Board of Regents' allocation report: (a) include a specific plan for implementing the reductions which identifies the programs, positions and expenditure categories to be eliminated or reduced; (b) ensures that the reductions are distributed proportionately among the campuses, UW-Extension and System Administration based on the Board of Regents' 1994-95 GPR budget; and (c) does not include reductions in financial aid programs, energy costs or reestimates of debt service payments.

Assembly: Delete Joint Finance provision which would require the Board of Regents to distribute the unallocated budget reductions (\$8,049,000 GPR in 1995-96 and \$15,700,900 GPR in 1996-97) proportionately among the campuses, UW-Extension and System Administration based on the Regents' 1994-95 GPR budget.

Senate/Legislature: Restore the Joint Finance provision requiring the proportionate distribution of the unallocated budget reductions.

Veto by Governor [A-19]: Delete language requiring proportionate distribution of the unallocated budget reductions. However, the Governor's veto message requests that the UW System distribute the reductions proportionately for fiscal year 1995-96.

[Act 27 Section: 9157(5)]

[Act 27 Vetoed Section: 9157(5)]

3. BUDGET REDUCTIONS: ADMINISTRATION [LFB Paper 946]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$14,600,000	-\$710,800	-\$15,310,800

Governor: Reduce the administrative budget for UW System Administration (\$504,700 in 1995-96 and \$999,100 in 1996-97) and all campuses, including the centers and extension (\$4,395,300 in 1995-96 and \$8,700,900 in 1996-97). According to the Executive Budget Book, this would represent a 5% and 10% reduction, respectively, in UW administrative costs.

Joint Finance/Legislature: Delete an additional \$203,600 in 1995-96 and \$507,200 in 1996-97 to reflect technical adjustments in the determination of the base for administrative costs. Direct the UW System to allocate its administrative reductions to all activities except instruction and that the Board of Regents submit a report, by September 1, 1995, on these reductions to the Joint Committee on Finance for its approval.

[Act 27 Section: 9157(8g)]

4. BUDGET REDUCTIONS: UW-EXTENSION [LFB Paper 948]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	-\$7,700,000	\$7,700,000	\$0

Governor: Reduce the budget for UW-Extension by \$2,600,000 in 1995-96 and \$5,100,000 in 1996-97 which represents an approximate reduction of 5% and 10%, respectively, to Extension's base budget. Although not specified in AB 150, the Executive Budget Book indicates that base funding levels for the Cooperative Extension Division and the Wisconsin Geological and Natural History Survey would not be subject to the reductions; these two divisions account for \$22.3 million (44%) of Extension's GPR base budget of \$50.2 million.

Joint Finance/Legislature: Delete provision. Instead, increase the UW System's unallocated budget reduction by \$2,600,000 in 1995-96 and \$5,100,000 in 1996-97 (Item #2).

5. BUDGET REDUCTIONS: CAPITAL BUDGET STAFF [LFB Paper 947]

	<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	-\$5,520,000	- 45.75	\$1,186,400	3.32	-\$4,333,600	- 42.43

Governor: Reduce the capital budget staff by 75% (-\$2,360,000 in 1995-96 and -\$3,160,000 in 1996-97) at UW System Administration (-18.0 positions) and UW-Madison (-27.75 positions). According to the Executive Budget Book, the staff reductions would be effective October 1, 1995. Require the UW System President to submit a plan identifying these reductions to the Secretary of DOA, by October 1, 1995.

Provide that DOA shall submit an implementation plan to the Co-Chairs of the Joint Finance Committee and to the Building Commission for the transfer of activities related to capital planning and building construction functions to DOA, no later than July 1, 1996. Specify that upon submittal of the plan, DOA may implement the plan.

Joint Finance/Legislature: Modify the Governor's recommendation as follows: (a) delete \$17,500 in 1995-96 and \$23,300 in 1996-97 and 0.75 positions in each year to reflect the omission of one UW-Madison staff member from the base calculation; (b) provide \$76,000 in 1995-96 and \$101,300 in 1996-97 and 2.0 positions in each year to reflect the restoration of the Solid Waste Management Program Coordinator and Energy Management Coordinator positions; (c) provide 2.07 positions as a technical correction; (d) restore \$134,600 in 1995-96 and \$179,500 to System Administration's budget for capital planning, restore \$314,400 in 1995-96 and \$421,400 in 1996-97 to UW-Madison's budget for capital planning and increase the UW System unallocated budget reduction by \$449,000 in 1995-96 and \$600,900 in 1996-97 as a technical correction to the calculation of supplies and expenses and sales credits; and (e) increase System Administration's budget by \$424,300 in 1995-96 and \$565,800 in 1996-97 and decrease the UW Systemwide budget by the same amounts as a technical correction.

Require the Board of Regents to report to DOA and the Joint Finance Committee during the 1995-97 biennium on the source of any funds it plans to internally reallocate to capital planning. Provide that the report would be subject to Committee approval under a 14-day passive review process.

Delete the provision regarding DOA's implementation plan for the transfer of capital planning and building construction functions.

[Act 27 Sections: 9157(6)&(9h)]

6. DELETE FUNDING FOR GENERAL MEDICAL OPERATIONS [LFB Paper 949]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$2,282,200	- \$2,282,200	- \$4,564,400

Governor: Delete \$2,282,200 in 1996-97 to reflect the elimination of support for medical services provided by the University of Wisconsin-Madison Center for Health Sciences. Although all funding would be eliminated, the appropriation language would remain in effect.

Joint Finance/Legislature: Delete \$2,282,200 in 1995-96 and the appropriation language.

[Act 27 Section: 601m]

7. ADDITIONAL BUDGET REDUCTION

	Chg. to Base
GPR	- \$1,500,000

Governor/Legislature: Reduce the UW System's budget by \$500,000 in 1995-96 and \$1,000,000 in 1996-97. According to the Executive Budget Book, this is a one-time base reduction; in addition, the UW would be allowed by DOA to reduce federal indirect cost reimbursement (funding for overhead associated with federal research grants) balances during the 1995-97 biennium to offset this decrease.

8. TRANSFER OF FUNDS TO STATE HISTORICAL SOCIETY LIBRARY [LFB Paper 565]

	Jt. Finance Chg. to Base
GPR	- \$825,000

Governor: Require that, in each year of the 1995-97 biennium, \$515,000 GPR be transferred from the UW System's general program operations appropriation to the State Historical Society. Beginning in 1997-98, require the UW System to annually transfer, from its GPR general program operations appropriation, 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 Board of Regents and the Board of Curators of the Historical Society agree to a higher amount.

Joint Finance/Legislature: Delete provision. Instead, reduce the UW System's budget by \$410,000 in 1995-96 and \$415,000 in 1996-97.

9. TUITION OFFSET FOR GPR REDUCTIONS [LFB Paper 950]

Governor: Increase tuition by \$40 per student in 1995-96 (\$5,100,000 PR) and \$80 per student in 1996-97 (\$10,200,000 PR) to offset GPR base funding reductions of \$5,100,000 GPR in 1995-96 and \$10,200,000 in 1996-97.

	Chg. to Base
PR-REV	\$15,300,000
GPR	- \$15,300,000
PR	<u>15,300,000</u>
Total	\$0

Joint Finance/Legislature: Modify the Governor's provision by directing that the Board of Regents determine the across-the-board percentage increase required to generate the tuition revenues. (This modification would eliminate the Governor's directive that tuition be increased by \$40 per student in 1995-96 and \$80 per student in 1996-97.)

[Act 27 Section: 9157(11t)]

10. SPECIAL FEE INCREASES [LFB Paper 953]

Governor/Legislature: Assess special fee increases for the following groups of students:

	Chg. to Base Funding Positions
PR-REV	\$6,765,000
PR	\$6,765,000 11.75

a. *Non UW-Madison Students (\$1,961,000 and 7.25 positions in 1995-96 and \$4,041,500 and 11.75 positions in 1996-97).* Increase tuition by 1% in 1995-96 and an additional 1% in 1996-97 for all UW students except those attending UW-Madison to: (1) supplement funds provided in the general computer access program to increase the number of labs, lab hours, and computers and supply support services for these labs; (2) provide dial-in access for students living off-campus; (3) provide greater access to current software; (4) provide electronic mail services to students and faculty; and (5) increase training for and access to computer data bases. On average, the special fee per student would be \$21 in 1995-96 and \$43 in 1996-97.

b. *UW-Madison Students (\$320,800 in 1995-96 and \$441,700 in 1996-97).* Increase tuition for all UW-Madison students by an average of \$10 in 1995-96 and an additional \$4 in 1996-97. Tuition was increased for these students by 1% in 1993-94 and an additional 1.5% in 1994-95 as a special fee to provide additional services in instructional technology, student advising and undergraduate education. The 2.5% special fee will continue in the 1995-97 biennium; however, according to the UW, because this surcharge will be applied to a higher tuition base, the amount raised through the special fee will increase accordingly.

11. DEBT SERVICE ON ACADEMIC BUILDINGS

Governor/Legislature: Reestimate debt service on academic buildings by -\$960,500 GPR and -\$429,900 PR in 1995-96 and -\$3,103,400 GPR and \$3,416,900 PR in 1996-97 from a base of \$66,086,000 GPR and \$15,624,100 PR.

	Chg. to Base
GPR	- \$4,063,900
PR	<u>2,987,000</u>
Total	- \$1,076,900

12. STATE LABORATORY OF HYGIENE

Governor: Reduce funding by \$296,800 GPR in 1995-95 and \$593,600 GPR in 1996-97 through the following actions:

	Chg. to Base
GPR	- \$890,400
PR	<u>76,200</u>
Total	- \$814,200

a. *Cytotechnology Forgivable Loan Program.* Discontinue the program which forgives loans to cytotechnology students who are employed in Wisconsin for three years after graduation (-\$25,000 annually).

b. *Coroner's Death Investigations.* Discontinue fee-exempt tests which support coroner's death investigations of non-traffic fatalities, beginning in 1996 (-\$125,500 in 1995-96 and -\$251,000 in 1996-97).

c. *Clinical Chemistry Services.* Phase out the fee-exempt quality assurance/reference laboratory services to Wisconsin clinical chemistry laboratories. This function would be provided on a fee-for-service basis (-\$66,000 in 1995-96 and -\$132,000 in 1996-97).

d. *Virus Testing.* Phase-out GPR support for virology tests with little public health significance which have been largely used for research purposes. The Laboratory would charge full costs for such testing (-\$80,300 in 1995-96 and -\$185,600 in 1996-97).

In addition, provide \$33,900 PR in 1995-96 and \$42,300 PR in 1996-97 to reflect full funding of salary and fringe benefit increases awarded in the 1993-95 biennium and an estimated increase in supplies and services costs of 5% annually.

Require the State Laboratory of Hygiene Board to submit its biennial budget request and requests for equipment, space and personal and other budgetary items to the newly created State Laboratories Coordination Board for review and approval. For more information, see "Administration."

Joint Finance/Legislature: Modify provision by directing the State Laboratory of Hygiene Board to continue offering fee-exempt tests which support coroner's death investigations of non-traffic fatalities. The funding reductions would be maintained; therefore, the Board would have to either raise other test fees to offset the reduction or decrease GPR support for another laboratory service. In addition, delete provision which would create a State Laboratories Coordination Board.

13. UTILITIES REESTIMATE [LFB Paper 958]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	\$437,600	- \$48,000	\$389,600
PR	<u>161,800</u>	<u>0</u>	<u>161,800</u>
Total	\$599,400	- \$48,000	\$551,400

Governor: Reestimate the cost of fuel and utilities by -\$245,600 GPR and -\$90,900 PR in 1995-96 and \$683,200 GPR and \$252,700 PR in 1996-97 from a base of \$40,793,200 GPR and \$15,113,300 PR.

Joint Finance/Legislature: Delete an additional \$48,000 GPR in 1996-97 to reflect more recent estimates of when new buildings will become operational during the 1995-97 biennium.

14. PILOT MINORITY TUITION AWARD PROGRAM

	Chg. to Base
GPR	- \$328,000

Governor/Legislature: Delete \$164,000 annually to reflect the June 30, 1995, sunset of the Pilot Minority Tuition Award Program. (The appropriation and statutory language are not deleted in AB 150, however.) This program, established in 1988-89, provides full tuition and segregated fees to minority freshmen, newly enrolled in the UW System who need financial assistance and graduated from one of seven selected high schools with at least 50% minority enrollment. In 1993-94, 74 students received grants from this program.

15. DEPRECIATION OFFSET FOR GENERAL PURPOSE REVENUE

	Chg. to Base
GPR	- \$305,400
PR	<u>305,400</u>
Total	\$0

Governor/Legislature: Delete \$305,400 GPR in 1996-97 and provide \$305,400 PR in 1996-97 as an offset to reflect the application of revenue to be received from student fees from charges for depreciation of instructional buildings.

16. RADIOACTIVE WASTE REVIEW BOARD

	Chg. to Base
GPR	- \$50,000

Governor/Legislature: Delete \$25,000 annually to reflect the elimination of the Radioactive Waste Review Board whose responsibilities would be transferred to the Public Service Commission. The Board, which reviews proposals related to the long-term disposal of radioactive waste, is attached to UW-Extension for administrative purposes.

[Act 27 Sections: Shown under "Public Service Commission"]

17. UW-MADISON INTERCOLLEGIATE ATHLETICS [LFB Papers 957 and 958]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,914,200	4.67	- \$122,600	0.00	\$1,791,600	4.67

Governor: Include the following changes for UW-Madison intercollegiate athletics:

- a. Provide \$516,800 and 4.0 positions in 1995-96 and \$627,600 and 4.67 positions in 1996-97 to cover the expenses of adding two women's intercollegiate sports (softball and lacrosse).
- b. Provide \$384,900 annually to increase the gifts and grants expenditure authority of UW-Madison Intercollegiate Athletics to allow the University to pay all vendors directly. Previously, some vendors have been paid by booster clubs outside the University budget.
- c. Delete from the statutes the spending authority amount (\$481,900) to be generated from parking revenues that is appropriated to nonincome sports (that is, all sports excluding football, hockey and men's basketball). Instead, require that all moneys from parking revenues generated by events held in athletic facilities at UW-Madison, less related expenses, be used to support nonincome sports, at least \$50,000 of which to support scholarships for women athletes, and debt service on any sports-related facility. The \$231,900 difference between the current spending authority (\$481,900) and the proposed revenues (\$250,000) will be covered by increased ticket and licensing revenue. (No additional expenditure authority is provided for the remaining parking revenues.)
- d. Transfer the current spending and position authority (\$796,100 and 12.46 positions annually) generated by the \$20 segregated student fee to the UW-Madison Intercollegiate Athletics Auxiliaries appropriation. Increased licensing and ticket revenue are expected to generate sufficient revenues to cover this change. The segregated student fee is expected to be discontinued at the end of the 1994-95 academic year by the Board of Regents. However, the bill does not repeal the appropriation language associated with the student fee.
- e. Eliminate the appropriation for the McClain Indoor Practice Facility for Athletic Programs Operation and Maintenance, and transfer its associated funding and position authority (\$61,200 and 2.0 positions annually) to the UW-Madison Intercollegiate Athletics Auxiliaries appropriation.
- f. Permit the issuance of complimentary or reduced-price tickets if such tickets are "allowed" by rules of intercollegiate athletic conferences in which the UW participates and if the chancellor of the participating institution has approved such tickets. Under current law, only complimentary or reduced-

price tickets "required" by rules of intercollegiate athletic conferences in which the UW participates may be issued.

Joint Finance/Legislature: Delete \$77,000 in 1995-96 and \$45,600 in 1996-97 to reflect the difference in cost of adding women's lightweight crew rather than women's lacrosse as originally planned. In addition, delete the appropriation for the segregated student fee.

[Act 27 Sections: 612p, 613, 614 and 1777]

18. FEDERAL DIRECT STUDENT LOAN PROGRAM

	Chg. to Base
FED	\$106,177,000

Governor/Legislature: Provide \$51,085,000 in 1995-96 and \$55,092,000 in 1996-97 to implement the Federal Direct Student Loan Program at three UW System campuses (Eau Claire, Superior and Milwaukee) beginning in 1995-96. Under the direct loan program (which will be phased-in nationally), higher education institutions would make loans directly to students with money provided by the federal government through the U.S. Department of Education. (Under the current federal student loan programs, banks are the lenders.) In addition to the traditional fixed payment option, graduated payment (with smaller payments initially) and income contingent repayment (payments determined by borrower and spouse income) are available under this program. Participating institutions may either originate loans themselves or use an alternate loan originator hired by the federal Department of Education which will enter into contracts with organizations for the origination, servicing and collection of loans.

19. EXTRAMURAL SUPPORT REESTIMATE

	Chg. to Base
FED	\$58,407,500
PR	<u>12,944,000</u>
Total	\$71,351,500

Governor/Legislature: Reestimate anticipated expenditures from gifts, grants and contracts by \$15,380,400 FED in 1995-96 and \$43,027,100 FED and \$12,944,000 PR in 1996-97. These increases are due to adjustments to reflect current expenditure levels and to provide for estimated growth of federal grants, federal indirect cost reimbursements, private gifts and grants and Wisconsin Alumni Research Foundation (WARF) gifts and donations.

20. AUXILIARY ENTERPRISE OPERATING COST

	Chg. to Base	Funding Positions
PR	\$6,891,500	30.00

Governor/Legislature: Provide \$3,427,500 and 20.0 positions in 1995-96 and \$3,464,000 and 30.0 positions in 1996-97 for auxiliary operations for: (a) full funding of fringe benefits (\$977,100 annually); and (b) services for students such as health services, outreach and learning opportunities, child care, intercollegiate athletics and student transportation; additional costs for new or remodeled facilities such as student unions, food service or recreational facilities; and expanded or additional services such as a debit card program,

increased housekeeping services and improved fleet operations (\$2,450,400 and 20.0 positions in 1995-96 and \$2,486,900 and 30.0 positions in 1996-97).

21. GENERAL OPERATIONS RECEIPTS FUNDING

	Chg. to Base
PR	\$3,130,600

Governor/Legislature: Provide \$1,565,300 annually for anticipated increases in operations that are self-supporting through the sale of goods and services. They include such activities as conferences, summer camps, workshops, clinics, remedial programs and outreach programs in business, education and engineering.

22. DISTANCE EDUCATION EQUIPMENT [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
PR	\$400,000	- \$400,000	\$0

Governor: Provide \$400,000 in 1995-96 in a new, continuing PR-S appropriation for the purchase and installation of video conferencing and two-way interactive telecommunications equipment at institutions in the UW System. Funding would be derived from the Information Technology Investment Fund which would be created in the bill. Place the funds in unallotted reserve to be released by the Secretary of DOA upon approval of a plan submitted by the Board of Regents, no later than June 30, 1996, on the use of these funds in the 1996-97 fiscal year.

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."] [NOTE: The reporting requirement was not deleted.]

[Act 27 Section: 9157(1)]

23. PURCHASE OF COMPUTER SERVICES FROM DOA [LFB Paper 143]

Governor: Require the UW System to purchase computer services from the Division of Information Technology Services in DOA. Under current law, the UW System is allowed to purchase such services from the Division. In addition, require DOA to submit a plan to the Joint Committee on Finance to transfer responsibilities of the Board of Regents related to information technology processing functions to DOA on a date specified in the plan no later than July 1, 1997. Allow DOA to implement the plan upon its submittal. Require the Board of Regents to cooperate fully with DOA in implementing the plan. For further information on this item, see "Administration."

Joint Finance/Legislature: Delete provision. Require the UW Board of Regents, after consulting with DOA, to 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: (a) 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; (b) identify the data necessary to calculate these measures; (c) 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 (d) 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 be provided to the Joint Committee on Information Policy. In addition, require the UW Board of Regents to receive approval from DOA prior to entering into the contract for the study.

The results of the study would be reported by January 1, 1996, to the Joint Committee on Finance, the Joint Committee on Information Policy and the Legislative Audit Bureau. Require the Division of Information Technology at the UW-Madison to collect and maintain, on an on-going basis, the data necessary to calculate the measures established in the study.

[Act 27 Section: 9157(2at)]

24. SALARY FREEZE FOR CERTAIN UW ADMINISTRATORS [LFB Paper 955]

Governor/Legislature: Freeze the salaries during the 1995-97 biennium for incumbent employees occupying certain administrative positions affected by the statutory executive salary groups whose salary exceeded an annualized rate of \$100,000 on January 1, 1995. Require that, in addition to those employees described above, no other UW employee whose position is affected by the executive salary groups may be paid an annualized salary exceeding \$100,000 during this period. Any compensation plan increase from the 1993-95 biennium or any other salary-related action taken by the Board of Regents prior to February 1, 1995, would be excluded from this provision. There are currently 24 incumbents whose salary exceeded \$100,000 on January 1, 1995: UW System president, senior vice president and three vice presidents; the chancellors at the 13 four-year campuses, UW-Extension chancellor and UW-Centers chancellor; and vice chancellors at Extension, Stevens Point, Madison and Milwaukee.

[Act 27 Section: 9157(4)]

25. BOARD OF REGENTS STAFF

Governor/Legislature: Delete funding for the Board of Regents staff (for fiscal change, see "Administration"). These two GPR-funded unclassified positions within DOA were created in the 1989-91

biennial budget to serve as an independent staff for the Board of Regents. They are directly hired by the Regents and are only responsible to them. (The Act does not repeal the provision authorizing the staff.)

26. LABORATORY/CLASSROOM MODERNIZATION AND COMPUTER ACCESS PROGRAM

Governor/Legislature: Repeal the June 30, 1996, sunset date for the Laboratory/Classroom Modernization and Computer Access program. This ten-year program (funded at \$4,183,200 GPR and \$4,405,400 PR in 1994-95) was established to help the UW System bring laboratory/classroom equipment and design up to current educational standards and increase computer access for student instructional use. Funds are allocated to campuses based on an assessment of proposals to update specific labs/classrooms and on an assessment of the availability of general computers/laboratories for student use.

[Act 27 Sections: 602, 609 and 610]

27. REPORTING REQUIREMENTS

Governor/Legislature: Change the frequency of the required report to the Governor and the Co-chairs of the Joint Committee on Finance, on federal gifts and grants, from quarterly to annually (by October 1). This report must specify the date, amount and purpose of any federal money accepted by the Board of Regents.

In addition, repeal the provision requiring the UW System to report annually to the Joint Committee on Finance on the proposed use of base resources and staff vacancies available from enrollment reductions. This report is related to the Quality Reinvestment Program (QRP) which will end at the conclusion of the 1994-95 academic year.

[Act 27 Sections: 306 and 1778]

28. CONTINGENT FUND CEILING [LFB Paper 956]

Governor: Amend the statutes to reduce the maximum amount from its PR appropriation balances that the UW System can use as contingent funds for the payment of miscellaneous expenses from a daily balance of \$4 million to \$3 million. A contingent fund means an amount of money set aside for a state agency to use in making small payments. In addition, limit total disbursements from these funds to \$100 million in any fiscal year. Allow payments from these funds only if DOA determines that immediate payment is necessary.

Joint Finance/Legislature: Modify provision by: (a) excluding student financial aid from the daily balance and cumulative limits for contingent funds; (b) deleting the provision that would give DOA the

authority to determine when immediate payment is necessary; and (c) changing the effective date of the provision to January 1, 1996.

[Act 27 Sections: 611g and 9457(3g)]

29. RESTRUCTURING OF UW HOSPITALS AND CLINICS [LFB Paper 945]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$15,000,000		\$15,000,000	
PR	-\$268,937,100	-3,156.59	\$0	1,287.98	-\$268,937,100	-1,868.61

Governor: Create the University of Wisconsin Hospitals and Clinics Authority to operate and manage the UW Hospitals and Clinics (UWHC), beginning July 1, 1996. Delete \$268,937,100 PR and 3,156.59 PR positions in 1996-97 from the UW System's budget to reflect this change. In addition, repeal the PR appropriation, effective on July 1, 1996, which consists of fees and other revenues generated through the various services provided by UWHC to support the operating expenses of UWHC. The Authority (hereafter referred to as UWHA) would be a public body created by state law; however, it would not be a state agency.

The Governor's proposal and the modifications recommended by the Joint Committee on Finance and the Legislature are organized by major subject areas:

A. Governance

Governor: Provide that the UWHA would be governed by a board of directors consisting of nine members: (a) five public members nominated by the Governor, and with the advice and consent of the Senate appointed, to serve staggered, five-year terms; (b) Secretary of Administration or his/her designee; (c) President of the UW Board of Regents or his/her designee; (d) Chancellor of UW-Madison or his/her designee; and (e) a dean of one of UW-Madison's three health professions schools (Medicine, Nursing or Pharmacy) appointed by the UW-Madison Chancellor.

During the period of transition (between the effective date of the bill and July 1, 1996 when the UWHA would begin operating the Hospital), the chairperson of the board of directors could not be either the Secretary of DOA or the UW-Madison Chancellor. The board of directors would appoint a chief executive officer, whose salary would be set by the board, and who could not be a board member. (The UW Hospital Council of Trustees was created by the Board of Regents; therefore, it could only be dissolved by the Regents).

The members of the board of directors and the chief executive officer would be subject to the code of ethics for state public officials and would be directed to prescribe a code of ethics for its employees. The UWHA would also be subject to the state's lobbying regulation and political solicitation laws as they affect other state agencies.

Joint Finance/Legislature: Increase the membership of the board of directors of the UW Hospitals and Clinics Authority (UWHA Board) from nine to eleven voting members and modify the membership to be as follows: (a) three members of the UW Board of Regents, designated by the Board of Regents President, for staggered three-year terms; (b) Chancellor of UW-Madison or his/her designee; (c) Dean of UW-Madison Medical School; (d) chair of a UW-Madison Medical School clinical department, appointed by the UW-Madison Chancellor; (e) UW-Madison faculty member representing a health professions school other than the Medical School, appointed by the UW-Madison Chancellor; (f) Secretary of Administration or his/her designee; and (g) three public members appointed by the Governor, subject to Senate confirmation, to serve for staggered three-year terms. In addition, provide for two non-voting members: one representing the professional represented employees and one representing the non-professional represented employees.

Create a new state agency, the UWHC Board, with the same composition as the UWHA Board. The UWHC Board would be the employer of the non-professional represented employees and would be the appointing entity of such employees for the purposes of state employment relations.

B. Duties and Powers

Governor: Require the UWHA to maintain, control and supervise the UWHC for the purposes of: (a) delivering comprehensive, high-quality health care to patients including a commitment to provide such care for the medically indigent; (b) providing an environment suitable for instructing medical and other health professions students, physicians, nurses and members of other health-related disciplines; (c) sponsoring and supporting research in the delivery of health care; and (d) assisting health programs and personnel throughout the state in the delivery of health care. These duties are currently assigned to the Board of Regents. The UWHA would also be subject to the provisions currently applicable to UWHC regarding the establishment of and limitations on hospital rates.

Among the powers granted to the UWHA would be to: adopt bylaws and rules for the regulation of its affairs and conduct of its business; sue and be sued; have a seal; maintain an office; have perpetual existence; negotiate and enter into leases; make and execute contracts; accept gifts, grants, bequests or loans; design, construct or improve any UWHA facility; procure insurance on its debt obligations; accept federal aid without approval by the Governor; and employ personnel, fix compensation and provide benefits. The UWHA would also be authorized to enter into contracts with the UW Board of Regents (including procurement contracts, joint purchasing contracts, rental agreements, cooperative agreements and other arrangements which may be necessary and required.) State procurement regulations would still apply to purchases by or through the UW System.

The UWHA would be allowed, with any other person, to establish, govern and participate in the operation and financing of any entity that provides health-related services. The UWHA could also provide administrative and financial services to the entity. Such an entity would not be subject to state control or oversight; however, the UWHA would be required to enter into an agreement with the Secretary of DOA to provide, for the Secretary's inspection, the books and accounts of any entity created under this provision. Other specific powers of the UWHA are described later.

Among the duties of the UWHA would be to do the following:

1. Negotiate and enter into a lease agreement with the UW Board of Regents for the management and operation of UWHC. The lease agreement is described in section G.
2. Develop and implement a personnel structure and other employment policies for persons employed by UWHA.
3. Contract for legal services. (The UWHA could not receive legal representation from the Department of Justice.)
4. Establish an annual budget and monitor the fiscal management of UWHA. This duty would be performed without participation by the Governor, DOA, the Joint Committee on Finance or the Legislature. The UWHA would be specifically exempt from preaudit and postaudit of its expenditures by DOA.
5. Procure liability insurance. (The liability coverage that the state currently provides for acts of its employees would not cover employees of UWHA.)
6. Furnish the Secretary of DOA, on a monthly basis, such financial and statistical information as he/she requires.
7. Use the Building Commission as a financial consultant to assist and coordinate the issuance of bonds.

Although the UWHA would invest its funds independently, it could deposit moneys with the State Investment Board for investment as part of the local government pooled-investment fund. The UWHA would be exempt from the state income tax. As drafted, the bill would not exempt the UWHA from the state sales tax.

Joint Finance/Legislature: Modify the mission of UWHA to include research on health promotion and disease prevention and community service to the region.

Provide that UWHA would also be required to enter into an affiliation agreement with the Board of Regents and a contractual services agreement with the UWHC Board. The details of these agreements will be discussed in section G.

Provide that UWHA would be exempt from property and sales tax (similar to other state entities). Prohibit UWHA from accepting research grants when the grant investigator is a UW employee. Provide that the UWHA is not liable for UW employees or students unless they act at the express written direction of the Authority, or for UW faculty or staff acting within the scope of their University employment.

C. Issuance of Bonds

Governor: Permit the UWHA to issue bonds (subject to the state income tax) for any corporate purpose. The UWHA would have to authorize the bond issuance in a bond resolution specifying certain terms and conditions which are similar to those currently required of the Wisconsin Housing and Economic Development Authority. The bonds could not provide for a term of more than 30 years. The UWHA would also be allowed to issue bonds to re-finance outstanding debt.

Bonds issued by the UWHA would not be a debt of the state and would not obligate the state to levy any tax or make any appropriation for payment of the bonds. The state would not be liable for debt service payments. However, the bill would provide for a pledge that the state will not limit or alter the rights vested in the UWHA by law before the authority has fully performed its contracts and has fully met and discharged its bonds, unless adequate provision is made by law for the protection of bondholders. In addition, the state would be prohibited from issuing general obligation bonds for the UWHA.

The bill would permit the State Investment Board, the Division of State Trust Funds, local governmental units and financial institutions to invest in UWHA bonds.

The UWHA would also be allowed to seek financing and incur indebtedness from the Wisconsin Health and Education Facilities Authority (WHEFA) which provides financing to health facilities.

A limit would be placed on the UWHA's authority to issue bonds. Specifically, the UWHA could not issue bonds or incur indebtedness from WHEFA if, after the bonds are issued or the indebtedness is incurred, the amount of all outstanding bonds and indebtedness would exceed \$90 million. Excluded from this limit would be bonds or indebtedness issued to refund outstanding bonds or indebtedness.

Under the lease agreement with the Board of Regents, the UWHA would be responsible for the payment of all existing debt service on facilities for which the Hospital currently has debt service responsibilities.

Joint Finance: Reduce the limit on UWHA's bonding authority from \$90 million to \$25 million.

Assembly/Legislature: Increase the limit on UWHA's bonding authority from \$25 million to \$50 million.

D. Facilities Ownership and Management

Governor: Provide the UWHA with the power to buy, sell and lease real estate. It would be allowed to acquire, design, construct or improve any facility that is not located on state-owned land. In addition, it would be allowed to construct or improve facilities on state-owned land, subject only to DOA approval of project design, specifications and construction for projects costing greater than an amount to be specified in the lease agreement. Approval by the Legislature, Building Commission, Board of Regents or the Governor would not be required.

The state would retain ownership of all "on campus" UWHA facilities; these would be defined to mean facilities that are located on state-owned land, that are under the control of the Board of Regents, and that are primarily related to UWHA operations and related services, as determined by the Secretary of DOA. In addition, under the lease agreement, the state would have ownership of any improvements or modifications made by the UWHA to on-campus facilities that are leased to the authority and any facility that the UWHA constructs on state-owned land. Operational responsibility for UWHA's use of the facility would be determined in the lease agreement.

Buildings, structures or facilities constructed for the benefit or use of UWHA would have to comply with applicable state laws and regulations, but would be exempt from municipal regulations and ordinances, except zoning. State law regarding the use of state facilities for public discussion and other activities would apply.

The UWHA would be required to make payments to local governments for municipal services provided to its leased facilities. It would also be required to pay special assessments for local improvements. All UWHA facilities subject to the lease agreement would be exempt from the property tax.

Joint Finance: Require DOA approval for improvement or construction of facilities on state-owned land when projects exceed the threshold defined in the lease agreement. In addition, provide that state agency approval be obtained for any UWHA construction project on state agency land. Remove the Secretary of DOA from the determination of on-campus facilities.

Senate/Legislature: Require that the state's prevailing wages and hours law applies to construction projects undertaken by UWHA.

E. Procurement

Governor/Legislature: Exclude the UWHA from state purchasing requirements including DOA prior approval, interest payments on late purchases, use of recycled materials, and competitive bidding regulations. It would also be excluded from state guidelines regarding printing services, resource recovery and recycling, and purchasing and storing gasoline and other alternative fuels. However, provisions regarding nondiscrimination in contracting would still apply.

F. Human Resources

Governor: Provide that employees of the UWHA would not be state employees and, therefore, would be excluded from state position counts and position control. The UWHA would have all the powers of the employer in terms of its relationship with its employees. It would determine the number of employees; their qualifications and duties; their compensation, sick leave, vacation and other benefits. The UWHA would be required to make decisions about hiring and promotion according to merit and fitness.

However, during fiscal year 1996-97, certain special requirements would apply. By July 1, 1996, the UWHA would be required to offer employment to each person employed by UWHC on June 30, 1996; each employee would have ten days to refuse such an offer. The UWHA could employ additional persons as needed. In addition, from July 1, 1996 to June 30, 1997, the UWHA would be subject to the following requirements regarding those employees who were previously employed by the state:

1. If an employee is a member of a collective bargaining unit, the UWHA must adhere to the terms specified in that unit's collective bargaining agreement.
2. If an employee was not a member of a collective bargaining unit, or is a new employee, the UWHA must provide compensation and certain benefits (related to holidays, sick leave, leaves of absence, special leaves and employee training) at least equal to that received as an UWHC employee, prior to the transfer.
3. If an employee was employed as academic staff, the UWHA must provide the same procedural guarantees, compensation and benefits previously enjoyed by that employee.
4. The UWHA would be a participating employer in the Wisconsin Retirement System (WRS). As such, all employees would continue to be eligible for benefits such as unused sick leave conversion programs, health care coverage, income continuation insurance, life insurance, deferred compensation and employee-funded reimbursement accounts. After June 30, 1997, the UWHA could elect to become a participating employer in WRS.
5. The UWHA must, until July 1, 1997, provide hazardous employment pay to its employees involved in the supervision and care of patients.
6. Employees who were in the classified service could not be removed, suspended without pay, discharged, reduced in pay or demoted without cause. Such employees would be able to appeal personnel decisions to the Personnel Commission. These employees would also retain certain transfer and reinstatement rights available to them if they were state employees during this period, subject to collective bargaining agreements.

Current UWHC employees in the classified service are covered by the state employment labor relations act (SELRA) which guarantees collective bargaining in relation to salaries, fringe benefits, hours and conditions of employment. Responsibilities of the state are handled by the Department of Employment

Relations. Strikes are expressly prohibited and no compulsory means of dispute settlement are provided. The bill would extend until July 1, 1997, the coverage of SELRA to those UWHA employees who would have been included in the state classified service. After that date, no employment relations act would apply to these employees. Although the employees could organize and join labor unions, UWHA would not be required, by statute, to recognize or bargain collectively with them and no right to exclusive representation would exist.

In addition, the UWHA would not be subject to state laws prohibiting reprisals against employees for disclosure of certain information or DOA rules governing surveillance of employees. However, public employee occupational safety and health laws would apply.

Joint Finance: Modify the provisions related to non-professional employees as follows:

1. Require that all non-professional represented employees (1,287.98 FTE) remain as state employees in the classified service for the purposes of collective bargaining under Subchapter V, Chapter 111 of the statutes (SELRA) and for the purposes of civil service rights under Chapter 230 of the statutes (except for the provision regarding transfer rights, which will be the subject of collective bargaining).
2. Create four separate collective bargaining units, identical to the four statutorily-defined collective bargaining units currently representing non-professional UWHA employees, to represent the non-professional employees and to negotiate exclusively with the UWHA Board. Require that the existing labor representatives for the four current collective bargaining units of non-professional represented employees shall represent the newly created units and that existing fairshare agreements continue in bargaining units that currently have them.
3. Remove the Joint Committee on Employment Relations and the Legislature from the ratification process for agreements reached between the UWHA Board and its employees. Permit the UWHA Board and the certified bargaining agent to modify bargaining units by mutual agreement.
4. Treat non-professional, supervisory staff who are linked to non-professional employee bargaining units as professional staff for collective bargaining purposes (they would not be state employees and would be covered by the Employment Peace Act).

Modify the provisions related to professional employees as follows:

1. Require UWHA to bargain collectively with its professional employees on the terms and conditions of employment under Subchapter I of Chapter 111 of the statutes (Employment Peace Act).
2. Modify the Employment Peace Act as follows: (a) provide that UWHA employees have a fair share or maintenance of membership mechanism, dues deduction mechanism and provision for rights of religious dissenters; (b) provide for three specific bargaining unions for UWHA employees covered by WEPA: professional patient care, science professionals and fiscal; (c) require that there be a minimum ten

day notice before an employer lock-out or an employee strike after contract expiration; and (d) permit the merger of UWHA professional bargaining units.

3. Provide, to the extent practicable, that UWHC professional employees who are current union members would retain membership in their current unions and bargaining units until new bargaining units and union representation are established under UWHA.

4. Require UWHA to participate in the Wisconsin Retirement System and its associated benefit programs which include health insurance, income continuation insurance, life insurance, deferred compensation, employee-funded reimbursement accounts and unused sick leave conversion programs. Require that sick leave be carried over on July 1, 1997 and be available for appropriate use.

5. Require that UWHA compensate carryover academic staff employees at the same level they would have received if they had remained in their academic staff positions in the Hospital.

Permit UWHA to close certain personnel records to public inspection. Provide that claims under existing bargaining agreements be limited to those arising before July 1, 1997.

[Note: Any transfer of personnel, either to UWHA or the UWHC Board, would only occur upon approval of the agreements described in Section G. The FTE position summary table for the UW System assumes approval of the agreements.]

Assembly/Legislature: Modify the Joint Finance provision to require that the existing labor representatives for the three current collective bargaining units of professional represented employees shall represent these employees until at least October 1, 1998.

G. Agreements

Governor: Require the UWHA to negotiate and enter into a lease agreement with the Board of Regents to lease the on-campus facilities currently occupied by the Hospital, beginning July 1, 1996. In the event of the failure of the parties to enter into the lease agreement by May 1, 1996, the Secretary of DOA would be required to determine any unresolved matter and direct the parties to execute the agreement in accordance with the Secretary's determination. This agreement would not be subject to review or approval by the Governor or the Legislature.

The lease agreement would have to include the following provisions:

1. Provide for a payment from the UWHA to the state that is at least equal to the greater of: (a) debt service accruing on all bonds issued by the state for the purpose of financing the acquisition, construction or improvement of the leased facilities; or (b) a nominal amount determined by the parties.

2. As noted earlier, the state would be given ownership to certain facilities and a provision in the lease must specify an amount that exempts projects on state-owned land from DOA approval.

3. A requirement that UWHA conduct its operations so as to not adversely affect the exclusion of interest on bonds issued by the state from gross income for federal income tax purposes.

4. A requirement that the general management and operation of the on-campus facilities are consistent with the mission and responsibilities of the UW System.

5. Payment from the Board of Regents to UWHA on June 30, 1996, of an amount equal to the unencumbered balance in the PR appropriation for operating expenses of UWHC; UWHA would be required to accept liability for all encumbrances against this appropriation after this date.

6. Protection of the Board of Regents from all liability associated with the management and operation of the on-campus facilities.

Funds received from UWHA under the lease agreement would be credited to the UW System appropriation for auxiliary enterprises.

The lease agreement could also include provision for payments for goods or services which would be determined under the terms of the lease agreement. According to the UW, items that may be included under this provision include payments for information technology equipment; access to campus mail; network access; library access; security services; employee and visitor parking; utilities and power plant services; responsibilities and cost-sharing related to building and physical plant and grounds maintenance; and payments related to the support of medical education, or the use of the hospital for such.

Joint Finance/Legislature: Require UWHA and UW-Madison to negotiate an affiliation agreement which would include the following: (a) a provision that ensures the authority retains cash reserves at a level not lower than the level recommended by an independent auditor; (b) provisions that ensure support for the University's educational, research and clinical activities by UWHA; (c) a provision that requires the development of standards relating to the selection and financing by UWHA of any corporation or partnership that provides health-related services; (d) a provision that requires the Board of Regents to make reasonable charges for services provided to UWHA; and (e) a provision establishing a process for rapid resolution of any disputes. (Under the Governor's recommendation, item (d) could have been included in the lease agreement.)

Provide that the UWHA rental payment under the lease agreement be limited to the costs of leasing the on-campus facilities.

Require that the lease and affiliation agreements be concurrent and for no more than five years.

Require UWHA to enter into a contractual services agreement with the UWHC Board for the provision of services by employees of the UWHC Board, beginning June 29, 1996, and that this agreement

contain a provision ensuring that adequate payments are provided by UWHA in advance of their need by the UWHC Board. Create a continuing PR appropriation to pay the non-professional represented employees (the funds would be provided by UWHA). Advance payment for contractual services shall be required under the agreement. Require that the contractual services agreement be for no more than two years.

Provide that UWHA not contract for those services that are provided to the Authority by the UWHC Board by the represented non-professional state employees with any person other than the UWHC Board.

Delete the provision in which the Secretary of DOA would be involved in the resolution of the lease agreement. Instead, require that the initial lease and affiliation agreements be submitted by the UW Board of Regents, and the contractual services agreement be submitted by the UWHC Board, no later than January 15, 1996, to the Joint Committee on Finance and the Governor.

Require that no later than March 1, 1996, the Governor approve or deny the agreements. If the Governor rejects the agreements, UWHA would not be able to operate UWHC. If the agreements are approved by the Governor, the Committee would have until June 1, 1996 to approve or deny the agreements. The Governor would not have the authority to approve or object to the Committee's actions. UWHA would not be able to operate UWHC without Joint Finance approval of all agreements. The provisions of the agreements, if approved by the Committee, would become effective on June 29, 1996.

Provide that any subsequent modifications, extensions or renewals of the approved agreements must be submitted to the Joint Finance Committee for its approval under a 14-day passive review process. Continued operation and management of UWHC by UWHA would be contingent upon approval of the extensions or renewals of the agreements by the Committee.

Require that a report on savings that will accrue to the state as the result of the creation of UWHA be included with the above submittal. (The UW budget could then be reduced accordingly.)

Create two new appropriations within the UW System appropriation structure: a continuing PR appropriation for funds received by the University of Wisconsin from UWHA for services provided (including lease payments, but excluding those items covered by the contractual services agreement); and an annual GPR appropriation for funds provided by the University of Wisconsin to UWHA for services provided. (All funds in the GPR appropriation would be provided by funds reallocated within the UW.)

Veto by Governor [A-18]: Delete language which would provide that the Governor would not have the authority to approve or object to the actions of the Joint Committee on Finance regarding the lease, contractual services and affiliation agreements for the UWHA. In addition, delete the language regarding the 14-day passive review process for Joint Finance's approval of any subsequent modifications, extensions or renewals of the three agreements. As a result, the procedures under s. 13.10 of the statutes would apply to the initial agreements and any subsequent changes to these agreements.

H. Accountability

Governor: Provide that the UWHA would be subject to the following accountability provisions:

1. Open records and meetings laws.
2. Auditing by the Legislative Audit Bureau and review of its performance by the Joint Committee on Legislative Audit.
3. A requirement that it submit annually, beginning October 1, 1997, to the Governor, Legislature, Secretary of DOA and President of the Board of Regents an audited financial statement of its operations and a report on patient care, research, education and community service.
4. A requirement that the DOA Secretary and any DOA employees designated by the Secretary may examine the books and accounts of UWHA and that UWHA shall cooperate with the Secretary and comply with every request of the Secretary regarding its functions.
5. A requirement that UWHA enter into an agreement with the Secretary of DOA to provide the books and accounts of any entity it creates to provide health related services for inspection by the Secretary.
6. A requirement that the lease agreement contain a provision in which the UWHA furnish the Secretary of DOA, on a monthly basis, such financial and statistical information as he/she requires.

Joint Finance/Legislature: Modify provisions by granting DOA and the Legislative Audit Bureau access to the books and records of any joint ventures in which the Authority is involved. Provide that the Legislative Fiscal Bureau have the same access to financial and other records of UWHA, UWHC or related entities that would be provided to DOA and the Legislative Audit Bureau.

Require that prior to the initial renegotiation of either the lease or affiliation agreement, the Legislative Audit Bureau would conduct a program review of UWHA operations and report its findings to the Joint Legislative Committee on Audit.

I. Transitional Provisions

Governor: Require the UW-Madison Chancellor and the chairperson of UWHA to jointly identify the assets, liabilities, tangible personal property, records, contracts, rules, policies and procedures, and pending matters of the Board of Regents and the UW-Madison that primarily relate to the UWHC and related services. On July 1, 1996, all of the identified items would be transferred to the UWHA. The Secretary of DOA would be directed to determine any unresolved matter during transition and develop a plan for an orderly transfer.

Joint Finance/Legislature: Change the implementation date to June 29, 1996, to coincide with state payroll periods. However, as noted in section G, the UWHA would not be able to operate UWHC without the Governor's and Joint Finance's approval of all required agreements.

J. Poison Control Center

Joint Finance/Legislature: Require that UWHA continue to operate a Poison Control Center at UWHC. 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.

K. Funding Transfer

Joint Finance/Legislature: Provide that, effective with the enactment of the bill, UWHC transfer \$15 million to the state general fund to replace bonding for the Capitol South Wing Restoration project.

[Act 27 Sections: 5, 8, 9, 17, 22, 23, 24, 26 thru 31, 34, 44m, 45m, 47o, 93e, 224m, 226 thru 229, 231, 234, 238, 287, 290, 293, 294m, 294n, 296, 297, 299, 302, 303, 307, 359, 362, 363, 364 thru 368, 371, 375, 380, 381, 382, 385 thru 389, 394, 399, 400, 401, 447, 449, 451, 452, 454, 464a, 464d, 464e, 601, 603m, 604m, 606, 607, 615m, 1050m, 1154e, 1173, 1174, 1175, 1188 thru 1192, 1313, 1367, 1396, 1418, 1748, 1757, 1759, 1761, 1761m, 1762, 1767 thru 1772, 1946, 1946m, 1949, 1949m, 1951, 1952, 1954, 1954m, 1956 thru 1960m, 1963 thru 1964cr, 1996, 2052, 2054, 2055, 2064, 2097, 2098, 2099, 3315, 3348m, 3355 thru 3360, 3398, 3484s, 3652 thru 3655, 3753m, 3753p, 3753r, 3782b thru 3782s, 3785m, 3787u, 3789b thru 3789r, 3806 thru 3831, 3835 thru 3842, 3891, 3892, 4196 thru 4200, 4202, 4203, 4208, 4370m, 5976, 5977, 6243, 6245, 6279, 6284g thru 6290, 6295, 6296, 6301 thru 6301p, 6305, 6900, 6907, 7223, 9108(11g), 9120(1), 9143(1), 9159(2) thru (5), 9257(2g), 9420(2) and 9459(2)]

[Act 27 Vetoed Sections: 6301 (as it relates to s. 233.04(4m),(7g)&(7p)) and 9159(2)(k)]

30. TRANSFER RECYCLING MARKET DEVELOPMENT BOARD AND CHANGE STRUCTURE

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. Make the following changes:

Joint Finance Chg. to Gov. Funding Positions		
SEG	\$16,958,200	4.00

Staff. 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. Direct that after the Board is transferred to DOD, the Board, DNR, DOD and the University of Wisconsin-Extension shall enter into a memorandum of understanding setting forth each of their responsibilities in carrying out the state's activities relating to the recycling market development.

Council on Recycling. Eliminate the Council on Recycling. Transfer all current statutory duties of the Council on Recycling to the Board. (The bill also eliminates 0.5 GPR DNR position that currently staffs the Council).

Miscellaneous Transfer Provisions. Transfer all assets, liabilities and personal property, including records, of the Recycling Market Development Board from DOA to DOD. Transfer all personal property, including records, of the Council on Recycling from DNR to DOD. Direct that all current contracts related to the Board and Council remain in effect after the transfer. No incumbent DOA or DNR employees associated with these functions would be transferred. (The bill also deletes 1.0 DNR position that staffs the Board and eliminates the unclassified executive director position in DOA.)

Board Structure. Reduce the Recycling Market Development Board from 11 members to seven, including: (a) reducing from six to three the number of members representing responsible units of government that administer recycling programs; and (b) reducing from three to two the number of members with expertise concerning the marketing of materials recovered from solid waste or the development of markets for these materials. Direct that the Governor shall designate the chairperson of the Board every three years. Direct that all current members of the Board shall cease to be members of the Board on the effective date of the biennial budget act. Direct that new members shall be appointed to the Board after that date, with the terms of one governmental member expiring on May 1, 1996, one governmental and one marketing member expiring on May 1, 1997, and one governmental and one marketing member expiring on May 1, 1998.

Require the Board to annually establish a list of materials recovered from solid waste that are eligible for assistance from the Board. Require that the list must include the materials that are required to be recycled under the state recycling law. Direct that financial assistance provided by the Board would be for recovered materials specified on the Board's annual list and recovered for recycling, rather than the current requirement that financial assistance be provided for materials that are recovered by recycling programs operated by local governmental units and that are required to be recycled under the recycling law. The changes in provision of financial assistance would take effect on January 1, 1996.

Joint Finance/Legislature: Transfer the Recycling Market Development Board from DOA to UW-Extension instead of to DOD. Provide the following funding to the Board: (a) \$7,980,800 in 1995-96 and \$8,343,000 in 1996-97 for Board financial assistance; and (b) \$317,200 annually and 4.0 positions for Board administration, including retention of the unclassified Executive Director. 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.

Make the following modifications to Board structure and duties:

a. Reduce the Board membership from 11 to seven by: (a) reducing from six to four the number of members representing responsible units of government that administer recycling programs; (b) retaining three members with expertise concerning the marketing of materials recovered from solid waste or the development of markets for these materials; and (c) deleting the DNR and DOD representatives on the Board. Direct that the four current members of the Board who are responsible unit representatives would continue to serve until their terms expire in May, 1996, and May, 1997, (two responsible unit members in each of those years). Require at least one of the Board members who has expertise concerning the marketing of materials recovered from solid waste or the development of markets for these materials to have, or have had, management responsibility in a manufacturing firm that produces a product from a recovered material.

b. Direct the Board to prepare a strategic plan to guide the development and implementation of the Board's programs with the following requirements: (a) direct the Board to submit the initial plan to the appropriate standing committees of the Legislature by November 1, 1995, or 90 days after enactment of the biennial budget act, whichever comes later; (b) direct that the Board consult with DNR, DOD, UW-Extension and other interested persons in the development of the plan; (c) require that the plan include the following components: (1) identification of priority recovered materials that will be the focus of market development efforts by the Board; and (2) for each priority recovered material, identification of one or more appropriate, measurable goals for the Board's market development efforts and the technical and financial assistance, research and demonstration, education, marketing and policy development necessary to achieve the goal; (d) direct the Board to review and, as appropriate, revise the plan at least annually; and (e) direct the Board to submit quarterly progress reports to the appropriate standing committees of the Legislature that specify progress in the implementation of the plan and how the Board's technical and financial assistance and other programs conform to the plan.

c. Delete the requirement that the Board annually establish a list of materials recovered from solid waste that are eligible for assistance from the Board and directs that financial assistance provided by the Board be for recovered materials on the list (this is 1995 Act 15). Create a definition of "waste generator" to mean "a responsible unit or a person who generates solid waste that contains a material on a list established by the Board that identifies materials from solid waste for which financial assistance may be provided." Substitute the term "waste generators" for "responsible units" in the following sections of the

d. Establish the following new duties of the Board: (1) the Board shall educate waste generators on their role and responsibility in the development of markets for recovered materials and the marketing of recovered materials in cooperation with business entities and the value of cooperative marketing and market development efforts among waste generators; and (2) the Board shall inform the following persons about the Board's programs: waste generators; solid waste scrap brokers, dealers and processors; business

entities that use or could use recovered materials or that produce or could produce products from recovered materials; persons who provide support services to those business entities; and the general public.

e. Extend the current 10% cap on Board financial assistance to responsible units to apply also to other local units of government.

f. Direct UW-Extension to prepare the study currently required related to the feasibility and desirability of transferring the powers and duties of the Board to a business entity. Currently, the Board is required to prepare the study. Direct UW-Extension to prepare the study by October 1, 1996, (instead of the current May 30, 1996, deadline) in consultation with the Recycling Market Development Board, DOD, DNR and other interested parties. Direct that if the study recommends retaining the Board and not transferring its powers and duties to a business entity, the study shall include a recommendation on which agency the Board should be attached to.

g. Repeal the requirement that the Board, DNR, DOD and UW-Extension enter into a memorandum of understanding setting forth each of their responsibilities in carrying out this state's activities relating to the marketing of materials recovered in recycling programs and the development of markets for these materials and the methods that they will use to cooperate in carrying out those activities. (Current law required this memorandum after the first meeting of the Board. AB 150 would require the memorandum to be revised after the effective date of the biennial budget act.)

h. Amend the current requirement relating to DOD's authority to promulgate rules for the provision of recycling market development financial assistance. Delete the requirement that these rules may be promulgated if DOD is assigned the responsibility for provision of financial assistance in a memorandum of understanding between the Board, DNR, DOD and UW-Extension (which is the memorandum deleted above) and substitute a requirement that DOD may promulgate the rules if specified in a memorandum of understanding, agreement or contract between DOD and the Board.

Veto by Governor [B-16]: Delete the changes in the Board membership to retain the current 11 members, including: (a) six members representing responsible units of government that administer recycling programs; (b) three members with expertise concerning the marketing of materials recovered from solid waste or the development of markets for these materials; and (c) the Secretaries of DNR and DOD or their designee.

[Act 27 Sections: 112b thru 112h, 175b, 220g, 514b, 608s, 609g, 609j, 1080b, 1085b, 1086b, 1775e, 1775f, 1775h, 4406x, 4407b, 4432d, 4432f thru 4440b, 6887k, 6893, 9101(16), 9142(8p), 9157(2p) and 9457(1p)]

[Act 27 Vetoed Sections: 112d thru 112g]

31. RECYCLING MARKET DEVELOPMENT, EDUCATION AND TECHNICAL ASSISTANCE
[LFB Paper 735]

	<u>Jt. Finance/Leg.</u> <u>(Chg. to Base)</u>		<u>Veto</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>
SEG	\$1,076,200	8.00	- \$1,076,200	- 8.00	\$0	0.00

Joint Finance/Legislature: Provide UW-Extension with \$519,200 in 1995-96 and \$557,000 in 1996-97 and 8.0 positions from the recycling fund for recycling market development-related education and technical assistance, in addition to UW-Extension's current duties related to recycling education. Direct UW-Extension to develop and implement a recycling market development-related education and technical assistance program in cooperation with the Recycling Market Development Board. Direct that the program shall serve the following persons: waste generators; solid waste scrap brokers, dealers and processors; business entities that use or could use recovered materials or that produce or could produce products from recovered materials; persons who provide support services to those business entities; and the general public. This program would replace the existing memorandum of understanding between the Board and UW-Extension for a portion of these activities.

Veto by Governor [B-15]: Delete the funding and positions. Retain the directives to UW-Extension to develop and implement a recycling market development-related education and technical assistance program that would serve the persons specified above.

[Act 27 Sections: 609k and 1775h]

[Act 27 Vetoed Section: 473 (as it relates to s. 20.285(1)(tb))]

32. AGRICULTURAL TECHNOLOGY AND FAMILY FARM INSTITUTE [LFB Paper 275]

	<u>Chg. to Base</u>
GPR	- \$264,800

Joint Finance: Delete \$106,800 in 1995-96 and \$158,000 in 1996-97 from the UW's Agricultural Technology and Family Farm Institute.

Assembly/Legislature: Delete the statutory language requiring the Board of Regents to establish an Agricultural Technology and Family Farm Institute at UW-Madison and the specific responsibilities of the Institute. Instead, permit the Board to establish agricultural technology and family farm programs at UW-Madison.

[Act 27 Sections: 1775hd and 1775hf]

33. UW-EXTENSION TOURISM RESOURCE CENTER [LFB Paper 890]

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$124,400	- 3.00	-\$62,200	0.00	-\$186,600	- 3.00

Joint Finance: Transfer \$124,400 GPR and 3.0 GPR positions in 1996-97 from the UW-Extension Tourism Resource Center to the new Department of Tourism.

Senate/Legislature: Transfer \$62,200 GPR in 1995-96 and 3.0 GPR positions, beginning January 1, 1996, to the Department of Tourism to reflect a change in the timing of the creation of the Department.

34. MINORITY TEACHER LOAN PROGRAM [LFB Paper 558]

Chg. to Base	
GPR	-\$100,000

Joint Finance/Legislature: Repeal the UW Minority Teacher Loan Program, beginning in the 1996-97 academic year (-\$100,000 GPR in 1996-97). Expand eligibility under the Minority Teacher Loan Program for students attending private colleges, which is currently administered by HEAB (and would be transferred to the new Department of Education in 1996-97) to include UW students, and increase funding for the HEAB program by \$100,000 GPR in 1996-97 (see Item #6 under "Higher Educational Aids Board").

[Act 27 Sections: See "Higher Educational Aids Board"]

35. GPR POSITION AUTHORITY [LFB Paper 952]

Chg. to Base	
GPR	- 135.00

Joint Finance/Legislature: Reduce the UW's position authority by 135.0 FTE in each year of the biennium to reflect the elimination of some of the positions held vacant under the Quality Reinvestment Program (QRP).

36. APPLICATION FEE

Chg. to Base	
PR	\$400,000

Joint Finance/Legislature: Increase the application fee for all students by \$3 (to \$28 for undergraduates and \$38 for graduate students), beginning with applications for enrollment in the fall semester of 1996. Require that the funds generated by this increase (\$200,000 annually) be provided to the higher education location program (HELP) in UW-Extension which is an "800" number service that provides information on undergraduate admission requirements, degree programs, enrollment, expenses, financial aid, housing and admission forms.

Veto by Governor [A-20]: Delete the initial applicability provision; thus, the fee increase would take effect immediately. The Governor's veto message requests that all funds generated from the fee increase related to the 1995-96 academic year (applications for the spring and summer semesters of 1996) be credited against the overall tuition increase for the 1996-97 academic year.

[Act 27 Sections: 1757g, 1757r, 1775j and 9357(1g)]

[Act 27 Vetoed Sections: 9357(1g)]

37. PROGRAM REVENUE SPENDING AND POSITION AUTHORITY [LFB Paper 954]

Joint Finance/Legislature: Convert the UW auxiliary enterprises appropriation and general operational receipts appropriations from annual to continuing appropriations. Require that beginning in 1996-97, the Board of Regents report annually to DOA and the Joint Committee on Finance on expenditures in excess of their original annual allotment for these appropriations in the previous fiscal year.

Permit the UW to create or abolish positions funded by auxiliaries, operational receipts or federal indirect cost reimbursements without prior approval. Require the Board of Regents to report quarterly to DOA and the Joint Committee on Finance on positions created or abolished in the previous quarter and their funding source.

[Act 27 Sections: 294g, 605g, 605r, 611m and 1762g]

38. UW-MADISON MEDICAL SCHOOL TUITION

Joint Finance: Require that, beginning with students entering in the fall of 1996, the tuition amount charged each resident enrolled as a full-time medical student at the UW-Madison Medical School be based on financial need, ranging from a minimum determined by the Regents to a maximum of the nonresident tuition amount. Require the UW to report to the Joint Committee on Finance, no later than January 1, 1996, on its methodology to incorporate financial need as a determinant for the level of resident tuition charged. Provide that this methodology include standards and methods for determining financial need including a methodology for determining the expected contribution of parents and students.

Assembly/Legislature: Delete provision.

39. TUITION AWARD PROGRAM

Joint Finance/Legislature: Extend the tuition award programs at UW-Parkside and UW-Superior (which are scheduled to sunset at the end of the 1994-95 academic year) until the end of the 1996-97

academic year. Under these programs, the Board of Regents may exempt up to 150 students at UW-Superior and up to 200 juniors and seniors at UW-Parkside who are enrolled in programs identified by the campuses as having surplus capacity.

[Act 27 Section: 1775r]

40. AREA HEALTH EDUCATION CENTERS

Joint Finance/Legislature: Create a separate appropriation for the Area Health Education Center (AHEC) program at UW-Madison and transfer \$235,000 GPR annually, currently provided for this program through the UW's general program operations appropriation, to this new appropriation. The AHEC program helps support community based primary care training programs. The Medical College of Wisconsin and the UW-Madison Medical School have received a three-year renewal of a federal grant to continue developing a statewide AHEC system. The grant requires a minimum 25% match through nonfederal funds.

[Act 27 Sections: 600m and 1775k]

41. STUDENT SEGREGATED FEES

Assembly: Provide that, beginning in the spring semester of 1996, the Board of Regents may not require students to pay that portion of any fee for the support of noninstructional student activities that is allocated to student organizations that engage in lobbying state government or that employs an individual to or attempts to lobby Congress. Provide that this provision would not apply to the United Council of UW Student Governments or the elected student government of any campus.

Senate/Legislature: Delete provision.

VETERANS AFFAIRS

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	\$3,836,400	\$2,691,100	\$2,900,100	\$2,902,900	\$2,902,900	- \$933,500	- 24.3%
FED	0	10,000	10,000	10,000	10,000	10,000	N.A.
PR	60,924,400	66,129,000	66,052,400	66,052,400	66,052,400	5,128,000	8.4
SEG	<u>188,714,600</u>	<u>154,194,700</u>	<u>154,113,100</u>	<u>154,631,200</u>	<u>154,631,200</u>	- 34,083,400	- 18.1
TOTAL	\$253,475,400	\$223,024,800	\$223,075,600	\$223,596,500	\$223,596,500	- \$29,878,900	- 11.8%

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	0.00	5.65	5.65	5.65	5.65
PR	647.15	669.83	668.83	668.83	668.83	21.68
SEG	<u>125.15</u>	<u>122.97</u>	<u>115.32</u>	<u>116.32</u>	<u>116.32</u>	- 8.83
TOTAL	772.30	792.80	789.80	790.80	790.80	18.50

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the Department's base budget as follows: (a) turnover reduction (-\$339,600 PR and -\$106,200 SEG annually); (b) full funding of salaries and fringe benefits (-\$766,300 PR and \$98,300 SEG annually); (c) overtime (\$526,200 PR annually); (d) night and weekend salary differentials (\$323,600 PR annually); (e) delayed pay plan adjustments (\$392,400 PR and \$45,400 SEG annually); (f) fifth week vacation as cash (\$3,500 PR and \$2,400 SEG annually); (g) State Bureau of Financial Operations charges (\$4,900 PR and \$4,200 SEG annually); (h) reclassifications (\$23,200 SEG in 1995-96 and \$20,500 SEG in 1996-97); and (i) risk management (\$50,400 PR and \$1,500 SEG annually).

	Chg. to Base
PR	\$390,200
SEG	<u>134,900</u>
Total	\$525,100

2. DEBT SERVICE REESTIMATE

Governor/Legislature: Reestimate debt service funding by -\$8,000 GPR and -\$19,164,000 SEG in 1995-96 and \$17,800 GPR and -\$15,795,800 SEG in 1996-97 to reflect the estimated level of principal and interest payments that will be due on current general obligation bonds and notes for the Wisconsin Veterans Home and the primary mortgage loan program including additional bond issuances in the 1995-97 biennium. The large reduction in segregated funding from the veterans home loan program results from restructuring the debt in the 1993-95 biennium as a result of 1993 Wisconsin Act 115.

	Chg. to Base
GPR	\$9,800
SEG	- 34,959,800
Total	- \$34,950,000

3. REALLOCATION OF POSITION FUNDING

Governor/Legislature: Delete 5.68 SEG positions budgeted to the veterans trust fund and provide 5.68 PR positions budgeted to the Home's institutional operations appropriation. The positions are fractions of central office positions that provide services to the King Home. The Home's share of the cost of these positions is already funded from the Home's program revenue appropriation.

	Chg. to Base
PR	5.68
SEG	- 5.68
Total	0.00

4. VETERANS HOME -- FUEL AND UTILITY COSTS

Governor/Legislature: Adjust the Home's budget as follows: (a) delete \$579,200 GPR annually and provide \$579,200 PR annually to reflect the transfer of funding for fuel and utilities at the Home from GPR to program revenue funding; (b) provide \$150,400 PR in 1995-96 and \$174,500 PR in 1996-97 for expected increases in utility prices; and (c) provide \$450,000 PR annually placed in unallotted reserve for wastewater treatment charges from the City of Waupaca to connect the Home to the City's sewer system instead of constructing a new treatment plant at the Home.

	Chg. to Base
GPR-REV	- \$1,186,300
GPR	- \$1,158,400
PR	2,383,300
Total	\$1,224,900

Currently, these costs are initially paid from the GPR appropriation and then reimbursed with medicaid funding (paid from a combination of federal and state funds) which is deposited into the Home's program revenue appropriation. Funds remaining in the program revenue appropriation lapse to the general fund at the end of the fiscal year. The bill would eliminate the GPR funding and instead fund these costs directly from the Home's operating budget (program revenue appropriation) which would also reduce the lapse at the end of the year. In the 1993-95 budget, it was estimated that the Home would lapse approximately \$1.1 million from the appropriation to the general fund for fiscal year 1994-95 as a result of medicaid reimbursements. Under the Governor's recommendation, it is estimated that \$465,300 in 1995-96 and \$450,800 in 1996-97 will lapse, based on the interest paid on debt service which continues to be reimbursed into the Home's PR appropriation.

[Act 27 Sections: 396 and 1036]

5. VETERANS HOME -- NURSING CARE STAFF

Governor/Legislature: Provide \$319,600 in 1995-96 and \$425,900 in 1996-97 and 8.0 positions (3.0 nurse clinicians and 5.0 nursing assistants) for additional direct care nursing staff at the Home. The additional positions are recommended based on projected increases in population and acuity levels.

Chg. to Base Funding Positions		
PR	\$745,500	8.00

6. VETERANS HOME -- SPECIAL STAFFING NEEDS

Governor/Legislature: Provide \$69,600 in 1995-96 and \$92,600 in 1996-97 and 3.0 positions for medical transportation of residents and wheelchair maintenance. The funding would provide for 2.0 nursing assistant transportation positions to make up for discontinued transport services provided by outside vendors and 1.0 maintenance mechanic position to provide maintenance for an increased number of wheelchairs and electric scooters used among the population at the Home.

Chg. to Base Funding Positions		
PR	\$162,200	3.00

7. VETERANS HOME -- INCREASED FUNDING FOR SUPPLIES AND SERVICES

Governor/Legislature: Provide \$197,400 in 1995-96 and \$353,600 in 1996-97 to fund anticipated increases in Home's supplies and services costs resulting from inflation in prices and increased resident population. Supplies and services include items such as food, medical supplies and services, vehicle fuel, clothing, postage, telephone expenses, printing and tuition for employees who wish to continue their training. Base level supplies and services funding for the Home is \$4,737,900 PR.

Chg. to Base	
PR	\$551,000

8. VETERANS HOME -- MAINTENANCE EQUIPMENT AND STRUCTURES

Governor/Legislature: Provide for funding relating to upkeep of the Home's equipment and structures as follows: (a) \$20,000 annually for small building repair and maintenance projects (projects that cost less than \$5,000); (b) \$46,800 annually for contracting with the City of Waupaca for fire protection services for the Home; and (c) one-time funding of \$77,100 in 1996-97 for replacement of equipment.

Chg. to Base	
PR	\$210,700

9. VETERANS HOME -- MISCELLANEOUS BASE FUNDING ADJUSTMENTS

Chg. to Base	
PR	\$244,900

Governor/Legislature: Provide the following miscellaneous base funding adjustments: (a) \$5,500 in 1995-96 and \$5,600 in 1996-97 to fund four vacant nurse clinician positions; (b) \$19,800 annually in increased funding for LTEs; (c) \$21,300 in 1995-96 and \$43,000 in 1996-97 for pay plan increases in the rates for overtime and holiday pay and shift differentials; (d) \$31,100 in 1995-96 and \$33,000 in 1996-97 to adjust for a backlog in reclassifications that resulted in understated base budget salaries for 13.5 FTE; and (e) \$32,900 annually for expected future increases in risk management premium costs.

10. VETERANS HOME -- PROGRAM REVENUE REESTIMATES

Chg. to Base	
PR	\$159,800

Governor/Legislature: Provide \$71,100 in 1995-96 and \$71,700 in 1996-97 for increased expenditures from the gifts and bequests appropriation for the Home's store operations (coffee shop) and for additional LTE funding for chapel services. Provide \$8,000 in 1995-96 and \$9,000 in 1996-97 for increased purchase of items for resale to residents of the Home.

11. VETERANS HOME -- WATER UTILITIES

Chg. to Base Funding Positions		
PR	- \$19,900	0.50

Governor/Legislature: Delete \$24,200 annually to remove funding for wastewater treatment plant staffing from the institutional operations appropriation. Provide \$1,100 annually to fully fund wastewater treatment plant staff from revenues received from sale of water to private residences. Provide \$11,200 in 1995-96 and \$15,100 in 1996-97 and 0.50 PR position to meet DNR requirements that one plant operator be on site each day for 12 hours a day to monitor for the presence of cryptosporidium.

12. VETERANS HOME -- CEMETERY

Chg. to Base	
FED	\$10,000

Governor/Legislature: Provide \$5,000 FED annually to reflect an anticipated increase in burials over the biennium. The Home receives a \$150 plot allowance from the federal government for each burial of a veteran. In addition, create a separate program revenue appropriation for money received from the estates of nonveteran decedents for their burial expenses. Currently, any funds received from nonveterans to cover the cost of burials at the Home are deposited into the Home's institutional operations appropriation. Under the bill, burial expenses incurred in the burial of nonveterans at the Home would continue to be funded from the Home's institutional appropriation. However, any money received from the estates of nonveterans would be

deposited into the new appropriation to be applied toward the cost of cemetery operations. DVA indicates that 10 to 20 nonveterans are buried at the Home annually.

[Act 27 Section: 1037]

13. VETERANS HOME -- CONVERSION TO HOSPITAL-BASED NURSING HOME

Chg. to Base	
GPR-REV	\$439,900
PR-REV	\$1,090,700

Joint Finance/Legislature: Authorize DVA to convert up to 16 beds from nursing home to hospital beds at the King Home and specify that the number of licensed nursing home beds be reduced by the number of newly-created hospital beds. Further, provide that for medical assistance recipients awaiting transfer from the hospital unit to another living arrangement, reimbursement be set at the facility's skilled nursing home rate. Also, exempt newly-created hospital beds at the King Home from the statewide moratorium on the construction of hospital beds and the moratorium on the number of psychiatric or chemical dependency beds of a hospital. 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 of \$96.49 per day in 1994-95. Under current law, the King Home has reached the federal maximum for rural hospitals and would be expected to need a GPR supplement for Home operations in the 1995-97 biennium. These modifications would allow the King Home to receive a higher federal MA payment of \$110.03 per day beginning in 1995-96. Finally, the estimated lapse from the Home's budget (GPR-earned) would be increased by \$439,000 in 1996-97 to offset the added cost to the general fund of the increased medical assistance reimbursement paid from Health and Social Services appropriations.

[Act 27 Sections: 2008n, 2952g, 4387m, 4392bm, 4392dg and 4392dm]

14. PRIMARY MORTGAGE LOAN PROGRAM

Chg. to Base	
BR	\$170,000,000

Governor/Legislature: Increase bonding authority for the primary mortgage loan program by \$170,000,000. Total authority for the program would be \$1,661,000,000.

[Act 27 Section: 1168]

15. **VETERANS TRUST FUND -- GRANT AND LOAN PROGRAMS FOR VETERANS** [LFB Papers 966, 967 and 968]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly/Leg. (Chg. to JFC)	Net Change
SEG	- \$1,393,100	\$1,273,500	\$509,500	\$389,900

Governor: Adjust budgeted levels for veterans trust fund programs which provide assistance to veterans, based on program modifications and/or expected utilization changes, as follows:

Economic Assistance Loan Program and Business Loan Program. Reduce funding by \$1,597,100 annually to reflect estimated demand. Base funding in this appropriation is \$6,206,900 (\$6,106,900 for the economic assistance loan and \$100,000 for the business loan). Also, provide that the maximum loan allowed under the economic assistance loan program be increased from the current \$4,500 to \$5,000.

Tuition Grant Program. Provide \$1,190,500 in 1995-96 and \$1,273,800 in 1996-97 to fund the veterans tuition reimbursement program. The program provides 25% reimbursement of tuition and fees for eligible veterans for undergraduate study at a state UW or technical college institution for semesters beginning after January 1, 1995. The program was created by 1993 Wisconsin Act 254, but no funding was included in that Act.

Health Care Aid Grants. Delete \$217,400 annually to eliminate funding for health care aid grants. Under current law, this program -- funded at \$217,400 in 1994-95 -- is sunsetted on June 30, 1995.

Part-time Study Grants. Reduce funding by \$54,600 annually to reflect a reduction in demand. Base level funding is \$536,300. In addition, modify current language regarding eligible schools which may be used by veterans for part-time and correspondence under this grant program to have the same eligibility criteria apply for out-of-state schools as now applies for in-state schools.

Subsistence Aid Grants. Increase funding by \$4,000 annually to reflect a slight increase in demand. Base level funding is \$120,000.

Participation Re-estimates. Reduce funding by \$63,600 annually in the veterans aids and treatment appropriation which funds part-time study grants, health care aid grants and subsistence aid grants due to reduced participation by other veterans, and/or less than anticipated use by Persian Gulf veterans.

Retraining Grant Program. Modify statutory requirements for the retraining grant program to allow veterans who are underemployed, as defined by DVA by administrative rule, to participate. Currently, veterans are required to be unemployed or to have received notice of termination of employment to qualify for the grants under the program.

Joint Finance: Modify the Governor's provisions as follows:

Economic Assistance Loan Program and Business Loan Program. Repeal the business loan program. Although base level funding for the business loan program is \$100,000, no funds were included in AB 150 for this program so no fiscal change results from the repeal of the program.

Tuition Grant Program. Provide an additional \$595,300 SEG in 1995-96 to fund spring, 1995 semester tuition and fee reimbursements that were not funded for fiscal year 1994-95. Further, modify the tuition and fee reimbursement program to provide that the appropriated funding may only be used for courses completed in the fiscal year for which the funding was appropriated. In addition, authorize DVA to encumber funds for up to 60 days following the end of a fiscal year based on an estimate submitted to DOA of additional reimbursements to be paid from that fiscal year's appropriation.

Health Care Aid Grants. Provide \$350,000 SEG in 1995-96 and \$360,000 SEG in 1996-97 for veterans health care aid grants and extend the sunset date for the health care aid grant program to June 30, 1997 (under current law, the program sunsets on June 30, 1995 and therefore, no funding was included in the budget for the program).

Retired Senior Volunteer Program. Delete \$15,900 SEG annually and repeal the veterans retired senior volunteer program. No grant has ever been awarded under the program.

Assembly/Legislature: Provide an additional \$509,500 in 1996-97 to increase reimbursement under the veterans tuition reimbursement program from 25% to 35% for courses beginning after June 30, 1996.

[Act 27 Sections: 473, 1040d, 1040g, 1406, 1995k, 1995q, 1999g, 2000, 2000d, 2000g, 2001m, 2009 thru 2013, 2015, 9158(1g), 9358(1),(2)&(3v) and 9458(1x)&(3v)]

16. COUNTY VETERANS SERVICE OFFICER GRANTS [LFB Paper 969]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$961,200	- \$910,200	\$51,000

Governor: Provide \$464,400 in 1995-96 and \$496,800 in 1996-97 to increase the level of grants for county full-time veterans service officers. Eliminate the current county grant levels and replace them with grants which are based on total county population size. Annual basic grants for counties would be distributed as follows: (a) counties with populations under 20,000 would receive \$8,500; (b) counties with populations from 20,000 to 45,499 would receive \$10,000; (c) counties with populations of 45,500 to 74,499 would receive \$11,500; and (d) counties with populations over 75,000 would receive \$13,000. Currently, grants to counties are phased in and limited to grants of \$1,000 for the first year the county applies for the grant, \$3,000 the second year and the statutory maximum of \$5,000 the third year and each year thereafter for counties with full-time service officers. It is expected that 70 counties (all counties excluding Vilas and Green) will receive a grant under the program in fiscal year 1994-95. However, two counties (Florence and Iron) have part-time CVSOs and, under the bill, would continue to receive the \$500

annual grant for counties with part-time offices. In addition, of the total funding provided, \$32,400 in 1995-96 and \$64,800 in 1996-97 would be used to institute a production incentive award in the program based on the number of veterans served by a county. The award program would be established by Department rule. Base level funding for county veterans service officer grants is \$319,500 with 40% (\$127,800) from the veterans trust fund and 60% (\$191,500) from the primary mortgage loan program. The increased funding provided under this is similarly split between the veterans trust fund (\$384,400), and the primary mortgage loan program (\$576,800).

Joint Finance/Legislature: Delete \$439,900 SEG in 1995-96 and \$470,300 SEG in 1996-97 and the Governor's recommended changes in the grant program. Increased funding of \$24,500 SEG in 1995-96 and \$26,500 SEG in 1996-97 would be retained to fully fund the current CVSO program.

17. OPERATION OF SOUTHEASTERN WISCONSIN STATE VETERANS CEMETERY [LFB Paper 970]

	Chg. to Base Funding Positions	
PR	\$376,900	5.50
SEG	<u>260,300</u>	<u>1.50</u>
Total	<u>\$637,200</u>	<u>7.00</u>

Governor: Provide \$144,100 SEG and 1.5 SEG positions and \$25,400 PR and 0.5 PR positions in 1995-96 and \$116,200 SEG and \$351,500 PR and an additional 5.0 PR positions in 1996-97 to operate a state veterans cemetery in southeastern Wisconsin as authorized under 1993 Wisconsin Act 296. DVA estimates that the cemetery will cover approximately 100 acres and inter 850 people annually. A separate capital budget request for purchase of land and construction of facilities has been submitted under the state building program. Operation is expected to begin June 1, 1996. Funding would be used for: (a) permanent property (\$114,200); (b) one-time financing for major equipment purchases (\$222,000); (c) supplies and services (\$32,700); and (d) salaries and fringe benefits (\$268,300) for 7.0 positions (1.0 cemetery director, 1.0 cemetery representative, 1.0 foreman, 1.0 auto equipment technician, 1.0 motor vehicle operator and 2.0 cemetery caretakers). The bill would create five new appropriations including three program revenue appropriations and two segregated revenue appropriations for operation of the cemetery. Program revenue would be generated from: (a) fees charged for burial plots and for the opening and closing of graves; (b) federal aid; and (c) gifts, grants and bequests. The segregated funding for administrative and maintenance costs and a portion of energy costs is intended to come from the veterans trust fund, however, the bill does not provide that. Also, while the Governor's intent is that DVA be allowed to charge fees for burial at the cemetery, the bill does not provide the authority for DVA to assess burial fees. Veterans eligible for burial at the cemetery include any veterans who died while on active duty and who were residents of the state at the time of entry or reentry into active duty, and any veterans who were discharged or released from active duty, under other than dishonorable conditions, and who were residents at the time of death. In addition, the bill would also allow the burial of a veterans'

spouse, unremarried surviving spouse and children under 18 (or any age if incapable of self-support by reason of mental or physical disability) at the state veterans cemetery if the person was a state resident at the time of death.

Joint Finance/Legislature: Modify the provisions to include statutory language to allow DVA to promulgate rules to assess fees for burial at the veterans cemetery. In addition, provide appropriation language specifying that segregated funding comes from the veterans trust fund.

[Act 27 Sections: 1043 and 2004 thru 2007, 2007m and 2008]

18. STATE VETERANS SERVICE ORGANIZATION GRANTS [LFB Paper 969]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$37,500	- \$37,500	\$0

Governor: Provide \$12,500 in 1995-96 and \$25,000 in 1996-97 from the veterans trust fund to increase grants to state veterans organizations that provide full-time veterans claims service at the Federal VA regional office in Milwaukee. Base funding for claims service by veterans service organizations is \$75,000.

Provide that base grants be increased to range from \$5,000 to \$20,000. Further, provide that any appropriation amount remaining after base grants have been paid could be used by the Department to make an additional payment to each organization based on the number of initial claims filed with the U.S. DVA on behalf of Wisconsin veterans. No organization would be allowed to receive more than 50% of the total amount appropriated for the grants. Currently, annual grants range from a minimum of \$2,500 to a maximum of \$15,000 based on salaries and travel expenses paid by the state veterans organization to employees at the regional office. Four organizations now participate in the program: the American Legion, the AmVets, the Disabled American Veterans and the Veterans of Foreign Wars.

Joint Finance/Legislature: Delete provision.

19. VETERANS MUSEUM FUNDING

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$3,300	0.00	\$209,000	5.65	\$2,800	0.00	\$215,100	5.65
SEG	105,700	0.00	- 199,000	- 5.65	8,600	0.00	- 84,700	- 5.65
Total	\$109,000	0.00	\$10,000	0.00	\$11,400	0.00	\$130,400	0.00

Governor: Provide increased funding for the veterans museum as follows: (a) \$1,100 GPR in 1995-96 and \$2,200 GPR in 1996-97 for increased fuel and utility costs; (b) \$15,000 SEG annually for lighting and fire detection systems; (c) one-time funding of \$3,500 SEG in each year of the biennium for moving costs associated with transferring the military history collection from the State Historical Society to the veterans museum; (d) \$13,900 SEG in 1995-96 and \$22,400 SEG in 1996-97 for the purchase of additional items for resale to museum visitors; (e) \$11,000 SEG in 1995-96 and \$11,400 SEG in 1996-97 for increased costs for security guard services provided by DOA's Division of Buildings and Police Services; and (f) \$5,000 SEG annually for exhibit maintenance including replacement of plexiglass panels and maintenance of the museums audio-visual system. The segregated revenue comes from the veterans trust fund.

In addition, create two separate program revenue appropriations for the museum, one for moneys received from the federal government for specific museum programs and acquisitions and one for all moneys (gifts and bequests) received by the museum, for the benefit of the museum to be used as far as practicable in accordance with the wishes of the donors. Currently, donations to the museum are deposited into an appropriation that includes the proceeds of all donations to DVA.

Joint Finance: Modify the Governor's provisions by:

a. *Advertising.* Providing an additional, \$5,000 SEG annually from the veterans trust fund for the cost of advertising for the Wisconsin Veterans Museum and to provide informational literature on the Museum to public schools, historical societies and the general public; and

b. *GPR Funding.* Add \$209,000 GPR and delete \$209,000 SEG in 1996-97 to shift funding for operation of the Wisconsin Veterans museum from the veterans trust fund to the general fund beginning on January 1, 1997. A total of 5.65 positions would also be shifted from SEG to GPR funding as a result of this transfer.

Assembly/Legislature: Provide \$5,700 SEG in 1995-96 and \$2,900 SEG and \$2,800 GPR in 1996-97 to increase funding for maintenance of exhibits and facilities at the Wisconsin Veterans Museum.

[Act 27 Sections: 473, 1038m, 1040 thru 1042, 1046, 1406, 1998, 1999 and 9458(1g)]

20. INCREASE IN LOAN RESERVES

Chg. to Base	
SEG	\$160,000

Governor/Legislature: Provide \$80,000 annually from the veterans trust fund to increase the reserve for costs associated with loan defaults in the veterans trust fund loan programs. The high level of loan activity in the 1993-95 biennium, mainly the \$35.6 million in newly-issued consumer loans, greatly increased the level of outstanding loans. Base funding for this purpose is \$70,000.

21. SUMMER INTERNSHIPS

Chg. to Base	
SEG	\$15,000

Governor/Legislature: Provide \$7,500 annually from the veterans trust fund to provide funds for employment of an LTE under the state's summer affirmative action intern program. The intern would assist in meeting workload demand under the home loan program.

22. RECORDS CONVERSION

Chg. to Base Funding Positions		
SEG	\$91,600	2.00

Governor/Legislature: Provide \$40,000 in 1995-96 and \$51,600 in 1996-97 and 2.0 project positions in 1996-97 to address the conversion and protection of veterans' records. The first year funding is intended to finance a feasibility study of using electronic imaging for record conversion and storage. The second year funding is for 2.0 administrative support project positions to scan documents and assist in implementation of the imaging system. The costs of this are apportioned evenly between the veterans trust fund and the veterans mortgage loan program.

23. OVERTIME FUNDING

Chg. to Base	
SEG	\$66,800

Governor/Legislature: Provide \$33,000 in 1995-96 and \$33,800 in 1996-97 from the veterans home loan program for payment of overtime to employees involved in loan processing during periods of high demand for primary mortgage and home improvement loans (primarily in the summer).

24. COPIES OF VITAL RECORDS

Joint Finance/Legislature: Allow county veterans service offices to obtain, from the state registrar of the vital records or from local registrars, copies of vital records for administrative use. In addition,

allow such agencies to transmit those copies to the state and federal departments of veterans affairs to assist veterans in receiving veterans' benefits.

[Act 27 Sections: 2008g, 3343u and 3343w]

25. ELIMINATE 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>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$161,800	- 1.00	\$0	1.00	-\$161,800	0.00

Joint Finance: Reduce funding by \$80,900 SEG annually and eliminate 1.0 executive assistant position. Funding is divided between the primary mortgage loan program (\$46,100 annually) and the veterans trust fund (\$34,800 annually).

Senate/Legislature: Restore the position authority but not the associated funding for the agency's executive assistant position.

26. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$38,300 PR and 1.0 PR position annually from general operations at the veterans King Home. In addition, delete \$23,300 SEG and 1.0 SEG position annually from administration of veterans trust fund programs.

	<u>Chg. to Base</u>	
	<u>Funding</u>	<u>Positions</u>
PR	-\$76,600	- 1.00
SEG	- 46,600	- 1.00
Total	-\$123,200	- 2.00

WISCONSIN CONSERVATION CORPS

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	\$6,974,600	\$5,574,900	\$2,247,400	\$2,247,400	\$2,247,400	- \$4,727,200	- 67.8%
FED	1,800	0	0	0	0	- 1,800	- 100.0
PR	1,580,600	668,000	634,000	634,000	634,000	- 946,600	- 59.9
SEG	<u>2,150,200</u>	<u>3,053,800</u>	<u>1,226,900</u>	<u>1,226,900</u>	<u>1,226,900</u>	<u>- 923,300</u>	<u>- 42.9</u>
TOTAL	\$10,707,200	\$9,296,700	\$4,108,300	\$4,108,300	\$4,108,300	- \$6,598,900	- 61.6%

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	3.50	3.50	0.00	0.00	0.00	- 3.50
PR	2.50	1.00	0.00	0.00	0.00	- 2.50
SEG	<u>7.50</u>	<u>7.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>- 7.50</u>
TOTAL	13.50	12.00	0.00	0.00	0.00	- 13.50

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide annual adjustments to the base budget for: (a) removal of noncontinuing costs (-\$900 FED and -\$4,300 SEG); (b) full funding of continuing salaries and fringe benefits (\$6,800 GPR, \$1,400 PR and -\$4,000 SEG); (c) full funding of financial services charges (\$1,400 GPR and \$700 SEG); (d) reclassifications (\$2,200 GPR and \$1,600 SEG); (e) full funding of lease costs and directed moves (\$600 GPR); and (f) full funding of delayed 1994-95 pay plan adjustment (\$700 GPR and \$1,000 SEG).

Chg. to Base	
GPR	\$23,400
FED	- 1,800
PR	2,800
SEG	<u>- 10,000</u>
Total	\$14,400

2. PROGRAM REVENUE REESTIMATES

Governor/Legislature: Delete \$459,400 and 1.5 positions annually as follows: (a) -\$439,400 and -1.5 positions to reflect the expiration of contracts with the Department of Administration's Bureau of Energy; (b) -\$15,000 to

Chg. to Base Funding Positions		
PR	- \$918,800	- 1.50

reestimate revenue from local units of government and nonprofit organizations; and (c) -\$5,000 to reestimate revenue from various state agencies.

3. FUNDING SHIFT TO THE CONSERVATION FUND [LFB Paper 975]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
GPR	- \$900,000	\$0	- \$900,000
PR	0	600,000	600,000
SEG	900,000	- 600,000	300,000
Total	\$0	\$0	\$0

Governor: Shift \$450,000 annually in base funding from GPR to the parks account (\$225,000) and the forestry account (\$225,000) of the conservation fund. The Department of Natural Resources (DNR) would sponsor one WCC crew per DNR district for park and forest recreation area maintenance and operations.

Joint Finance/Legislature: Modify the funding sources used to replace the \$450,000 GPR annually as follows: (a) -\$225,000 SEG annually from the parks account; (b) -\$75,000 SEG annually from the forestry account; and (c) \$300,000 PR annually from contracts with DNR for natural resources projects.

4. REDUCE NUMBER OF CREWS

	Chg. to Base
GPR	- \$523,100

Governor/Legislature: Delete \$174,400 in 1995-96 and \$348,700 in 1996-97 to reduce the number of WCC crews by 2.5 in 1995-96 and 4.5 in 1996-97.

5. WORK BOOT REIMBURSEMENT [LFB Paper 976]

	Chg. to Base
PR	\$3,400
SEG	13,600
Total	\$17,000

Governor/Legislature: Provide \$1,700 PR and \$6,800 SEG annually to increase the corps enrollee subsidy for work boots from \$45 to \$60. The PR funds would be provided indirectly from the fish and wildlife account of the conservation fund through project agreements with the Department of Natural Resources. The SEG funds would be provided in equal amounts (\$1,700 annually) from the following funds: (a) the forestry account of the conservation fund; (b) the water resources account of the conservation fund; (c) the nonpoint account of the environmental fund; and (d) the transportation fund.

6. CORPS MEMBER DEVELOPMENT COORDINATOR

Governor/Legislature: Transfer \$16,800 SEG in 1995-96 and \$25,200 SEG in 1996-97 from the permanent position salary line to the project position salary line to extend a project position for two years, until October 31, 1997. The coordinator is responsible for implementing and assessing a corps member development program.

7. EDUCATION VOUCHER INCREASE [LFB Paper 977]

Governor: Increase the maximum education voucher from \$2,200 to \$2,400. Corps enrollees who successfully complete one year of service in the WCC are currently eligible to receive either a \$500 cash bonus or an education voucher that is worth at least \$1,000, but not more than \$2,200. The education voucher may be used at any higher education institution in this state. Limit the number of completion payments a corp enrollee may receive to no more than four education vouchers or two cash bonuses. Allow WCC to hire both full-time and part-time corp enrollees. Specify the level of the part-time completion bonuses as follows: (a) the cash bonus would be prorated based on the number of hours worked; and (b) the education voucher would be worth at least double the cash bonus, but not more than \$2,400. Carryover balances in the WCC's continuing appropriation would be used to fund this voucher increase. The balances are the result of previously awarded and unused education vouchers.

Jt. Finance/Leg. Chg. to Base	
GPR	- \$64,700

Joint Finance/Legislature: Delete \$77,200 in 1995-96 and provide \$12,500 in 1996-97 to remove accumulated cash balances from unused education vouchers and provide for the cost of the increase in the maximum education voucher. Specify that the increase in the maximum education voucher would be effective for vouchers issued on July 1, 1996. Replace the requirement that the WCC Board hire corps enrollees for a one-year continuous period of employment with a requirement of a minimum six-month continuous period of employment and a maximum one-year continuous period of employment, unless otherwise allowed. In addition, require the maximum education voucher to be prorated based on the number of hours worked.

[Act 27 Sections: 263m, 263r, 269, 273m, 277m, 9311(1x) and 9411(1x)]

8. CENTRAL OFFICE ADMINISTRATIVE CREW

Governor/Legislature: Designate \$46,000 GPR annually from general corps enrollee support funds to create an administrative crew to assist in meeting WCC central office workload increases. Exempt the WCC from the normal project application process.

[Act 27 Sections: 250m and 251m]

9. PARTNERSHIP PROJECTS

Governor: Allow the WCC Board to approve a "partnership project" without using established guidelines, if the project sponsor pays the total cost of the project. Specify that if the Department of Corrections is approved as a "partnership project" sponsor, the following would apply: (a) the crew members must be prisoners, probationers or parolees; and (b) the crew members must receive applicable alcohol and other drug abuse treatment and educational programming for a portion of each work week, but not to exceed eight hours per week.

Assembly/Legislature: Include persons on community supervision, sentenced under the proposed no-jail misdemeanor provisions (see "Public Defender"), as eligible crew members of a "partnership project."

Veto by Governor [C-29]: Delete the no-jail misdemeanor provision. [See "Public Defender"]

[Act 27 Sections: 248m, 251d and 6399]

[Act 27 Vetoed Section: 251d]

10. CREW LEADER EMPLOYMENT [LFB Paper 979]

Governor: Add a regional crew leader classification to the current WCC Board options for classifying corps enrollees (corps members, assistant crew leaders or crew leaders). Limit the hourly wage an assistant crew leader, crew leader or regional crew leader may be paid to twice the hourly wage of a corps member (the higher of the state or federal minimum wage). Allow the Board to waive this limitation for regional crew leaders. Limit the Board's authority to extend a crew leader's employment to a maximum of four years, but allow the Board to extend the employment of a regional crew leader for an unlimited time. Currently, the Board may extend the normal two-year employment period for a crew leader indefinitely if the crew leader possesses special experience, training or skills valuable to the program. Extend group health care coverage eligibility, minimum age and training provisions currently applying to crew leaders to regional crew leaders.

Joint Finance: Allow crew leaders who, on the effective date of the budget act, are paid more than the proposed maximum to continue to be paid at the higher rate. Delete the provision that would have limited the Board's authority to extend a crew leader's employment.

Direct the WCC Board to submit a report to the Joint Committee on Finance before February 1, 1996, detailing the WCC's strategic plan and evaluating crew leaders' length of employment. Require the WCC Board to include an analysis of whether maintaining the organizational stability of the WCC is more important than providing promotional opportunities for corps members.

Assembly: Delete the proposed maximum hourly wage limitation for an assistant crew leader, crew leader or regional crew leader.

Senate/Legislature: Restore the proposed maximum hourly wage limitation for an assistant crew leader, crew leader or regional crew leader, as modified by Joint Finance.

[Act 27 Sections: 255m, 257m, 257v, 260m, 261m, 268m, 270m, 277m, 1948 and 9111(3x)]

11. WCC TRANSFER FROM DOA TO DILHR

Governor: Transfer the attachment of the WCC for limited administrative purposes from the Department of Administration (DOA) to the Department of Industry, Labor and Human Relations (DILHR). Transfer employees, assets and liabilities, tangible personal property and contracts primarily related to the functions of the WCC (as determined by DOA's Secretary) from DOA to DILHR.

	Jt. Finance/Leg. Chg. to Base Funding Positions	
GPR	- \$2,712,800	- 3.50
PR	- 634,000	- 1.00
SEG	- 1,226,900	- 7.50
Total	- \$4,573,700	- 12.00

Joint Finance/Legislature: Specify that the transfer of the attachment of the WCC for limited administrative purposes would occur on July 1, 1996. Delete \$2,712,800 GPR and 3.5 GPR positions, \$634,000 PR and 1.0 PR position and \$1,226,900 SEG and 7.5 SEG positions in 1996-97 and transfer this funding and these positions to the Department of Industry, Labor and Human Relations (DILHR), effective July 1, 1996. Although the funding would be appropriated under DILHR, the funds would be used for the operations of the WCC.

[Act 27 Sections: 103m, 107 thru 111, 239d thru 240, 241r thru 244, 244r thru 245g, 245m thru 247g, 247r, 248r, 249, 250r, 251, 251h, 251r, 252g, 252t, 253r, 254, 255r, 256, 257r, 257x, 258, 259r, 260r, 261r, 262, 264 thru 267, 268r, 268t, 269m, 270r thru 272, 273r thru 276, 277r, 278, 776b, 776d, 776p thru 778b, 778L, 778n, 778q, 778v thru 780m, 781m thru 782u, 1014c, 1411r, 1948m, 3540, 6399m, 9111(1) and 9411(1z)]

12. EXECUTIVE DIRECTOR APPOINTMENT [LFB Paper 980]

Governor/Legislature: Require the Governor to appoint, with the advice and consent of the Senate, the Executive Director of the WCC. Under current law, the WCC Board appoints the Executive Director. Authorize the Governor to remove the current Executive Director.

[Act 27 Sections: 241m and 437]

13. MISCELLANEOUS STATUTORY MODIFICATIONS

Governor/Legislature: Allow corps enrollees to attend education and training programs during work hours. Expand the health care coverage options the Board can provide to include any group health coverage, rather than just the state group health insurance plan. Require the Board to consider the extent to which a project sponsor would provide corps enrollees additional wages or other benefits when selecting projects for approval.

[Act 27 Sections: 244m, 253m and 259m]

14. CONTINUING CASH BALANCE FOR CORPS ENROLLEE SUPPORT [LFB Paper 978]

Chg. to Base	
GPR	- \$550,000

Joint Finance/Legislature: Decrease funding by \$550,000 in 1995-96 to reflect the following adjustments: (a) the deletion of \$400,000 in order to partially recapture a continuing cash balance; and (b) the transfer of \$150,000 from the corps enrollee support appropriation to the Joint Committee on Finance's appropriation for agency supplements. Specify that the WCC Board could submit a request to the Joint Committee on Finance under s. 13.10 to fund increased corps enrollee support costs related to an increase in the minimum wage.

Create GPR and SEG biennial appropriations for corps enrollee support and delete the corresponding continuing appropriations. Transfer the unencumbered balance of each continuing appropriation to the corresponding biennial appropriation.

[Act 27 Sections: 245h, 247m, 252r, 776m, 776n, 778d thru 778k, 778m, 778p, 788u, 1411g, 9111(3p) and 9211(1z)]

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

1. WHEFA RURAL HOSPITAL AND PRIMARY CARE PROVIDER LOAN GUARANTEES [LFB Paper 985]

Jt. Finance/Leg. Chg. to Base	
GPR-REV	\$475,000

Governor: Provide that WHEFA could no longer guarantee repayment of certain loans made by private lenders to nonprofit rural hospitals or cooperatives with no more than 100 beds each and nonprofit rural primary care providers. This provision would take effect on the effective date of the budget act.

Require WHEFA to transfer on August 1, 1995, to DOA for deposit in the general fund, the balance remaining in the hospital loan fund, less the amount necessary to pay outstanding claims and fund outstanding guarantees under the program. Staff at DOA estimate that \$475,000 would be transferred to the general fund.

Joint Finance/Legislature: Approve the Governor's recommendation and also reestimate general fund revenues to reflect the transfer of the \$475,000 estimated remaining balance in the hospital loan fund to the general fund.

[Act 27 Sections: 6299, 6300 and 9125(1)]

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

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
SEG	\$500,000	\$0	\$0	\$0	\$0	- \$500,000	- 100.0%

FTE Position Summary
There are no authorized state positions for WHEDA

1. STANDARD BUDGET ADJUSTMENT

	Chg. to Base
SEG	- \$500,000

Governor/Legislature: Delete \$250,000 annually from WHEDA's base budget to reflect the removal of noncontinuing funding. Under 1993 Wisconsin Act 16, \$250,000 SEG from the petroleum inspection fund was transferred to WHEDA's Wisconsin Development Reserve Fund (WDRF) in 1994-95 to fund guarantees under the clean air loan guarantee program. This was a one-time transfer of funding and so needs to be deleted from the agency's base.

2. LOCAL SPEARFISHING LAW ENFORCEMENT APPROPRIATION AND BALANCES [LFB Paper 990]

	Chg. to Base
GPR-REV	\$240,900

Joint Finance/Legislature: Require a lapse of an estimated total of \$240,900 to the general fund on July 1, 1995, from the Wisconsin Development Reserve Fund (WDRF) in WHEDA. This amount consists of the June 30, 1994, unencumbered balance (\$119,800) and the estimated unencumbered June 30, 1995, balance (\$121,100) in the DNR local spearfishing law enforcement appropriation. Under current law, \$125,000 GPR annually is appropriated to DNR for reimbursements to counties and municipalities for certain law enforcement costs associated with spearfishing. On June 30 of each year, any unencumbered balance in the appropriation is required to be transferred to WHEDA and deposited in the WDRF to be used to provide guarantees on loans made under

any of the loan guarantee programs backed by the WDRF. This requirement is repealed under a separate provision described under "Natural Resources -- Enforcement and Recreational Aids."

[Act 27 Section: 9129(1g)]

3. JOB TRAINING LOAN GUARANTEE PROGRAM

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
GPR	\$3,000,000	- \$3,000,000	\$0

Assembly: Transfer \$1.5 million annually from the Wisconsin Development Fund (WDF) in DOD to the Wisconsin development reserve fund (WDRF) in WHEDA to fund guarantees under a job training loan guarantee program to be administered by WHEDA. Create a job training loan guarantee program and provide that WHEDA may guarantee loans under this program, backed by the WDRF up to a total amount of \$14 million in outstanding guaranteed principal. Provide that WHEDA may guarantee, under the WDRF, loans made if all of the following apply: (a) the borrower uses the loan proceeds for expenses related to employee training or retraining or for purchasing equipment or upgrading facilities for purposes related to employee training or retraining; (b) the loan term does not extend beyond three years if the loan proceeds are used exclusively for expenses related to instruction or training, or beyond five years if the loan proceeds are used for purchasing equipment or upgrading facilities; and (c) the total principal amount of all loans to the borrower that are guaranteed under the program does not exceed \$250,000.

In addition to these requirements, extend the following conditions which are currently applicable to most other loans guaranteed by WHEDA to loans under the job training loan guarantee program: (a) loan proceeds may not be used to refinance existing debt or for operating or entertainment expenses; (b) the interest rate on the loan, including any origination fees or other charges, must be approved by WHEDA; (c) the financial institution providing the loan must obtain a security interest in the physical plant, equipment or other assets if the loan proceeds are used for purchasing equipment or upgrading facilities; (d) the financial institution must determine that it is reasonably likely that the borrower will be able to repay the loan in full with interest; and (e) the financial institution must agree to the percentage of guarantee established for the loan by WHEDA. Require WHEDA to establish the percentage of the loan principal that will be guaranteed, and permit the Authority to establish a single guarantee percentage for all guaranteed loans or different percentages for eligible loans on an individual basis.

Provide that records consisting of personal or financial information provided by a person seeking a loan under this program shall be excluded from the open records law. Exempt guarantees provided by WHEDA under the program from the general applicability of the insurance laws.

Senate/Legislature: Delete provision.

4. TOURISM LOAN GUARANTEE PROGRAM

Assembly/Legislature: Expand the purposes for which WHEDA may provide loan guarantees under the tourism loan guarantee program (referred to in the statutes as the business improvement loan guarantee program) to include start-up loans to a business that derives more than 50% of its annual gross revenue from furnishing lodging. Under current law, businesses eligible for tourism loans include those that are primarily engaged in or derive a substantial percentage of annual gross revenue from furnishing goods, services, lodging, recreation facilities or amusement facilities to tourists or from furnishing goods or services to such businesses. Modify current statutory borrower eligibility provisions to make these provisions applicable to individuals intending to engage in a business that derives more than 50% of its annual gross revenue from furnishing lodging. Under current law, an individual qualifies for a WHEDA-guaranteed tourism loan if: (a) the person's business is eligible under the program; (b) the annual gross revenue of the person, together with any parent, subsidiary or affiliate corporation, does not exceed \$2.5 million; (c) the person, together with any parent, subsidiary or affiliate corporation, employs fewer than 25 employees on a full-time basis; and (d) the person is unable to obtain adequate business financing on reasonable terms. These same eligibility criteria would be applied to borrowers applying for start-up loans.

[Act 27 Sections: 6305i through 6305np]

WISCONSIN TECHNICAL COLLEGE SYSTEM

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	\$254,382,600	\$252,078,800	\$251,880,600	\$251,880,600	\$251,880,600	- \$2,502,000	- 1.0%
FED	58,066,400	58,224,100	58,224,100	58,224,100	58,224,100	157,700	0.3
PR	11,211,000	11,369,900	11,144,700	11,144,700	11,144,700	- 66,300	- 0.6
SEG	<u>1,365,800</u>	<u>1,404,800</u>	<u>1,404,800</u>	<u>1,404,800</u>	<u>1,404,800</u>	<u>39,000</u>	<u>2.9</u>
TOTAL	\$325,025,800	\$323,077,600	\$322,654,200	\$322,654,200	\$322,654,200	- \$2,371,600	- 0.7%

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	42.85	34.85	37.85	38.85	38.85	- 4.00
FED	34.65	30.65	30.65	30.65	30.65	- 4.00
PR	18.00	15.00	13.00	13.00	13.00	- 5.00
SEG	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
TOTAL	98.50	83.50	84.50	85.50	85.50	- 13.00

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base for: (a) turnover reduction (-\$61,400 GPR annually); (b) full funding of salaries and fringe benefits (\$38,600 GPR, \$187,700 FED, \$35,300 PR and \$18,600 SEG annually); (c) full funding of financial services charges (\$800 GPR and \$3,300 FED annually); (d) risk management costs (\$1,500 GPR and \$5,900 FED annually); (e) fifth week vacation as cash (\$16,700 GPR in 1995-96 and \$17,200 GPR in 1996-97, \$4,900 FED in 1995-96 and \$5,400 FED in 1996-97, \$1,600 PR annually and \$900 SEG annually); (f) delayed pay adjustments (\$24,400 GPR, \$12,900 FED and \$2,600 PR annually); and (g) removal of noncontinuing items (-\$710,000 GPR, -\$42,700 FED and -\$4,600 PR annually). In addition, transfer \$2,100,000 annually from the agency's federal appropriation for state operations to the federal appropriation for local assistance to properly account for vocational education funds administered by DPI and distributed to school districts.

	Chg. to Base
GPR	- \$1,378,300
FED	344,500
PR	69,800
SEG	<u>39,000</u>
Total	- \$925,000

2. BUDGET REDUCTIONS [LFB Paper 995]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$901,500	- 8.00	\$0	4.00	-\$901,500	- 4.00

Governor: Reduce the agency's budget by deleting the following positions beginning in 1995-96: (a) 1.0 accountant position (-\$46,100 annually); (b) 1.0 economist position (-\$43,000 annually); (c) 4.0 administrative officer positions (-\$230,700 in 1995-96 and -\$302,300 in 1996-97); (d) 1.0 program support position (-\$32,900 in 1995-96 and -\$43,900 in 1996-97); and (e) 1.0 management information system position (-\$30,200 in 1995-96 and -\$40,300 in 1996-97). In addition, reduce the supplies and services budget by \$21,500 annually. Two of the four administrative officer positions would be eliminated due to the merger of the Bureau of Policy and Government Relations and the Bureau of Planning and Management Information which is proposed in the Executive Budget Book. [Since the positions under (c) through (e) would be deleted beginning July 1, 1995, the Governor's proposal should reflect comparable savings in each year of the biennium.]

Joint Finance/Legislature: Restore the 4.0 administrative officer positions in both years of the biennium and provide that the allocation of reductions of \$230,700 in 1995-96 and \$302,300 in 1996-97 would be determined by the agency. In addition, provide that the 2.0 positions, under (d) and (e) above, would be deleted beginning October 1, 1995.

3. WORKPLACE LITERACY RESOURCE CENTER

	Chg. to Base
GPR	-\$24,000

Governor/Legislature: Delete base funding of \$12,000 annually for the workplace literacy resource center which the WTCS Board is required to operate for the purpose of developing, purchasing, reviewing and evaluating workplace literacy materials. While funding for the center would be eliminated, the Act does not delete the appropriation or statutory language relating to operation of the center.

4. DISTANCE LEARNING SERVICES

	Chg. to Base
PR	\$174,000

Governor/Legislature: Provide \$87,000 annually to fund 1.0 position to assist technical college districts in providing distance education programs using telecommunications. Increased position authority is not required because the agency was authorized 5.0 PR positions (with no funding) for services to district boards in the 1991-93 biennial budget. Although this item was approved under s. 16.515 in October, 1994, the late timing prevented its inclusion in the agency's base budget.

5. STATE CERTIFICATION COMMITTEE

Chg. to Base	
PR	\$30,000

Governor/Legislature: Provide \$15,000 annually to fund increased travel and meeting expenses for the committee which reviews and advises the WTCS Board regarding certification requirements for WTCS educational personnel. These expenses are funded through certification fees.

6. RECYCLING PROGRAM

Governor/Legislature: Repeal the requirement that the WTCS Board develop a recycling program. In addition, repeal the agency's appropriation from the segregated recycling fund for this purpose. In 1990-91, the Board was directed to study the need for courses and programs related to recycling and was provided one-time funding of \$20,000 SEG. Since then, no funds have been appropriated for the program.

[Act 27 Sections: 619, 1802 and 9454(1)]

7. TECHNICAL COLLEGE DISTRICT BOARD MEMBERSHIP [LFB Paper 765]

Governor: Effective July 1, 1997, increase WTCS district board membership from nine to 11 members. This change is related to the Governor's proposal to reorganize the existing 12 cooperative educational service agencies (CESAs) into 15 agencies having borders coterminous with technical college districts. The two additional members would be: one member of the board of control of the CESA located in the WTCS district and one employee of a school district or CESA who represents a school-to-work program. Both members would be appointed by the CESA board of control. Provide that a district board member representing the CESA board of control would have to vacate his or her position on the district board upon vacating his or her position on the board of control.

Joint Finance/Legislature: Delete provision.

8. EDUCATIONAL APPROVAL BOARD

Chg. to Base		
Funding Positions		
FED	\$108,400	1.00
PR	<u>138,400</u>	<u>1.00</u>
Total	\$246,800	2.00

Governor/Legislature: Provide \$58,600 in 1995-96 and \$78,200 in 1996-97 to fund 2.0 positions (program assistant and education specialist) to address increased workload related to the regulation of private, nonprofit schools. The positions would be funded each year through an equal combination of PR and FED. In addition, increase the Board's expenditure authority to reflect reestimates of: (a) a contract with the Veterans Administration (\$20,000 FED annually); and (b) proprietary school permit revenues (\$35,000 PR annually).

9. ELIMINATION OF EDUCATIONAL APPROVAL BOARD
[LFB Paper 761]

Governor/Legislature: Effective July 1, 1996, eliminate the Educational Approval Board (EAB) which is currently attached to the WTCS Board for administrative purposes. Delete \$295,200 FED and 5.0 FED positions and \$253,300 PR and 4.0 PR positions in 1996-97 from the agency's budget. Transfer the statutory responsibilities of the EAB and 8.0 positions (4.5 FED and 3.5 PR) to the new Department of Education. Repeal the requirement that the EAB employ an executive secretary and such other classified positions necessary to carry out the purpose of the EAB.

	Chg. to Base	
	Funding	Positions
FED	- \$295,200	- 5.00
PR	- 253,300	- 4.00
Total	- \$548,500	- 9.00

[Act 27 Sections: Shown under "Public Instruction"]

10. EXECUTIVE ASSISTANT POSITION

	Jt. Finance (Chg. to Base)		Senate/Leg. (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$198,200	- 1.00	\$0	1.00	- \$198,200	0.00

Joint Finance: Delete \$99,100 and 1.0 position annually to reflect the elimination of the executive assistant position.

Senate/Legislature: Restore position authority (but not funding) for the executive assistant position.

11. GENERAL POSITION AND FUNDING REDUCTIONS

Joint Finance/Legislature: Delete \$112,600 and 2.0 positions annually.

	Chg. to Base	
	Funding	Positions
PR	- \$225,200	- 2.00

12. FARM TRAINING TUITION GRANTS PROGRAM

Joint Finance/Legislature: Modify the farm training tuition grants program by providing that students enrolled in a technical college district's farm business and production management program may apply for a grant to pay 50% of the tuition for up to six years of the program. Currently, students are eligible for grants for the first four years of the program.

[Act 27 Section: 1810m]

13. INCENTIVE GRANTS PROGRAM

Joint Finance/Legislature: Modify the incentive grants program by allowing the WTCS Board to award grants to technical college districts to support educational programs that would not otherwise be established or maintained because of "limitations" in district fiscal capacity. Under current law, grants may be awarded for "declines" in district fiscal capacity; however, the Board has not awarded grants under this category since 1991-92.

[Act 27 Section: 1810g]

14. AGRICULTURAL LAND REIMBURSEMENT

Assembly: Establish a reimbursement program for technical college districts which apply for a grant and which have a property tax rate for operations at the 1.5 mill rate limit. Calculate the reimbursement for each district by multiplying 1.5 mills by the difference between the current year value of agricultural land and the value of agricultural land in 1996. Establish a sum sufficient, GPR appropriation for the reimbursement. Discontinue reimbursements after December 31, 2001. Since the first payment under this provision would occur in 1997-98, there is no fiscal effect in the 1995-97 biennium. (For further information regarding use value assessment of agricultural land, see "Shared Revenue and Property Tax Relief.")

Senate/Legislature: Modify the provision by extending the reimbursement program to December 31, 2002, to reflect an extension of the "freeze" on assessments of agricultural land through 1997.

Veto by Governor [E-16]: Delete provisions relating to the reimbursement program.

[Act 27 Vetoed Sections: 473 (as it relates to s. 20.292(1)(am)), 615r, 1803m and 9448(1x)(b)]

REPORTS AND STUDIES

REPORTS AND STUDIES

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
3rd Quarter, 1995, s. 13.10 meeting	Environmental Fund Expenditure Reductions. A plan that allocates \$475,000 in expenditure reductions in the environmental repair account of the environmental fund to appropriations within the fund. [Sections: 9142(2t) and 9442(7t)]	DNR	JFC
September 1, 1995	Base Budget Reduction. A report recommending how base budget reductions would be allocated among the agency's GPR appropriations. [Section: 9105(2)]	Arts Board	JFC
September 1, 1995	Budget Reductions. Request for the reallocation of \$144,900 in 1995-96 and \$611,400 in 1996-97 in reductions among its general purpose revenue appropriations. [Section: 9136(2)]	DOJ	Governor and JFC
September 1, 1995	Administrative Reductions. Report on reductions in UW System's administrative budget. [Section: 9157(8g)]	UW Board of Regents	JFC
September 1, 1995	Budget Reductions. Recommendations reallocating reductions in the Department's food safety and inspection programs. [Section: 9104(5)]	DATCP	JFC
September 1, 1995	Unallocated Budget Reductions. A report recommending how base budget reductions would be allocated among the agency's GPR appropriations. [Section: 9145(7)]	DPI	JFC
September 1, 1995	Unallocated Budget Reductions. A report recommending how base budget reductions would be allocated among the UW System's GPR appropriations. [Section: 9157(5)]	UW Board of Regents	JFC
September 1, 1995	Unspecified Budget Reduction. A report identifying the programs and positions that H&SS will reduce or eliminate to decrease H&SS general program operations expenditures by \$703,100 in 1995-96. [Section: 9126(24x)]	H&SS	JFC
October 1, 1995	Capital Budget Staff Reductions. Plan identifying reductions to capital budget staff. [Section: 9157(6)]	UW System President	DOA Secretary

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
October 1, 1995	Income Verification and Collections System. Plan to implement income verification and payment collection procedures and record the amount of time attorneys spend on each case. [Section: 9144(2)]	SPD	DOA
October 1, 1995	Juvenile Correctional Institution Sick Leave Policy. A report on the findings and recommendations to implement a policy on the use of scheduled and unscheduled leave by employees of the juvenile correctional institutions. [Section: 9126(22x)]	H&SS	Governor and Chief Clerks of the Legislature
October 1, 1995	Standards for the Exception to the CBRF Size Limit for COP Services. Proposed standards for allowing COP-funded services in community-based residential facilities (CBRFs) of over eight beds. [Section: 9126(4)]	H&SS	DOA
October 1, 1995	Standards for Waiver to 25% Funding Limit for COP Services in a CBRF. Proposed standards for the granting of a waiver to the 25% funding limit for use of COP funds for services in CBRFs. [Section: 9126(29g)]	H&SS	Governor and JFC
October 1, 1995	Study of Computer Services. Plan for the conduct of a study by an independent consultant to study the efficiency and effectiveness of mainframe computer services provided by UW-Madison. [Section: 9157(2at)]	UW Board of Regents	JFC
October 15, 1995	Leaking Underground Storage Tank Program Transfer. A memorandum of understanding to establish responsibilities, functions, procedures. [Sections: 9142(6) and 9442(7)]	DNR and DOD	DOA Secretary
November 1, 1995	Educational Technology Board. A request to transfer not more than 4.0 FTE positions and associated funding from other state agencies to the ETB and a plan establishing the deadlines, procedures and criteria to be used in reviewing and approving grants and loans. [Section: 9159(11g)]	DOA and Educational Technology Board	JFC
November 1, 1995	Recycling Market Development Board. A strategic plan that will guide the development and implementation of the Board's program. [Section: 9101(16)]	RMDB	Legislature-appropriate standing committees

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
4th Quarter, 1995 s. 13.10 meeting	Economic Support and Vocational Rehabilitation Program Transfers. Request transfer of monies between appropriations if necessary to allocate costs and transfer personnel. [Sections: 9126(15),(17)&(27i)]	DILHR & H&SS	JFC
4th Quarter, 1995 s. 13.10 meeting	Safety and Buildings Division Transfer. Request transfer of monies between appropriations if necessary to allocate costs and transfer personnel. [Section: 9130(2)]	DILHR and DOD	JFC
December, 1995	Community Options Program Data Collection. A recommendation on the use of up to \$50,000 to expand COP data collection. [Section: 9126(30g)]	H&SS	JFC
December 1, 1995, or 30 days after the effective date of the applicable federal legislation for that year, whichever is later.	Federal Highway Aid. A plan outlining 1995-96 federal aid allocations for approval of the Joint Committee on Finance. [Section: 9155(2u), Act 113]	DOT	JFC
1996	Standardized Forms for Managed Care Providers. A study on the development of standardized forms, including forms for referrals and prior authorization for care, to be used by managed care providers under the MA program. [Section: 9126(28x)]	H&SS	Legislature
No later than January 1, 1996	Basic Information Technology Infrastructure Standards. Prior to implementing basic IT infrastructure standards, a plan 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. [Section: 9101(21g)]	DOA	Joint Committee on Information Policy

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
No later than January 1, 1996	Information Technology Costing Methodology. Report on the development of a standardized methodology for evaluating and measuring the cost of an IT project and cost savings achieved as a result of the project. [Section: 9101(21h)]	DOA	JFC and the Joint Committee on Information Policy
No later than January 1, 1996	TIME System Study. Plan to convert the Transaction Information for Management of Enforcement (TIME) System to a client/server system and to meet federal crime information standards. [Section: 9159(12g)]	DOJ and DOA	JFC
January 1, 1996	Segregated Revenues Certification. A certification of total estimated 1995-96 and 1996-97 transportation fund revenues. [Section: 9155(3g), Act 113]	DOT	JFC
January 1, 1996	Budget Reductions. Recommendations for reallocating reductions among the Department's SEG appropriations for state operations. [Section: 9155(3), Act 113]	DOT	JFC
January 1, 1996	Centralized Check Processing. Plan for the creation and operation of a centralized check processing center. [Section: 9101(20t)]	DOA	JFC
January 1, 1996	Enhanced Community Integration Program Reimbursement. A proposed formula for an enhanced reimbursement rate under the CIP IB program for persons relocated from an intermediate care facility for the mentally retarded (ICF-MR). [Section: 9126(3)]	H&SS	DOA
January 1, 1996	Expenditure Reduction. Submit a plan for review and approval that would reduce spending by \$500,000 annually in the 1995-97 biennium. [Section: 9116(6g)(c)]	DOD	JFC
January 1, 1996	Model Contract for COP Services in a CBRF. Proposed model contract that will be required to be used by counties for contracting for COP services in a CBRF. [Section: 9126(29h)]	H&SS	Governor and JFC

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
January 1, 1996	Personal Care. A study on possible modifications to the MA personal care benefit, including proposals to: (a) create incentives for agencies to limit the amount of personal care services individuals receive; (b) provide services through individuals not employed by home health or personal care-only agencies, such as family members and neighbors; (c) limit eligibility for services, including the amount and scope of personal care services; and (d) modify the current rate structure. [Section: 9126(28q)]	H&SS	Governor and JFC
January 1, 1996	Rollback Tax for Farmland Preservation Tax Credit. Examine alternative methods for administering a tax credit payback requirement under the farmland preservation tax credit program. [Section: 9104(2g)]	DATCP	Governor and Chief Clerks of the Legislature
January 1, 1996	Study of Computer Services. Results of the study on UW-Madison computer services by an independent consultant. [Section: 9157(2at)]	UW Board of Regents	JFC, Joint Committee on Information Policy and LAB
January 1, 1996	Budget Reductions. Report specifying how a reduction of \$1,700,000 GPR in 1996-97 will be allocated and the number of positions that will be reduced. [Section: 9112(2t)]	DOC	JFC
January 15, 1996	Consolidation Study. Identify cost savings and efficiencies that may result from a consolidation of services, finances and functions of ECB and UW Extension's Division of Extension Communications. [Section: 9117(2g)]	ECB, UW Board of Regents in consultation with DOA	Governor and JFC
January 15, 1996	Restructuring of UW Hospitals and Clinics. Lease, affiliation and contractual services agreements, and a report on savings resulting from UW Hospital restructuring. [Sections: 6301 and 9159(2)]	UWHC Board, UW Board of Regents	Governor and JFC

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
January 15, 1996	Juvenile Correction Institution Rates. Proposed rates for juvenile correctional services provided on or after July 1, 1996. Further, after review and approval of the rates, the Secretary of DOA must submit a report, by March 1, 1996, for proposed legislation to the Joint Committee on Finance. [Section: 9112(1u)]	DOC	Secretary of DOA and JFC
January 15, 1996	Workforce Excellence. A plan that terminates other state advisory bodies that are duplicative of the Governor's Council on Workforce Excellence or whose duties and responsibilities can be taken over by the Council. If DOA or the Lieutenant Governor determine that a state advisory board should be terminated, they shall submit a report to JFC by April 15, 1996, that contains proposed legislation for termination effective on July 1, 1996. [Section: 9130(5)]	DILHR -- Governor's Council on Workforce Excellence	DOA Secretary, JFC and Lt. Governor
January 15, 1996	Workforce Excellence. A plan that reorganizes the boundaries of service delivery areas to be contiguous with the boundaries of technical college districts. [Section: 9130(6)]	DILHR -- Governor's Council on Workforce Excellence	DOA Secretary
The first s. 13.10 meeting of JFC in 1995-96	Business Tax Registration. Submit a business tax registration fee schedule and an estimate of the date when fee revenues will exceed the costs of administering the fee system for approval by the Joint Committee on Finance. [Section: 9148(3z)]	DOR	JFC
February 1, 1996	Strategic Plan and Crew Leaders' Employment. A report detailing the WCC's strategic plan and evaluating crew leaders' length of employment. [Section: 9111(3x)]	WCC	JFC
February 15, 1996	DILHR Reorganization. A proposed plan of reorganization for DILHR. [Section: 9130(7)]	DILHR	DOA
March 1 (Annually until March 1, 1998)	Wisconsin Sesquicentennial Commission. A report regarding the Commission's activities. [Section: 48n]	Wisconsin Sesquicentennial Commission	Governor and Chief Clerks of the Legislature

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
March 1, 1996 (Quarterly thereafter)	Uniform Traffic Citation and Accident Records. A report summarizing the terms and conditions of any contract entered into as part of a pilot project to provide access to these records. [Section: 9155(4m), Act 113]	DOT	JFC
April 1, 1996	Child Welfare Services. A proposal to transfer the authority and duty to provide child welfare services in Milwaukee County, including an implementation plan for DHSS to provide child welfare services or to contract for the provision of these services, or both, beginning on January 1, 1998. [Section: 9126(27g)]	H&SS	Governor and Chief Clerks of the Legislature
April 1, 1996	H&SS Reorganization. A proposed plan of reorganization for H&SS. [Section: 9126(16)]	H&SS	DOA
No later than April 1, 1996	Commission on Privatization. Report containing findings and recommendations based on an evaluation of all functions of state government that may be delegated to the private sector at a cost savings to state taxpayers. [Section: 9159(13b)]	Commission on Privatization	Governor and Chief Clerks of the Legislature
May 1, 1996	Reimbursement for Outdoor Advertising Signs. Submit a sign relocation cost schedule for reimbursing sign owners whose signs are displaced when DOT acquires new right-of-way for approval by the Joint Committee on Finance. The due date for this report appears only in the Governor's veto message. [Section: 9155(6y), Act 113]	DOT	JFC
June 1, 1996 and June 1 annually thereafter	Aid to Milwaukee Public Schools. An expenditure plan for the aid to MPS appropriation for 1996-97 and each year thereafter. [Section: 4020]	Governor	JFC and Chief Clerks of the Legislature
June 1, 1996	Certification of Laboratories. A plan to transfer staff, resources and other matters relating to the laboratory certification program from H&SS to the DATCP, effective July 1, 1996. [Section: 9126(31g)]	DOA	JFC

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
June 1, 1996	Sustainable Agriculture Program Funding. Report identifying revenue sources for the sustainable agriculture grant program. [Section: 9104(4g)]	DATCP	Senate and Assembly standing committees with jurisdiction over agricultural matters
June 1, 1996	Vocational Rehabilitation Transfer. A report containing the proposed transfer of vocational rehabilitation services from H&SS to DILHR, including suggested modifications to the transfer. [Section: 9126(17)(i)]	DOA	JFC
June 1, 1996	Railroad Crossing Reimbursement. A plan to phase in state reimbursement of the costs incurred by railroads for fencing, farm crossings and cattle guards. [Section: 9146(1), Act 113]	Commissioner of Railroads	JFC
June 30, 1996	Telecommunications Equipment Installation. Use of funds in 1996-97 to install video conferencing and two-way interactive telecommunications equipment at institutions within the UW System. [Section: 9157(1)]	UW Board of Regents	DOA Secretary
July 1, 1996	Elderly and Disabled Transportation. A report detailing the amount and sources of money spent on elderly and disabled transportation services. [Section: 9155(5), Act 113]	DOT	Governor and Legislature
July 1, 1996	Inventory of State Health Functions. An inventory of all authorized positions and funding of state agencies that are associated with health functions. [Section: 9126(27h)]	H&SS	Governor

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
July 1, 1996	<p>Youth Aids Formula. A proposed formula for the allocation of youth aids funds to counties that reflects: (a) the change in the number of juveniles placed under the supervision of Corrections as a result of the serious juvenile offender program; (b) the number of children living in poverty; (c) the number of juvenile arrests and factors that target the need for delinquency services; and (d) various models of cost sharing.</p> <p>After review and approval, the Secretary of DOA must include the proposed formula in the Governor's 1997-99 biennial budget recommendations. [Section: 9112(1v)]</p>	DOC	Secretary of DOA and JFC
August 15 (annually)	Pioneering Partners Grants and Loans. A report identifying grant and loan recipients and the purposes for which the grants and loans were made. [Section: 436m]	Educational Technology Board	JFC
September 1, 1996	Future of the Arts Board. A report describing how the agency will identify and secure revenue sources to support its operations and grant programs. [Section: 9105(3g)]	Arts Board	JFC
September 1, 1996	Performance Evaluation Audit of DOT. An audit of DOT, as directed by the Joint Legislative Audit Committee. [Section: 9137(1gx), Act 113]	LAB	Governor and Legislature
Biennially, by September 15 of even-numbered years	Strategic Planning -- Judicial Branch. Plan for the utilization of information technology to carry out the functions of the Courts and judicial branch agencies. [Section: 7095m]	Director of State Courts	Joint Committee on Information Policy, Governor and DOA
Biennially, by September 15 of even-numbered years	Strategic Planning -- Legislative Branch. Plan for the utilization of information technology to carry out the functions of the Legislature and the legislative service agencies. [Section: 41p]	Joint Committee on Legislative Organization	Joint Committee on Information Policy, Governor and DOA

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
Biennially, by September 15 of even- numbered years	Strategic Planning -- Statewide IT Plan. Statewide plan for the use and application of information technology for executive branch agencies. [Section: 416]	DOA	Joint Committee on Information Policy and Governor
No later than September 15, 1996	Mediation Activities Report. Report on amount of time spent by WERC staff on mediation activities over a one-year period. The results of the survey must be submitted with the agency's 1997-99 biennial budget request. [Section: 9120(3h)]	Employment Relations Commission	DOA and LFB
No later than September 15, 1996	Issuance of Vehicle Requisition. Recommended statutory changes that would provide for the separation of vehicle ownership from vehicle registration, as part of the Department's 1997-99 biennial budget request. [Section: 9155(4), Act 113]	DOT	DOA and LFB
October 1, 1996	Paralegal Pilot Project. Report on the cost-effectiveness of the use of paralegals. [Section: 9144(4)]	SPD	Governor and Legislature
October 1, 1996	Recycling Market Development Board. Report on the feasibility and desirability of transferring the powers and duties of the Board to a business entity. [Section: 4432t]	UW-Extension	Governor and Legislature
October 31, 1996	Employment Relations Commission Efficiency Report. Submit a study of current procedures, areas where procedures could be made efficient and include recommendations for streamlining and positions that could be eliminated. [Section: 9120(1m)]	Employment Relations Commission	DOA and JFC
October 31, 1996	Labor and Industry Review Commission Efficiency Report. Submit a study of current procedures, areas where procedures could be made efficient and include recommendations for streamlining and positions that could be eliminated. [Section: 9130(1m)]	LIRC	DOA and JFC
October 31, 1996	Personnel Commission Efficiency Report. Submit a study of current procedures, areas where procedures could be made efficient and include recommendations for streamlining and positions that could be eliminated. [Section: 9143(1m)]	Personnel Commission	DOA and JFC

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
November 15, 1996	Occasional Vehicle Sales System. Report on the net additional sales tax revenues generated for the general fund and counties as a result of an improved audit program relating to occasional vehicle sales. [Section: 9148(1)]	DOR	Secretary of DOA
December 1, 1996	Transportation Financing Study. A report recommending appropriate transportation funding sources for Wisconsin, studying the impact of differences in tax rates between Wisconsin and bordering states on retailers in border areas and studying mass transit revenue sources and aid formulas. The due date for this report appears only in the Governor's veto message. [Section: 9155(3y), Act 113]	Transportation Financing Study Committee	Governor and Legislature
December 1, 1996, or 30 days after the effective date of the applicable federal legislation for that year, whichever is later.	Federal Highway Aid. A plan outlining 1996-97 federal aid allocations for approval of the Joint Committee on Finance. [Section: 9155(2u), Act 113]	DOT	JFC
December 31, 1996	Commuter Rail. A feasibility study of extending commuter rail service between Illinois and Beloit and Janesville. The due date for this report appears only in the Governor's veto message. [Section: 9155 (3tx), Act 113]	DOT	Legislature
2nd Quarter, 1997 s. 13.10 meeting	Vocational Rehabilitation Services. A report that includes the extent of the waiting list, DILHR compliance with statutory provisions to serve all handicapped persons who request services; the amount of third party funding available; and sources of DILHR funding that could be reallocated to maximize federal funding. [Section: 9130(15g)]	DILHR	JFC

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
Prior to June 30, 1997	Increase in Minimum Wage. Specify that the WCC Board could submit a request to the Joint Committee on Finance under s. 13.10 to fund increased corps enrollee support costs related to an increase in the minimum wage. [Section: 9111(3p)]	WCC	JFC
December 31, 1997, if a block grant is awarded for calendar year 1996	<p>Audit of Medical Relief Block Grant Program. Financial and performance evaluation of the medical relief block grant program in Milwaukee County, including the following:</p> <p>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 I Trauma Center;</p> <p>b. The adequacy of reimbursement to health care providers under the MRBG program.</p> <p>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.</p> <p>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.</p> <p>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. [Section: 9137(1g)]</p>	LAB	Legislature, Governor, JFC, LRB, LFB, DOA and H&SS.
June 1, 1999	Wisconsin Sesquicentennial Commission. A final report regarding the Commission's activities. [Section: 48q]	Wisconsin Sesquicentennial Commission	Governor and Chief Clerks of the Legislature

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
January 15, 2000	Milwaukee Parental Choice Program. A financial and performance evaluation audit on the program. [Section: 4008s]	LAB	Chief Clerks of the Legislature
February 1, 2000	Continuation of Educational Technology Board. A report on whether the ETB or the Pioneering Partners program should be continued and if so, what changes should be made to the ETB or the program. [Section: 436m]	Secretary of DOA and Educational Technology Board	JFC
July 1, 2000	Waivers of State Education Laws and Rules. A report on waivers requested by school districts including the number requested, a description of each waiver requested, the reason for the request and the educational and financial effects on the school district of each waiver granted. [Section: 3981]	Department of Education	Governor and Chief Clerks of the Legislature
Quarterly	Public Defender Collections. Revenue generated from client payments and ways to improve recoupment procedures and increase revenues. [Section: 7290p]	SPD	JFC
Quarterly	Public Defender Contracts. Status of contracts with private attorneys and cost savings achieved. [Section: 7289]	SPD	DOA and JFC
Quarterly	Program Revenue Spending and Position Authority. Positions funded by auxiliaries and general operations receipts or federal indirect cost reimbursements created or abolished in the previous quarter. [Section: 294g]	UW Board of Regents	DOA and JFC
Quarterly	Recycling Market Development Board. Progress reports describing the Board's progress in implementing the strategic plan and how the Board's technical assistance, financial assistance and other activities conform to the strategic plan. [Section: 4432f]	RMDB	Legislature-appropriate standing committees
Annually	Judicial Information Systems. Report on DOA's efforts to improve and increase the efficiency of integration of justice information systems. [Section: 422m]	DOA	Chief Clerks of the Legislature

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
Annually	Program Revenue Spending and Position Authority. Expenditures in excess of their original allotment for auxiliaries and general operational receipts appropriations. [Section: 1762g]	UW Board of Regents	DOA and JFC
Annually	Student Achievement Guarantee in Education Initiative. An evaluation of the program beginning in 1996-97. [Section: 3994m]	Department of Education	Not specified
Biennially	Strategic Planning -- Executive Branch Agencies. Plan from each executive branch agency for the utilization of information technology to carry out the functions of the agency. [Section: 415]	Executive branch agencies	DOA
Biennially	Strategic Planning -- Executive Branch Agencies. Plan from each executive branch agency for the utilization of information technology to carry out the functions of the agency. [Section: 415]	Executive branch agencies	DOA
Every third year (as scheduled by the Department)	Cooperative Educational Service Agencies. A report on all CESA programs and services including their cost efficiency and effectiveness. [Section: 3847r]	DPI/ Department of Education	Chief Clerks of the Legislature
At least two months prior to establishment of a print-to-mail center	Print-To-Mail Center. Report on the plan for a print-to-mail center including proposed funding and position modifications, addressing: (a) the impact of a center on individual state agencies and private businesses; and (b) issues related to privacy and open records in relation to a print-to-mail center. [Section: 9101(20m)]	DOA	JFC
Prior to the release of any bonus awards for 1994-95 and 1995-96	Performance-Based Bonus Compensation Revisions Report. Revised plan for the distribution of performance-based bonus compensation which incorporates any necessary changes required to address any findings raised in a 1995 management audit of the Investment Board and its bonus compensation plan. [Section: 9132(1g)]	Investment Board	JFC

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
Prior to release of funds by JFC	Optical Imaging Technology Projects. Plans detailing the objectives, DOA evaluation, schedule for implementation and any additional funding requirements for imaging projects for the following agencies: OCI, DILHR and ETF. Funds for each of these projects have been placed in unallotted reserve pending receipt of these reports. [Sections: 9119(1t), 9130(14t) and 9131(1t)]	DOA	JFC and Joint Committee on Information Policy
Prior to request for additional funds	Health Care Delivery Performance Measures. A report on the first phase of a project to develop and implement the collection, analysis and dissemination of information on agreed-upon health care delivery performance measures. [Section: 9131(1g)]	OCI	JFC
Prior to submitting a request for system funding or positions	Public Defender Information System. Implementation plan to automate the Public Defender's Office including implementation costs, long-term support and maintenance costs and a proposal for integrating the system with other judicial and justice information systems. [Section: 9101(18t)]	Secretary of DOA	JFC
Prior to collecting fees	Fees for Library Users. A proposed fee schedule for users of the Society's main library. [Section: 1986]	Historical Society	JFC
Prior to release of funding	Wisconsin Institute for School Executives. A report on the Institute's objectives and activities (including a detailed budget and identification of funding sources). [Section: 9137(1j)]	Wisconsin Institute for School Executives	JFC
Prior to release of funding	Expenditure Plan. A plan for the expenditure of funds appropriated for the Office of the State Superintendent in the 1995-97 biennium. [Section: 9145(8h)]	State Superintendent	JFC
Prior to the release of bonds for each facility	State Fair Park -- Youth and Athlete Facility and Coliseum Renovation. An independent analysis of the financial viability of each facility. [Section: 9152(1z)]	SFPB	Building Commission
Prior to renegotiation of agreements	Restructuring of UW Hospitals and Clinics. Program review of UW Hospitals and Clinics Authority's operation. [Section: 44m]	LAB	Joint Legislative Committee on Audit

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
Prior to release of funds	Lake States Wood Utilization Consortium. Release of \$200,000 annually from unallotted reserve is subject to the passive approval of a plan detailing the responsibilities of the consortium and specifying the eligibility requirements for the research, development and demonstration grants that could be awarded. [Section: 1430m]	DNR and DOD	JFC
Prior to release of funds	Licensing Automation Contract. Release of \$100,000 in 1995-96 from unallotted reserve is subject to the passive approval of a plan to contract for the design specifications of an automated fishing and hunting license system. [Section: 9142(9p)]	DNR	JFC
Prior to use of funds	Warren Knowles-Gaylord Nelson Stewardship Projects. Specify that DNR may not expend or encumber stewardship program funds that would exceed \$250,000 per project unless DNR receives the approval of the Joint Committee on Finance under a passive review process. Specify that this review process would be effective beginning on December 31, 1995. [Section: 1266d]	DNR	JFC
No date specified	Assessment. A study on the utility of administering technology-based performance assessments to pupils. [Section: 3971yd]	DPI/ Department of Education	Not specified
No date specified	Capital Budget Staff Reductions. Report on the source of any funds UW System plans to internally reallocate to capital planning during the 1995-97 biennium. [Section: 9157(9h)]	UW Board of Regents	DOA and JFC
No date specified	Information Technology Procurement Legislation. Draft legislation modifying state procurement law to provide quicker and more flexible, competitive procedures for state procurement of IT equipment, systems and services. [Section: 9101(21ho)]	DOA	Joint Committee on Information Policy

<u>Date Due</u>	<u>Nature</u>	<u>Prepared By</u>	<u>Reported To</u>
No date specified	Sponsorship for State Publications -- Agency Reports. Report from each executive branch agency describing the documents and other materials published by the agency and mailings by the agency of similar materials in bulk quantities and addressing the appropriateness and feasibility of obtaining private sponsorship of publications and mailings. [Section: 9159(14h)]	Executive branch agencies	DOA
No date specified	Sponsorship for State Publications -- Legislative Proposals. Report on any required legislation to implement sponsorship of state publications after a review of reports submitted to the Secretary of DOA by each executive branch agency. [Section: 9159(14h)]	DOA	Chief Clerks of the Legislature
No date specified, annually	Assessment of Agricultural Land on the Basis of Its Use. The usefulness of use-value assessment as a way to preserve farmland and to reduce the conversion of farmland to other uses. [Section: 3439m]	Farmland Advisory Council	Legislature
No date specified	Sunset Report for Certain State Councils, Commissions, Boards and Offices. Report on evaluation of 143 specified councils, commissions, boards and offices and proposed legislation for the elimination or transfer of functions of these entities except for those which the Lieutenant Governor recommends for continuation. [Section: 9159(6f)]	Lt. Governor	JFC
No date specified	High-Speed Rail. A study of high-speed rail service in the southern transportation corridor between Wisconsin and Minnesota. (Section: 57mm, Act 113]	DOT	Not specified

NON-FISCAL POLICY ITEMS

NON-FISCAL POLICY ITEMS

GENERAL FUND TAXES

1. DEVELOPMENT ZONES TAX CREDITS REPORTING AND ACCESS TO RETURNS [Senate Bill 200]

Modify current reporting requirements for the development zones investment, jobs, sales tax and additional research credit to require that a claimant must include with the state income or franchise tax return a statement from the Department of Development (DOD) that the claimant's activities substantially correspond to the information upon which DOD relied to certify the claimant as eligible for a particular credit. This provision would first apply to tax years beginning January 1, 1995. Also, employees of local units of government that have development zones would be authorized to examine state tax records, to the extent it was necessary to assist DOD in verifying information that was submitted to qualify for development zones tax credits.

Under current law, businesses which engage in economic activity in a development zone may claim up to five different state income and franchise tax credits--jobs credit, investment credit, sales tax credit, location credit and research credit. Businesses first apply to the local governing body to be certified for tax credits. DOD certifies businesses and assigns credits based on information submitted by the businesses and local recommendations. DOD must also verify business expenditures as eligible for the appropriate development zones credit. In order to claim the investment, jobs, sales tax and research credits the claimant must include a statement from DOD with specific information related to each credit. The required information is as follows:

- a. Investment credit--a statement verifying the purchase price and eligibility of the investment;
- b. Jobs credit--a statement verifying the amount of qualifying wages and eligibility of the employees on which the credit is based;
- c. Sales tax credit--a statement verifying the amount of sales taxes paid for eligible property;
and
- d. Research credit--a statement verifying the eligibility of the research expenditures.

Under current law, the Secretary and employees of DOD are authorized to examine tax returns to verify information related to the development zones tax credits.

2. INDIVIDUAL AND CORPORATE CLAIMS FOR REFUND OF ASSESSED TAX [Senate Bill 199]

Provide that a claim for a refund of monies assessed by an audit, if the assessment was paid and not protested, would have to be made by the later of two years after the assessment or four years after the unextended due date of the return for the period assessed. Currently, the claim must be filed within two years after the assessment.

ADMINISTRATION

3. THIRD PARTY PURCHASING CONTRACTS AND THRESHOLD AMOUNTS FOR BIDS [Senate Bill 285]

Provide that the Secretary of DOA may waive purchasing requirements for purchases made through a contract with a third party. Currently, the Secretary of DOA may waive the following purchasing requirements in order to permit a purchase to be made in conjunction with another state, a county, city, village, town, or other governmental body or a regional or national consortia: (a) lowest responsible bid or most advantageous competitive sealed bid; (b) the 5% minority business purchasing goal; (c) Wisconsin-based business preference; (d) consideration of life-cycle costs; and (e) Badger State Industries purchasing requirements. Under the bill, these requirements could also be waived for purchases made through a contract established by one of the other governmental entities or consortia with one or more third parties.

Also, provide that: (a) purchases over \$25,000 must be purchased by having two advertisements soliciting bids or competitive proposals; (b) purchases less than \$25,000 may be made using simplified purchasing procedures; and (c) a notice must be published when a purchase that is over \$25,000 which will not be purchased by bid or proposal has been authorized by the Secretary of DOA and approved by the Governor. Under current law, these threshold levels are set at \$10,000.

4. STUDY OF STATE-OWNED HEATING AND COOLING PLANTS [Senate Bill 203/Assembly Bill 393]

Create a statutory special committee on the management and maintenance of state-owned heating and cooling plants. Specify that the committee consist of: (a) the administrator of the DOA division responsible for architectural, engineering and construction work; (b) the head of the engineering function in DOA; (c) the citizen member of the Building Commission; and (d) three members appointed by the Secretary of Administration. Provide that of the three members appointed by the Secretary, one be a representative of the agencies which operate heating and cooling plants, one be a represented employee who

is assigned to a heating and cooling plant operated by an agency or the representative of employees at heating and cooling plants operated by agencies, and one be any other individual whom the Secretary of DOA determines to be appropriate, including any individual in the private sector who is knowledgeable in energy production and management. Require the Secretary of Administration to designate a committee member to serve as chairperson.

Specify that the committee study the management and maintenance of each state-owned heating and cooling plant, including an examination of the organizational responsibility and reporting of plant management, the sources of funds used to support operations and maintenance work, the capital investment needs of the plant and the sources of funds available to meet those needs. Require the committee to report its findings and recommendations to the Secretary of DOA no later than August 1, 1996. Require the Secretary to forward the report, together with his or her recommendations, to the Co-chairpersons of the Joint Committee on Finance.

5. APPROPRIATION AND POSITION AUTHORIZATIONS [Senate Bill 296]

Provide that any state agency with a sum certain appropriation may apply to DOA no later than March 31 of any fiscal year for authorization to carry over unencumbered moneys between two successive fiscal years or between two successive fiscal biennia for information technology development projects. Allow DOA to approve the request, in whole or in part, if the agency demonstrates that the project has a high potential to improve the efficiency of its operations and is consistent with the agency's strategic plan. Provide that any funds allowed to be carried over may be immediately encumbered for the purpose for which they were transferred. Currently, any transfer of funds between fiscal years requires the approval of the full Legislature or the Joint Committee on Finance. Funds in sum certain appropriations cannot be carried over between biennia.

In addition, provide that the Secretary of DOA may, without the approval of the Joint Committee on Finance, transfer full-time equivalent positions between executive branch agencies, together with the incumbents in those positions, in order to provide information technology services. Specify that transferred employees retain all employment rights and status. Require that transferred positions be funded from an appropriation in the receiving agency designated by the Secretary that may be used for information technology management processing services. Direct that the Secretary report the numbers and types of any positions transferred, the effective dates of any position transfers, and the appropriation(s) from which the positions are being funded during the remainder of the fiscal biennium in which the transfers are made, to the Joint Committee on Finance.

Further, provide that any agency with more than one sum certain appropriation for state operations may apply to DOA no later than March 31 of any fiscal year for authorization to transfer moneys between appropriations of the same revenue source for information technology development projects. Specify that DOA may approve the request if the agency demonstrates that the project has a high potential to improve the efficiency of its operations and is consistent with the agency's strategic plan. Allow DOA to approve the request in whole or in part, without the approval of the Joint Committee on Finance. Provide that any

transferred funds may be immediately encumbered for the purpose for which they were transferred. Require the Secretary of DOA to report quarterly in writing to the Co-chairpersons of the Joint Committee on Finance concerning the amount of any transfer during the most recently completed calendar quarter, the appropriations to and from which transfers were made and the purpose of the transfers.

6. STATE TRUST FUND LOANS [Senate Bill 295]

Repeal the statutory March 15 date for repayments on loans made by the Board of Commissioners of Public Lands from the state trust funds (the common school fund, the normal school fund, the University fund and the agricultural college fund) to school districts and municipalities. Provide that the annual repayment date be the date determined by the Board and the local unit of government when the loan is obtained. Require that loan repayments be made no later than seven days after the due date (current law requires repayments within 15 days). Further, allow school districts and local governments to prepay any part of a loan at any time. Currently, prepayments may only be made after March 15 and before August 1. Specify that these provisions apply to trust fund loans made after March 15, 1996.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

7. ANIMAL HEALTH AND ANIMAL DISEASE INDEMNITY PROGRAM MODIFICATIONS [Senate Bill 237/Assembly Bill 483]

Delete current laws requiring DATCP registration of livestock remedies (generally livestock medications) as well as the current \$6 fee associated with each remedy registered by the Department. Further, establish a civil forfeiture for violations of state animal health laws for which a specific penalty is not prescribed. The forfeiture would be \$200 to \$5,000 for a first offense and \$400 to \$5,000 for subsequent offenses. The civil forfeiture could be assessed in lieu of current criminal penalties (a fine up to \$1,000 for the first offense and \$500 to \$1,000 and/or up to six months imprisonment for subsequent offenses). Although not identified in the bill, Department officials indicate that general fund revenues would be reduced by approximately \$3,500 annually as a result of these changes.

In addition, make the following statutory changes to the animal disease indemnity program.

Appraised Value. Provide DATCP with the authority to determine the appraised value of an animal eligible for state indemnity payments. For an animal that is of a type that is frequently sold at public auction, the appraised value would equal the average price paid for a commercial grade animal of the same type during a period specified by DATCP (not to exceed six months), except that the appraised value of a registered purebred animal would be 125% of that amount. DATCP would be required to promulgate a rule that specifies the method to be used in determining the appraised value of an animal that is not of

a type that is frequently sold at public auction. Under current law, the value of an animal may be determined by an agreement between the owner and DATCP, or is determined by three persons, appointed by a Circuit Court, that are familiar with the value of livestock.

Determination of Payment Amounts. Provide indemnity payment amounts and maximum payment amounts consistently among disease types, except for pseudorabies. Under current law, the payment amount, and maximum payment per animal, is determined differently for each disease type. The bill would make indemnity payments, except for pseudorabies, equal to two-thirds of the difference between the net salvage value and the appraised value of the animal and the maximum payment per animal would be increased to \$1,500 per animal from current maximum levels ranging from \$300 to \$600 per animal.

Pseudorabies Amounts. Current law does not specify a maximum indemnity payment amount for swine infected with pseudorabies. The bill would set a maximum indemnity of \$1,500 per animal. The current payment of the full difference between the appraised value and net salvage value would be retained for pseudorabies.

Unidentified Diseases. Change the current eligibility for indemnities not identified by statute from "unknown or unidentified" diseases to "other diseases." This change would allow indemnity payments for known diseases not specifically identified for indemnification in the statutes if other program criteria are met. Also, in cases of animals condemned or destroyed due to a disease other than rabies, tuberculosis, brucellosis or pseudorabies, the bill would provide indemnities only if the destruction is necessary to protect public health or the livestock industry.

Indemnities for Rabies, Tuberculosis and Other Diseases. Indemnity payments for animals condemned for all diseases except brucellosis and pseudorabies would be paid only for those animals primarily raised to produce food for human consumption, including commercially raised deer. (Administration officials indicate that the bill was intended to include animals condemned due to brucellosis as having to meet this eligibility criterion.)

Scrapie. Eliminates scrapie as being a disease for which indemnity is identified specifically by statute. DATCP would retain the authority to condemn or order the destruction of sheep or goats infected with or exposed to scrapie. Owners of animals condemned due to scrapie could receive indemnity payment under the "other diseases" provisions of the statutes.

Brucellosis Testing for Swine and Deer. The bill would authorize DATCP to test swine and commercially raised deer for brucellosis, order the destruction of animals that react to the test and quarantine herds from which the reacting animals come.

Effective Dates. The above changes would first apply to animals for which a condemnation notice is issued on the first day of the 16th month beginning after publication of this bill.

8. CALF MARKINGS [Senate Bill 8/Assembly Bill 124]

Eliminate the requirement that livestock market operators and livestock dealers mark calves. Current law requires the following: (a) livestock operators, at the time of sale, must apply a mark to each calf weighing 200 pounds or less that is sold at the operator's market; (b) livestock dealers who purchase calves for resale are required to mark the calves at the time of purchase; and (c) prior to selling a calf that was sold in another state, livestock dealers must mark the calf unless the calf is to be sold at a livestock market.

CIRCUIT COURT

9. CREATION OF A GUN COURT [Senate Bill 175]

Require the Chief Judge of the Milwaukee County Circuit Court to designate one Circuit Court branch to primarily handle cases relating to possessing, using or threatening to use a firearm. Milwaukee County has a total of 46 court branches. Currently, the County has two speedy trial drug courts and three homicide/sexual assault speedy trial courts.

CORRECTIONS - DEPARTMENTWIDE

10. BADGER STATE INDUSTRIES -- SALE OF RECYCLING BY-PRODUCTS; PROMPT PAY REQUIREMENT [Senate Bill 204/Assembly Bill 719]

Allow Badger State Industries (BSI) to sell, on the open market, mattress and paint by-products from BSI recycling operations. Allow Corrections to enter into or renew a contract with a manufacturer or distributor to have BSI provide mattress or paint by-products. Require that prior to establishing a mattress or paint by-product recycling operation or entering into a contract to provide those by-products, Corrections notify trade organizations and labor unions identified by Corrections as being interested in receiving information. Require the notice to include specific information on the proposal, the proposal's impact on private business, industry and labor and, if applicable, the method for those organizations to communicate with the Joint Committee on Finance prior to its currently required hearing and the Prison Industries Board prior to its actions. Under current law, BSI is prohibited from selling products on the open market, except for farm machinery, implements and tools. The Department may, however, enter into or renew a contract with a manufacturer or distributor to have BSI provide products, components or services if at the time that the contract is originally entered into the products, components or services have

been supplied to the manufacturer or distributor for the previous twelve months by a facility outside the United States.

Further, include Badger State Industries under prompt payment requirements of the Statutes. Under current law, agencies are required to pay interest on invoices for products and services which have not been paid within 31 days. However, this provision does not apply to orders or contracts between two or more agencies. Under the bill, agencies which do not pay BSI within 31 days would be required to pay interest on the outstanding balance.

11. SALE OF PRISON HOBBY, CRAFT AND VOCATIONAL TRAINING PRODUCTS [Senate Bill 177]

Allow a tax-supported institution or nonprofit agency to sell, on the open market, products made by inmates in state prisons as part of a hobby-craft program or vocational training program, if the sale is to support the institution's or agency's mission or is for a charitable purpose.

CORRECTIONS -- INTENSIVE SANCTIONS

12. GREEN BAY CORRECTIONAL INSTITUTION EXPANSION [Senate Bill 236]

Modify the current law prohibition regarding expansion of the Green Bay Correctional Institution outside the walls of the Institution to allow such expansions on the west and north sides of the Institution. [The Department of Corrections has requested building projects related to expanding the Institution's administration building and a new warehouse facility outside the walls.]

13. LIFE IMPRISONMENT WITHOUT PAROLE [Senate Bill 176]

Allow judges the option of sentencing an individual, found guilty of a crime punishable by life imprisonment, to life without the possibility of parole. Under current law, the court at sentencing may: (a) decide not to establish a specific parole eligibility date, in which case an inmate would, in general, be

eligible for parole consideration after serving 13 years and four months; or (b) determine a specific parole eligibility date for any time later than 13 years and four months.

DEVELOPMENT

14. SMALL BUSINESS INNOVATION RESEARCH BRIDGE LOANS AND GRANTS [Senate Bill 287]

Authorize the Department of Development (DOD), rather than the Development Finance Board, to make small business innovation research bridge loans and grants.

Under current law, a nine-member Development Finance Board (Board), which is attached to DOD, awards grants and loans from the Wisconsin Development Fund (WDF). The WDF consists of six programs: (a) technology development grants and loans; (b) customized labor training grants and loans; (c) research grants and loans (small business innovation research (SBIR) bridge financing); (d) major economic development grants and loans; (e) export development loans; and (f) employee ownership assistance loans. SBIR bridge awards are provided to eligible small businesses (250 or fewer employees) to fund research having a commercial application. The program provides financing to firms participating in the federal small business innovation research program to bridge the typical six- to twelve-month funding gap between program phases.

15. RURAL ECONOMIC DEVELOPMENT PROGRAM [Senate Bill 174/Assembly Bill 437]

Modify the definition of rural municipality used to determine eligibility for the rural economic development program to mean a city, town or village with a population of 10,000 or less, rather than the current requirement of 4,000 or less. As under current law, a city, town or village with a population density of less than 150 persons per square mile would also be considered a rural municipality. In addition, the Rural Economic Development Board would be authorized to determine whether a required contribution for a loan or a grant would be in cash or in kind, if the Board required a match. Currently, the Board may require a matching contribution and the contribution may be in cash or in kind, although the Board determines what services or materials may be used as in-kind contributions.

The rural economic development program provides grants (for up to \$30,000 to small businesses with less than 25 employees located in rural municipalities for professional services related to starting or expanding a business and for management assistance continuing after the start-up or expansion. Grants of up to \$25,000 are also provided to eligible businesses that have received a grant for professional services to provide working capital or fixed asset financing for starting or expanding a business in a rural area.

16. BUSINESS DEVELOPMENT STUDY [Senate Bill 173]

Require DOD to conduct a study that analyzes the business development functions of the Department and those of the small business development centers managed by the UW-Extension. As part of the study, DOD would be required to determine if a greater efficiency could be achieved through a consolidation of the business development functions of the Department and centers. DOD would be required to submit a report of its findings, conclusions and recommendations to the Legislature, Governor and Secretary of DOA by December 31, 1995.

17. AGRICULTURAL ASSISTANCE STUDY [Senate Bill 172]

Require the Secretary of DOD to appoint a committee, as an advisory body, to review the services that are provided to farmers and others in the agricultural community by UW System, including the UW-Extension, and by the Wisconsin Technical College System (WTCS) and to identify ways to improve delivery of those services. The committee would include representatives of the UW College of Agricultural and Life Sciences, UW-Extension, WTCS, the Department of Agriculture, Trade and Consumer Protection, DOA, and the committee appointed by the Governor to identify and promote actions to improve the profitability of dairy farms and the competitiveness of this state's dairy industry. The Secretary of DOD would be required to make recommendations to the Governor by January 1, 1996, for improving the delivery of services that are currently provided to the agricultural community by the UW System, UW-Extension and WTCS. The committee would cease to exist on December 31, 1995.

ELECTIONS BOARD

18. FALSE REPRESENTATIONS AFFECTING ELECTIONS [Senate Bill 286]

Require that the Elections Board, when it has received a verified complaint alleging a violation of statutory provisions which prohibit false representations affecting elections, investigate the complaint and make a public statement concerning the truthfulness of the complaint within 15 days of receipt of the complaint, unless the Board dismisses the complaint as unverified or without merit. Provide that, for each violation of the false representations statute, the current law penalty of imprisonment for not more than six months or a fine of not more than \$1,000 or both is applicable only if the violation is intentional. For cases in which criminal intent is not proven, establish a forfeiture of not more than \$500 for each violation. Permit the Elections Board to initiate civil prosecutions, and to compromise and settle such prosecutions, for violations of the false representations statute. Under current law, prosecutions of violations of the false representations statute are conducted by the district attorney of the county in which the alleged violation occurred, or under specified circumstances, by the attorney general or a special

prosecutor appointed by the Governor. These are criminal prosecutions under current law, with violators subject to a fine of not more than \$1,000 or imprisonment for not more than six months or both. The bill establishes a civil procedure for violations of the false representations statute and a criminal procedure for intentional violations of the false representations statute. The bill also permits the Elections Board to prosecute alleged civil violations in the same manner as is currently conducted by the Board for violations of the campaign financing laws.

EMPLOYEE TRUST FUNDS

19. REPORT ON ASSIGNMENT OF WRS BENEFITS [Senate Bill 171]

Direct ETF and H&SS to study and submit a joint report by December 1, 1995, to the Secretary of DOA on the most cost-effective way to allow a participant's WRS benefits to be assigned to another person pursuant to a court order directing child or family support.

Such orders may affect an annuitant's monthly benefit payments, if the individual is retired, or the payment of a separation benefit, if the individual has not retired and is still eligible to receive a separation payment. Under current law, if ETF receives a child or family support court order applicable to an annuitant's benefit payments, the agency will forward the annuity payment to the appropriate clerk of courts for division between the parties. If the individual seeks a separation benefit, ETF will not pay the benefit to a married participant unless the spouse also signs the separation benefit request.

EMPLOYMENT RELATIONS

20. CHANGES IN CIVIL SERVICE LAWS [Senate Bill 198]

a. Classification status of certain state employees.

Effective July 1, 1996, provide the following:

Transfer all classified employees of the Department of Regulation and Licensing (R&L) and the Department of Revenue (DOR) to the unclassified service. Currently, only the Secretary, Deputy Secretary, Executive Assistant and three division administrator positions in DOR are unclassified. In R&L, only the Secretary, Deputy Secretary, Executive Assistant and six other management positions are currently unclassified.

Exclude all employees of these two agencies from current law protections against: (1) retaliation by the employer following certain types of employee disclosures (whistleblower law); and (2) disciplinary action by the employer based on certain types of surveillance. Under current law, all state employees except employees of the Office of the Governor, the Courts, the Legislature or an employee who is, or whose immediate supervisor is, assigned to executive salary group, are covered by these provisions.

Specify that the maximum number of unclassified division administrator positions authorized for R&L (4) and for DOR (3) would no longer apply with respect to these two agencies. However, R&L and DOR could still designate up to the number of unclassified administrators specified in the statutes as administrators to receive executive salary group pay and benefits coverage. Such employees would also be deemed public officials for the purposes of the Code of Ethics for Public Officials and Employees and for filing an annual statement of economic interests under the Code.

With respect to R&L, repeal statutory requirements that inspectors and auditors of licensed barbering and cosmetology establishments, schools and specialized schools be appointed under the classified service.

With respect to DOR, repeal statutory requirements that an income tax coordinator and the division administrator who oversees income, franchise, sales and excise tax collection functions be appointed under the classified service. For this newly unclassified division administrator (and any other division administrator in excess of the three currently enumerated for the agency), provide that the salary range assignment cannot equal or exceed the range for executive salary group 1 (ESG 1). Under current law, the Secretary of DER recommends the assignment of unclassified division administrator positions to an ESG range, subject to the approval of the Joint Committee on Employment Relations.

b. State collective bargaining procedures.

Make the following changes to the State Employment Labor Relations Act:

Affiliated Labor Organizations. Repeal the current law provision which provides an exception to the general prohibition that any representative of a bargaining unit (union) which represents an organized group of professional or non-professional supervisors in the classified service may not hold membership in any labor organization representing other state employees. The exemption specifies that for the purposes of this prohibition, the definition of holding membership ("affiliation") in a labor organization does not include bargaining unit representatives who would otherwise be considered affiliated as a result of holding memberships in both the labor organization representing the supervisory bargaining unit and a national, state, county or municipal federation of national or international labor organizations.

Agency Counsels. Specify that state agency chief counsels and deputy chief counsels are statutorily deemed to be management employees, thereby making them ineligible for inclusion in any bargaining unit of classified state employees.

c. Classified service certification procedures.

Modify the current "rule of 5" to: (1) require the Administrator of the Division of Merit Recruitment and Selection to certify for a classified service vacancy a minimum of the 10 applicants at the top of the register of eligible applicants; and (2) permit the Administrator to certify additional names, based on sound statistical methods and personnel management principles, to maximize the number of names that are appropriate for filling the vacancy. These changes would first apply to names that are certified by the Administrator on the first day of the sixth month following the general effective date of the bill. Under current law, the Administrator must certify as eligible for hiring the top five names on the register of qualified applicants. Where a register has more than 50 names, the Administrator may now certify the top 10% up to a maximum of 10 names.

GENERAL PROVISIONS

21. PENALTY ENHANCEMENT FOR VIOLENT CRIME IN A SCHOOL ZONE [Senate Bill 186/Assembly Bill 159]

Provide a penalty enhancement for violent crimes committed within 1,000 feet of the premises of a school or of a school bus as follows: (a) if the crime is a felony, the maximum period of imprisonment would be increased by five years; and (b) if the crime is a misdemeanor, the maximum period of imprisonment would be increased by six months and the crime would be changed in status from a misdemeanor to a felony. Provide that in addition to any other penalties the court may require the person to complete 100 hours of community service work for a public agency or a nonprofit charitable organization. The court must ensure that the defendant would be provided a written statement of the terms of the community service order and that the community service order would be monitored. Any organization or agency acting in good faith to which a defendant is assigned would have immunity from any civil liability in excess of \$25,000 for acts or omissions by or impacting on the defendant. Require that the court not impose community service work if the court determines that the person would pose a threat to public safety while completing the requirement. A separate verdict would be required as to all of the conditions required for the penalty enhancement provision to be applied.

Provide that if a child is adjudicated delinquent for a violent crime in a school zone the court may require that the child participate for 100 hours in a supervised work program or perform 100 hours of other community service work. Require that the court not impose community service work if the court determines that the person would pose a threat to public safety while completing the requirement. In addition, provide that a 12- or 13-year old child in a supervised work program may be required to perform 100 hours of other community service work, if the child was adjudicated delinquent for a violent crime, or for a violation of certain controlled substance laws, within 1,000 feet of the premises of a school or of a school bus. Under current law, a court may not order a child who is 12 or 13 years of age to perform

more than 40 total hours of community service work.

The violent crimes that would apply to the school zone penalty enhancement provision would include: (a) intentional or reckless homicide, felony murder, battery, sexual assault, injury by the negligent use of a weapon or intoxicated use of a vehicle and other crimes against life or bodily security (any violation of Chapter 940); (b) endangering safety by use of a dangerous weapon; (c) disarming a police officer; (d) arson; (e) carjacking; (f) robbery; (g) assaults by prisoners; and (h) sexual assault of a child and certain other crimes against children.

22. STATE REASSERTION OF THE DOCTRINE OF SOVEREIGN IMMUNITY [Senate Bill 197]

Stipulate that the sovereign immunity of the state from suit is waived and consent to suit is given only in those cases where such action brought against the state is expressly authorized by law or by the Wisconsin Constitution. Provide that no powers, functions or source of funding that are provided by law to any instrumentality of the state engaged in a governmental function may be deemed to constitute a waiver of sovereign immunity. Include a statement of legislative intent indicating that the above stipulation is enacted pursuant to Article IV, Section 27 of the Wisconsin Constitution and is intended as a restatement of existing law. Clarify further that claims against the state under Chapter 775 of the statutes may be commenced "if suit is authorized to be brought against the state." Under the concept of sovereign immunity, it is generally not possible to sue the state in state court unless a statute or constitutional provision authorizes a suit to be brought. Article IV, Section 27 authorizes the Legislature to specify by law the manner and in what courts a suit against the state may be brought.

Repeal current statutory provisions granting the following state agencies the right to sue and be sued: Health and Social Services; Historical Society; Industry, Labor and Human Relations; Investment Board; Office of the Commissioner of Railroads; Public Service Commission; Transportation; University of Wisconsin System Board of Regents; and Veterans Affairs. Further, repeal specific statutory references to the UW Board of Regents, the Historical Society and the Investment Board being a body corporate or a body corporate and politic, and in the case of the Investment Board, repeal a further reference to the agency as an independent agency of the state. Other generic references in the statutes to independent agency status (as distinguished from the status of agencies headed by a secretary or a board) are not affected by this change.

23. COUNTY MEMBERSHIP IN AN ASSOCIATION OF COUNTY BOARDS [Senate Bill 170]

Modify the current law provision permitting county boards to purchase membership in an association of county boards by changing the authorization procedure from a two-thirds vote of the board to a majority vote of the members elected to the board.

24. CHANGES IN CERTAIN STATE FINANCIAL PROCEDURES [Senate Bill 288]

a. Interim adjustment of appropriations and positions.

Expand current law provisions relating to interim adjustment of program revenue positions and funding levels to apply to general purpose revenue and segregated revenue funded positions and appropriations also. Under current law, within 30 days after the effective date of the biennial budget act, DOA is required to submit to the Joint Committee on Finance for its approval (under a 14-day passive review procedure) a proposal for any necessary modifications to the appropriation or position levels provided for in that act due to intervening increases in the base level of funding or positions for an agency that resulted from an approved modification to those levels as a result of actions of the Joint Committee on Finance during the immediately preceding fiscal year and which were intended as continuing funding or position authorizations for the agency. This authority to roll-up the base budget for an agency would be extended to increases to GPR or SEG funding or position levels for agencies that have been approved by the Committee under its s. 13.10 approval powers. In addition, create two additional supplemental sum sufficient appropriations under the program supplements portion of the appropriation schedule to allow such adjustment to be added to the agency base (a similar program revenue supplemental appropriation currently exists).

b. Refund of expenditures.

Modify current law relating to the refund of expenditures (the reversal of previous to reflect a canceled voucher or a remittance of funds to an agency for previously incurred expenditures) as follows: (1) clarify that refund of expenditure approval and reporting requirements apply to classes of expenditures from an agency appropriation rather than individual items of expenditure; (2) repeal the requirements that refund of expenditures be limited to instances where the expenditure reversal is required due to activities of the agency that were of temporary nature or for activities that could not be anticipated during the time of the development of the agency's budget and be limited to an expenditure reversal in the same fiscal year as the year in which the initial expenditure occurred; (3) repeal the requirement for agencies to have approval from the Secretary of DOA for each refund of expenditure prior executing the refund; and (4) repeal the requirement that before any refund of agency may be recorded by an agency the agency must submit a written explanation of the circumstances under which the funds were received including information on the statutory activity of the agency to which the refund relates. Provide that the Secretary of DOA shall prescribe written policies for the identification by agencies of funds received by agencies to be treated as refunds of previous expenditures and exempt such policies from the requirement that such policies be promulgated as administrative rules.

c. Acceptance of certain gifts, grants and bequests.

Provide that gifts, grants or bequests to a state agency which does not have a specific appropriation to receive and expend such gifts without the approval of the Joint Committee on Finance may be received and expended by the agency if the DOA submits to the Co-chairpersons of the Joint Committee on Finance a report specifying the source of the gift, grant or bequest (if known), the amount and the state

agency to which it was directed. Provide that DOA may use a special miscellaneous appropriation account to provide for the receipt and expenditure of the gift, grant or bequest by the receiving agency.

HEALTH AND SOCIAL SERVICES -- MEDICAL ASSISTANCE

25. STUDY ON PRIVATIZATION OF THE OPERATION OF MEDICAL ASSISTANCE [Senate Bill 222]

Require the Department to conduct a study of the feasibility of contracting with a private vendor for the operation of the medical assistance (MA) program. Specify that the Department consider the experience of other states that have contracted with health insurance organizations to operate their MA programs. Require that H&SS report its findings to the Governor and to the appropriate standing committees of the Legislature before July 1, 1996.

Under current law, a significant portion of MA administration is presently operated under contracts with private companies. Claims processing and maintenance of eligibility files is contracted out to the state's fiscal agent, while applications for MA are handled by county income maintenance workers under contract with the Department. Also, a number of auditing, modelling and analytical activities are contracted out to private companies. However, a number of other administrative functions are performed by the Department, such as recovering monies under the estate recovery program, soliciting and establishing contracts with HMOs, applying for waivers from the federal Department of Health and Social Services, and providing oversight for the MA community waiver programs, including the community options and community integration programs, that are operated by the counties.

HEALTH AND SOCIAL SERVICES -- HEALTH

26. RURAL MEDICAL CENTERS [Senate Bill 240]

Establish rural medical centers (RMCs) as a new category of health care providers, which would be subject to licensure and regulation by H&SS, beginning January 1, 1997. In addition, repeal current law which requires H&SS to investigate the concept of regulating RMCs.

a. *Definition.* Define an RMC as a building, structure, institution or place in a county, city, town or village with a population of less than 15,000 that is outside of a federally-defined, urbanized area and that provides two or more of the following health care services: (a) care provided in or by a hospital,

nursing home, hospice, rural health clinic, or ambulatory surgery center; (b) home health services; (c) outpatient physical therapy services; (d) end-stage renal disease services; and (e) other services specified by the Department, by rule.

b. *Licensing, Fees and Rule-Making Authority.* Authorize H&SS to provide uniform, statewide licensing, inspection and regulation of RMCs and to promulgate rules that establish: (a) standards for the operation of RMCs that are designed to protect and promote the health, safety, rights and welfare of patients who receive health care services; (b) minimum requirements for the issuance of a provisional license, an initial regular license or a regular license renewal; (c) provisional and regular initial license and license renewal fees, which would be based on the health care services provided by each RMC; and (d) a procedure and criteria for waiver of, or variance from, the standards and requirements specified in the rules. Revenue collected from license fees would be credited to the Department's program revenue appropriation and used to support the Department's licensing and inspection activities. Require H&SS to submit proposed rules to the Legislative Council by July 1, 1996.

c. *Licensing Procedure.* Require H&SS to issue a provisional license (valid for six months), an initial regular license (valid for 24 months) or a regular license renewal (valid for 24 months) to applicants upon payment of the appropriate fee and after H&SS inspects the health services provided by the applicant and finds that the applicant is fit and qualified and meets the requirements and standards for RMCs. In lieu of conducting an inspection, H&SS could accept evidence that the applicant has applicable, current and valid licensure or certification as a hospital, nursing home, hospice, adult family home, community-based residential facility, rural health clinic or home health agency or has an agreement to participate in medicare as an ambulatory surgery center. Each license would be issued only for the RMC and owner named in the license application and could not be transferred or assigned.

d. *Inspections and Investigations.* Authorize the Department to conduct unannounced inspections and investigations of RMCs, as H&SS considers necessary. Require RMCs to provide H&SS with access to patient health care records, regardless of the source of patient health care payment, to fulfill the purpose of any inspections or investigations conducted by the Department.

e. *Prohibitions and Penalties.* Prohibit an unlicensed entity from using the phrase "rural medical center." In addition, prohibit any person from: (a) intentionally preventing, interfering or impeding an investigation by the Department; (b) intentionally retaliating or discriminating against a patient or RMC employee for contacting or providing information to a state agency or initiating, participating in or testifying in an action to enforce regulations relating to RMCs; or (c) intentionally destroying or modifying the original report of an inspection by the Department.

Establish a civil penalty of \$100 to \$500 for each violation of the law or rules, with each day of continued violation constituting a separate offense, except that a criminal penalty of up to \$1,000 and imprisonment of up to six months would apply to persons who violate the prohibitions described in (a) through (c), above. Authorize H&SS to collect any forfeitures and to establish criteria to use in determining the amount of the forfeiture. Provide timelines and a procedure for RMCs to contest an assessment of a forfeiture through a hearing before the DOA Division of Hearings and Appeals. All

forfeiture revenue collected by H&SS would be deposited in the school fund. Finally, authorize H&SS to institute an action for injunctive relief or other process for violations of these provisions or rules if H&SS determines that the violation seriously affects the health, safety or welfare of patients.

27. VOLUNTEER HEALTH CARE PROVIDER PROGRAM [Senate Bill 242/Assembly Bill 477]

Modify the process for approval by the Joint Committee on Finance of applications by health care providers to participate in the volunteer health care provider program to replace review under s. 13.10 of the statutes with a 14-day passive review process. Under the bill, if, within 14 working days after DOA submits an application for approval, the Committee does not notify DOA that a meeting has been scheduled to review the application, DOA could approve the application. If a meeting has been scheduled, DOA could approve the application only with the approval of the Committee. In addition, clarify that DOA need not submit applications for renewal to the Committee before approving or disapproving the renewal application.

Under the volunteer health care provider program, licensed physicians, dentists, optometrists, registered nurses, practical nurses, nurse-midwives and certified physician assistants who provide services without charge at certain nonprofit agencies are state agents of H&SS for the purposes of representation by the Department of Justice in any court actions arising from the health care services they provide. Amounts that are recoverable by civil suit against these providers are limited and judgements against them in these suits are payable by the state.

28. STATEWIDE IMMUNIZATION PROGRAM REPORT [Senate Bill 239]

Extend for two years, until July 1, 1996, the requirement that the Department submit an annual report to the Legislature on the success of the statewide immunization program. Current statutes require this report to be submitted annually by July 1 of each year from 1991 through 1994.

HEALTH AND SOCIAL SERVICES -- CARE AND TREATMENT

29. STUDY ON PRIVATIZATION OF THE STATE CENTERS [Senate Bill 238]

Require the Department of Health and Social Services to investigate the feasibility and potential savings from contracting with a private vendor to operate the State Centers for the Developmentally Disabled and from selling the State Centers to a private vendor and to report its findings to the Governor and the appropriate standing committees of the Legislature by June 30, 1996.

30. MENTAL HEALTH EVALUATIONS AND LIABILITY UNDER EMERGENCY DETENTION [Senate Bill 241]

Modify current statutory provisions relating to emergency detention to:

Evaluation and Diagnosis. Expand the purpose of emergency detention to evaluate and diagnose, as well as to treat as under current law. Authorize a treatment director of a mental health treatment facility, or a designee, to evaluate and diagnose, in addition to treat, an individual that consents and who has been taken into custody under emergency detention. This provision would also apply to individuals who entered the facility voluntarily and who are subsequently held under emergency detention.

Liability. Modify current provisions for immunity in civil court for those who act in good faith under the emergency detention commitment laws (including the emergency detention of individuals who entered the facility voluntarily) to also apply to the evaluation and diagnosis of persons under those laws, and specifically expand current immunity provisions to include the making of a determination that an individual has or does not have mental illness or is or is not dangerous. In addition, extend the immunity in civil court that is provided under the bill to a director of a treatment facility, or a designee, who under a court order evaluates, diagnoses or treats an individual who is confined in a jail, if the individual consents to the evaluation, diagnosis or treatment.

Under current law, law enforcement officers and juvenile court intake workers may take a person into custody under emergency detention if they have cause to believe that the person is mentally ill, dependent on drugs or developmentally disabled and if the person evidences certain dangerousness. The law enforcement officer must transport the person to a mental health facility where, within 24 hours, the treatment director must determine if the person should be detained and, if the person consents, must treat the person. In addition, the treatment director of a facility, or a designee, may detain a person who has voluntarily entered the facility under emergency detention provisions. If detained, a person must be released within 72 hours (excluding holidays and weekends); otherwise, a petition for commitment must be filed. A person who acts in accordance with emergency detention or voluntary commitment laws is not liable in civil court for actions taken in good faith.

HEALTH AND SOCIAL SERVICES -- AID TO FAMILIES WITH DEPENDENT CHILDREN

31. AFDC [Assembly Bill 21]

The funding amounts shown in this entry reflect the provisions that were incorporated in Assembly Bill 150. These items were deleted from AB 150 because Assembly Bill 21 was being considered as separate legislation.

Benefit Cap

Provide \$570,200 GPR and \$570,200 FED in 1995-96, reduce funding by \$457,500 GPR and \$1,085,100 FED in 1996-97 and adopt statutory authorization to implement an AFDC benefit cap demonstration project under a federal waiver which was approved in June, 1994. The benefit cap would first apply to children born on November 1, 1996.

Under current law, the AFDC grant is based on the family's assets, income and family size. A larger monthly grant is provided if an additional child is born into the family. With the benefit cap, a child born into a family more than 10 months after the date the family was first determined to be eligible for AFDC would not be considered in determining the amount of the family's AFDC grant unless at least one of the conditions outlined below is met. Children who are subject to the benefit cap would continue to be eligible for medical assistance and food stamps.

- a. The family did not receive AFDC for a period of at least six months, other than as a result of sanctions, and the child was born during that period or not more than 10 months after the family resumed receiving benefits after that period;
- b. The child was conceived as a result of a sexual assault in which the mother did not indicate consent or as a result of incest, and the incest or sexual assault has been reported to a physician and law enforcement authorities;
- c. The child's mother is a dependent child at the time of the child's birth and the child is born as a result of the mother's first pregnancy that resulted in a live birth;
- d. The child does not reside with his or her biological mother or father; or
- e. The family or child meets other exemption criteria under a rule promulgated by H&SS.

To the extent permitted in the waiver, H&SS could apply the benefit cap provisions to all AFDC recipients or to a test group determined by the Department. The Department would be required to inform all applicants for AFDC of the benefit cap provisions at the time of application. The benefit cap

provisions would not apply to persons who are subject to the parental and family responsibility pilot program, which began on July 1, 1994, in Juneau, Milwaukee, Oneida and Rock Counties. The provisions would only apply while the waiver is in effect and only with respect to recipients covered by the waiver.

The Department would also be permitted to award grants to county departments of social/human services for providing family planning educational services to persons who are subject to the benefit cap provisions. An appropriation would be created for these grants; however, funding of \$50,000 GPR in 1995-96 and \$100,000 GPR in 1996-97 would be provided in the existing appropriation for general program operations.

The Department of Health and Social Services or, beginning July 1, 1996, the Department of Industry, Labor and Job Development would be authorized to promulgate emergency rules for the benefit cap without making a finding of emergency.

The bill includes funding for state administrative costs, including a change order to the CARES computer system and 3.0 FTE positions (1.50 GPR and 1.50 FED); county income maintenance costs; evaluation; and family planning grants to counties. In addition, the administration estimates that AFDC and medical assistance benefits would decrease. The following table outlines the recommended funding amounts for the benefit cap demonstration in the 1995-97 biennium.

	<u>1995-96</u>		<u>1996-97</u>	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
AFDC Benefits	\$0	\$0	-\$1,309,000	-\$1,936,600
MA Benefits	0	0	-1,506,200	-2,228,500
State Administration	207,000	207,000	125,100	125,100
County Administration	281,900	281,900	563,900	563,900
Evaluation	31,300	31,300	62,500	62,500
Family Planning Grants	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>	<u>100,000</u>
Total	\$570,200	\$570,200	-\$1,963,700	-\$3,313,600

Self-Sufficiency First

Provide \$290,100 GPR and a reduction of \$8,500 FED in 1995-96, decreases of \$1,159,400 GPR and \$2,380,300 FED in 1996-97 and require H&SS to request a waiver from the Secretary of the federal Department of Health and Human Services to allow H&SS to require AFDC recipients to provide verification of compliance with certain orientation and job search activities before receiving AFDC benefits. The Department could not request that the provisions of the waiver apply before January 1, 1996. The waiver could request permission to apply the orientation and job search requirements to all applicants for AFDC or to a test group determined by the Department. These provisions would apply only while the waiver is in effect and only with respect to applicants covered by the waiver.

Under the self-sufficiency first provisions, H&SS could not provide AFDC benefits to any applicant who is subject to the following requirements until the applicant has provided verification, in a form to be specified by H&SS by rule, that the requirements have been complied with.

a. H&SS could require any adult AFDC applicant to attend one or more orientation sessions offered during the 30-day period beginning on the date that the caretaker relative applies for AFDC. The orientation sessions would have to emphasize self-sufficiency and encourage applicants to consider alternatives to AFDC.

b. H&SS could require any adult AFDC applicant who is required to participate in the job opportunities and basic skills (JOBS) program to participate in job search activities for up to 30 days.

An AFDC applicant who would be subject to the school attendance requirement under Learnfare could not be required to attend an orientation session or to participate in any job search activity at a time that would conflict with school attendance.

The JOBS administering agency would be permitted to exempt an AFDC applicant from any orientation and job search requirements if the agency determines that the applicant would not benefit from complying with the requirement. H&SS would be required to promulgate rules establishing standards to be used by administering agencies in making such determinations. H&SS would also be required to pay child care costs of persons who are participating in the orientation and job search activities required under these provisions.

The Department of Health and Social Services or, beginning July 1, 1996, the Department of Industry, Labor and Job Development would be authorized to promulgate emergency rules for the self-sufficiency first provisions without making a finding of emergency.

The bill includes funding for state administration, including a change order for the CARES computer system and 1.5 FTE (0.15 GPR and 1.35 FED) positions; employment and training services, including counseling, child care, transportation and job search services; county income maintenance administration expenses; and evaluation. The administration also estimates that AFDC and medical assistance benefits would be reduced as a result of the orientation and job search requirements. The following table outlines the bill's recommended funding in the 1995-97 biennium.

	1995-96		1996-97	
	GPR	FED	GPR	FED
AFDC Benefits	-\$876,900	-\$1,299,400	-\$2,966,700	-\$4,389,300
MA Benefits	-194,300	-287,800	-657,100	-972,200
State Administration	144,200	192,900	8,000	61,400
County Administration	80,000	80,000	120,000	120,000
Employment and Training	927,200	1,002,400	1,648,100	1,796,400
Evaluation	<u>15,600</u>	<u>15,600</u>	<u>31,200</u>	<u>31,200</u>
Total	\$95,800	-\$296,300	-\$1,816,500	-\$3,352,500

Pay After Performance

Provide \$594,300 GPR and \$365,900 FED in 1995-96 and a reduction of \$410,400 GPR and \$1,119,400 FED in 1996-97 and require H&SS to request a waiver from the Secretary of the federal Department of Health and Human Services to allow H&SS, in certain circumstances, to reduce the amount of an AFDC grant based on the level of participation in the job opportunities and basic skills (JOBS) program. The Department could not request that the provisions of the waiver apply before January 1, 1996. The waiver could request permission to apply provisions of the waiver to all applicants for AFDC or to a test group determined by the Department. These provisions would apply only while the waiver is in effect and only with respect to applicants covered by the waiver.

If all of the following conditions apply in a month to an AFDC recipient, the recipient's AFDC grant would be reduced in a subsequent month:

- a. The recipient is required to participate in a JOBS activity for a regularly scheduled number of hours in the month.
- b. The recipient participates in the activity in the month for less than the required number of hours without good cause, as defined by H&SS by rule; and
- c. The JOBS agency determines, in accordance with standards established by the Department by rule, that the activity the recipient is engaged in during the month has continued, or is expected to continue, for more than one month.

If these conditions apply, the AFDC benefit in the subsequent month would be determined as follows:

- a. The recipient's total number of hours of actual participation in the month (including hours of nonparticipation for good cause) would be subtracted from the total number of hours of required participation in that month.
- b. The number of hours determined above would be multiplied by the federal hourly

minimum wage.

c. The dollar amount determined under (b) would be subtracted from the AFDC grant that the recipient's family would have received if the recipient had participated for the total number of assigned hours.

Under current federal regulations, any AFDC recipient who is required to participate in a work program and who fails to comply is not taken into account in making the determination of the family's monthly grant. The individual not complying is removed from the monthly grant as follows: (a) for the first failure to comply, until the failure ceases; (b) for the second such failure, for a period of three months or until the failure ceases, whichever is longer, or (c) for any subsequent failure to comply, until the failure ceases or for a period of six months, whichever is longer. With the pay-after performance provisions, noncompliance would result in the entire family's monthly grant being reduced, rather than only the required JOBS participant's portion of the grant.

The Department of Health and Social Services, or beginning July 1, 1996, the Department of Industry, Labor and Job Development would be authorized to promulgate emergency rules for the pay-for-performance provisions without making a finding of emergency.

The bill includes funding for state administration, including 1.5 FTE (0.15 GPR and 1.35 FED) positions; county employment and training case managers to monitor compliance with the new requirements; other county income maintenance expenses; and evaluation of the project. In addition, the administration estimates that AFDC and MA benefits would decrease because of shorter lengths of stay on AFDC and increased sanctions from the JOBS participation requirement. The following table outlines recommended funding amounts for the 1995-97 biennium.

	1995-96		1996-97	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
AFDC Benefits	-\$575,500	-\$852,600	-\$1,589,600	-\$2,352,000
MA Benefits	-376,300	-557,500	-1,071,200	-1,584,800
State Administration	394,200	442,900	8,000	61,400
County Administration	160,000	160,000	240,000	240,000
Employment and Training	600,000	600,000	900,000	900,000
Evaluation	<u>15,600</u>	<u>15,600</u>	<u>31,200</u>	<u>31,200</u>
Total	\$218,000	-\$191,600	-\$1,481,600	-\$2,704,200

JOBS Participation Requirement -- Age of Child

Require parents or other caretaker relatives of a child who is at least one year of age to participate in the JOBS program on a full-time basis, unless the parent or caretaker is exempt from JOBS for some other reason.

Under federal law, an exemption from participation in the JOBS program is provided for the primary caretaker relative of a child under age three, or a lower age not less than one year, at state option. Wisconsin currently requires participation unless the child is under age two.

32. FEE FOR COLLECTION OF PUBLIC ASSISTANCE OVERPAYMENTS [Senate Bill 196]

Authorize counties and tribes to assess a fee on persons who fail to comply with a plan for recovering overpayments of food stamps, AFDC or medical assistance benefits if the person is no longer eligible for these programs. The fee could not exceed 10% of the amount remaining to be recovered at the time of noncompliance and could not be assessed more than once for the same overpayment. The fee would be retained by the county or tribe.

Also, authorize H&SS to charge counties and tribes for the administrative costs that are incurred by H&SS and DOR to recover overpayments of food stamps, AFDC and medical assistance benefits. These funds would be deposited in the PR appropriations under H&SS for welfare fraud and error reduction activities.

33. AFDC -- DIRECT VENDOR PAYMENT OF RENT [Senate Bill 194/Assembly Bill 517]

Specify that AFDC benefits provided as a check for rent to the recipient's landlord must be issued as a direct check to the landlord, rather than as a two-party check drawn in favor of the recipient and his or her landlord. Under current law, payment to the landlord is required whenever a recipient has failed to pay rent for two or more months, unless the failure to pay is authorized by law.

34. EMPLOYMENT AND TRAINING PROGRAMS CARRY-OVER AUTHORITY [Senate Bill 195]

Permit H&SS to carry-forward a county's employment and training funds from one calendar year to the next calendar year without approval of the transfer by the Joint Committee on Finance if: (a) the funds are committed to the county under a performance-based contract; (b) the funds were earned by the county in that year; and (c) the carry-forward is approved by the Secretary of DOA. Funds carried forward under this provision would not affect the county's base allocation.

Under current law, all GPR funds for employment and training programs which have been allocated

but not encumbered by December 31 of each year lapse to the general fund on the next January 1, unless transferred to the next calendar year by the Joint Committee on Finance.

HEALTH AND SOCIAL SERVICES -- CHILD SUPPORT

35. REVISION OF CHILD SUPPORT BY AFFIDAVIT [Senate Bill 225/Assembly Bill 476]

Modify current statutory provisions related to the revision of child support orders to provide for the revision of orders by affidavit, as follows:

Authorize a payee under a child or family support order (a person receiving child support), including the state if the state is a real party in interest in the action, to file an affidavit to revise the amount of support.

Requirements of the Affidavit. Specify that the affidavit would be required to include all of the following:

- The amount of child or family support that the payer must pay under the current order and the date on which that order was entered.
- The facts supporting a reasonable basis for a substantial change in circumstances that justifies a revision of the order. As under current law, commencement of receipt of AFDC by either parent since the entry of the last support order, the passage of 33 months since the entry of the last support order and a difference in the amount of support ordered and the amount required under the percentage standard if the court did not explain the reason for the deviation, constitute a rebuttable presumption of a substantial change in circumstances. Similarly, as under current law, a change in the payer's income, the child's needs, the payer's earning capacity or other relevant factors may constitute a substantial change in circumstances.
- The proposed amount of child or family support, expressed as a percentage of parental income, as a fixed sum or as a combination of both in the alternative. Specify that any proposed amount must be determined using the percentage standard.
- The number of children entitled to support under the revised order and any special circumstances that the court must consider in order to determine whether the percentage standard was accurately applied in determining the proposed amount of support.
- If the proposed amount of support is expressed a fixed sum or as a combination of a percentage of income and a fixed sum in the alternative, the payer's current income or earning capacity and the facts

supporting a reasonable basis for determining that income or earning capacity.

When Revision by Affidavit Provisions Would Not Apply. Specify that the revision by affidavit provisions would not apply if:

- The current support order is expressed as a percentage of parental income and was determined by using the percentage standard; or
- Less than 33 months have passed since the entry of the current support order.

Service of Affidavit on Payer. Require the payee to personally serve the affidavit on the payer or send the affidavit by registered or certified mail to the last-known address of the payer no later than 60 days after filing the affidavit.

Notice to Payer. After the payee files proof of service on the payer with the court, require the court to send notice to the payer by regular, registered or certified mail. Specify that the notice would be required to:

- Provide that, unless the payer requests a hearing to dispute the revision or the amount of the revision within 30 days after the date of notice, the court or family court commissioner (FCC) may revise the amount of support as requested in the affidavit and may provide for wage withholding for the revised amount.
- Include the address to which a request for a hearing must be mailed or delivered.

Entry of Revision If No Hearing Requested. Authorize the court, if the court sends the notice and the payer fails to make a timely request for a hearing on the revision, to revise the amount of support as provided in the affidavit, provided that the affidavit meets the statutory requirements and demonstrates to the court or FCC's satisfaction that the revision is determined in a manner consistent with the current statutory requirements for the revision of a support order.

Require the court or FCC, if it revises the amount of support, to:

- Enter the revised order and send notice of income withholding to replace any assignment of income for support in effect under the previous support order.
- Send the revised order to the payer's last-known address.
- Inform the payer that an income assignment is in effect and that the payer may, within ten days, by motion request a hearing on the issue of whether the assignment should be withdrawn.

Procedure If Hearing Is Requested. If the payer makes a timely request for a hearing, require the court or FCC to hold a hearing to determine, in accordance with the current statutory provisions for the

revision of a support order, whether to revise the order and, if so, in what amount.

Require the court or FCC, if it revises the amount of support, to enter the revised order and send notice of the revised income assignment.

Other Provisions. In addition, include statutory provisions to:

- Specify that a court may enter a revision of support based on an affidavit despite a pendency of an appeal.
- Provide that child support orders entered in paternity judgments may be revised by affidavit.
- Specify that the revision of judgment filing fee does not apply to affidavits for the revision of a child or family support order.
- Expand the circumstances in which the state is a real party in interest in action affecting the family for purposes of establishing paternity or securing reimbursement for aid paid, future support and costs to include whenever AFDC or medical assistance has, in the past, been provided to a dependent child and the child's family continues to be eligible for state child support enforcement services.
- Specify that the current law provisions providing for the payment of costs and reasonable attorney fees by a party that files a claim found to frivolous by the court apply to affidavits filed for the revision of child or family support.

36. STATEMENTS ACKNOWLEDGING PATERNITY [Senate Bill 243]

Effective January 1, 1996, modify the statutory provisions regarding statements acknowledging paternity as follows:

Establish Procedure for Requesting Blood Tests if No Action Affecting the Family Has Been Filed. Under current law, a person who has signed and filed a statement acknowledging paternity with the state registrar may, within one year after the statement is filed or one year after attaining age 18, whichever is later, request the court or family court commissioner (FCC) to order blood tests. Modify the provisions related to requesting blood tests to specify that:

- If an action related to child support or paternity has been filed, the court or FCC must require the appropriate parties to submit to blood tests upon request; and
- If no action related to child support or paternity has been filed, the person who signed the statement acknowledging paternity may request the county child support enforcement agency to arrange for blood tests.

In addition, specify that the person requesting the blood tests is responsible for the costs of the tests.

As under current law, the provisions providing for the request of blood tests would not apply if, before the person requests blood tests, the man who signed the statement acknowledging paternity is determined to be the father of the child after the performance of blood tests.

Removal of Man's Name from Birth Certificate if Blood Tests Exclude Him as Father. If, as the result of blood tests requested by a person who signed a statement acknowledging paternity, the man who signed the statement acknowledging paternity is excluded as the child's father, and:

- An action related to child support or paternity has been filed, require the court to notify the state registrar to remove the man's name as the father of the child from the child's birth certificate.
- No action related to child support has been filed and the county child support enforcement agency arranged for the blood tests, require the county agency to notify the state registrar on a form provided by the state registrar to remove the man's name from the child's birth certificate.

Require the state registrar, upon receiving such notice from a court or a county child support enforcement agency, along with the required fee for altering and preparing a new birth certificate, to prepare a new certificate omitting the man's name. Require the person who requested the blood tests to pay any fees charged by the state registrar for preparing a new birth certificate.

In addition, specify that thereafter no paternity action nor any action affecting the family related to the support of the child may be filed against the man with respect to that child.

Under current law, if the state registrar receives a statement acknowledging paternity signed by both parents accompanied by the required fee, the registrar must insert the name of the father on the child's birth certificate.

Nonjudicial Conclusive Determination of Paternity. Provide that a statement acknowledging paternity signed by both parents that has been on file with the state registrar for at least one year, or for at least one year after the date on which the man who signed the statement attained age 18, whichever is later, is a conclusive determination of paternity which has the same effect as a judgment of paternity. Specify that this provision first applies to statements acknowledging paternity that are filed with the state registrar on January 1, 1996, on forms that include notice of the consequences of signing and filing the form, including the conclusive effect of filing the statement.

Specify that statutory provisions providing for a conclusive determination of paternity based on the filing of a statement acknowledging paternity would not apply if the results of blood tests exclude the man who signed the statement as the father of the child. In addition, provide that a determination of paternity based on a statement acknowledging paternity may be reopened as follows:

- At any time upon motion or petition for good cause shown;
- Upon a motion for relief from judgment or order for any of the reasons provided under the current statutory provisions related to relief from judgments; or
- Within two years after the date on which the statement acknowledging paternity was filed with the state registrar or within two years after the date on which the man who signed the statement attained age 18, whichever is later.

In addition, exclude a man whose paternity is conclusively determined based on a statement acknowledging paternity from the list of persons who may bring a paternity action.

Provide that the notice requirements would first apply to forms for the acknowledgment of paternity that are prescribed by the state registrar on January 1, 1996.

37. ORAL INFORMATION ABOUT ACKNOWLEDGING PATERNITY IN HOSPITALS [Senate Bill 226]

Require, when a birth occurs en route to or at a hospital, the hospital administrator or a designee to ensure that trained, designated hospital staff provide oral information to the child's available parents about: (a) the voluntary paternity acknowledgment form; (b) the legal significance of establishing paternity; and (c) the benefits of establishing paternity. The oral information would be provided in addition to a copy of a pamphlet regarding the legal significance and benefits of establishing paternity and a copy of the voluntary paternity acknowledgment form which the hospital administrator or a designee is required to give the mother under current law.

38. STUDY ON LIMITING LICENSES FOR FAILURE TO PAY CHILD SUPPORT [Senate Bill 227]

Require H&SS to study the issue of placing limitations on licenses for the failure to pay child or family support. Specify that the study must address all of the following: (a) what licensed activities or occupations are amenable to limitation for non-payment of support; (b) the feasibility and effectiveness of limitations including the denial of initial license issuance, suspension, revocation, nonrenewal and specified restrictions; (c) how to implement a license limitation program and coordinate with other agencies; (d) the costs of implementing and administering a license limitation program; and (e) the estimated increase in support collections resulting from a license limitation program. Require H&SS to submit the study, along with the Department's conclusions and recommendations, to DOA and the Joint Committee on Finance by December 1, 1995.

39. ASSIGNMENT OF WISCONSIN RETIREMENT BENEFITS REPORT [Senate Bill 171]

Require H&SS and the Department of Employee Trust Funds to jointly submit a report to the Secretary of DOA proposing the most cost-effective way to allow a person's benefits under the Wisconsin retirement system to be assigned to another person pursuant to a court order under the income withholding provisions for child support, maintenance and family support payments. Specify that the report must be submitted by December 1, 1995.

HEALTH AND SOCIAL SERVICES -- COMMUNITY SERVICES

40. CRIMINAL BACKGROUND CHECKS [Senate Bill 230]

Establish statutory requirements for background checks of applicants, employees and prospective employees of the applicant, and certain other individuals when there is an application for a license to operate a child welfare agency, group home, shelter care facility, foster home or treatment foster home or day care center. The specific requirements would:

Responsibility for Performing Investigations. Require that, after receipt of the application for a license to operate a shelter care facility, child welfare agency, group home, day care center, foster home or treatment foster home, the Department, with the assistance of the Department of Justice (DOJ), conduct a background investigation of the applicant. Specify that, when a applicant for a foster home or treatment foster home license applies to a child welfare agency or county department for a license, a background check of the applicant would still be required, but it would be the responsibility of the child welfare agency or county department, rather than the Department.

Employees and Prospective Employees. Require that, prior to applying for an initial license or a renewal license to operate a shelter care facility, child welfare agency, group home, or a day care center with nine or more children, the applicant, with the assistance of DOJ, conduct a background check of each employee or prospective employee of the applicant. Also, require that, after receipt of an application for a license to operate a day care center with four to eight children, the Department, with the assistance of DOJ, must conduct a background investigation of each employee and prospective employee of the applicant.

Adult Residents in a Foster or Treatment Foster Home. Require that, after receipt of an application for a license to operate a foster home or treatment foster home, the Department (or child welfare agency or county department when application is made to them), with the assistance of DOJ, must conduct a background investigation of each adult who resides with the applicant.

Background Check Procedures. Specify that the investigator require the person being investigated

to be photographed and fingerprinted if: (a) the person is a nonresident; (b) if at any time in the last five years that person has been a nonresident; or (c) the investigator determines that the person's employment, licensing or state court records provide a reasonable basis for further investigation. Allow DOJ to submit the fingerprint cards to the Federal Bureau of Investigation (FBI) for the purposes of verifying the person's identity and obtaining the person's criminal arrest and conviction record. Specify that, upon request, a person being investigated would be required to provide the investigator with all of the following information: (a) name; (b) social security number; (c) other identifying information, including birthday, sex, race and any identifying physical characteristics.

Background Standards. Prohibit an applicant from employing a person or the Department, child welfare agency or county department from issuing or renewing a license to any applicant, if that person or applicant has been convicted of: (a) a felony drug violation; (b) habitual criminality; (c) certain domestic abuse offenses, (d) use of a dangerous weapon; (e) committing a violent crime in a school zone; (f) use of a bulletproof garment while committing a felony; (g) concealing his or her identity while committing a crime; (h) a hate crime; (i) a crime against life and bodily security (includes a class A misdemeanor battery, but excludes failure by a police officer to render aid or failure by an individual to aid a victim and report a crime); (j) a crime against sexual morality (includes adultery, but excludes solicitation of drinks by an employee from customers); (k) crimes against children, (excludes contributing to truancy, receiving property from a child, and tattooing a child); and (l) crimes of prostitution, patronizing prostitution and pandering that occurred within 20 years (excludes soliciting prostitutes or keeping a place of prostitution). Specify that in the case of an applicant for a foster or treatment foster home, when application is made to a child welfare agency or county department rather than the Department, a crime of prostitution, patronizing prostitution or pandering, no matter when committed, would require that the applicant's license application be denied. Allow an applicant to employ a person or the Department, child welfare agency or county department to issue or renew a license, conditioned on the receipt of a satisfactory background investigation.

Confidentiality. Require that an applicant who is investigating the background of the applicant's employees or prospective employees, must keep confidential all information received from DOJ or the FBI. Further, require that the Department, child welfare agency or county department when investigating an applicant, must keep confidential all information received from DOJ or the FBI, except that it may disclose any information to a person conducting background checks under any of the above situations and to Department of Public Instruction for background tests for school personnel certification. Specify, that background information collected by the Department, child welfare agency or county department would not be subject to inspection or copying under the state's open records law.

Enforcement. Authorize the Department, if it provides written notice of the grounds for a sanction, an explanation of the types of sanctions that may be imposed and an explanation of the process for appealing a sanction, to order a shelter care facility, child welfare agency, a group home or day care center to terminate an employee immediately on receipt of the order if that person has been convicted of any the violations listed under background standards. If this order is not complied with, the Department, if proper notification and explanation is provided, could impose daily forfeitures of \$10 to \$50 per day, suspend the licensee's license for not more than two weeks, refuse to renew a license or revoke a license.

Fees. Authorize the Department to charge a reasonable fee for any required background investigations of applicants, applicants' employees and prospective employees, and adult residents at an applicant's foster or treatment foster home that are conducted for licensing review. Also, allow a child welfare agency or county department to charge a reasonable fee for a background investigation of an applicant for a foster or treatment foster care home license.

41. TERMINATION OF PARENTAL RIGHTS [Senate Bill 229]

Modify statutory provisions relating to the termination of parental rights (TPR) to:

Petition for TPR. Require a guardian ad litem for a child who has been found to be in need of protection or services (CHIPS) to petition for TPR if it appears that grounds exist for the TPR and that it would be in the best interests of the child and if no other authorized person, such as the district attorney or corporation counsel, files such a petition.

Contents of a Petition. Require that the petition which initiates the TPR state whether the child is subject to the federal Indian child welfare act.

Contents of the Dispositional Order. Require that the court order to terminate parental rights, whether voluntary or involuntary, contain findings that reasonable efforts have been made to prevent the removal of a child from the home and that it is contrary to the best interests of the child to remain in the home of the parent.

Grounds for Involuntary TPR. Modify current provisions relating to the grounds for involuntary termination of parental rights to:

a. Homicide of a Sibling. Create as a ground for TPR the intentional homicide of a sibling, which may be established by showing that a sibling of the child has been the victim of first- or second-degree intentional homicide and that the parent whose rights would be terminated has been convicted of that intentional homicide.

b. Continuing Alcohol or Other Drug Abuse. Create as a ground for TPR continuing alcohol or other drug abuse, which may be established by showing that: (a) the child has been found in need of protection or services and placed, or continued in a placement, outside the home, and the parent's abuse of alcohol or other drugs contributed to the court's decision; (b) a parent's participation in an AODA treatment program is a condition for returning the child to the home and the agency responsible for the child and the family has made a diligent effort to provide that treatment; and (c) the child has been placed outside the home for a cumulative, total period of six months or longer and the parent has not participated actively and voluntarily in the treatment program and continues to abuse alcohol or other drugs.

c. Abandonment. Modify the conditions under which a child who has been placed outside the parent's home by a court order is considered to be abandoned to: (a) shorten to three months, from six

months currently, the time a parent fails to visit or communicate with the child; (b) shorten to six months, from one year currently, the time a parent fails to visit or communicate with a child who has been left by a parent with a relative or other person and the parent knows the whereabouts of the child; (c) provide that occasional contact, as well as incidental contact as under current law, does not prevent a juvenile court from finding that a parent has abandoned a child; and (d) change the standard of evidence to rebut abandonment to a showing that the parent has made a voluntary effort to fulfill responsibilities for the child's care and well-being, rather than from producing evidence that a parent has not disassociated from the child or relinquished responsibilities for the child's care and well-being.

d. Child Abuse and Neglect. Delete the current requirement which provides that child abuse may be established by a showing that a parent has exhibited a pattern of abusive behavior which is a substantial threat to the health of the child. Instead, provide that either a felony conviction for causing death or injury to a child or the child's removal from the home because of sexual or physical abuse is sufficient to establish grounds for involuntary TPR. These factors are identical to current law; however, current law also requires the finding of a pattern of abuse and substantial threat.

e. Failure to Assume Parental Responsibility. Extend current provisions for failure to assume parental responsibility to include mothers, as well as fathers, and marital, as well as nonmarital, children.

Provisions relating to TPR first apply on the effective date of the bill, as follows: (a) for dispositional orders, to petitions filed; (b) for the intentional homicide of a sibling, to petitions filed, however, consideration of a conviction obtained before the effective date would not be precluded; (c) for abandonment, to a child who is placed, or continued in a placement, outside a parent's home or who is left with a relative or other person; (d) for continuing alcohol and other drug abuse, to court orders entered; and (d) for child abuse and failure to assume parental responsibility, to petitions filed.

42. STATE ADOPTION REGULATIONS [Senate Bill 223/Assembly Bill 470]

Modify the following statutory provisions regarding adoption:

County Adoption Services. Delete the requirement that a county with a population of less than 500,000 be licensed by H&SS before it may place children under its guardianship for adoption. In addition, restrict the placement of children for adoption by county departments to only those children being adopted by their foster parents or treatment foster parents.

Adoption of a Nonmarital Child. Eliminate the requirement that H&SS make a recommendation regarding the adoption of: (a) a nonmarital child who is not adopted or whose parents do not subsequently intermarry; and (b) a child who has no living parents or whose parents have had their rights legally terminated. Instead, require the Department to make a recommendation only if a child is not under the guardianship of a county or child welfare agency. In addition, repeal the requirement for a recommendation by H&SS if a county or child welfare agency is required to conduct a preadoption investigation or if one of the petitioners is any relative, rather than solely a stepparent as under current

law.

Readoption of an Adoptive Child. Eliminate the requirement that readoption is permissible only if it is necessary under federal law in order for the child to enter the country.

State Adoption Information Center. Require the Department to provide grants, rather than contracts, for individuals and private organizations who operate the state adoption center. Specifically limit the total amount of the grants to \$65,000 in each fiscal year.

43. ELIMINATE STATE FOSTER CARE REVIEW PANEL REPORTING REQUIREMENT
[Senate Bill 224]

Delete the current requirement that each county submit to H&SS, by March 1 of each year, a report which identifies the members of its foster care review panels during the prior year, data on the determinations of its review panels and other information as specified by the Department, by rule.

44. ADOPTION OF CHILDREN WITH SPECIAL NEEDS [Senate Bill 231/Assembly Bill 471]

Modify provisions relating to the adoption of children with special needs to:

State Adoption Information Exchange. Expand the current appropriation for the state adoption center to also include the state adoption information exchange program. Under this program, the Department is required to establish a program to find adoptive home for children with special needs. The Department may contract with individuals and private agencies for adoption information exchange services.

State Adoption Center. Allow the Department award not more than \$75,000 in each fiscal year in grants to individuals and private agencies for adoption information exchange services. Under current provisions for the state adoption information exchange program, which finds adoptive homes for children with special needs who do not have permanent homes, the Department may contract for such services; no maximum funding level is specified.

Plan for the Privatization of Adoption Services. Require the Department to develop a plan, by July 1, 1997, to contract out the adoption services currently provided for children with special needs and to submit this plan to the Governor and to the appropriate standing committees of the Legislature.

HISTORICAL SOCIETY

45. HISTORIC SITES ADMISSION FEES [Senate Bill 40]

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.

INVESTMENT BOARD

46. AMOUNT OF ASSETS MANAGED BY OUTSIDE INVESTMENT ADVISERS [Senate Bill 202]

Increase from 10% to 25% the statutory ceiling on the amount of certain types of Wisconsin Retirement Fund fixed and variable trust assets (investments in real estate, mortgages, equities, and the debt of foreign corporations and governments) which may be delegated to outside advisers for investment management.

NATURAL RESOURCES -- FISH, WILDLIFE & ENDANGERED RESOURCES

47. ISSUANCE OF PERMITS TO ELEVEN-YEAR-OLDS [Senate Bill 169]

Allow DNR to issue the following licenses and permits to resident eleven-year-olds: (a) a wild turkey hunting license; (b) a hunter's choice deer hunting permit; (c) a bonus deer hunting permit; (d) a bear harvest permit; and (e) a Canada goose hunting permit. In order to be issued a license or permit, the youth must have successfully completed a hunter education and firearm safety program. Specify that a license or permit issued under this provision would not be valid until the youth turns twelve.

48. GOOSE QUOTA AT THE NECEDAH REFUGE [Senate Bill 168/Assembly Bill 451]

Delete the requirement that the wild goose quota established by DNR for the Necedah state wildlife refuge must be between 10% and 40% of the entire quota established for Wisconsin by the U.S. Department of the Interior.

NATURAL RESOURCES -- ENFORCEMENT AND RECREATIONAL AIDS

49. WATER REGULATION PERMIT DEREGULATION [Senate Bill 167]

Allow DNR to exempt certain activities from permit requirements if all of the following apply: (a) DNR promulgates administrative rules that establish construction and location standards; (b) DNR determines that the individual and cumulative adverse environmental impacts are insignificant and will not cause environmental pollution; and (c) DNR determines that the activity will not cause material injury to the rights of any riparian owner or the rights of the public in navigable waters. The following activities could be exempted from permit requirements: (a) placing sand or other material on the bed of a lake to improve recreational use; (b) placing a structure on the bed of a navigable water to improve fish or wildlife habitat; (c) placing riprap or other material to protect the land from erosion; (d) placing rock or other material to develop a ford or boat landing; (e) erecting a permanent boat shelter; (f) placing an intake structure and pipe on the bed of a navigable water to construct a dry fire hydrant; (g) driving a piling into the bed of a navigable water to deflect ice, to protect structures or to provide a pivot point for turning watercraft; and (h) constructing or enlarging certain artificial waterways. DNR may currently issue a general permit for these activities, rather than requiring individual permits.

Specify that failure to comply with the construction or location standards promulgated by DNR may subject an individual to a forfeiture of \$10 to \$500 for the first offense and \$50 to \$500 for subsequent offenses (these are the same as the current forfeitures for violating the procedural requirements of a general permit). Provide that this failure may not, by itself, result in abatement of the activity.

50. LOCAL CONTROL OF WATER REGULATION PERMITS [Senate Bill 166]

Allow DNR to delegate its responsibilities for issuing water regulation permits or other approvals to a municipality if all of the following apply: (a) DNR determines that the activity can be adequately regulated at the municipal level; (b) the municipality agrees to issue the permits or approvals; and (c) DNR determines that the municipality has adequate regulatory resources. Allow DNR to reverse a decision by a municipality regarding the issuance of an individual permit or approval. Grant DNR the authority to rescind a municipality's power to issue permits or approvals. Allow DNR to enforce permits and approvals issued by municipalities. Direct DNR to promulgate administrative rules to administer and

enforce this delegation of responsibility.

NATURAL RESOURCES -- ENVIRONMENTAL QUALITY

51. RECYCLING LAWSUIT [Senate Bill 165]

Repeal the current requirement that out-of-state local governments that want to dispose of solid waste in Wisconsin must be located within a state that has an approved landfill siting program. Currently, DNR, upon request of an out-of-state local government, evaluates the municipality's recycling program or state landfill siting program and approves the program if it meets statutory criteria. Further, delete the current requirement that DNR approve the out-of-state local government's recycling program through formal rule-making procedures, including a public hearing. The bill would retain the current requirement that out-of-state local governments that dispose of or incinerate listed recyclable materials in Wisconsin, must first receive DNR approval as having an effective recycling program. The U.S. District Court for the Western District of Wisconsin ruled in December, 1994, that the provisions that would be repealed under the bill violate the commerce clause of the U.S. Constitution.

52. RECYCLING -- LANDFILL BAN EXCEPTIONS [Senate Bill 164]

Modify current provisions under the state's recycling law related to granting of exceptions from the landfill disposal and incineration prohibitions for specific materials. Currently, in order to be certified as an effective recycling program and be eligible for state recycling grants, local recycling programs must require persons in their area to separate specific materials from solid waste. DNR may grant a one-year variance from that requirement for a specified material in the event of an emergency or if the cost of selling the material exceeds specified amounts. DNR may also grant an exception for up to one year from the disposal and incineration prohibitions for a specified material to a local governmental unit that operates a recycling program in the event of an emergency. Under current law, DNR granted a one-year variance for certain plastics (plastics known as #3-#7 and polystyrene packaging) for all effective recycling programs until January 1, 1996.

The bill would replace the current law exemption and variance authority with the requirement that DNR review markets for the discarded materials to which the landfill and incineration prohibitions apply, beneficial uses for those materials and technologies for managing those materials in solid waste. If DNR would find that a prohibition with respect to a specific material is not feasible or practical and that the prohibition is not needed to achieve the goals of the state's solid waste management policy, DNR would be authorized to do one of the following: (a) promulgate a rule specifying conditions under which the material may be disposed of in a landfill or incinerated; (b) exempt specified persons from the landfill or incineration prohibition with respect to the material; or (c) authorize, for up to one year, the material to

be disposed of in a landfill or incinerated. The bill would also authorize DNR to grant a variance so that an effective recycling program need not require persons to separate a specified material from solid waste if DNR takes one of the three actions above.

53. REPORTING OF HAZARDOUS SPILLS [Senate Bill 193]

Direct DNR to promulgate a rule that establishes an alternative to immediate notification, or an exemption from reporting, for discharges of less than a specified amount of a hazardous substance for which a minimum reporting amount has been established under the federal Superfund program or federal emergency planning and community right-to-know program. Current law requires the person who possesses or controls a hazardous substance or who causes the discharge of a hazardous substance to notify DNR immediately of the discharge.

Direct that in the rule, DNR may not specify an amount of a hazardous substance that is less than the minimum amount specified under federal law. DNR may specify an amount that is greater than the minimum amount specified under federal law only if it determines that the discharge of up to that greater amount of the hazardous substance is not likely to harm public health, safety or welfare or the environment. Authorize DNR to include specified amounts of a hazardous substance for which a federal minimum reporting amount has not been established. Direct that until DNR promulgates the rule, a person is not required to report to DNR a discharge of a hazardous substance if the amount of the discharge is less than the federal minimum reporting amount established for that substance.

54. OIL DISCHARGE LIABILITY [Senate Bill 192]

Create an immunity from civil liability for property damage by a person acting in good faith in containing and stabilizing a discharge of oil into any navigable water if the person is responding to the direction of a state or federal hazardous substance contingency plan, a federal on-scene coordinator or the Secretary of DNR or his or her designee. The immunity would not apply to a person who possesses or controls the oil which is discharged, who causes the discharge of the oil or whose act or omission involves reckless, wanton or intentional misconduct.

55. HAZARDOUS POLLUTION PREVENTION [Senate Bill 205]

Change the definition of "hazardous pollution prevention" in relation to DNR duties in this area. Under the bill, the definition of hazardous pollution prevention would refer to changes in design, production processes, plant operations or raw material choices that reduce or eliminate the production of environmental pollution. Currently, the definition refers to changes in processes or raw materials that reduce or eliminate the production of hazardous substances, toxic pollutants and hazardous waste. The bill would repeal a current provision that specifies that hazardous pollution prevention does not include

changes in the manner of release of a hazardous substance, toxic pollutant or hazardous waste, recycling of a hazardous substance, toxic pollutant or hazardous waste outside of the process or treatment of hazardous substances, toxic pollutants or hazardous waste after the completion of the process. Instead, the bill would specify that hazardous pollution prevention does not include incineration, recycling, treatment or post-process environmental control technology.

When DNR recommends educational priorities for the UW-Extension hazardous pollution prevention, DNR would make recommendations regarding environmental pollution instead of hazardous substances, toxic pollutants and hazardous waste. DNR would no longer be required to make recommendations that consider projected shortfalls in hazardous waste treatment or disposal facilities under the capacity assurance plan.

56. SOLID WASTE -- YARD WASTE BURNING [Senate Bill 191]

Direct that the current law prohibition on burning yard waste without energy recovery in a solid waste facility does not apply to the burning of brush or other clean woody vegetative material no greater than six inches in diameter at a wood burning facility that is licensed or permitted by DNR. Currently, DNR is authorized to grant waivers to the prohibition on burning yard waste to allow the burning of brush or other clean woody vegetative material no greater than six inches in diameter at wood burning facilities licensed by DNR.

57. NONMETALLIC MINING [Senate Bill 190]

Change the requirement that DNR review local nonmetallic mining reclamation programs and issue a written determination of compliance with program requirements, from once every three years to once every ten years. Further, direct that DNR review the programs on a county-wide basis rather than independently for each city, village or town within the county.

58. WATER AND WASTEWATER TREATMENT FACILITY PLANS [Senate Bill 189]

Provide that the time period for DNR's review of water treatment and wastewater treatment facility plans for approval or disapproval of operation, maintenance and other criteria may be extended up to six months in the case of extensive installation involving expenditures of \$1,000,000 or more, instead of the current law \$350,000 threshold.

PERSONNEL COMMISSION

59. STATE EMPLOYEE CLASSIFICATION APPEALS PROCESS [Senate Bill 163]

Provide that for appeals by state employees of decisions of the Secretary of DER to allocate a position to a particular class in the state classified service, or to reallocate, regrade, reclassify or refuse to reclassify such a position, a hearing examiner's proposed decision in the matter would stand as the final decision of the Commission. Under current Commission practice, if an appeal is heard before a hearing examiner, the full Commission must meet to affirm, modify or reject the examiner's proposed decision.

PUBLIC INSTRUCTION

60. ENROLLMENT OPTIONS PROGRAM [Senate Bill 161/Assembly Bill 347]

Create an enrollment options program which would consist of three components (interdistrict school choice, interdistrict enrollment options and intradistrict enrollment options) plus the existing postsecondary enrollment options program. Eligibility to participate in the programs would apply to pupils enrolled in all school districts (including the Milwaukee Public Schools).

Interdistrict School Choice

a. *General Provisions.* Provide that, beginning in the 1996-97 school year, a pupil may attend any public school, including prekindergarten, early childhood or school-operated day care program, located outside his or her school district of residence, if the pupil's parent complies with certain application dates and procedures and space is available. The school district of residence would be required to pay tuition for the pupil and would continue to count the pupil in its membership for state aid purposes.

b. *Application Procedure.* Require the pupil's parent to submit an application to the school district that the pupil wishes to attend (hereafter referred to as the nonresident district) no later than February 1 of the school year immediately preceding the school year in which he or she wishes to attend, and to submit a copy of the application to the school district of residence. The application could include a request to attend a specific school or program offered by the school district. By April 15, the nonresident school district would have to notify the applicant in writing whether the application has been accepted. If the district rejects an application, it would have to include in the notice the reason for the rejection. By May 1, the pupil's parent would have to notify the nonresident district of the pupil's intent to attend school in the district in the following school year. By May 15, a school district that has accepted nonresident pupils would be required to notify the school district of residence of the names of the pupils

from the latter school district who will be attending the former district.

Nonresident districts would be required to act on applications in the order in which they are received, unless the number of applications received exceeds the availability of space, in which case applications would have to be selected on a random basis. A district could not act on the applications until after February 1.

If a pupil's parent notifies a nonresident school district that the pupil intends to attend school there in the following year, the pupil would have to attend that school district in that year. If at any time the pupil wishes to reattend school in the district of residence, the pupil's parent would have to notify both school districts by February 1 preceding the school year in which the pupil will begin reattending the district of residence. If at any time the pupil wishes to attend a school in a school district other than the school district of attendance or residence, the pupil's parent would have to follow the application procedure set out above. However, a pupil attending school outside the district of residence could reattend school in the district of residence at any time if both school districts agree.

If a pupil's parent is planning to establish residency in another district within a specified time and misses the application deadline for the attendance of the pupil in that district, the pupil's parent could request that the district permit the pupil's attendance. The district could require the parent to pay tuition for the pupil.

c. *Acceptance Criteria.* Require that, by December 1, 1995, each school board adopt a resolution specifying criteria for accepting and rejecting applications. If the school board wishes to revise the criteria, it would have to do so by resolution. Permit any of the following criteria:

1. The availability of space in the school, program, class or grade. A school board could give preference in attendance at a school, program, class or grade to residents of the school district who live outside of the school's attendance area.
2. Whether the pupil is currently involved in a disciplinary proceeding, as determined by the nonresident school district.

The criteria could not include academic achievement, athletic or other special ability, English-language proficiency, the presence of a physical, mental, emotional or learning disability, previous disciplinary proceedings or anything else not specified in items 1 or 2, above. However, a school board would be required to either reject an application from a nonresident pupil or prohibit a resident pupil from attending school in another school district if such acceptance or attendance would violate or be harmful to a court-ordered desegregation plan or any other effort to reduce racial imbalance.

The nonresident school district would be required to give preference in accepting applications to siblings of pupils who are already attending public school in that district. The district of residence could prohibit a resident pupil from attending school in another school district if the school board determines that the pupil is currently involved in a disciplinary proceeding.

The school district of residence would be allowed to limit the number of resident pupils attending school in another district under the interdistrict choice program to 5% of the resident district's membership in 1996-97 and 10% of the resident district's membership in 1997-98. Beginning in the 1998-99 school year, there would be no limit on the number of pupils allowed to attend school in another district.

d. *Appeal of Rejection.* Provide that if an application is rejected by a nonresident school district or a pupil is prohibited from attending a nonresident district because the pupil is involved in a disciplinary proceeding, the pupil's parent could appeal the decision to the Department within 30 days after the decision. The Department's decision would be final and not subject to judicial review under Chapter 227 of the statutes.

e. *Tuition.* The bill would require the school district of residence to pay tuition to the district of attendance for each pupil. The tuition amount would be that of the resident district or nonresident district, whichever is lower, unless the two school boards agree on a different amount. The amount to be paid and the payment schedule would have to be specified in a written agreement. If the two school districts cannot agree on the amount of tuition, the Department would be required to determine the amount. In addition, the bill would require a school district to permit a resident pupil who is enrolled in the district in the beginning of the school year and establishes residence in another district during the school year to finish the school year at the former district without payment of tuition.

f. *Information.* Each school board would be required to provide information about its schools and programs. However, the school board could not provide information in a manner that is designed to recruit nonresident pupils.

Interdistrict Enrollment Options

Provide that, beginning in the 1996-97 school year, any pupil enrolled in a public school could attend any public school outside his or her school district of residence for the purpose of taking one or more courses if all of the following apply:

- a. The pupil continues to attend public school in the district of residence for at least one course.
- b. The other school district determines that there is space available in the course or courses.
- c. The district of residence determines that it does not offer, or have space available in, a comparable course or courses.
- d. If the courses are offered in the high school grades, the school board of residence determines that the course has satisfied the high school graduation requirements in that school district.
- e. The pupil meets all the prerequisites for the course or courses that apply to pupils who reside in the other school district.

The same provisions relating to the application procedures, acceptance criteria and appeals of rejection under the interdistrict choice program would also apply to pupils in the interdistrict enrollment options program, except that if the nonresident district accepts the application, the acceptance applies only to the following school year. The school district of residence would have to pay the other school district an amount equal to the cost of providing the course or courses to the pupil, as determined by the Department.

Intradistrict Enrollment Options

Provide that, beginning in the 1996-97 school year, any pupil enrolled in a public school could attend a public school located within the pupil's district of residence, but outside the pupil's attendance area, for the purpose of taking one or more courses if the school board determines that there is space available in the course or courses. The school board would be required to reserve space in a course for pupils who reside in the attendance area of the school in which the course is offered.

Each school board would be required to establish policies and procedures for application, notification, and acceptance or rejection and the board would have to make information about those policies and procedures available to school district residents. The school board would be required to determine that the pupil meets all of the prerequisites of the course or courses. The school board would be prohibited from rejecting an application based on the pupil's academic achievement. Acceptance of an application would apply only to the following school year. The school board could reject an application if the pupil is involved in a disciplinary proceeding.

Transportation

Under all three programs, the pupil's parent would be responsible for transporting the pupil to and from the school. However, a school board would be allowed to provide transportation for any pupil (nonresident or resident) participating under any of the programs. The school district that provides such transportation would be eligible for state categorical aid.

Rights and Privileges of Nonresident Pupils

Under all three programs, a pupil attending a public school outside his or her district of residence or attendance area would have all the rights and privileges of resident pupils and would be subject to the same rules and regulations as resident pupils.

School Districts Participating in a Desegregation Program

Provide that if a school district participating in a Chapter 220 desegregation program determines

that the application deadlines for either interdistrict options program conflict with procedures necessary to implement the desegregation program, the district would be allowed to modify the deadlines. In addition, the parent of a pupil residing in a school district participating in a desegregation program would be required to submit their application for attendance in another school under either interdistrict options program to the district of residence. If the district approved the application, it would be required to forward the application to the school district of attendance. Further, if the school district believes that any provision relating to the three option programs is harmful to the desegregation program or the school district's effort to achieve racial balance, the district could request the Department to modify the provision.

Other Provisions

Require the Department to: (a) promulgate rules to implement and administer the three programs; (b) annually evaluate the effects of the programs; and (c) submit an annual report to the Governor and the appropriate standing committees of the Legislature summarizing the evaluation's results (including the number of participating pupils by school, grade, ethnicity and gender).

Under current law, every public school is required to be free of charge to all pupils residing in that school district. A school district may admit a pupil who resides in another school district if the pupil's parents pay tuition. In addition, a pupil may attend a public school located outside his or her school district of residence, including an out-of-state school, if the two school boards agree, the State Superintendent approves and the school district of residence pays tuition; in such cases, the resident district counts the pupil in its membership for state aid purposes. The proposed enrollment options program would replace current law regarding payment of tuition by one school district to another; however, the bill would still allow a school district to admit a nonresident pupil at any time who did not apply under the enrollment options program and charge the parent tuition.

61. SAFE AND HEALTHFUL FACILITIES STANDARD [Senate Bill 284]

Require school boards, as part of the state standard for safe and healthful facilities, to ensure that facilities, school-related events and school-related transportation are provided in a manner that is completely safe for both pupils and adults. The current standard requires school boards to provide safe and healthful facilities and that the facilities comply with state laws and rules relating to lead exposure and poisoning.

62. PERFORMANCE RECOGNITION AWARDS [Senate Bill 228/Assembly Bill 474]

Authorize a school board to establish a plan that annually allocates at least 2% of the school district's total payroll, excluding fringe benefit costs, for performance recognition awards to school district employees. Require the board to determine which categories of employees would be eligible for the awards. Provide that a school board would not be required to bargain collectively regarding any decision to create

such a plan or any awards made under the plan; this provision would first apply to employees on the date on which their collective bargaining agreement expires or is extended, modified or renewed. Under current law, a school board is required to bargain collectively with the representatives of its employees on all matters affecting wages.

Provide that if a school board adopts a performance recognition plan, it must establish: (a) a committee to develop employee performance standards; and (b) a committee to develop a process to review employee performance, and to review and make recommendations regarding award recipients and the amount of each award (hereafter referred to as the "performance review committee"). Require that each committee consist of an equal number of employees, school administrators, and parents of pupils enrolled in the school district. The school board would appoint the school administrators and parents. Require the school board to afford its employees the opportunity to elect their representatives to the committees. Provide that if any employees are members of a collective bargaining unit, the unit would instead be given the opportunity to appoint their representatives; if appointed to the committees, these representatives would have to be in the same proportion as they are to the total number of employees in the district.

Require that a school board annually: (a) provide a copy of the employee performance standards to each school district employee; (b) notify the parent of each pupil that a performance recognition plan has been adopted and encourage parents to submit comments on employee performance to the district administrator; and (c) submit a copy of its performance recognition plan to the Department.

After considering parental comments, the performance review committee would be required to make its award recommendations to the principal of each school who would then determine award recipients and the amount of each award, subject to the total amount allocated to the school by the committee. If the principal's decisions differ from the committee's recommendations, the principal would have to provide a written explanation to the committee and the school board. Exempt the performance review committee from the state's open meetings law. In addition, exempt the information and materials relating to an individual employee's performance review from public inspection requirements.

Provide that, upon an employee's request, a private conference must be held between the school board and the employee, with the principal in attendance who must explain the rationale for the performance recognition decision affecting the employee. Require that the school board annually submit a report to the Department indicating the number of private conferences and summarizing any changes to performance awards.

63. TEACHER TENURE IN MILWAUKEE COUNTY [Senate Bill 283]

Repeal the provisions under which teachers and principals employed in school districts located in Milwaukee County (including the Milwaukee Public Schools) are made permanent employees after a three-year probationary period. Provide that the repeal of the provisions would not apply to any person whose employment was made permanent prior to the bill's effective date.

64. PUPIL SUSPENSION AND EXPULSION [Senate Bill 282]

Provide that a school board may suspend or expel a pupil if the pupil engages in conduct, while going to or coming from school, that endangers the property, health or safety of others. Under current law, a pupil can be suspended or expelled for a number of different reasons including: (a) conduct while at school or while under a school authority's supervision that endangers the property, health or safety of others; and (b) conduct while not at school or while not under a school authority's supervision that endangers the property, health or safety of others at school (or under a school authority's supervision) or any school board member or employee of the pupil's school district.

65. STATEWIDE STAFF DEVELOPMENT CALENDAR STUDY [Senate Bill 281]

Require the Department, during the 1996-97 school year, to study the feasibility of establishing a statewide or CESA-wide staff development calendar for school districts to identify the benefits of a more coordinated approach to staff development and to explore how such an approach would improve the effectiveness of staff development efforts and support greater interaction between teachers of different school districts. Require the Department to submit a report by January 1, 1997, to the Governor and the appropriate standing committees of the Legislature.

REGULATION AND LICENSING

66. CHANGES IN CERTAIN ADMINISTRATIVE PROCEDURES [Senate Bill 178]

a. Issuance of administrative warnings.

Authorize R&L or a board, examining board or affiliated credentialing board to issue an administrative warning to a licensee, if the issuing entity determines that there is substantial evidence of misconduct by the holder of a credential but decides that a disciplinary proceeding should not be commenced. Currently, these entities may impose discipline on a licensee by revoking, suspending or imposing limits on the credential or by reprimanding or imposing forfeitures on the licensee. Administrative warnings are not currently authorized.

Provide that if an administrative warning is issued, the affected licensee may obtain review through a personal appearance before the body that issued the warning. Stipulate that administrative warnings: (1) shall be private and confidential; (2) do not constitute an adjudication of guilt or the imposition of discipline; and (3) may not be used as evidence that the licensee is guilty of the alleged misconduct. However, specify that if a subsequent allegation of misconduct against the licensee is received, the issuing entity may reopen the matter relating to the earlier issuance of the administrative warning, and disciplinary

proceedings may be commenced. Authorize the use of a previous administrative warning as evidence in a subsequent disciplinary proceeding that the licensee had actual knowledge that certain practices were contrary to law.

Direct R&L to promulgate rules establishing uniform procedures for the issuance and use of administrative warnings. Specify that the rules shall include a definition of "substantial evidence of misconduct" for the purpose of proceeding under this new authority.

b. Self-inspections by certain credential holders.

Provide that R&L or any board, examining board or affiliated credentialing board authorized to establish standards of conduct for a profession may promulgate rules requiring a professional which it regulates to undertake any of the following procedures: (1) inspect his or her licensed location and verify in a report to the regulatory authority that the licensed location is in compliance with all legal requirements; and (2) review specific requirements for professional practice and verify in a report to the regulatory authority that his or her practice is in compliance with those requirements. Provide that any such self-inspections may be in addition to or as an alternative to appointing inspectors or having the department or appropriate board conduct the inspection.

SAVINGS AND LOAN

67. SAVINGS BANK NAMES [Senate Bill 278]

Provide that a federally-chartered financial institution could convert to a savings bank without having the word "savings" in its name if the institution did not use the term in its name on May 7, 1992 and the name is approved by the Commissioner of Savings and Loan.

68. FEDERAL PREEMPTION OF STATE USURY LAWS [Senate Bill 280]

Repeal section 50 of Chapter 45, Laws of 1981, in which the state opted out of federal preemption of usury laws as established in the Federal Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDA). Repeal of this provision would give state financial institutions parity with federal institutions by allowing them a choice among the highest of the following interest rate ceilings: (1) the highest rate lawfully permitted under state law to the state financial institution without regard to provisions of DIDA; (2) the federal rate prescribed in DIDA: not more than one percent above the discount rate on 90 day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the financial institution is located; or (3) the highest rate allowed to competing lenders on the same class of loans by the state where the financial institution is located. Wisconsin financial institutions are currently

subject to an 18% interest rate ceiling on open-end credit plans. The current federally prescribed interest rate is significantly lower than the 18% Wisconsin usury rate.

SHARED REVENUE -- PROPERTY TAX CREDITS

69. FARMLAND PRESERVATION ADMINISTRATIVE RULES [Senate Bill 162]

Delete the requirement that the Department of Agriculture, Trade and Consumer Protection and the Land and Water Conservation Board promulgate rules to implement farmland preservation statutory provisions.

UNIVERSITY OF WISCONSIN SYSTEM

70. TRUST FUND INVESTMENT FLEXIBILITY [Senate Bill 279]

Increase the percentage of trust funds held and administered by the UW Board of Regents that may be invested in common stocks from 75% to 85%.

WISCONSIN CONSERVATION CORPS

71. PRIVATE INDUSTRY COUNCIL REPRESENTATION ON THE WCC BOARD [Senate Bill 188]

Require that at least one member of the seven-member WCC Board be a member of an area private industry council (PIC). PICs are appointed by, and work with, local elected officials in planning, implementing and monitoring employment and training services under the federal Job Training Partnership Act. Under current law, WCC Board members are appointed by the Governor to serve staggered, six-year terms and must be appointed to provide regional, environmental and agricultural representation. Allow the PIC member to serve upon appointment, regardless of whether this would result in there being eight Board members. Provide that the initial PIC member's term would expire on May 1, 1999.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

72. AGRIBUSINESS LOAN GUARANTEE PROGRAM MODIFICATIONS [Senate Bill 187]

Modify WHEDA's agricultural development (agribusiness) loan guarantee program to add milk by-products to the scope of raw agricultural commodities which are currently eligible for loans under the program. Repeal the current eligibility requirement for issuance of a guarantee which specifies that loan proceeds must result in new or more viable methods for the processing or marketing of a product from a raw agricultural commodity and, instead, require that the loan result in job creation or retention in Wisconsin.

1995-97 TRANSPORTATION BUDGET

SUMMARY OF ACTION IN AB 150 AND AB 402

TRANSPORTATION

Budget Summary						
Fund	1994-95 Base Year Doubled	1995-97 Governor	1995-97 Jt. Finance	1995-97 Legislature*	Legislature Change Over Base Year Doubled	
					Amount	Percent
FED	\$770,427,800	\$719,267,200	\$719,317,000	\$768,616,200	-\$1,811,600	- 0.2%
PR	559,200	579,000	287,200	550,600	- 8,600	- 1.5
SEG	1,870,606,000	2,190,832,600	2,091,536,500	1,838,992,100	- 31,613,900	- 1.7
SEG-L	102,656,600	115,187,400	105,505,600	102,656,600	0	0.0
SEG-S	<u>250,133,600</u>	<u>267,885,800</u>	<u>249,323,800</u>	<u>249,989,400</u>	<u>- 144,200</u>	<u>- 0.1</u>
Total	\$2,994,383,200	\$3,293,752,000	\$3,165,970,100	\$2,960,804,900	-\$33,578,300	- 1.1%

*Since the transportation budget was not passed as part of Act 27, these figures are based on actual 1994-95 levels, except that SEG sum sufficient appropriations have been reestimated.

FTE Position Summary					
Fund	1994-95 Base	1996-97 Governor	1996-97 Jt. Finance	1996-97 Legislature	Legislature Change Over 1994-95 Base
FED	986.59	987.04	971.316	986.59	0.00
PR	3.00	3.00	1.000	3.00	0.00
SEG	3,023.03	3,010.68	2,987.279	3,023.03	0.00
SEG-S	<u>28.00</u>	<u>20.00</u>	<u>20.000</u>	<u>28.00</u>	<u>0.00</u>
TOTAL	4,040.62	4,020.72	3,979.595	4,040.62	0.00

Transportation Finance

1. TRANSPORTATION FUND CONDITION STATEMENT

The following condition statement is based on transportation fund revenues under current law. DOT appropriations are based on their 1994-95 level, except that sum sufficient appropriations have been reestimated. Other agency appropriations reflect the provisions of Act 27.

	<u>1995-96</u>	<u>1996-97</u>
<u>Revenues</u>		
Unappropriated Balance, July 1	\$26,120,000	\$49,828,800
Motor Fuel Tax	\$678,700,000	\$695,700,000
Motor Vehicle and Driver Fees	314,097,900	313,980,700
Less Revenue Bond Debt Service	-59,048,700	-66,849,200
Aeronautical Taxes and Fees	10,300,100	9,872,200
Railroad Revenue	11,684,000	11,825,000
Miscellaneous Revenue	<u>14,790,000</u>	<u>14,182,000</u>
Total Annual Revenues	\$970,523,300	\$978,710,700
Total Available	\$996,643,300	\$1,028,539,500
<u>Appropriations and Reserves</u>		
DOT Appropriations	\$920,144,800	\$918,380,500
Other Agency Appropriations	28,300,300	28,860,900
Less Estimated Lapses	-4,000,000	-6,000,000
Compensation and Other Reserves	<u>2,369,400</u>	<u>4,915,700</u>
Net Appropriations and Reserves	\$946,814,500	\$946,157,100
Unappropriated Balance, June 30	\$49,828,800	\$82,382,400

2. OIL COMPANY FRANCHISE FEE [LFB Papers 895, 896, 897 and 898]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Senate (Chg. to JFC)	Legislature (Chg. to Sen.)	Net Change
SEG-REV	\$282,300,000	-\$282,300,000	\$182,600,000	-\$182,600,000	\$0

Governor: Establish an oil company franchise fee, effective October 1, 1995. Estimate increased transportation fund revenues at \$119,900,000 in 1995-96 and \$162,400,000 in 1996-97 to reflect imposition of the fee.

Impose the fee on all motor vehicle fuel (gasoline and diesel fuel) received by a supplier for sale in Wisconsin, for sale for shipment to Wisconsin or for shipment to Wisconsin. Exclude from the fee motor vehicle fuel that is: (a) shipped from storage at a refinery, marine terminal, pipeline terminal, pipeline tank farm or place of manufacture to a person for storage at another such facility; (b) exported by a licensed supplier or exporter; or (c) diesel fuel that is dyed because it is intended for an exempt use.

Impose the fee at a rate of 4.85% of the average weighted retail price of motor vehicle fuel. Define the average weighted retail price as \$1.10 per gallon for motor vehicle fuel received from October 1, 1995, to March 31, 1997, and as an amount to be determined by the Department of Revenue (DOR) for fuel received on April 1, 1997, and thereafter. Establish a minimum average weighted price at \$1.10 per gallon and a maximum average weighted retail price at \$1.30 per gallon for the price set by DOR. Specify that these amounts would be adjusted annually on April 1 based on the percentage change in the average consumer price index for all urban consumers during the previous year. Provide that DOR must

promulgate rules regarding the method for determining the average weighted retail price. The bill does not specify how frequently the price would be adjusted or when the minimum and maximum amounts would first be indexed.

Authorize DOT to pledge oil company franchise fee revenues to repay transportation revenue bonds. Current law authorizes DOT to pledge the revenues from motor vehicle registration fees to repay these bonds.

Require the Department of Revenue to administer the oil company franchise fee. Extend cross-references to existing motor vehicle fuel tax statutes to establish administrative procedures for the fee, including provisions related to: (a) suspension or revocation of licenses; (b) records to be kept by licensees; (c) timely filing; (d) returns, failure to pay and refunds of overpayments; (e) appeals; (f) actions to collect tax and penalties; (g) taxes being preferred claims; (h) enforcement action preference; (i) criminal penalties; (j) cumulative remedies and penalties; (k) DOR enforcement duty and rulemaking authority; (l) DOR examinations, information and penalty; and (m) prosecution and place of trial.

Require persons liable for the fee to include the number of gallons of motor vehicle fuel subject to the fee and their fee liability in the reports currently required for the motor vehicle fuel tax. Extend current statutory provisions governing payment of the motor vehicle fuel tax to the oil company franchise fee.

The effect of this proposal would be to impose an oil company franchise fee of 5.335 cents per gallon on motor vehicle fuel, beginning October 1, 1995, through March 31, 1997. The rate per gallon after that time would depend on the average weighted retail price determined by DOR.

Joint Finance: Delete provision.

Senate: Restore the proposed oil company franchise fee, but impose the fee at a rate of 3.2% of the average weighted retail price of motor vehicle fuel, rather than 4.85%. Modify provisions in state law regarding the international fuel tax agreement (IFTA) by authorizing the inclusion of all of the cost per gallon related to the oil company franchise fee in IFTA settlements (this reduces potential revenue by \$600,000 in 1995-96 and \$800,000 in 1996-97). Provide for a refund of the oil company franchise fee for farmers who use fuel for off-road purposes (this reduces potential revenues by \$1,000,000 in 1995-96 and \$1,300,000 in 1996-97). Estimate increased transportation fund revenues at \$77,500,000 in 1995-96 and \$105,100,000 in 1996-97 to reflect the imposition of the fee, as modified.

Legislature: Delete provision.

3. MOTOR VEHICLE FUEL TAX

	Jt. Finance (Chg. to Base)	Assembly/Leg. (Chg. to JFC)	Net Change
SEG-REV	\$199,000,000	- \$199,000,000	\$0

Joint Finance: Increase the tax on motor vehicle fuel and alternate fuels by 3.5 cents per gallon by setting the tax at 26.9 cents per gallon, effective August 1, 1995. Increase estimated transportation fund revenues by \$93,300,000 in 1995-96 and \$105,700,000 in 1996-97.

Assembly/Legislature: Delete provision.

4. MOTOR FUEL TAX INDEXING FORMULA

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG-REV	\$16,000,000	- \$16,000,000	\$0

Assembly: Modify the motor vehicle fuel tax and alternate fuels tax indexing formula by eliminating the consumption factor. Increase estimated transportation fund revenue by \$2,900,000 in 1995-96 and \$13,100,000 in 1996-97. Under current law, the fuel tax rate is adjusted annually on April 1 to reflect changes in fuel consumption and inflation. The consumption factor influences the tax rate inversely to changes in consumption of motor fuel, so that decreases in consumption have an upward influence on the rate and increases in consumption have a downward influence.

Under current law, the motor fuel tax rate is projected to increase to 23.7 cents per gallon on April 1, 1996, and to 24.3 cents per gallon on April 1, 1997. Under the revised indexing formula, these rates are projected to be 24.1 cents per gallon and 24.9 cents per gallon, respectively.

Senate/Legislature: Delete provision.

5. AUTOMOBILE REGISTRATION FEE

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG-REV	\$26,100,000	- \$26,100,000	\$0

Assembly: Increase the annual registration fee for automobiles by \$5, from \$40 to \$45, effective September 1, 1995, and increase estimated transportation fund revenue by \$11,800,000 in 1995-96 and \$14,300,000 in 1996-97.

Senate/Legislature: Delete provision.

6. FUEL TRIP PERMITS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG-REV	\$370,000	- \$370,000	\$0

Governor: Authorize DOT to issue trip permits, at a fee of not less than \$15, in lieu of collecting the tax on motor vehicle and alternate fuel purchased outside the state and brought into the state in tanks of certain vehicles. Require DOT to promulgate administrative rules on the issuance and use of these permits. Increase estimated transportation fund revenues by \$185,000 annually to reflect this change. This provision would apply to interstate commercial carriers of passengers or commodities.

Legislature: Delete provision.

7. MOTOR FUEL TAX PROVISIONS -- SNOWMOBILES, ALL-TERRAIN VEHICLES AND MOTORBOATS

Governor: Define recreational motorboats as motorboats used predominantly for entertainment, amusement or recreation, whether or not they are used in a trade or business. Allow owners of nonrecreational motorboats to claim refunds for motor vehicle fuel and alternate fuel taxes paid, on amounts of 100 gallons or more. Clarify that gasoline sold for nonhighway use in snowmobiles, all-terrain vehicles and recreational motorboats is subject to the motor vehicle fuel tax. Remove the motor vehicle fuel tax exemption for diesel fuel sold for nonhighway use in snowmobiles, all-terrain vehicles and recreational motorboats. Provide that the tax on alternate fuels delivered into the tanks of snowmobiles, all-terrain vehicles and recreational motorboats attaches at the time of delivery and must be paid to the Department of Revenue by the fuel dealer (a technical correction would need to be made to fully accomplish this change). Specify that these changes would be effective with fuel purchases on the first day of the first month following publication of this act.

Assembly: Modify the definition of recreational motorboats to refer to motorboats used predominantly for entertainment, amusement or recreation by the owner of the motorboat, whether or not it is used incidentally in a trade or business.

Senate: Delete Assembly provision.

Legislature: Delete provision.

8. FEDERAL HIGHWAY AID

Governor: Reestimate federal highway aid at \$323 million in both 1995-96 and 1996-97. Although the 1993-95 biennial budget estimated federal funding at \$351 million per year, actual federal aid in 1993-94 was \$341.4 million and the current estimate of federal aid for 1994-95 is \$339.1 million. The administration's estimates for 1995-97 assume various restrictions on the apportioned amount of federal aid. These include helmet law sanctions (\$4.4 million per year) and less obligation authority than in past years.

The following table shows, by appropriation, how the transportation budget would allocate federal aid during 1995-97. The first column shows the base level for each appropriation, as modified by standard budget adjustments. The second and third columns show the proposed funding and the change to the modified base.

The changes shown in the third column reflect the following proposals (described in more detail in separate items): (a) funding the current level of activity in the major highway development program with revenue bond proceeds (55%), federal aid (36%) and SEG funds (9%); (b) deletion of federal congestion mitigation and air quality improvement funds in the state trunk highway (STH) maintenance appropriation for the Milwaukee County freeway traffic management system and in the departmental management appropriation; (c) an increase in the STH administration and planning appropriation for consultant research; (d) retaining all local assistance federal highway aid appropriations at their modified base level; and (e) absorbing all remaining decreases in estimated federal highway aid in the STH rehabilitation appropriation.

The fiscal effect of these changes is shown under each of the individual programs.

<u>Appropriation</u>	<u>Base and Standard Adjustments</u>	<u>Gov./JFC 1995-97</u>	<u>Gov./JFC Change to Modified Base</u>
Local Bridge Improvement	\$49,076,400	\$49,076,400	\$0
Local Transportation Facilities Improvement	115,076,000	115,076,000	0
Railroad Crossing Improvement	3,698,600	3,698,600	0
Surface Transportation	8,000,000	8,000,000	0
Congestion Mitigation and Air Quality Improvement	17,659,000	17,659,000	0
Major Highway Development	123,476,800	120,887,500	-2,589,300
STH Rehabilitation	367,160,200	313,545,500	-53,614,700
STH Maintenance	1,305,600	0	-1,305,600
STH Administration and Planning	4,565,400	6,565,400	2,000,000
Departmental Management	<u>11,971,600</u>	<u>11,491,600</u>	<u>-480,000</u>
TOTAL	\$701,989,600	\$646,000,000	-\$55,989,600

Assembly: Reallocate federal highway aid totaling \$28,328,900 in 1995-96 and \$18,482,300 in 1996-97 to the STH rehabilitation program from the following programs: (a) transportation enhancements (\$1,400,000 annually); (b) surface transportation discretionary grants (\$1,280,000 annually); (c) congestion mitigation and air quality improvement (\$2,820,000 annually); and (d) major highway development (\$22,828,900 in 1995-96 and \$12,982,300 in 1996-97). The fiscal effect of these changes is shown under each of the individual programs.

The following table shows the federal highway aid allocation after these changes and compares this allocation to the modified base level and the recommendation of the Governor and the Joint Committee on Finance.

<u>Appropriation</u>	<u>Assembly 1995-97</u>	<u>Assembly Change to Modified Base</u>	<u>Assembly Change to Gov./JFC</u>
Local Bridge Improvement	\$49,076,400	\$0	\$0
Local Transportation Facilities Improvement	112,276,000	-2,800,000	-2,800,000
Railroad Crossing Improvement	3,698,600	0	0
Surface Transportation	5,440,000	-2,560,000	-2,560,000
Congestion Mitigation and Air Quality Improvement	12,019,000	-5,640,000	-5,640,000
Major Highway Development	85,076,300	-38,400,500	-35,811,200
STH Rehabilitation	360,356,700	-6,803,500	46,811,200
STH Maintenance	0	-1,305,600	0
STH Administration and Planning	6,565,400	2,000,000	0
Departmental Management	<u>11,491,600</u>	<u>- 480,000</u>	<u>0</u>
TOTAL	\$646,000,000	-\$55,989,600	\$0

Senate: Reallocate federal highway aid totalling \$25,628,900 in 1995-96 and \$15,782,300 in 1996-97 from the STH rehabilitation program to the following programs: (a) transportation enhancements (\$700,000 annually); (b) surface transportation discretionary grants (\$650,000 annually); (c) congestion mitigation and air quality improvement (\$1,450,000 annually); and (d) major highway development (\$22,828,900 in 1995-96 and \$12,982,300 in 1996-97). The fiscal effect of these changes is shown under each of the individual programs.

The following table shows the federal highway aid allocation after these changes and compares this allocation to the modified base level and the recommendation of the Assembly.

<u>Appropriation</u>	<u>Senate 1995-97</u>	<u>Senate Change to Modified Base</u>	<u>Senate Change to Assembly</u>
Local Bridge Improvement	\$49,076,400	\$0	\$0
Local Transportation Facilities Improvement	113,676,000	-1,400,000	1,400,000
Railroad Crossing Improvement	3,698,600	0	0
Surface Transportation	6,740,000	-1,260,000	1,300,000
Congestion Mitigation and Air Quality Improvement	14,919,000	-2,740,000	2,900,000
Major Highway Development	120,887,500	-2,589,300	35,811,200
STH Rehabilitation	318,945,500	-48,214,700	-41,411,200
STH Maintenance	0	-1,305,600	0
STH Administration And Planning	6,565,400	2,000,000	0
Departmental Management	<u>11,491,600</u>	<u>-480,000</u>	<u>0</u>
TOTAL	\$646,000,000	-\$55,989,600	\$0

Legislature: Delete provision.

9. REVENUE BONDING FOR MAJOR HIGHWAY CONSTRUCTION AND ADMINISTRATIVE FACILITIES

Governor: Provide increased revenue bonding authority of \$123,680,500. Specify that a total of \$190,000,300 (\$123,680,500 in new bonding authority and \$66,319,800 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 \$190,000,300 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: Reduce the proposed level of revenue bonding authority and the amount available to fund construction projects by \$18,562,000 to reflect the deletion of funding for the acceleration of the STH 29 major highway development project.

Assembly: Increase the proposed level of revenue bonding authority and the amount available to fund construction projects by \$33,749,000 to reflect funding the acceleration of the STH 29 project through 100% bonding.

Legislature: Delete provision.

10. FUEL TAX PAYMENT AND REPORTING DATES

	Jt. Finance (Chg. to Base)	Legislature (Chg. to JFC)	Net Change
SEG-REV	- \$890,000	\$890,000	\$0

Joint Finance: Delay the payment date for the motor vehicle fuel tax and the alternate fuels tax from the 15th day of the month to the 20th day of the month, effective with payments made in August, 1995. Advance the date for motor vehicle fuel tax and alternate fuels tax reports from the last day of the month to the 20th day of the month, effective with reports filed in August, 1995. Reduce estimated transportation fund revenues by \$450,000 in 1995-96 and \$440,000 in 1996-97 to reflect lower interest earnings due to this change.

Legislature: Delete provision.

11. MINIMUM MARKUP LAW

Joint Finance: Require DOT and DATCP to develop a proposal to strengthen the enforcement of the state's minimum markup law, particularly as it relates to the marketing of petroleum products. Require the Departments to submit this proposal to the Joint Committee on Finance by September 30, 1995.

Legislature: Delete provision.

12. INDEX MOTOR FUEL TAX RATE TO FEDERAL AID REDUCTIONS

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG-REV	\$38,000,000	- \$38,000,000	\$0

Assembly: Establish an indexing procedure that would increase the motor vehicle fuel tax rate and alternate fuels tax rate in response to the amount by which estimated federal highway aid in 1996 and 1997 falls below \$351 million. Base the estimate of federal aid on aids available to the state under the federal intermodal surface transportation efficiency act (ISTEA) for the periods from October 1, 1995, to September 30, 1996, and from October 1, 1996, to September 30, 1997. Require the Secretary of DOT to certify the estimated shortfall on November 1 of 1995 and 1996. Require the Secretary of DOR to estimate the increase in the rate, rounded to the nearest 0.1 cent, that would result in additional tax revenues equal to the aids shortfall, but limit the increase to 2.0 cents per gallon. Apply the increased tax rate during the period between the succeeding December 1 and November 30. This provision would not apply after November 30, 1997. Increase estimated transportation fund revenue by \$14,000,000 in 1995-

96 and \$24,000,000 in 1996-97. These estimates are based on the federal aid estimates included in the bill, which would result in a projected tax rate increase of 0.8 cents per gallon.

Senate/Legislature: Delete provision.

13. TITLE FEE

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG-REV	\$6,400,000	- \$6,400,000	\$0

Assembly: Increase the fee for filing an application for the first certificate of title and for a certificate of title after a transfer by \$2.50, from \$5 to \$7.50, effective September 1, 1995, and increase estimated transportation fund revenue by \$2,900,000 in 1995-96 and \$3,500,000 in 1996-97.

Senate/Legislature: Delete provision.

14. SURPLUS LAND SALES

	Assembly (Chg. to Base)	Senate/Leg. (Chg. to Assem.)	Net Change
SEG-REV	\$4,500,000	- \$4,500,000	\$0

Assembly: Specify that DOT must sell enough surplus land during 1995-97 to produce at least \$4,500,000 in transportation fund revenue. Estimate increased revenue of \$2,250,000 annually to reflect these sales.

Senate/Legislature: Delete provision.

15. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Legislature (Chg. to Assem.)	Net Change
SEG-REV	-\$21,697,700	\$188,000	-\$342,000	\$342,000	-\$21,509,700
SEG	-\$6,041,100	\$0	\$0	\$0	-\$6,041,100

Governor: Estimate that gross vehicle registration revenues will be reduced by \$59,048,700 in 1995-96 and \$67,037,200 in 1996-97 in order to repay principal and interest on revenue bonds. These amounts represent increases of \$6,854,600 in 1995-96 and \$14,843,100 in 1996-97 from the estimated revenue reduction in the base year for revenue bond debt service. The statutes require that debt service payments

on transportation-related revenue bonds be deducted from vehicle registration revenues prior to their deposit in the transportation fund. Consequently, revenue bond debt service is shown as a reduction in revenues, not as an appropriation.

Decrease funding by \$2,138,400 in 1995-96 and \$3,902,700 in 1996-97 to reestimate the level of funding needed for payment of principal and interest on currently authorized transportation-related general obligation bonds at \$9,008,400 in 1995-96 and \$7,244,100 in 1996-97.

Joint Finance: Decrease estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$188,000 in 1996-97 to reflect the deletion of bonding associated with the acceleration of the STH 29 major highway development project. By reducing the debt service deduction, this action increases net vehicle registration revenues.

Assembly: Increase estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$342,000 in 1996-97 to reflect funding the acceleration of the STH 29 project through 100% bonding. By increasing the debt service deduction, this action decreases net vehicle registration revenues.

Legislature: Decrease estimated deductions from gross vehicle registration revenues for the repayment of principal and interest on revenue bonds by \$342,000 in 1996-97 to reflect the deletion of bonding associated with the acceleration of the STH 29 major highway development project. By reducing the debt service deduction, this action increases net vehicle registration revenues.

Local Transportation Aid

1. GENERAL TRANSPORTATION AID -- MUNICIPALITIES [LFB Papers 903, 904, 905 and 911]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$35,906,500	- \$9,151,800	- \$26,754,700	\$0

Governor: Increase funding by \$11,942,700 in 1995-96 and \$23,963,800 in 1996-97 to provide total funding of \$215,598,500 in 1995-96 and \$227,619,600 in 1996-97. Establish separate appropriations for share of costs aid to municipalities (all cities and villages and some towns) and rate per mile aid to towns (those not receiving share of costs aid), effective January 1, 1996. Split the total funding level between these appropriations as follows: (a) \$70,731,500 in 1995-96 and \$146,367,200 in 1996-97 for share of costs aid; and (b) \$40,118,500 in 1995-96 and \$81,252,400 in 1996-97 for rate per mile aid. The

remaining \$104,748,500 appropriated in 1995-96 would fund the last two quarterly payments for calendar year 1995.

Modify the calculation of municipal transportation aid as follows, effective with calendar year 1996 aid payments:

a. *Town Aid.* Continue to allow towns to receive the greater of rate per mile or share of costs aid, but pay towns receiving each of these types of aid from separate appropriations. Towns receiving share of costs aid would be paid at the same rate as cities and villages. Increase the aid rate per mile from the current \$1,350 to \$1,415 for 1996 and \$1,480 for 1997 and thereafter, which represent 4.8% and 4.6% increases, respectively. Set calendar year distributions for town rate per mile aid at \$80,236,900 for 1996 and \$82,267,900 for 1997 and thereafter. These represent 4.1% and 2.5% increases, respectively, over prior year amounts.

b. *City and Village Aid.* Specify that all cities and villages would receive aid through the share of costs formula. Currently, they receive the greater of share of costs aid and rate per mile aid. Set calendar year distributions for share of costs aid to all cities and villages and some towns at \$141,463,000 for 1996 and \$151,271,300 for 1997 and thereafter. These represent 6.9% increases annually over prior year amounts.

Joint Finance: Retain one appropriation for both share of costs aid and rate per mile aid and decrease funding by \$2,355,400 in 1995-96 and \$6,796,400 in 1996-97. Retain a combined distribution amount for share of costs aid and rate per mile aid and set this distribution at \$216,989,200 for 1996 and \$224,657,100 for 1997 and thereafter. These represent 3.6% and 3.5% increases, respectively, over prior year amounts. These increases reflect the combined impact of the 4.8% and 4.6% increases in the aid rate per mile (which remains at \$1,415 for 1996 and \$1,480 for 1997 and thereafter) and providing 3% annual increases for share of costs aid. Continue to allow cities and villages (as well as towns) to receive the greater of rate per mile or share of costs aid.

Legislature: Delete provision.

2. GENERAL TRANSPORTATION AID -- COUNTIES [LFB Paper 912]

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$12,301,600	- \$12,301,600	\$0

Governor: Increase funding by \$3,818,600 in 1995-96 and \$8,483,000 in 1996-97 to provide total funding of \$68,809,500 in 1995-96 and \$73,473,900 in 1996-97. Set calendar year distributions at \$71,030,000 in 1996 and \$75,917,700 in 1997 and thereafter. These represent 6.7% and 6.9% increases, respectively, over prior year amounts.

Legislature: Delete provision.

3. MASS TRANSIT OPERATING ASSISTANCE [LFB Papers 906, 907 and 913]

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
SEG	\$15,069,800	- \$5,124,800	\$5,124,800	- \$15,069,800	\$0

Governor: Increase funding by \$5,351,300 in 1995-96 and \$9,718,500 in 1996-97 to provide total funding of \$74,191,400 in 1995-96 and \$78,558,600 in 1996-97. Establish separate appropriations for transit aid to small communities (populations under 50,000), medium-sized communities (populations from 50,000 through 200,000) and large communities (populations over 200,000), effective January 1, 1996. Split the total funding level between these appropriations as follows: (a) \$1,053,500 in 1995-96 and \$4,374,000 in 1996-97 for small communities; (b) \$3,502,500 in 1995-96 and \$14,383,600 in 1996-97 for medium-sized communities; and (c) \$14,792,000 in 1995-96 and \$59,801,000 in 1996-97 for large communities. The remaining \$54,843,400 appropriated in 1995-96 would fund the last three quarterly payments for calendar year 1995.

Delete the current mass transit operating assistance formulas (42% of operating expenses, plus a supplement for Madison and Milwaukee) and replace them with a new formula, effective with 1996 aid payments. Provide that the new formula would make state aid payments so that combined state and federal aid would equal a uniform percentage of operating expenses for each system. Specify that DOT would set this percentage. The percentage would vary for each of the three sizes of systems, based on state appropriations and federal aid policy, but would be uniform for all systems within a size group. The Executive Budget Book estimates that these percentages would be 70.0% for small systems, 60.0% for medium-sized systems and 49.2% for large systems.

Specify that DOT must establish cost efficiency standards for mass transit systems by administrative rule. Allow DOT to use the emergency rule-making process for the initial rules. Provide that transit aid contracts beginning on January 1, 1997, must give DOT the authority to do either of the following if a system incurs costs that are inconsistent with these standards: (a) exclude the costs from eligible operating expenses; or (b) reduce state aid payments.

Joint Finance: Direct DOT to establish a transit committee to assist in developing the cost efficiency standards. Specify that the chairpersons of the Assembly and Senate standing committees related to transportation and natural resources will be members of the transit committee. Delete the authority to use the emergency rule-making process for the initial rules.

Assembly: Decrease aid to large communities by \$996,400 in 1995-96 and \$4,128,400 in 1996-97. This would reduce combined state and federal aid for these communities from an estimated 49.5% of operating expenses to an estimated 46.7% of operating expenses.

Senate: Restore Joint Finance provision.

Legislature: Delete provision.

4. SHARED-RIDE TAXI SYSTEMS -- LOCAL MATCH [LFB Paper 908]

Governor: Require a local match, calculated as a percent of state aid payments, from municipalities served exclusively by a shared-ride taxi system. Set the required match as follows: (a) at least 5% for calendar year 1996; (b) at least 10% for calendar year 1997; (c) at least 15% for calendar year 1998; and (d) at least 20% for calendar year 1999 and thereafter. Specify that the local match could not include user fees. Current law requires a 20% match from municipalities served by bus systems.

Joint Finance/Legislature: Delete provision.

5. CONNECTING HIGHWAY AID [LFB Paper 909]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$1,085,300	\$72,800	-\$1,158,100	\$0

Governor: Increase funding by \$349,100 in 1995-96 and \$736,200 in 1996-97. Total funding would be \$11,560,500 in 1995-96 and \$11,947,600 in 1996-97. This reflects fully funding current connecting highway mileage and a 3% annual increase in the current aid rates per lane mile. However, the bill would not change these rates.

Joint Finance: Increase funding by \$24,000 in 1995-96 and \$48,800 in 1996-97 to reflect updated mileage information. Increase aid rates per mile by 3% annually as follows:

<u>Population</u>	<u>1996</u>	<u>1997</u>
Over 500,000	\$10,782	\$11,105
150,001 to 500,000	9,987	10,287
35,001 to 150,000	8,900	9,167
10,000 to 35,000	7,840	8,075
Under 10,000	6,755	6,958

Legislature: Delete provision.

6. ELDERLY AND DISABLED TRANSPORTATION ASSISTANCE [LFB Paper 910]

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$537,500	- \$537,500	\$0
SEG-L	16,100	- 16,100	0
Total	\$553,600	- \$553,600	\$0

Governor: Increase funding for elderly and disabled specialized transportation services as follows:

a. *County Assistance Program*

Increase funding by \$156,000 in 1995-96 and \$316,700 in 1996-97. Total funding would equal \$5,355,600 in 1995-96 and \$5,516,300 in 1996-97. This would provide a 3% annual increase over base funding.

b. *Capital Grant Program*

Increase funding by \$26,700 (\$21,400 SEG and \$5,300 SEG-L) in 1995-96 and \$54,200 (\$43,400 SEG and \$10,800 SEG-L) in 1996-97. Total funding would be \$2,292,100 (\$733,700 SEG, \$458,400 SEG-L and \$1,100,000 FED) in 1995-96 and \$2,319,600 (\$755,700 SEG \$463,900 SEG-L and \$1,100,000 FED) in 1996-97. This would provide a 3% annual increase in state funds.

Specify that DOT must conduct a study to determine the amount and sources of money spent statewide on elderly and disabled transportation services and report the results of the study to the Governor and Legislature by July 1, 1996. Require all state agencies to cooperate with DOT in conducting the study.

Legislature: Delete provision.

7. EXPRESSWAY POLICING AIDS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$73,100	- \$73,100	\$0

Governor: Increase expressway policing aids for Milwaukee County by \$24,100 in 1995-96 and \$49,000 in 1996-97. Total funding would be \$828,400 in 1995-96 and \$853,300 in 1996-97.

Legislature: Delete provision.

8. COUNTY FOREST ROAD AID

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$53,000	\$722,000	- \$775,000	\$0

Governor: Increase funding by \$26,500 annually to maintain the current aid rate of \$200 per mile. Total funding would be \$180,500 each year. These payments reimburse counties for the improvement of public roads within county forests. Currently, aid to counties is prorated at approximately \$194 per mile.

Joint Finance: Increase funding by \$361,000 annually to provide total funding of \$541,500 annually and increase the aid rate per mile from \$200 to \$600.

Legislature: Delete provision.

9. EMPLOYMENT TRANSIT ASSISTANCE PROGRAM (JOB RIDE)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
FED	-\$1,158,200	\$0	\$1,158,200	\$0
SEG	<u>1,210,900</u>	<u>- 614,400</u>	<u>- 596,500</u>	<u>0</u>
Total	\$52,700	-\$614,400	\$561,700	\$0

Governor: Increase funding by \$596,500 SEG in 1995-96 and \$614,400 SEG in 1996-97 and decrease funding by \$579,100 FED annually to reflect the following: (a) the conversion of base funding for the program (\$579,100) from federal oil overcharge funds to SEG funds; and (b) a 3% annual increase over the base funding level (\$17,400 SEG in 1995-96 and \$35,300 SEG in 1996-97). Create an annual SEG appropriation for this program and repeal the existing FED appropriation.

Restrict eligible applicants to those who provide employment, training or job placement services in counties with populations over 500,000 (Milwaukee County). Limit the local public bodies or private organizations eligible for funding to those located in such a county. Allow two or more state agencies coordinating these services to apply for funding. Currently, eligible applicants include local public bodies or private organizations, without any geographic restrictions.

Joint Finance: Transfer responsibility for the employment transit assistance program from DOT to DILHR, effective July 1, 1996. Transfer \$614,400 SEG in 1996-97 from DOT to DILHR to reflect this change.

Legislature: Delete provision, except for the transfer of the program to DILHR.

10. LIFT BRIDGE AID

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$50,000	- \$50,000	\$0

Governor: Decrease funding by \$50,000 in 1995-96 and increase funding by \$100,000 in 1996-97 to reflect current cost estimates. Total funding would be \$1,350,000 in 1995-96 and \$1,500,000 in 1996-97. Municipalities are reimbursed for 100% of the actual costs of operating and maintaining the 10 lift bridges located on connecting highways. Payments are prorated if costs exceed the appropriation.

Legislature: Delete provision.

Local Transportation Projects

1. LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) [LFB Papers 915 and 916]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$10,000,500	- \$9,000,000	- \$1,000,500	\$0
SEG-L	<u>10,000,500</u>	<u>- 9,000,000</u>	<u>- 1,000,500</u>	<u>0</u>
Total	\$20,001,000	- \$18,000,000	- \$2,001,000	\$0

Governor: Increase funding by \$4,830,200 SEG and \$4,830,200 SEG-L in 1995-96 and \$5,170,300 SEG and \$5,170,300 SEG-L in 1996-97. Total funding would be \$15,836,400 SEG and \$15,836,400 SEG-L in 1995-96 and \$16,176,500 SEG and \$16,176,500 SEG-L in 1996-97. Increase the annual set-aside for town road improvement projects with eligible costs of \$100,000 or more from \$500,000 SEG to \$1,000,000 SEG. The remaining funding would be distributed using the basic allocation percentages (43% to counties, 28.5% to towns and 28.5% to cities and villages). This program reimburses local governments for up to 50% of the cost of local road improvement projects.

Joint Finance: Decrease funding by \$4,500,000 SEG and \$4,500,000 SEG-L annually. Decrease the annual set-aside for town road improvement projects with eligible costs of \$100,000 or more to \$515,000 SEG in 1995-96 and \$530,500 SEG in 1996-97. These changes would establish a 3% annual increase for both the basic allocation and the town set-aside.

Legislature: Delete provision.

2. ACCELERATED LOCAL BRIDGE PROGRAM

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$6,075,000	- \$6,075,000	\$0
SEG-L	<u>2,025,000</u>	<u>- 2,025,000</u>	<u>0</u>
Total	\$8,100,000	- \$8,100,000	\$0

Governor: Provide \$6,766,700 (\$5,075,000 SEG and \$1,691,700 SEG-L) in 1995-96 and \$1,333,300 (\$1,000,000 SEG and \$333,300 SEG-L) in 1996-97 to fund the replacement of high cost local bridges. Funding would be split 75% state/25% local and would be distributed as follows:

	<u>State</u>	<u>Local</u>
6th Street Bridge in Milwaukee		
Real estate acquisition	\$750,000	\$250,000
Utilities	375,000	125,000
East Side Bridge in Chippewa Falls		
Real estate acquisition	37,500	12,500
Design	225,000	75,000
County Trunk Highway HH Bridge in Portage County		
Construction	<u>4,687,500</u>	<u>1,562,500</u>
TOTAL	\$6,075,000	\$2,025,000

Legislature: Delete provision.

3. LOCAL BRIDGE IMPROVEMENT PROGRAM

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$1,951,000	- \$1,951,000	\$0
SEG-L	<u>489,200</u>	<u>- 489,200</u>	<u>0</u>
Total	\$2,440,200	- \$2,440,200	\$0

Governor: Increase funding by \$606,500 (\$484,600 SEG and \$121,900 SEG-L) in 1995-96 and by \$1,833,700 (\$1,466,400 SEG and \$367,300 SEG-L) in 1996-97. Total funding would be \$40,911,300 (\$8,190,800 SEG, \$8,182,300 SEG-L and \$24,538,200 FED) in 1995-96, and \$42,138,500 (\$9,172,600 SEG, \$8,427,700 SEG-L and \$24,538,200 FED) in 1996-97. The total funding level reflects projected construction inflation of 3% per year, no increase in federal funds and local funding equal to 20% of project costs. This program funds the improvement of local bridges not on the state trunk highway system.

Legislature: Delete provision.

4. REESTIMATE OF TRANSPORTATION ASSISTANCE FEDERAL AND LOCAL FUNDING

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
FED	\$8,695,400	- \$8,695,400	\$0
SEG-L	- 1,000,000	1,000,000	\$0
Total	\$7,695,400	- \$7,695,400	\$0

Governor: Increase funding by \$7,947,700 FED in 1995-96 and \$747,700 FED in 1996-97 and decrease funding by \$500,000 SEG-L annually to reflect the following reestimates: (a) federal transit aid increases of \$10,800,000 in 1995-96 and \$3,600,000 in 1996-97; (b) federal aeronautics assistance decreases of \$2,920,300 annually; (c) federal transit administration aid increases of \$68,000 annually; and (d) rail service assistance decreases of \$500,000 SEG-L annually. The federal transit aid increases include an additional \$3,600,000 annually to reflect estimates of ongoing federal aid and \$7,200,000 in 1995-96 to reflect a federal discretionary transit aid earmark for Wisconsin. The aeronautics assistance decrease is in response to Congress decreasing funds in the air improvement program and providing airports with the authority to implement a passenger facility charge. The SEG-L decrease is based on anticipation of fewer rail projects that require recording a local match.

Legislature: Delete provision.

5. FREIGHT RAIL ASSISTANCE PROGRAM

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
BR	\$4,500,000	- \$4,500,000	\$0
SEG	578,500	- 578,500	0
Total	\$5,078,500	- \$5,078,500	\$0

Governor: Increase general obligation bonding authority by \$4,500,000 for the freight railroad assistance program to provide total bonding authority of \$14,500,000. Provide \$193,000 SEG in 1995-96 and \$385,500 SEG in 1996-97 to reflect an increased level of funding needed for payment of principal and interest on railroad-related general obligation bonds. Bonding in this program may be used to acquire rail property and to fund grants and loans for rehabilitation and construction on state-owned railroad property. Delete an appropriation created in 1993 Act 16 to process bond-funded repayments of temporary financing for this program, which was provided from the freight rail infrastructure improvement loan appropriation.

Change the title of the railroad administration and planning SEG appropriation to rail service assistance. This reflects a partial veto in 1993 Act 16 that allows this appropriation to be used for railroad acquisition and rehabilitation, instead of limiting it to administrative purposes.

Joint Finance: Allow the appropriation for freight rail infrastructure improvement loans to also be used for the loan component of the local share of rehabilitation projects on publicly-owned railroad lines.

Legislature: Delete provision.

6. BONDING FOR HARBOR IMPROVEMENTS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
BR	\$3,000,000	- \$3,000,000	\$0
SEG	<u>385,700</u>	<u>- 385,700</u>	<u>0</u>
Total	\$3,385,700	- \$3,385,700	\$0

Governor: Increase general obligation bonding authority by \$3,000,000 for harbor improvements to provide total bonding authority of \$12,000,000. Provide \$128,700 SEG in 1995-96 and \$257,000 SEG in 1996-97 to reflect an increased level of funding needed for payment of principal and interest on harbor-related general obligation bonds.

Legislature: Delete provision.

7. TRANSPORTATION ECONOMIC ASSISTANCE (TEA) PROGRAM [LFB Paper 917]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$1,000,000	- \$681,800	- \$318,200	\$0
SEG-L	<u>1,000,000</u>	<u>- 681,800</u>	<u>- 318,200</u>	<u>0</u>
Total	\$2,000,000	- \$1,363,600	- \$636,400	\$0

Governor: Increase funding by \$500,000 SEG and \$500,000 SEG-L annually to provide \$4,000,000 SEG and \$4,000,000 SEG-L each year. The TEA program allows local governments to apply for 50% grants or loans in cooperation with private business for the improvement of transportation facilities in order to retain or create jobs in the state.

Joint Finance: Decrease funding by \$395,000 SEG and \$395,000 SEG-L in 1995-96 and \$286,800 SEG and \$286,800 SEG-L in 1996-97. This would establish a 3% annual increase for this program.

Legislature: Delete provision.

8. LOCAL AIRPORT DEVELOPMENT PROGRAM

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$1,800,000	- \$1,800,000	\$0

Governor: Increase funding by \$900,000 annually to offset increased program delivery costs and reduce project backlogs. Total funding for this program would be \$32,973,400 annually (\$12,973,400 SEG and \$20,000,000 FED).

Legislature: Delete provision.

9. AIRCRAFT REGISTRATION [LFB Paper 918]

	Jt. Finance (Chg. to Base)	Legislature (Chg. to JFC)	Net Change
SEG-REV	\$96,700	- \$96,700	\$0

Governor: Establish biennial, rather than annual, registration for aircraft with a maximum gross weight of 3,000 pounds or less, effective November 1, 1996. All other aircraft would continue to be registered annually. Double the current fees for small aircraft as follows to reflect this change: (a) from \$30 to \$60 for aircraft under 2,000 pounds; (b) from \$39 to \$78 for aircraft from 2,000 pounds to 2,500 pounds; and (c) from \$50 to \$100 for aircraft from 2,500 pounds to 3,000 pounds. The bill does not reflect any increase in transportation fund revenues as a result of this provision.

Establish a \$50 minimum fee for registering any aircraft after the November 1 due date. Specify that if the current late fee (10% of the required fee if late by less than six months or 20% of the required fee if late by more than six months) is greater than \$50, the current fee would apply. Eliminate the \$5 unairworthy aircraft registration and late fees and require that these fees be set by administrative rule. Eliminate the aircraft dealer exemption, which exempts dealers from registering aircraft for one year from the date the exemption is granted or until sold, whichever occurs first. Change the definition of an antique aircraft from an aircraft more than 35 years old to an aircraft manufactured before 1945. Specify that these changes would go into effect November 1, 1995.

Joint Finance: Increase estimated transportation fund revenues by \$4,900 in 1995-96 and \$91,800 in 1996-97. It is estimated that the change from annual to biennial registration would result in a one-time impact due to doubling the fee in 1996-97. The additional revenue in 1996-97 is estimated at \$86,900. This will be offset by no collection in 1997-98. Eliminating the dealer exemption would generate an estimated \$1,500 of additional revenue in each year. Raising the late penalty fee would generate an estimated \$3,400 in additional revenue each year.

Legislature: Delete provision.

10. RAILROAD CROSSING REPAIR ASSISTANCE

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	- \$500,000	\$500,000	40

Governor: Delete \$250,000 annually to eliminate all new funding for this program. Continuing balances within the appropriation (\$400,000) would be used to meet 1995-97 program needs, which are estimated at \$320,000. This program provides a financial incentive to railroad companies, by reimbursing 85% of their costs, to alter their maintenance schedules to address the worst crossings on the state trunk highway system.

Legislature: Delete provision.

11. TRANSFER OF RAILROAD REGULATION FROM OCR [LFB Paper 810]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG-REV	\$250,000		- \$250,000		\$0	
SEG	\$170,700	4.00	- \$170,700	- 4.00	\$0	0.00

Governor: Provide \$170,700 and 4.0 positions (1.0 FTE program assistant position and 3.0 FTE regulation compliance investigator positions) in 1996-97 to reflect the proposed transfer in AB 150 of railroad regulatory functions from the Office of the Commissioner of Railroads (OCR) to DOT. AB 150 would eliminate OCR on July 1, 1996, and would make DOT responsible for railroad regulatory matters with respect to the following general statutory provisions: Chapter 190 (railroad organization and management); Chapter 191 (railroad construction activity); Chapter 192 (general railroad regulation and liabilities); Chapter 195 (general railroad rates, schedules, service and safety provisions); and other statutory provisions relating to harbor railroads (Chapter 30) and railroad grade crossing and rights-of-way regulations (Chapters 84 and 86). Authorize the administration and planning appropriations for the Division of Highways to be used for railroad regulation.

Estimate increased transportation fund revenue at \$250,000 in 1996-97 to reflect a proposal in AB 150 to deposit railroad direct and remainder assessments in the transportation fund.

Joint Finance/Legislature Delete provision to reflect the retention of railroad regulatory functions in a separate Office of the Commissioner of Railroads, attached administratively to the PSC.

12. DIVISION OF TRANSPORTATION ASSISTANCE (DTA) TECHNICAL ADJUSTMENTS

	Governor (Chg. to Base)		Legislature (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$0	- 0.55	\$0	0.55	\$0	0.00
SEG	48,000	0.55	- 48,000	- 0.55	0	0.00
Total	\$48,000	0.00	- \$48,000	0.00	0	0.00

Governor: Provide \$24,000 SEG annually and transfer 0.55 positions from FED to SEG to reflect the following adjustments: (a) \$24,000 SEG annually for the rail service assistance appropriation and a transfer of 0.55 positions from FED to SEG to reflect a position transfer from the Division of Highways to DTA in the 1991-93 biennium; (b) a transfer of \$59,700 SEG and 1.0 SEG position annually from DOT's general departmental operations appropriation to the local administration assistance appropriation to reflect a position transfer from the Division of Motor Vehicles to DTA in the 1991-93 biennium; and (c) a transfer of \$8,200 SEG annually from the rail service assistance appropriation to the harbor assistance appropriation to reflect that a portion of the time of the director of the Bureau of Railroads and Harbors is associated with the administration of the harbor program.

Legislature: Delete provision.

13. SURFACE TRANSPORTATION DISCRETIONARY GRANTS PROGRAM

	Assembly (Chg. to Base)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
FED	- \$2,560,000	\$1,300,000	\$1,260,000	\$0
SEG-L	- 640,000	325,000	315,000	0
Total	- \$3,200,000	\$1,625,000	\$1,575,000	\$0

Governor: Authorize DOT to conduct projects and make grants to other state agencies under this program. Currently, DOT may only make grants to local public bodies. This program funds projects that promote nonhighway use or that otherwise supplement existing transportation activities, with priority given to projects that foster alternatives to single-occupancy vehicle trips. This program would be funded at its base level of \$4,000,000 FED annually.

Assembly: Decrease funding by \$1,600,000 annually (\$1,280,000 FED and \$320,000 SEG-L) to reflect a transfer of federal funds to the STH rehabilitation program.

Senate: Increase funding by \$812,500 annually (\$650,000 FED and \$162,500 SEG-L) to reduce the transfer of federal funds to the STH rehabilitation program.

Legislature: Delete provision.

14. RAIL PASSENGER ROUTE DEVELOPMENT

Joint Finance: Extend the provision allowing DOT to fund capital costs for Amtrak service extension from Green Bay to Milwaukee and from Madison to Milwaukee to any passenger rail service providers. Specify that DOT may not use bond proceeds for this purpose until it submits evidence to the Joint Committee on Finance that the passenger rail service provider has agreed to provide rail passenger service on the route and the Joint Committee on Finance approves the use of the proceeds.

Legislature: Delete provision.

15. PRIVATE ROAD CROSSINGS

Joint Finance: Establish the following definitions for the private road crossing program: (a) "rehabilitation" means a significant rebuilding of railroad track, intended either to restore severely deteriorated track to a minimum service standard or to provide a permanent increase in the service standard of track that is already at or above a minimum service standard; and (b) "rehabilitated" means the transformation of the physical attributes of railroad track as a result of rehabilitation. Specify that the user's responsibility to pay costs to maintain, repair and renew a private road crossing applies to any costs occurring up until the crossing is rebuilt in conjunction with any subsequent rehabilitation of the same tracks.

Legislature: Delete provision.

16. RAILROAD CROSSING REIMBURSEMENT

Joint Finance: Require the Commissioner of Railroads and the Public Service Commission to develop a plan to phase in 100% state reimbursement of the costs incurred by railroads for fencing, farm crossings and cattle guards. Specify that the plan shall be reported to the Joint Committee on Finance by January 1, 1996.

Legislature: Delete provision.

17. TRANSPORTATION ENHANCEMENTS PROGRAM

	Assembly (Chg. to Base)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
FED	- \$2,800,000	\$1,400,000	\$1,400,000	\$0
SEG-L	- 700,000	350,000	350,000	0
Total	- \$3,500,000	\$1,750,000	\$1,750,000	\$0

Assembly: Decrease funding by \$1,750,000 annually (\$1,400,000 FED and \$350,000 SEG-L) to reflect a transfer of federal funds to the STH rehabilitation program.

Senate: Increase funding by \$875,000 annually (\$700,000 FED and \$175,000 SEG-L) to reduce the transfer of federal funds to the STH rehabilitation program.

Legislature: Delete provision.

18. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM

	Assembly (Chg. to Base)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
FED	- \$5,640,000	\$2,900,000	\$2,740,000	\$0
SEG-L	- 1,410,000	725,000	685,000	0
Total	- \$7,050,000	\$3,625,000	\$3,425,000	\$0

Assembly: Decrease funding by \$3,525,000 annually (\$2,820,000 FED and \$705,000 SEG-L) to reflect a transfer of federal funds to the STH rehabilitation program.

Senate: Increase funding by \$1,812,500 annually (\$1,450,000 FED and \$362,500 SEG-L) to reduce the transfer of federal funds to the STH rehabilitation program.

Legislature: Delete provision.

State Highway Program

1. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 920]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Legislature (Change to Sen.)	Net Change
FED	- \$53,614,700	\$0	\$46,811,200	- \$41,411,200	\$48,214,700	\$0
SEG	118,734,500	- 14,400,000	- 50,774,400	59,774,400	- 113,334,500	0
Total	\$65,119,800	- \$14,400,000	- \$3,963,200	\$18,363,200	- \$65,119,800	0
Reserves	\$0	\$26,100,000	- \$26,100,000	\$0	\$0	\$0

Governor: Decrease FED funding by \$25,914,100 in 1995-96 and \$27,700,600 in 1996-97 to reflect estimated availability of federal highway aid. Increase SEG funding by \$46,456,100 in 1995-96 and \$72,278,400 in 1996-97 to reflect the following: (a) replace federal funding decreases (\$25,914,100 in

1995-96 and \$27,700,600 in 1996-97); (b) projected inflation (\$12,692,000 in 1995-96 and \$24,427,800 in 1996-97); (c) stormwater permitting and erosion control (\$3,500,000 in 1995-96 and \$6,800,000 in 1996-97); (d) metric conversion (\$1,500,000 annually); (e) an initiative to increase the representation of women and minorities in the highway engineering and construction profession (\$150,000 annually); and (f) Milwaukee stadium infrastructure (\$2,700,000 in 1995-96 and \$11,700,000 in 1996-97).

Joint Finance: Delete \$2,700,000 SEG in 1995-96 and \$11,700,000 SEG in 1996-97 for the Milwaukee stadium infrastructure project. Place \$26,100,000 in reserve in the transportation fund in 1995-96 for either the state's share of infrastructure work for a new Milwaukee stadium or highway resurfacing and bridge repair activity on the east-west freeway from downtown Milwaukee to Waukesha. Specify that the Joint Committee on Finance could transfer funds from this reserve to the STH rehabilitation appropriation for either of these purposes. Establish a June 30, 1999, termination date for this reserve.

Assembly: Increase FED funding by \$28,328,900 in 1995-96 and \$18,482,300 in 1996-97 to reflect reallocation of federal aid from the following programs to the STH rehabilitation program: (a) congestion mitigation and air quality improvement (\$2,820,000 annually); (b) transportation enhancements (\$1,400,000 annually); (c) surface transportation discretionary grants (\$1,280,000 annually); and (d) major highway development (\$22,828,900 in 1995-96 and \$12,982,300 in 1996-97).

Decrease SEG funding by \$35,210,500 in 1995-96 and \$15,563,900 in 1996-97 to reflect the following: (a) delete SEG to reflect the FED increases (-\$28,328,900 in 1995-96 and -\$18,482,300 in 1996-97); (b) federalize stormwater permitting and erosion control (-\$2,200,000 in 1995-96 and -\$3,800,000 in 1996-97); (c) delete the women and minorities in highway construction program (-\$150,000 annually); (d) fund the Milwaukee stadium infrastructure project (\$2,700,000 in 1995-96 and \$11,700,000 in 1996-97); (e) specify that DOT cannot fund any rehabilitation projects during the 1995-97 biennium on Pennsylvania Avenue in Milwaukee County from College Avenue to Layton Avenue (-\$2,400,000 in 1995-96); (f) delete retrofit noise barriers funding (-\$2,000,000 annually); (g) reduce landscape funding (-\$1,769,700 annually); (h) federalize the treatment of endangered or threatened species (-\$707,900 annually); and (i) restore the eminent domain changes related to business replacement property (-\$354,000 annually).

Delete the reserve fund for the Milwaukee stadium or east-west freeway projects.

Senate: Decrease FED funding by \$25,628,900 in 1995-96 and by \$15,782,300 in 1996-97 to reflect reallocation of federal aid to the following programs from the STH rehabilitation program: (a) congestion mitigation and air quality improvement (\$1,450,000 annually); (b) transportation enhancements (\$700,000 annually); (c) surface transportation discretionary grants (\$650,000 annually); and (d) major highway development (\$22,828,900 in 1995-96 and \$12,982,300 in 1996-97).

Increase SEG funding by \$35,210,500 in 1995-96 and \$24,563,900 in 1996-97 to reflect the following: (a) increase SEG to reflect FED decrease (\$25,628,900 in 1995-96 and \$15,782,300 in 1996-97); (b) retain state stormwater permitting and erosion control (\$2,200,000 in 1995-96 and \$3,800,000 in 1996-97); (c) fund the women and minorities in highway construction program (\$150,000 annually); (d)

allow DOT to fund rehabilitation work on Pennsylvania Avenue in Milwaukee County (\$2,400,000 in 1995-96); (e) restore retrofit noise barriers funding (\$2,000,000 annually); (f) restore landscape funding (\$1,769,700 annually); (g) retain state treatment of endangered or threatened species (\$707,900 annually); and (h) delete the eminent domain changes related to business replacement property (\$354,000 annually).

Legislature: Delete provision.

2. MILWAUKEE TO WAUKESHA FREEWAY REPAIR [LFB Paper 920]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$50,602,000	- \$25,851,000	- \$24,751,000	\$0

Governor: Provide \$24,751,000 in 1995-96 and \$25,851,000 in 1996-97 for the rehabilitation of the east-west freeway from downtown Milwaukee to Waukesha. These funds would be used to resurface this section of freeway and to repair bridges in this corridor.

Joint Finance: Decrease funding by \$24,751,000 in 1995-96 and \$1,100,000 in 1996-97. Specify that DOT can not conduct any highway resurfacing or bridge repair activity on the east-west freeway from downtown Milwaukee to Waukesha until 1997 unless the Joint Committee on Finance transfers reserved funds (see Item #1) for this purpose.

Assembly: Delete the portion of the prohibition related to the reserve fund to reflect the elimination of this fund.

Senate: Change the date on the prohibition on conducting reconstruction activity to July 1, 1996. This would allow DOT to conduct preliminary activity in late summer and fall of 1996 in preparation for the 1997 construction season.

Legislature: Delete provision.

3. STATE TRUNK HIGHWAY 29 ACCELERATION [LFB Paper 921]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Legislature (Chg. to Assem.)	Net Change
SEG	\$15,187,000	- \$15,187,000	\$0	\$0	\$0
SEG-S	18,562,000	- 18,562,000	33,749,000	- 33,749,000	0
Total	\$33,749,000	- \$33,749,000	\$33,749,000	- \$33,749,000	\$0

Governor: Provide \$15,795,000 (\$7,107,700 SEG and \$8,687,300 SEG-S) in 1995-96 and \$17,954,000 (\$8,079,300 SEG and \$9,874,700 SEG-S) to accelerate the conversion of STH 29 to a four

lane highway between Green Bay and Chippewa Falls from the year 2002 to the year 2000. The SEG-S amounts reflect the proposed use of revenue bond proceeds for 55% of these costs.

Joint Finance: Delete provision. Specify that, in programming the expenditure of funds in the major highway development program, DOT shall give priority to the completion of the Shawano Bypass portion of the STH 29 project.

Assembly: Provide \$15,795,000 SEG-S in 1995-96 and \$17,954,000 SEG-S in 1996-97 to reflect funding the acceleration of the STH 29 project through 100% bonding.

Legislature: Delete provision.

4. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 921]

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
FED	- \$2,589,300	- \$35,811,200	\$35,811,200	\$2,589,300	\$0
SEG	16,446,400	- 10,125,600	10,125,600	- 16,446,400	0
SEG-S	- 1,474,200	0	0	1,474,200	0
Total	\$12,382,900	- \$45,936,800	\$45,936,800	- \$12,382,900	\$0

Governor: Increase funding by \$3,710,200 (\$7,999,900 SEG, -\$2,101,800 SEG-S and -\$2,187,900 FED) in 1995-96 and by \$8,672,700 (\$8,446,500 SEG, \$627,600 SEG-S and -\$401,400 FED) in 1996-97 in order to maintain the current program level (\$161.2 million in 1994 dollars), adjusted for inflation. The SEG-S amounts reflect adjustments needed to fund 55% of the total program size with revenue bond proceeds. The SEG and FED amounts reflect adjustments needed to fund the remaining 45% of the program at 80% FED and 20% SEG.

Assembly: Decrease FED funding by \$22,828,900 in 1995-96 and \$12,982,300 in 1996-97 to delete funding for the Lake Arterial and STH 54 projects and transfer these funds to the STH rehabilitation program.

Decrease SEG funding by \$4,839,500 in 1995-96 and \$5,286,100 in 1996-97 to reflect the following: (a) reduce landscape funding (-\$730,300 annually); (b) federalize the treatment of endangered or threatened species (-\$292,100 annually); (c) restore the eminent domain changes related to business replacement property (-\$146,000 annually); and (d) delete funding for the Lake Arterial and STH 54 projects (-\$3,671,100 in 1995-96 and -\$4,117,700 in 1996-97).

Specify that DOT cannot fund any construction on the STH 54 project in Wood and Portage Counties during the 1995-97 biennium and that DOT cannot spend more than \$25,000,000 during the 1995-97 biennium on the Lake Arterial project in Milwaukee County.

Senate: Restore funding deleted by the Assembly and delete the restrictions on the STH 54 and Lake Arterial projects.

Legislature: Delete provision.

5. MAJOR HIGHWAY DEVELOPMENT ENUMERATION

Governor: Enumerate the following three major highway projects (listed in order of highway number), as recommended by the Transportation Projects Commission (TPC). Major highway projects must be enumerated in the statutes prior to construction.

<u>State Trunk Highway</u>	<u>Project</u>	<u>County</u>	<u>Estimated Cost In 1994 Dollars</u>
16/67	Oconomowoc Bypass	Jefferson and Waukesha	\$47 million
53	Eau Claire Freeway	Eau Claire and Chippewa	79 million
151	Belmont to Dodgeville	Lafayette and Iowa	63 million

Amend the definition of the major highway project on USH 10 between Appleton and Marshfield to include the part of Appleton in Winnebago County.

Legislature: Delete provision.

6. STATE TRUNK HIGHWAY (STH) MAINTENANCE, REPAIR AND TRAFFIC OPERATIONS

	Governor (Chg. to Base)	Assembly (Chg. to Gov.)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
SEG	\$14,036,500	- \$900,000	\$900,000	- \$14,036,500	\$0

Governor: Provide \$4,643,400 in 1995-96 and \$9,393,100 in 1996-97 to increase the STH maintenance program as follows: (a) general and winter maintenance (\$4,453,000 in 1995-96 and \$9,006,600 in 1996-97); and (b) traffic operations (\$190,400 in 1995-96 and \$386,500 in 1996-97).

Assembly: Decrease funding by \$450,000 annually to reflect the following: (a) delete support for signing historical markers (-\$50,000 annually); (b) discontinue the roadside vegetation inventory (-\$200,000 annually); and (c) reduce support for the adopt-a-highway program by 25% (-\$200,000 annually).

Senate: Restore funding deleted by the Assembly.

Legislature: Delete provision.

7. INCREASED REHABILITATION -- MULTILANE STATE HIGHWAYS [LFB Paper 922]

	Governor (Chg to Base)	Jt. Finance (Chg. to Gov.)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
SEG	\$13,000,000	- \$7,000,000	- \$6,000,000	\$6,000,000	- \$6,000,000	\$0

Governor: Provide \$13,000,000 in 1996-97 for the rehabilitation of multilane state trunk highways outside Milwaukee County that are part of the Corridors 2020 backbone system.

Joint Finance: Increase funding by \$3,000,000 in 1995-96 and decrease funding by \$10,000,000 in 1996-97.

Assembly: Delete provision.

Senate: Provide \$3,000,000 annually for this purpose.

Legislature: Delete provision.

8. INCREASED REHABILITATION -- TWO-LANE STATE HIGHWAYS [LFB Paper 923]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov.)	Net Change
SEG	\$3,600,000	- \$3,600,000	\$0

Governor: Provide \$3,600,000 in 1996-97 for the rehabilitation of two-lane state trunk highways that are not part of the Corridors 2020 backbone system.

Joint Finance: Delete provision. Create a continuing appropriation for deposit of proceeds from the sale of surplus lands owned by DOT. Specify that all monies received in this appropriation would be used by DOT for the rehabilitation of two-lane state trunk highways.

Assembly: Delete the continuing appropriation.

Senate: Restore the continuing appropriation.

Legislature: Delete provision.

9. SEASONAL HIGHWAY REHABILITATION PROGRAM [LFB Paper 924]

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

Governor: Provide \$2,000,000 in 1996-97 through a new, continuing appropriation to fund a program that would be created to rehabilitate highways in northern Wisconsin that currently have seasonal weight limitations. Weight restrictions are placed on some highways to avoid damaging them during the spring thaw. The \$2,000,000 would be provided for design costs for projects on state trunk highways, although the program, as drafted, would not be limited to these projects.

Joint Finance/Legislature: Delete provision.

10. INACTIVE SITE CLEANUP

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$4,000,000	- \$4,000,000	\$0

Governor: Create a continuing appropriation for environmental cleanup activities on inactive sites and provide \$2,000,000 annually for this purpose. Authorize DOT to fund environmental cleanup activities on lands acquired by the Department that are not eligible to receive funding for environmental cleanup as part of a highway improvement project. Specify that this does not relieve other parties from any responsibility they have to reimburse DOT for cleanup costs.

Legislature: Delete provision.

11. MILWAUKEE COUNTY FREEWAY TRAFFIC MANAGEMENT AND SERVICE PATROL

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Net Change
FED	- \$1,305,600	\$0	\$1,305,600	\$0
SEG	<u>3,339,100</u>	<u>- 3,339,100</u>	<u>0</u>	<u>0</u>
Total	\$2,033,500	- \$3,339,100	\$1,305,600	\$0

Governor: Increase funding by \$971,400 (\$1,624,200 SEG and -\$652,800 FED) in 1995-96 and \$1,062,100 (\$1,714,900 SEG and -\$652,800 FED) in 1996-97 to operate and expand the freeway traffic management system in Milwaukee County. The increased SEG funding would be used as follows: (a) \$85,000 annually for LTE positions; (b) \$29,000 in 1995-96 and \$59,300 in 1996-97 for the service patrol;

(c) \$409,400 in 1995-96 and \$469,800 in 1996-97 for equipment and communications costs; and (d) \$1,100,800 annually to replace federal congestion mitigation and air quality improvement funds (\$652,800 deleted here and \$448,000 deleted as a standard budget adjustment). This system includes elements to optimize the operations of the existing highway infrastructure under normal conditions and minimize the effects of incident-induced congestion.

Joint Finance: Decrease funding by \$1,624,200 SEG in 1995-96 and \$1,714,900 SEG in 1996-97.

Legislature: Delete provision.

12. STATE PLANNING AND RESEARCH

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
FED	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$1,000,000 annually for consultant research within the Division of Highways' state planning and research program.

Legislature: Delete provision.

13. I-39 SIGN CONVERSION

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$941,000	- \$941,000	\$0

Governor: Provide \$941,000 in 1995-96 for the cost of changing signs to reflect the conversion of STH 51 to interstate status (I-39) from Portage to Wausau.

Legislature: Delete provision.

14. EMINENT DOMAIN -- COMPARABLE REPLACEMENT BUSINESS

Governor: Allow the condemnor of a business for transportation purposes to require the persons occupying the business to vacate the business once the title is transferred to the condemnor, even if a replacement property has not been provided. Under current law, the persons occupying the business cannot be displaced until a comparable replacement property is made available. Specify that the condemnor of a business for transportation purposes would not be required to identify specific replacement locations in

its relocation assistance service plan. The condemnor would still have to show that it took reasonable and appropriate steps to assist owners of displaced businesses in obtaining replacement locations. Specify that these changes would first apply to plans filed and transfers of property occurring on the effective date of this act.

Joint Finance: Delete provision.

Assembly: Restore provision.

Senate/Legislature: Delete provision.

15. DISADVANTAGED BUSINESS DEMONSTRATION AND TRAINING PROGRAM

Governor: Extend the sunset date for the disadvantaged business demonstration and training program from June 30, 1995, to September 30, 1997, in order to coordinate it with the expiration date of the Intermodal Surface Transportation Efficiency Act (ISTEA). This program develops the capabilities of businesses owned by minority group members and women to participate in DOT construction projects.

Legislature: Delete provision.

16. COMPENSATION RESERVES

	Jt. Finance (Chg. to Base)	Legislature (Chg. to JFC)	Net Change
Reserves	- \$1,117,200	\$1,117,200	\$0

Joint Finance: Reduce transportation fund compensation reserves by \$372,400 in 1995-96 and \$744,800 in 1996-97. Specify that compensation increases up to the inflationary percentages provided for the STH rehabilitation, major highway development, STH maintenance and local bridge programs (3% per year) would have to be funded within the inflationary funding increases provided for these programs.

Legislature: Delete provision.

17. INTERSTATE 43 RESURFACING

Joint Finance: Direct DOT to repave the portion of I-43, beginning before Henry Clay Street and extending beyond Bender and Devon streets in Milwaukee County, which currently has a tined surface, with a non-tined surface. Specify that the highway must be repaved no later than six months after the effective date of this bill. Specify that DOT must expend funds, not to exceed \$650,000, from within the STH rehabilitation program for this project.

Legislature: Delete provision.

18. WEIGHT LIMITATIONS ON MUNICIPAL AND COUNTY HIGHWAYS

Joint Finance: Add safety considerations on a detour during a state trunk highway construction project as a criteria for the imposition of special weight limitations on municipal and county highways.

Legislature: Delete provision.

19. STORMWATER MANAGEMENT AND EROSION CONTROL

Assembly: Specify that no state stormwater management plan or standards relating to construction site erosion control applicable to the construction, rehabilitation or improvement of any existing highway may be more stringent than those required by federal law. Specify that no requirements related to stormwater discharge permits for the construction, rehabilitation or improvement of any highway may be more stringent than required by federal law.

Senate/Legislature: Delete provision.

20. ENDANGERED AND THREATENED SPECIES

Assembly: Create two separate procedures for the taking of an endangered or threatened species, one for agencies and the other for nonagency applicants.

Agency Consultation. Define "agency" to mean a board, commission, committee, department (except DNR) or officer in the state government (except the Governor, a district attorney, a military officer or a judicial officer). Require an agency to notify DNR at the earliest opportunity of the location, nature and extent of a proposed activity that could affect an endangered or threatened species. Authorize DNR to allow the taking, exportation, transportation or possession of an endangered or threatened species if all of the following apply: (a) the activity would be accomplished in accordance with interagency consultation procedures established by DNR and the agency for the purpose of minimizing any adverse effect on the endangered or threatened species; (b) the activity would not be likely to jeopardize the continued existence and recovery of the endangered or threatened species, or the "whole plant-animal community" (defined as a group of species living together in a particular area, time and habitat) of which it is a part; (c) the activity would not be likely to result in the destruction or adverse modification of a habitat that is critical to the continued existence of the endangered or threatened species, as determined by DNR; and (d) the benefit to public health, safety or welfare would justify the activity.

Require DNR to determine whether a habitat could be critical to the continued existence of an endangered or threatened species by considering the endangered or threatened species' global and state

element ranking as defined by the natural heritage inventory methodology. Require DNR to notify the agency if DNR determines that there could be reasonable cause that an activity is not being carried out in compliance with this provision or with any environmental protection requirements developed through interagency consultation procedures. Authorize DNR to bring any action or initiate any other proceedings to enforce compliance with these provisions, if the Secretary of DNR and the agency head or state officer are unable to agree upon methods or time schedules that could be used to correct the alleged noncompliance.

Require DNR and the agency to exchange information and cooperate in the planning and implementation of any activity relating to the taking, exportation, transportation or possession of any endangered or threatened species in order to alleviate, to the extent practicable under the circumstances, any potential adverse effect on the endangered or threatened species. Specify that cooperation between DNR and the agency could include conducting reasonable surveys upon the request of DNR, unless DNR determines that the requirements of public health, safety or welfare outweigh the need for surveys.

Specify that a public notice or hearing would not be required in connection with interagency consultation and cooperation under this provision.

Nonagency Applicant. Allow DNR to issue an incidental take permit to a nonagency applicant that would authorize the taking of an endangered or threatened species, if the taking would not be for the purpose of, but would be only incidental to, the carrying out of a lawful activity. Allow an application for a permit to contain more than one applicant. Create a \$100 incidental take permit fee.

Require the permit applicant to submit a conservation plan and an implementing agreement to DNR as part of the permit process. Require the conservation plan to include all of the following: (a) a description of the impact that would likely occur to endangered or threatened species specified by DNR's endangered and threatened species list; (b) the steps that the applicant would take to minimize and mitigate the impact that the endangered or threatened species would suffer; (c) a description of the funding that the applicant would have available to implement the minimization and mitigation steps identified in the plan; (d) a description of the alternative actions to the taking that the applicant has considered and the reasons that these alternatives would not be utilized; and (e) any other measures that DNR determines to be necessary or appropriate.

Direct DNR to publicize the application by announcing the receipt of the application and by giving a brief description of the proposed taking. Require DNR to distribute the publicity to the news media in the vicinity of the proposed taking. Direct DNR to establish a procedure for receipt of public comment on the proposed taking.

Require DNR to issue the incidental take permit, after consideration of the public comments, if DNR finds based on the permit application, the conservation plan and the implementing agreement, that the taking would meet all of the following requirements: (a) the taking would not be for the purpose of, but would only be incidental to, the carrying out of a lawful activity; (b) the applicant would, to the maximum extent practicable, minimize and mitigate the impact caused by the taking; (c) the applicant would ensure

that adequate funding for the conservation plan would be provided; (d) the taking would not appreciably reduce the likelihood of the survival or recovery of the endangered or threatened species and the "whole plant-animal community" that the endangered or threatened species is a part of or the habitat that is critical to its existence; and (e) any other measures required by DNR under the conservation plan. Allow DNR to require an applicant to make additional assurances that the requirements of the permit would be met prior to issuance of the permit.

Require DNR to impose on the permit those terms or conditions that DNR finds necessary or appropriate to ensure that the requirements of the permit would be met. Specify that these terms or conditions could include reporting and monitoring requirements. Require DNR to revoke a permit if it finds that an applicant failed to comply with the terms and conditions of the permit. Specify that a DNR permit would not be required if DNR determines that a federal permit, conservation plan and implementing agreement complies with the requirements created under this provision. Specify that the nonagency applicant provision would not apply to interagency activities under the agency consultation process.

Senate/Legislature: Delete provision.

21. WISCONSIN ENVIRONMENTAL POLICY ACT

Assembly: Specify that plans and programs under the jurisdiction of DOT are not major actions significantly affecting the quality of the human environment for purposes of the Wisconsin Environmental Policy Act. This Act requires an environmental impact statement for a recommendation or report on proposals for legislation and other major actions significantly affecting the environment. Provide that transportation projects would not be considered a plan or program for purposes of this exemption.

Senate/Legislature: Delete provision.

Motor Vehicles

1. BUDGET REDUCTIONS [LFB Paper 932]

	<u>Governor</u> (Chg. to Base)		<u>Jt. Finance</u> (Chg. to Gov.)		<u>Assembly</u> (Chg. to JFC)		<u>Senate</u> (Chg. to Assem.)		<u>Legislature</u> (Chg. to Senate)		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$3,590,600	13.00	-\$3,590,600	0.00	-\$3,590,600	0.00	\$3,590,600	0.00	\$7,181,200	13.00	\$0	0.00

Governor: Delete \$1,795,300 and 13.0 positions annually from supplies and services in the Division's base budget.

Joint Finance: Reduce the Division's base budget by an additional \$1,795,300 annually to provide total reductions equal to 5% in each year of the biennium. Require DOT to submit a request for any reallocation of the reductions among its SEG appropriations for state operations to the Joint Committee on Finance by September 1, 1995, for its approval under a similar passive review process as s. 16.505/16.515.

Assembly: Reduce the Division's base budget by an additional \$3,590,600 in 1996-97 to provide total reductions equal to 5% in 1995-96 and 10% in 1996-97.

Senate: Restore funding deleted by the Assembly.

Legislature: Delete provision.

2. POSTAGE COST INCREASE

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$1,012,900	- \$1,012,900	\$0

Governor: Provide \$568,400 in 1995-96 and \$444,500 in 1996-97 for an expected annual growth of 2.3% in mailing volume and the 10.3% postage rate increase which occurred in January, 1995.

Legislature: Delete provision.

3. DRIVER RECORD AND VEHICLE REGISTRATION DATABASE REDESIGN

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$860,500	- \$860,500	\$0

Governor: Provide \$286,800 in 1995-96 and \$573,700 in 1996-97 for costs associated with the redesign of the driver record and vehicle registration databases. This increase would support estimated payments under a seven-year financing agreement for completion of the driver record database redesign and the first of three phases of the vehicle registration database redesign.

Specify that DOT must include, as part of its budget request for the 1997-99 biennium, annual reductions of \$430,600 SEG and 24.2 SEG positions (from the 1996-97 base year amounts) for its vehicle registration and driver licensing appropriation. DOT would have to submit these reductions before submitting any proposed increases or decreases in funding or position authorization for that appropriation.

This reduction is based on projected processing efficiencies associated with completion of phase one of the database redesign.

Legislature: Delete provision.

4. EXTEND LICENSE PLATE REPLACEMENT CYCLE

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	- \$475,600	\$475,600	\$0

Governor: Delete \$177,300 in 1995-96 and \$298,300 in 1996-97 related to extending, from seven to 11 or more, the number of years a license plate may be used before it must be replaced. The funding reduction is based on reduced costs for plates (-\$96,500 in 1995-96 and -\$245,700 in 1996-97) and postage (-\$80,800 in 1995-96 and -\$52,600 in 1996-97).

Legislature: Delete provision.

5. RAISE ACCIDENT REPORTING THRESHOLD

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	- \$142,200	\$142,200	\$0

Governor: Increase the minimum property damage threshold for accident reporting and security deposit requirements from \$500 to \$1,000. Provide that this increase would first apply to accidents occurring on January 1, 1996. Delete \$47,500 in 1995-96 and \$94,700 in 1996-97 for overtime salary and fringe benefit costs to reflect workload reductions based on a projected decrease in the number of accident reports processed.

Legislature: Delete provision.

6. THIRD PARTY DRIVER EDUCATION AND TESTING

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Assembly (Chg. to JFC)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$128,800	- 3.90	\$128,800	3.90	-\$128,800	- 3.90	\$128,800	3.90	\$0	0.00

Governor: Delete \$128,800 and 3.9 positions in 1996-97 and allow DOT, by rule, to waive the driving skills test for a person applying for authorization to operate "Class D" vehicles (all noncommercial motor vehicles except Type 1 motorcycles) if the person is under age 18 and has successfully completed an enhanced driver education course approved by the Department of Public Instruction or the Technical College System Board, provided that the instructor in that course certifies that the applicant satisfied the course's driving skills requirements. Under current law, driving skills tests must be administered by DOT.

Joint Finance: Delete provision.

Assembly: Restore provision.

Senate/Legislature: Delete provision.

7. PHOTO DRIVER LICENSE CONTRACT

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$66,200	- \$66,200	\$0

Governor: Provide \$14,700 in 1995-96 and \$51,500 in 1996-97 for estimated workload and rate increases under two, one-year extensions of the current vendor contract, which provides equipment and materials necessary to produce photo driver licenses and photo identification cards. The original contract expired December 31, 1994.

Legislature: Delete provision.

8. SPECIAL LICENSE PLATE ISSUANCE FEE [LFB Paper 926]

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
SEG-REV	\$51,400	- \$51,400	\$51,400	- \$51,400	\$0

Governor: Increase the fee charged by DOT for issuance or reissuance of certain special license plates from \$10 or less to \$15, effective January 1, 1996. This fee would apply to the issuance or reissuance of all special plates currently issued or reissued at a charge of \$10 and the endangered resources and Somalia war veteran special plates, which are currently not assessed an issuance or reissuance fee. This fee is in addition to the regular registration fee. The bill does not reflect any increase in transportation fund revenues as a result of this provision.

Joint Finance: Increase estimated transportation fund revenues by \$17,100 in 1995-96 and \$34,300 in 1996-97 to reflect this fee increase.

Assembly: Delete provision.

Senate: Restore provision.

Legislature: Delete provision.

9. REGISTRATION AND TITLE TRANSACTIONS BY DEALERS

Governor: Allow DOT to contract with a motor vehicle dealer for services relating to the processing or distribution of original or renewal vehicle registrations or certificates of title. Specify that a contract with a motor vehicle dealer must contain the following provisions: (a) the amount of fees, if any, that the dealer may charge a person for these services; (b) that within seven business days after the completion of an application, the dealer must process the application and submit any required fees and other documentation to DOT; (c) that the dealer must retain all records related to an application for these registrations or certificates of title for at least five years; and (d) that DOT or its representative may, without any prior notice, conduct random inspections and audits of the dealer. Prohibit DOT from compensating a motor vehicle dealer for the provision of these services.

Under current law, a motor vehicle dealer may accept applications and any required fees for registration or titling of a vehicle purchased from that dealer. The dealer may not process such applications, but must submit the application and fees to DOT within seven days after the vehicle sale.

Legislature: Delete provision.

10. DIGITIZED IMAGES

Governor: Define "photograph" as an unretouched image recorded by a camera and reproduced on a photosensitive surface, including a digitized image. Allow DOT to retain a photograph of a person applying for a driver license or identification card. Specify that DOT must keep such a photograph confidential, but allow DOT to release a photograph to the following persons: (a) the person whose photograph was taken; (b) any other person, if authorized in writing by the person whose photograph was

taken; and (c) a law enforcement agency, a state agency or a federal governmental agency in order to perform a legally authorized function. Specify that any person, except the person whose photograph was taken, who has received a photograph under the above circumstances must keep it confidential and may not disclose or reproduce it except as authorized.

Legislature: Delete provision.

11. CLASSIFIED DRIVER LICENSE STATUTORY MODIFICATIONS

Governor: Include the following modifications related to the classified driver license system:

Licenses Issued by Mexico. Modify current law to include a valid commercial driver license issued by Mexico as an acceptable operator's license for: (a) an operator of a motor vehicle used as an alternative method of providing pupil transportation services; and (b) an operator of a commercial motor vehicle who is a nonresident and has the license in his or her immediate possession.

Motorized Construction Equipment. Define "motorized construction equipment" as motor-driven construction equipment designed principally for off-road use, including a motorscraper, backhoe, motorgrader, compactor, excavator, tractor, trencher and bulldozer. Require a person operating motorized construction equipment upon a highway in this state to possess a valid operator's license issued to the person by DOT which is not revoked, suspended, canceled, disqualified or expired. Current law exempts a person operating motorized construction equipment designed principally for off-road use from licensing requirements.

Occupational License. Provide that a person whose license or operating privilege was revoked or suspended within the previous year for a controlled substance violation or a violation of the financial responsibility law of Wisconsin is not eligible for an occupational license. This restriction would first apply to offenses committed on the effective date of this act, but would not preclude the counting of prior suspensions or revocations for purposes of determining eligibility for an occupational license.

School Bus Endorsement Examinations. Modify current law to require a person to take and pass a special examination prior to renewal, as well as prior to initial issuance, of a school bus endorsement. Provide that, for either initial issuance or renewal, the special examination may include the current examination required for persons over age 70.

Voluntary Surrender of License. Delete the specified time frames and conditions under which DOT may accept the voluntary surrender of the operator's license of a person who has a mental or physical disability, disease or medical condition which prevents or may prevent the person from exercising reasonable control over a motor vehicle and, instead, allow such voluntary surrender at any time. As under current law, these provisions would apply only if the person's operating privilege is not subject to suspension or revocation for any reason.

Knowledge Tests/English Proficiency. Provide that the knowledge test required by DOT for authorization to operate school buses and vehicles transporting hazardous material may be intended as a test for literacy or English language proficiency. Current law provides that knowledge tests may not be intended as a test for literacy or English language proficiency. However, DOT is not prohibited from requiring an applicant to correctly read and understand highway signs.

Reinstatement Fees. Impose a \$50 fee for reinstatement of a previously disqualified authorization to operate a commercial motor vehicle. Provide that this fee would not apply to 24-hour, out-of-service disqualifications for certain alcohol-related offenses.

Impose a \$50 fee for reinstatement of a previously canceled license or endorsement. Provide that the reinstatement would include any classification or endorsement received at the time of original application for the license.

Towing by Commercial Driver License Holder. Allow a tow truck operator holding a valid commercial driver license to tow a disabled or wrecked vehicle that requires a passenger-carrying endorsement for its operation beyond its initial removal site, even if the tow truck operator does not hold or is not accompanied by a driver who holds this endorsement. Under current law, a tow truck operator may perform subsequent towing of a vehicle for which the operator does not have an endorsement only if the operator is accompanied by a driver who holds the required endorsement.

Commercial Driver License Disqualification. Require DOT to disqualify from operating a commercial motor vehicle any person who is known to be disqualified, unless the required period of disqualification has already expired. Currently, DOT must cancel the commercial driver license of such a person.

Interstate Commerce. Modify current law provisions which prohibit the operation of a commercial motor vehicle by persons with restricted commercial driver licenses outside this state and in interstate commerce to, instead, prohibit such operation only in interstate commerce.

Local Ordinance or Tribal Law. Under current law, if a person's commercial driver license has been suspended or revoked solely for a violation of state laws regarding operating under the influence of an intoxicant or other drug and the person was not operating a commercial motor vehicle at the time of the violation, the person may file a petition directly with DOT seeking issuance of an occupational license authorizing operation of certain vehicles. Specify that this provision would also apply under violations of a local ordinance or law of a federally recognized American Indian tribe or band in Wisconsin that is in conformance with such state laws.

Employer Responsibilities. Modify current law to include, as a condition under which an employer may not knowingly allow, permit or authorize an employee to operate a commercial motor vehicle, any period when the employee does not possess a valid commercial driver license properly endorsed to permit operation of the vehicle. Modify the fine imposed on an employer who knowingly allows, permits or

authorizes an employee to operate a commercial motor vehicle when the employee is not validly authorized to do so from a maximum of \$5,000 to not less than \$2,500 nor more than \$10,000.

The increased fines would first apply to offenses committed on the effective date of this act, but would not preclude the counting of prior convictions for purposes of sentencing a person.

Revocation of Commercial Driver License for Refusing Test for Intoxication. Modify current law to include revocation of the person's operating privilege for six months as one penalty for a person who improperly refuses to submit to a test for intoxication when arrested for certain alcohol-related violations while driving, operating or on duty time with respect to a commercial motor vehicle.

Record to Indicate if Commercial Motor Vehicle is Passenger-Carrying. Modify current law to require the court to also include, in a record of conviction of a moving traffic violation or any offense for which revocation of the person's operating privilege is mandatory, whether the offender was operating a vehicle designed to carry, or actually carrying, 16 or more passengers, including the driver. Under current law, the record that is forwarded to DOT must indicate whether the offender was operating a commercial motor vehicle at the time of the offense and, if so, whether the offender was transporting hazardous materials.

Commercial Driver License Disqualification Penalties. Modify current law to require the following disqualification penalties related to serious traffic violations by a driver or operator of a commercial motor vehicle to be applied consecutively, rather than concurrently: (a) for a period of 60 days if convicted of two such violations; and (b) for a period of 120 days if convicted of three such violations, arising from separate occurrences committed within a three-year period.

Disqualify a person from operating a commercial motor vehicle as follows: (a) for a period of 60 days if convicted of violating laws related to the content and issuance of a commercial driver license or for providing false or fraudulent information in an application for such license; (b) for a period of 90 days if convicted of an out-of-service violation, or one year if convicted of two out-of-service violations, or three years if convicted of three or more violations, arising from separate occurrences committed within a ten-year period while driving or operating a commercial motor vehicle. Require the disqualifications for out-of-service violations to be in addition to any penalty imposed for driving while disqualified, out-of-service or after license revocation or suspension. Require DOT to maintain a record of convictions for out-of-service disqualifications for at least ten years.

If an out-of-service violation occurs in the course of transporting hazardous materials or while operating a vehicle designed to carry, or actually carrying, 16 or more passengers, including the driver, require the following disqualification penalties in lieu of those required for other out-of-service violations: (a) 180 days upon a first conviction; or (b) three years for a second or subsequent conviction arising from separate occurrences committed within a ten-year period while driving or operating a commercial motor vehicle.

These disqualifications would first apply to offenses and refusals committed on the effective date of this act, but would not preclude the counting of prior convictions, suspensions, revocations, disqualifications or refusals for purposes of sentencing a person, suspending or revoking a person's operating privilege, disqualifying a person from operating a commercial motor vehicle or determining eligibility for an occupational license or authorization to operate certain vehicles.

Courts to Report Appeals; Stays. Provide that the Secretary of DOT may not disqualify a person from operating a commercial motor vehicle on the basis of a conviction if the Secretary receives from the court a certificate stating that an appeal from the conviction has been taken. Require the Secretary to automatically reinstate authorization to operate a commercial motor vehicle if the certificate is received after disqualification.

Require that, if the conviction has been affirmed on appeal or the appeal has been dropped, the Secretary must disqualify the person from operating a commercial motor vehicle on the same basis as if the appeal had not been taken. Require the period of disqualification to run from the date the conviction was affirmed or the appeal dropped, less any time the person was already disqualified prior to receipt of the court's certificate by the Secretary.

Provide that if a disqualification has been rescinded or withheld because of administrative action, an appeal, or a court order to reopen, stay or vacate a disqualification, and that disqualification is subsequently reimposed, the period of disqualification so reimposed must be reduced by the period of disqualification previously served.

If a person whose disqualification was stayed is convicted of an offense for which disqualification is mandatory, during the pendency of the appeal of the original conviction, the Secretary must disqualify the person from operating a commercial motor vehicle on account of the latter conviction, notwithstanding the appeal of either or both convictions.

Provide that a disqualification based on grounds other than those of the disqualification in question may still be considered. Require the court to forward to DOT any order reopening, vacating or staying a disqualification.

Under current law, these provisions apply only to appeals of suspension or revocation of operating privileges.

Driving While Ordered Out-of-Service. Extend the current prohibition on operating a commercial motor vehicle while ordered out-of-service for failing or refusing a test for intoxication while driving, operating or on duty time with respect to a commercial motor vehicle to include out-of-service orders under any state or federal law.

Prohibit the use of a refusal to accept or failure to receive an order of disqualification mailed to the person by DOT as a defense to the charge of driving after disqualification. Under current law, this prohibition applies only to orders and charges of revocation or suspension.

Amend Classification of Commercial Motor Vehicle. Prohibit a court, in cases where an alcohol-related offense involved the use of a commercial motor vehicle, from approving a prosecutor's application to amend the vehicle classification from a commercial motor vehicle to a noncommercial motor vehicle unless there is evidence in the record that the motor vehicle being operated by the defendant at the time of his or her arrest was not a commercial motor vehicle.

Assembly: Waive an operator of a commercial motor vehicle from commercial driver licensing requirements if that operator is a town official or is employed in highway winter maintenance work on a part-time basis by the town, the vehicle is owned or leased by the town and the vehicle is being used for the purpose of performing snow and ice control on a town highway. Provide that implementation of this waiver would not be contingent upon receiving permission from the federal government. Require DOT to promulgate administrative rules governing eligibility for this waiver.

Senate: Delete Assembly provision.

Legislature: Delete provision.

12. INTERSTATE 39 -- VEHICLE SIZE, WEIGHT AND LOAD LIMITATIONS

Governor: Provide that the following current law provisions would apply to vehicles on that portion of USH 51 between Wausau and the Interstate 90/94 interchange near Portage, upon its federal designation as Interstate 39: (a) exceptions to width limitations for farm tractors and loads of tie logs, tie slabs, veneer logs and hay in bales; (b) exceptions to weight limitations for vehicles transporting dairy supplies and products, certain forest products, scrap metal, septage and livestock; (c) seasonal operation of vehicles hauling certain forest products or abrasives or salt for highway winter maintenance; (d) permission for operators of vehicles transporting livestock to proceed to a destination within 15 miles of the point of apprehension for a violation of gross weight limitations without having to unload or reload; (e) the prohibition against requiring vehicles transporting certain forest products to proceed to a scale more than one mile away if the estimated weight of the vehicle does not exceed the lawful limit; (f) the issuance of annual or consecutive month industrial interplant permits for vehicles with loads exceeding 102 inches wide; and (g) the issuance of annual or consecutive month permits for vehicles transporting raw forest and agricultural products and scrap metal that exceed weight limitations. Under current law, these provisions do not apply to vehicles on highways designated as parts of the national system of interstate and defense highways.

Joint Finance: Specify that the federal designation of Interstate 39 would also apply to the portion of STH 78 between USH 51 and the Interstate 90/94 interchange near Portage. Remove exceptions to width limitations, as required under federal law.

Assembly: Provide that current law exceptions to width limitations for loads of tie logs, tie slabs and veneer logs would apply to vehicles on Interstate 39. Specify that this exception, and the exception

related to the issuance of industrial interplant permits for vehicles or loads of width exceeding 102 inches on Interstate 39, would apply only to the extent permitted by federal law.

Senate: Delete Assembly provision.

Legislature: Delete provision.

13. ELIMINATE STATUTORY REFERENCES TO THE OFFICE OF THE COMMISSIONER OF TRANSPORTATION

Governor: Delete obsolete references to the Office of the Commissioner of Transportation (OCT) relating to motor vehicle dealers and replace them with references to the Division of Hearings and Appeals in DOA. 1993 Act 16 eliminated OCT, effective January 1, 1994, and transferred all motor vehicle dealer hearings previously held before OCT to DOA.

Legislature: Delete provision.

14. HAZARDOUS MATERIAL TRANSPORTATION REGISTRATION FEES

	Jt. Finance (Chg. to Base)		Legislature (Chg. to JFC)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG-REV	- \$1,400,000		\$1,400,000		\$0	
SEG-Lapse	391,800		- 391,800		0	
PR	- \$227,200	- 2.00	\$227,200	2.00	\$0	0.00

Joint Finance: Repeal current law provisions that require the State Emergency Response Board (SERB) to establish, by rule, fees to be paid annually to DOT by persons who are required to file hazardous materials transportation registration statements with the U.S. Department of Transportation and related provisions regarding the basis for the amount of the fees and SERB's ability to establish exemptions from the fees.

Decrease estimated transportation fund revenues by \$700,000 annually. Delete \$113,600 PR and 2.0 PR positions annually and repeal DOT's hazardous materials transportation registration fee administration appropriation. Specify that the unencumbered balance of this appropriation on the effective date of the bill shall lapse to the transportation fund. Estimate the lapse at \$391,800.

Legislature: Delete provision.

15. FARM TRUCK REGISTRATION

Joint Finance: Require a farm truck registration applicant to certify to DOT that not less than \$6,000 in gross farm profits was earned in one of the previous two years, or is expected to be earned in the current year. Require that each application to DOT for a farm truck registration include the applicant's social security number. Prohibit DOT from releasing an applicant's social security number to members of the public.

Delete current law provisions that require the biennial registration period for farm trucks having a gross weight of 12,000 pounds or less to begin on March 1 of an even-numbered year and end on the last day of February of the next even-numbered year. Instead, require that registration plates for these farm trucks be issued for 24 consecutive calendar months and that the registration period for these farm trucks would end on the last day of the month on a monthly series system.

Specify that these provisions would be effective January 1, 1997.

Require DOR to add a line to the appropriate state income tax form for 1996 that would allow a taxpayer to indicate that at least \$6,000 in gross farm profits was earned.

Legislature: Delete provision.

16. TRANSFER OF JUNK VEHICLES

Assembly: Provide that an owner of a junk vehicle may not transfer interest in the vehicle, except to a licensed motor vehicle salvage dealer. Provide that no person, other than a licensed motor vehicle salvage dealer, may acquire an interest in a junk vehicle from the owner of the vehicle. Specify that these provisions would not apply to the sale, disposition or acquisition of a junk vehicle following procedures specified under current law for disposal of certain abandoned vehicles or vehicles subject to a lien for towing or storage. Provide that any person who violates these junk vehicle transfer provisions may be required to forfeit not more than \$1,000 for each violation.

Provide that the uniform traffic citation may be used for violations of motor vehicle salvage dealer licensing requirements and that the use of such citation would be deemed adequate to give the appropriate court jurisdiction over the person in violation.

Specify that these provisions would be effective on the first day of the fourth month after publication of the budget act.

Senate/Legislature: Delete provision.

17. THIRD-PARTY REGISTRATION, TITLING AND OTHER TRANSACTIONS

Assembly: Allow DOT to contract with any person for services related to processing applications for original or renewal registrations and certificates of title and furnishing abstracts of operating records or other operator or vehicle records. Prohibit DOT from compensating a contractor for such services.

Require a contract with a contractor to contain the following provisions: (a) the amount of fees, if any, that the contractor may charge a person for these services; (b) within seven business days after the completion of an application, the contractor shall process the application and submit any required fees and other documentation to DOT; (c) the contractor shall retain all records specified in the contract for a period of at least five years; and (d) DOT or its representative may, without any prior notice, conduct random inspections and audits of the contractor.

Provide that any restriction, prohibition or limitation on release by DOT of any information or record maintained by DOT would apply to the release of information by a contractor.

Senate/Legislature: Delete provision.

State Patrol

1. BUDGET REDUCTIONS [LFB Paper 932]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov.)		Legislature (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$1,908,400	- 2.00	-\$1,908,400	0.00	\$3,816,800	2.00	\$0	0.00

Governor: Delete \$954,200 and 2.0 positions annually from supplies and services in the Division's base budget.

Joint Finance: Reduce the Division's base budget by an additional \$954,200 annually to provide total reductions equal to 5% in each year of the biennium. Require DOT to submit a request for any reallocation of the reductions among its SEG appropriations for state operations to the Joint Committee on Finance by September 1, 1995, for its approval under a similar passive review process as s. 16.505/16.515.

Legislature: Delete provision.

2. ADMINISTRATIVE AND FLEET-RELATED FUNDING REDUCTIONS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	- \$1,060,600	\$1,060,600	\$0

Governor: Delete \$619,100 in 1995-96 and \$441,500 in 1996-97 as follows: (a) administrative and management inservice training (-\$20,100 annually); (b) office equipment (-\$5,000 annually); (c) overtime associated with court appearances (-\$38,300 annually); (d) fleet costs (-\$548,800 in 1995-96 and -\$370,800 in 1996-97); and (e) fleet expenditures associated with the salvage vehicle inspection program (-\$6,900 in 1995-96 and -\$7,300 in 1996-97).

Legislature: Delete provision.

3. REFUND OF EXPENDITURES

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG-REV	\$761,400	- \$761,400	\$0
SEG	\$761,400	- \$761,400	\$0

Governor: Provide \$380,700 annually and increase estimated transportation fund revenues by \$380,700 annually to reflect a 1993 Act 16 modification to the authority of agencies to utilize refund of expenditures. Under Act 16 and DOA policy, certain revenues may no longer be treated as a refund of expenditures, but must instead be deposited as unappropriated receipts. There would be no effective expansion of the Division's base budget or net effect on the transportation fund as a result of this provision.

Legislature: Delete provision.

4. STATE PATROL CADET CLASS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$383,400	- \$383,400	\$0

Governor: Provide \$191,700 annually for costs related to conducting the cadet class. Currently, \$111,500 annually is provided to fund cadet class salaries and fringe benefits. The remaining portion of funding for these costs is generated by maintaining vacancies in sworn officer positions.

Legislature: Delete provision.

5. COMMUNICATION EQUIPMENT

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$176,400	- \$176,400	\$0

Governor: Provide \$176,400 in 1996-97 for the continued conversion of statewide radio communication system equipment from analog to digital microwave, as mandated by DOA. Under 1993 Act 16, one-time funding of \$201,500 was provided in 1994-95 for this purpose. This funding was removed from DOT's base as part of a standard budget adjustment. This provision would establish an ongoing permanent property base for communication equipment.

Legislature: Delete provision.

6. PUBLIC SAFETY RADIO MANAGEMENT PROGRAM [LFB Paper 929]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov.)	Legislature (Chg. to JFC)	Net Change
SEG	\$103,600	- \$104,500	\$900	\$0
PR	0	- 64,600	64,600	0
Total	\$103,600	- \$169,100	\$65,500	\$0

Governor: Provide \$51,800 annually for the statewide public safety radio management program. This program was established under 1993 Act 16 to allow DOT to provide statewide tower site management, frequency management, database administration and planning services.

Joint Finance: Decrease funding by \$76,000 SEG in 1995-96 and \$28,500 SEG in 1996-97 as follows: (a) -\$51,800 in 1995-96 and -\$19,400 in 1996-97 from the recommended increase for the Division of State Patrol; and (b) -\$24,200 in 1995-96 and -\$9,100 in 1996-97 from the base budget of the Division of Highways. Require both DOT and DNR to transfer \$47,500 in 1996-97 to the PR appropriation for the public safety radio management program. Reduce the PR appropriation by \$32,300 annually to reestimate the appropriation at \$143,600 annually. Authorize DOT to transfer funding to the public safety radio management PR appropriation from its SEG appropriations.

Legislature: Delete provision.

Other Divisions

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 931]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Legislature (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
FED	-\$2,708,200	1.00	\$49,800	0.00	\$2,658,400	- 1.00	\$0	0.00
PR	19,800	0.00	0	0.00	- 19,800	0.00	0	0.00
SEG	2,503,200	- 1.00	319,400	0.00	- 2,822,600	1.00	0	0.00
SEG-S	114,200	0.00	0	0.00	- 114,200	0.00	0	0.00
Total	-\$71,000	0.00	\$369,200	0.00	-\$298,200	0.00	\$0	0.00

Governor: Adjust the base budget annually for: (a) turnover reduction (-\$3,288,800 SEG and -\$900 FED); (b) removal of noncontinuing funding and positions (-\$1,373,800 SEG and -\$1,648,100 FED and -1.0 SEG position); (c) full funding of continuing position salaries and fringe benefits (-\$599,300 SEG, \$179,200 FED, \$35,900 SEG-S and \$9,600 PR and 1.0 FED position); (d) full funding of financial services charges (\$26,200 SEG); (e) risk management costs (\$252,300 SEG); (f) overtime (\$4,008,600 SEG, \$33,700 FED and \$12,600 SEG-S); (g) night and weekend differentials (\$235,200 SEG, \$5,000 FED and \$200 SEG-S); (h) fifth week of vacation as cash (\$255,400 SEG, \$1,300 FED and \$1,200 SEG-S); (i) full funding of 1994-95 delayed pay adjustments (\$698,300 SEG, \$14,100 FED, \$7,200 SEG-S and \$300 PR); and (j) full funding of late pay adjustments (\$1,037,500 SEG and \$61,600 FED).

Joint Finance: Increase funding by an additional \$159,700 SEG and \$24,900 FED annually for full funding of late pay adjustments for the Division of State Patrol.

Legislature: Delete provision.

2. BUDGET REDUCTIONS [LFB Paper 932]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov.)</u>		<u>Assembly</u> <u>(Chg. to JFC)</u>		<u>Senate</u> <u>(Chg. to Assem.)</u>		<u>Legislature</u> <u>(Chg. to Sen.)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$2,064,400	- 5.00	-\$2,064,400	0.00	-\$2,064,400	0.00	\$2,064,400	0.00	\$4,128,800	5.00	\$0	0.00

Governor: Delete \$1,032,200 and 5.0 positions annually from supplies and services in the base budgets of the following divisions and offices: (a) Business Management (-\$847,600 and -3.0 positions); (b) Executive (-\$97,500 and -1.0 position); and (c) Planning (-\$87,100 and -1.0 position).

Joint Finance: Reduce the base budgets of the following divisions and offices by an additional \$1,032,200 annually to provide total reductions equal to 5% in each year of the biennium: (a) Business Management (-\$847,600); (b) Executive (-\$97,500); and (c) Planning (-\$87,100). Require DOT to submit a request for any reallocation of the reductions among its SEG appropriations for state operations to the Joint Committee on Finance by September 1, 1995, for its approval under a similar passive review process as s. 16.505/16.515.

Assembly: Reduce the base budgets of the following divisions and offices by an additional \$2,064,400 in 1996-97 to provide total reductions equal to 5% in 1995-96 and 10% in 1996-97: (a) Business Management (-\$1,695,200); (b) Executive (-\$195,000); and (c) Planning (-\$174,200).

Senate: Restore funding deleted by the Assembly.

Legislature: Delete provision.

3. REFUND OF EXPENDITURES

	<u>Governor</u> <u>(Chg. to Base)</u>	<u>Legislature</u> <u>(Chg. to Gov.)</u>	<u>Net Change</u>
SEG-REV	\$1,740,000	-\$1,740,000	\$0
SEG-S	\$1,740,000	-\$1,740,000	\$0

Governor: Provide \$870,000 SEG-S annually in DOT's fleet service center and increase estimated fleet service center revenues by \$870,000 annually to reflect a 1993 Act 16 modification to the authority of agencies to utilize refund of expenditures. Under Act 16 and DOA policy, certain revenues may no longer be treated as a refund of expenditures, but must instead be deposited as unappropriated receipts. There would be no effective expansion of the service center's base budget or net effect on the transportation fund as a result of this provision.

Legislature: Delete provision.

4. DIVISION OF BUSINESS MANAGEMENT -- AUDIO-VISUAL AND GRAPHICS SERVICE CENTER

	Governor (Chg. to Base)		Legislature (Chg. to Gov.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$0	8.00	\$0	- 8.00	\$0	0.00
SEG-S	- 1,189,800	- 8.00	1,189,800	8.00	0	0.00
Total	- \$1,189,800	0.00	\$1,189,800	0.00	\$0	0.00

Governor: Delete \$594,900 SEG-S annually related to dissolving the audio-visual and graphics service center. Convert 8.0 SEG-S positions to SEG positions for the continued provision of audio-visual and graphics services. Transfer \$175,100 SEG annually to the Division of Business Management from the following divisions: (a) Highways (\$86,000); (b) Motor Vehicles (\$71,000); (c) State Patrol (\$12,200); and (d) Transportation Assistance (\$5,900). Under the current service center arrangement, these services are funded through fees paid by user divisions and offices. Under this provision, these services would be provided to user divisions and offices without charge.

Legislature: Delete provision.

5. FACILITIES COST

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$991,400	- \$991,400	\$0

Governor: Provide \$571,700 in 1995-96 and \$419,700 in 1996-97 for the construction, operation and maintenance of DOT owned and rented facilities as follows: (a) minor building projects, those which cost between \$100,000 and \$250,000 (\$382,600 in 1995-96 and \$248,600 in 1996-97); (b) design reports related to future major facility construction projects (\$111,700 in 1995-96 and \$36,000 in 1996-97); (c) emergency and scheduled maintenance and contract services inflation (\$26,300 in 1995-96 and \$54,400 in 1996-97); (d) projected increased utility and contract services costs associated with facilities expected to be completed during the 1995-97 biennium (\$27,100 in 1995-96 and \$55,700 in 1996-97); and (e) rent costs for additional Division of Motor Vehicles space (\$24,000 in 1995-96 and \$25,000 in 1996-97).

Legislature: Delete provision.

6. DATA PROCESSING REESTIMATE

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	- \$979,200	\$979,200	\$0

Governor: Delete \$817,100 in 1995-96 and \$162,100 in 1996-97 to reflect estimated data processing expenses in the following divisions and offices: (a) Executive (-\$8,000 in 1995-96 and -\$12,000 in 1996-97); (b) Highways (-\$123,500 in 1995-96 and -\$45,500 in 1996-97); (c) Planning (-\$51,900 in 1995-96 and -\$55,600 in 1996-97); (d) Business Management (-\$72,300 in 1995-96 and -\$149,100 in 1996-97); (e) Motor Vehicles (-\$518,800 in 1995-96 and \$150,400 in 1996-97); (f) State Patrol (-\$65,700 in 1995-96 and -\$71,100 in 1996-97); (g) Public Affairs (\$21,500 annually); and (h) Transportation Assistance (\$1,600 in 1995-96 and -\$700 in 1996-97). These estimates reflect costs to continue current programming levels, a five percent projected rate reduction and workload reestimates.

Legislature: Delete provision.

7. DIVISION OF PLANNING -- FEDERAL GRANT FUNDING ADJUSTMENT

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
FED	- \$480,000	\$480,000	\$0
SEG	- 120,000	120,000	0
Total	- \$600,000	\$600,000	\$0

Governor: Delete \$60,000 SEG and \$240,000 FED annually related to a federal congestion mitigation and air quality (CMAQ) improvement grant that was not approved by the federal government. Funding for the state match to this anticipated grant was provided under 1993 Act 16.

Legislature: Delete provision.

8. UTILITY REESTIMATE

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$325,800	- \$325,800	\$0

Governor: Provide \$146,800 in 1995-96 and \$179,000 in 1996-97 for reestimated utility costs. The increase reflects: (a) funding a base year deficit for utility expenses (\$121,100 annually); and (b) funding

projected inflationary increases of 2.7% in 1995-96 and 3.3% in 1996-97 (\$25,700 in 1995-96 and \$57,900 in 1996-97).

Legislature: Delete provision.

9. DIVISION OF BUSINESS MANAGEMENT -- DATA MANAGEMENT ADJUSTMENTS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	-\$184,800	\$184,800	\$0

Governor: Provide \$28,900 in 1995-96 and delete \$213,700 in 1996-97 for the following data management adjustments: (a) -\$270,400 in 1996-97 to reflect the anticipated completion, in 1995-96, of an ongoing project to automate motor fuel tax recordkeeping; and (b) \$28,900 in 1995-96 and \$56,700 in 1996-97 for the development of data warehousing technology.

Legislature: Delete provision.

10. FUEL OIL TANK TIGHTNESS TESTING AND REMEDIATION

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$183,200	-\$183,200	\$0

Governor: Provide \$40,000 in 1995-96 and \$143,200 in 1996-97 to address conditions related to fuel oil tanks as follows: (a) \$83,200 in 1996-97 for tightness testing and potential removal of 11 underground fuel oil tanks; and (b) \$40,000 in 1995-96 and \$60,000 in 1996-97 for environmental cleanup costs related to a known contaminated site on Military Avenue in Green Bay.

Legislature: Delete provision.

11. DIVISION OF BUSINESS MANAGEMENT -- MISCELLANEOUS REDUCTIONS

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	-\$134,800	\$134,800	\$0

Governor: Delete \$67,400 annually as follows: (a) transfer the mail delivery service for west Madison state agencies to DOA (-\$35,400); (b) eliminate printing of the DOT telephone book (-\$9,000); and (c) eliminate fertilization of lawns at Division of Motor Vehicles customer service centers (-\$23,000).

Legislature: Delete provision.

12. DIVISION OF BUSINESS MANAGEMENT -- BOILER AND MACHINERY INSURANCE

	Governor (Chg. to Base)	Legislature (Chg. to Gov.)	Net Change
SEG	\$5,500	- \$5,500	\$0

Governor: Provide \$2,500 in 1995-96 and \$3,000 in 1996-97 to fully fund projected boiler and machinery insurance costs at DOT facilities.

Legislature: Delete provision.

13. TELECOMMUNICATIONS AND POSTAGE BUDGET DECENTRALIZATION

Governor: Transfer \$2,202,000 SEG annually from the Division of Business Management to the Divisions of Transportation Assistance (\$79,800), Highways (\$1,000,100), Motor Vehicles (\$688,700) and State Patrol (\$433,400) for decentralization of the Department's telecommunications and postage budget. Currently, these costs are centrally managed by the Division of Business Management.

Legislature: Delete provision.

14. AUTOMATION SERVICE CENTER

Governor: Reallocate \$206,000 SEG-S annually from supplies and services to limited-term employee salaries (\$150,700) and fringe benefits (\$55,300) in the Department's automation service center for the provision of data processing and computer equipment management services.

Legislature: Delete provision.

15. RENT TRANSFERS

Governor: Transfer \$41,500 SEG in 1995-96 and \$64,900 SEG in 1996-97 to the Division of Business Management for rent costs as follows: (a) \$22,900 in 1995-96 and \$46,300 in 1996-97 from the

Division of Motor Vehicles to reflect the relocation of service centers in leased facilities in Menomonie, Platteville, Port Washington, Rice Lake and Whitehall; and (b) \$18,600 annually from the Division of Highways to reflect a recent reorganization of the district office in Waukesha.

Legislature: Delete provision.

16. MOTORCYCLE RIDER SAFETY COURSE

Governor: Reallocate \$50,000 SEG annually from alcohol safety awareness activities to the motorcycle rider safety program to meet increasing demands for services provided by this program.

Allow demerit point reductions to occur more than once per person if the person satisfactorily completes an approved motorcycle rider course. Under current law, a person is limited to one reduction of up to three points for completing this course. DOT administrative rules for other point reduction courses limit their use to once in a five-year period. Under this provision, these rules would also apply to motorcycle rider course point reductions.

Legislature: Delete provision.

17. POSITION VACANCIES [LFB Paper 933]

	Jt. Finance (Chg. to Base)		Assembly (Chg. to JFC)		Senate (Chg. to Assem.)		Legislature (Chg. to Sen.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$1,989,800	- 22.301	-\$4,948,800	- 26.133	\$4,948,800	26.133	\$1,989,800	22.301	\$0	0.00
FED	0	- 15.724	0	- 13.412	0	13.412	0	15.724	0	0.00
Total	-\$1,989,800	- 38.025	-\$4,948,800	- 39.545	\$4,948,800	39.545	\$1,989,800	38.025	\$0	0.00

Joint Finance: Delete \$994,900 SEG and 22.301 SEG positions and 15.724 FED positions annually as follows: (a) -\$693,500 SEG, -8.875 SEG positions and -4.65 FED positions for salary and fringe benefits for nonessential (under the DOA-imposed hiring freeze guidelines) positions that have been vacant 12 months or longer; and (b) -\$301,400 SEG, -13.426 SEG positions and -11.074 FED positions for fringe benefits for essential (under the DOA-imposed hiring freeze guidelines) positions that have been vacant 12 months or longer. Require DOT to submit a request for any reallocation of the reductions among its SEG appropriations for state operations to the Joint Committee on Finance by September 1, 1995, for its approval under a similar passive review process as s. 16.505/16.515.

The position and funding reductions by Division or Office follow:

Division/Office	Nonessential Category			Essential Category		
	1996-97 Positions		1995-97 Funding	1996-97 Positions		1995-97 Funding
	Change to Bill		Change to Bill	Change to Bill		Change to Bill
	SEG	FED	SEG	SEG	FED	SEG
Motor Vehicles	-3.025	0.000	-\$250,400	0.000	0.000	\$0
Highways	-1.350	-4.650	-663,800	-12.426	-11.074	-576,600
Planning & Budget	-1.000	0.000	-97,400	0.000	0.000	0
State Patrol	-1.500	0.000	-131,200	0.000	0.000	0
Transportation Assistance	-2.000	0.000	-244,200	0.000	0.000	0
Executive	0.000	0.000	0	-1.000	0.000	-26,200
Total	-8.875	-4.650	-\$1,387,000	-13.426	-11.074	-\$602,800

Assembly: Delete an additional \$2,474,400 SEG, 26.133 SEG positions and 13.412 FED positions annually as follows: (a) -\$821,500 SEG for salary for essential (under the DOA-imposed hiring freeze guidelines) positions that have been vacant 12 months or longer; and (b) -\$1,652,900 SEG, -26.133 SEG positions and -13.412 FED positions for salary and fringe benefits for nonessential (under the DOA-imposed hiring freeze guidelines) positions that have been vacant for seven to 11 months.

The additional position and funding reductions by Division or Office follow:

Division/Office	12 Months or Longer			Seven to 11 Months		
	Essential Category			Nonessential Category		
	1996-97 Positions		1995-97 Funding	1996-97 Positions		1995-97 Funding
	Change to JFC		Change to JFC	Change to JFC		Change to JFC
	SEG	FED	SEG	SEG	FED	SEG
Business Management	0.000	0.000	\$0	-2.000	0.000	-\$161,400
Motor Vehicles	0.000	0.000	0	-9.795	0.000	-766,400
Highways	0.000	0.000	-1,571,800	-11.338	-13.412	-2,116,000
Planning & Budget	0.000	0.000	0	-1.000	0.000	-83,200
State Patrol	0.000	0.000	0	-2.000	0.000	-178,800
Executive	0.000	0.000	-71,200	0.000	0.000	0
Total	0.000	0.000	-\$1,643,000	-26.133	-13.412	-\$3,305,800

Senate: Delete Assembly provision.

Legislature: Delete provision.

18. MULTIMODAL TRANSPORTATION STUDIES [LFB Paper 934]

	Jt. Finance (Chg. to Base)	Assembly (Chg. to JFC)	Senate (Chg. to Assem.)	Legislature (Chg. to Sen.)	Net Change
SEG	-\$500,000	-\$500,000	\$500,000	\$500,000	\$0

Joint Finance: Delete \$250,000 annually for multimodal transportation studies. Earmark \$250,000 annually for a study of high speed rail in the southern corridor between Wisconsin and Minnesota from the multimodal transportation studies appropriation. Specify that DOT may not expend these funds for this purpose unless an equal funding match is provided by Minnesota and the federal government provides funding equal to the sum of the amounts provided by Wisconsin and Minnesota. These actions would establish the multimodal transportation studies appropriation at \$750,000 annually, with \$500,000 annually remaining after the earmark for the high speed rail study.

Specify that DOT may not expend any funds for the study of urban rail transit systems, including light rail. Require DOT to submit a report to the Joint Committee on Finance by August 30, 1995, identifying any funds that DOT had intended to spend for this purpose. Allow the Committee to transfer these funds to the appropriations for mass transit operating assistance.

Assembly: Delete an additional \$250,000 annually for multimodal transportation studies. This action would establish the multimodal transportation studies appropriation at \$500,000 annually, with \$250,000 annually remaining after the earmark for the high speed rail study.

Senate: Restore funding deleted by the Assembly. Modify the provisions that would prohibit DOT from expending any funds for the study of urban rail transit systems (including light rail) to instead prohibit DOT from encumbering any funds for this purpose. This change would allow DOT to expend those funds it has already encumbered for current studies.

Legislature: Delete provision.

19. TELEVISION/VIDEO SERVICES

	Assembly (Chg. to Base)		Senate/Leg. (Chg. to Assem.)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$208,000	- 1.50	\$208,000	1.50	\$0	0.00

Assembly: Delete \$104,000 and 1.5 position annually for television/video production services. Require DOT to use other publicly-owned television/video production facilities to the maximum extent possible before contracting with any private entity for these services.

Senate/Legislature: Delete provision.

20. EXECUTIVE ASSISTANT

	<u>Jt. Finance</u> <u>(Chg. to Base)</u>		<u>Senate</u> <u>(Chg. to JFC)</u>		<u>Legislature</u> <u>(Chg. to Sen.)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$195,600	- 1.00	\$0	1.00	\$195,600	0.00	\$0	0.00

Joint Finance: Delete \$97,800 and 1.0 position annually to delete salary and fringe benefit funding for DOT's executive assistant position. Repeal the statutory provisions authorizing the appointment of agency executive assistants.

Senate: Restore 1.0 position annually (but not associated funding) and the statutory provisions authorizing the appointment of agency executive assistants. Funding for the position would not be restored.

Legislature: Delete provision.